

Joint Statement from 2012 NAFTA Commission Meeting

Washington, DC – Ambassador Ron Kirk, United States Trade Representative; the Honorable Edward Fast, Canada's Minister of International Trade; and Bruno Ferrari, Mexico's Secretary of the Economy, are pleased to release the following Joint Statement, which outlines the overall results of the April 3, 2012 meeting of the NAFTA Free Trade Commission (FTC), in Washington, DC.

Our meeting today follows the North American Leaders' Summit, where our Leaders agreed that "[b]road-based, sustainable economic growth and job creation remains our top priority." Since its entry into force in 1994, the North American Free Trade Agreement (NAFTA) has contributed to increased trade and investment between us and to greater economic competitiveness in each country. From 1993 to 2011, trade among the NAFTA countries has more than tripled, from \$288 billion to \$1 trillion. This historic figure underscores the daily \$2.7 billion trade between our countries. As we share in the NAFTA's ongoing benefits, today, we agree on actions to expand trade and investment, reduce administrative costs, and thereby further strengthen North American competitiveness.

Yesterday our three Leaders agreed to "introduce timely and tangible regulatory measures to enable innovation and growth while ensuring high standards of public health, safety, and environmental protection." The United States, Mexico and Canada engage in regulatory cooperation through two bilateral mechanisms. We asked officials to continue to contribute meaningfully to both the bilateral and trilateral initiatives, with a view towards facilitating trade and reducing unnecessary administrative costs.

We also asked the NAFTA Committee for Standards-Related Measures (CSRSM) to continue its work to enhance cooperation on the development, application and enforcement of standards-related measures, and to provide a forum for the Parties to consult on issues relating to standards-related measures. We also asked the CSRSM and other relevant NAFTA committees to explore additional opportunities for trilateral cooperation in multilateral fora.

At our last meeting we reaffirmed our commitment to enter into bilateral mutual recognition agreements (MRAs) that establish procedures for each country to accept test results from laboratories or testing facilities in the territory of another NAFTA country, for use in the conformity assessment of telecommunications equipment. In November 2011, Canada and Mexico signed such an MRA. The United States and Mexico signed a separate agreement in May 2011. The United States and Canada have had mutual recognition since 2003 under the APEC-TEL MRA. These MRAs will allow a manufacturer to test a product only once and then have the test results accepted in other NAFTA countries. We reiterate our commitment to the respective confidence-building work programs and look forward to the full implementation of the 2011 MRAs immediately following the conclusion of the confidence-building period.

The FTC acknowledges the continuous work of the North American Steel Trade Committee (NASTC) in drawing attention to issues of importance to the manufacturing sector and promoting cooperation between North American industry and governments in areas of mutual interest. For instance, in June 2011 the NASTC hosted an Infrastructure Round Table that brought together North American infrastructure experts to explore the commercial importance of infrastructure in North America and raise awareness of infrastructure needs, challenges and opportunities going forward. Furthermore, NASTC has helped foster coordination between the North American governments in their efforts to increase the transparency and accountability of the international trade regime, through international forums such as the WTO and OECD.

We are pleased to note that the Working Group on Rules of Origin (WGRO) has reached agreement on a fourth set of changes to the NAFTA rules of origin that will further facilitate the free trade among our countries. Annual trilateral trade in these goods is approximately \$135 billion. We will each undertake our respective domestic procedures for consultation in

order to implement these changes as quickly as possible. We have instructed the WGRO to begin work on a fifth set of changes to the NAFTA rules of origin, including for areas of interest that were not covered under this fourth set of changes.

Since all of the tariff cuts under NAFTA were implemented either on time or ahead of schedule, we have developed additional new and creative ways to increase trade. We agreed to pursue closer sectoral cooperation to enhance trade in chemicals, beginning with exploring work on rules of origin, customs procedures and classification. In this regard, we asked the relevant NAFTA working groups and committees to address issues in these areas and seek means to reduce unnecessary differences in regulations and procedures with a view towards reducing transaction costs and facilitating trade.

In 2009, we established an ad hoc working group composed of senior trade officials to explore areas of potential collaboration between the FTC and the North American Commission for Environmental Cooperation (CEC). Today we approved that group's work plan to ensure ongoing cooperation and communication between the FTC and the CEC to involve Joint Ad Hoc Working Group participation in CEC project planning and implementation; to foster the environmental goals of the NAFTA Work Plan and its committees, and to undertake initiatives that address linkages between trade and the environment, such as exchanging information on the trade flows and cross-border supply chains in used electronics within North America; and exploring opportunities to facilitate the efforts of partner transport and environmental departments in the United States, Mexico and Canada to green transportation at the borders.

We will continue to support efforts by our designated senior trade officials to improve coordination between the FTC and the Commission for Labor Cooperation (CLC), and more broadly, our labor and trade ministries. We also support on-going discussions among the CLC Council Designees to improve the functioning of the NAFTA labor side agreement to develop a robust plan of cooperative activities on labor matters of mutual interest. We take note of the collaboration among the three labor ministries as part of the G20 Labor and Employment Ministerial hosted this year by Mexico.

Our three countries have cooperated closely to more effectively combat the challenges of IPR infringement, in the context of piracy and counterfeiting. In 2007 we joined together with other countries to launch negotiations of the Anti-Counterfeiting Trade Agreement (ACTA). The United States, Canada and six other countries signed the ACTA in October 2011. Mexico will continue to work on a comprehensive reform to its legal system to achieve the high standards pursued under the ACTA.

We had a robust discussion on the experiences of small and medium sized enterprises (SMEs) in North America. Small Business Development Centers (SBDCs) in the United States and Mexico are already linking SMEs for trade opportunities through an interactive platform, SBDCGlobal.com. Following on the 2011 FTC, Canada began exploring the potential to join the SBDCGlobal.com network. In the coming year, Canada will engage stakeholders in consultations regarding the possibility of joining the SBDCGlobal network.

One of the main challenges that SMEs face is access to information. To address this, we released "The NAFTA Certificate of Origin: Frequently Asked Questions," a publication designed to answer basic questions about completing that form. This document will be available on each of our websites. As instructed by the Commission last year, the NAFTA SME task force was created to propose several action items that would help SMEs reap the benefits of our integration and the development of regional supply chains. The Commission instructed officials to identify additional means, including the production of informational materials and existing platforms such as Mexico's upcoming SME Week, to meet the distinct requirements of SMEs to allow them to take advantage of export opportunities.

We reaffirm our commitment to the effective operation of the NAFTA's Dispute Settlement provisions.

The Trans-Pacific Partnership (TPP) provides an opportunity to further deepen our trade relationship and create jobs. The United States welcomes Canada's and Mexico's interest in joining TPP as ambitious partners.

Reiterating our concern with recent expressions of trade protectionism in some parts of the world, which can affect trade flows and have an impact on growth and employment, we look forward to the outcomes in this regard of the G20 Trade

Ministerial conference in Puerto Vallarta, Mexico, the 19th and 20th of April.

We acknowledge the work of our three national sections of the NAFTA Secretariat in developing a pilot system of electronic filing and archival of documents in Chapter 19 proceedings. We encourage the Chapter 19 Working Group to continue with testing the pilot project and report its results to the FTC. We will ask our officials to explore the possibility of whether any clarifications with respect to Chapter 11 may be appropriate and report back to the FTC.

We recognize the importance of the NAFTA committees and working groups as they carry out the NAFTA Work Plan and sustain our working relationship. We encourage our officials to ensure a strong working relationship that will allow us to address effectively issues of mutual interest.

Finally, we agreed that Canada will host the next NAFTA Commission meeting.