

FTAA - TRADE NEGOTIATIONS COMMITTEE

GUIDANCE AND INSTRUCTIONS TO THE FTAA ENTITIES

TNC GUIDANCE ON TEXT

1. To reduce duplications within the text of the agreement and to avoid inconsistent treatment of issues, the TNC decided that the NGMA shall have responsibility for addressing cross-cutting issues related to the work of the NGMA and the NGAG. Therefore, the TNC instructs the NGMA to address cross-cutting issues, including national treatment, the relationship of the FTAA with other trade agreements in the hemisphere, the tariff elimination program, the acceleration of tariff elimination, export taxes and other levies, non-tariff measures, and safeguards, recognizing that any resulting provisions will apply to all goods, both industrial and agricultural, with the understanding that the NGAG will continue its work on all topics specifically related to agricultural products.
2. The TNC instructs the NGSV to continue work on text on specialized services areas where proposals exist or are presented in the future without detriment to the work mandated on general disciplines of the Chapter on Services. Differences exist regarding the location of some specialized provisions; these differences shall be resolved at a later date and should not impede the continuation of this work. Furthermore, the TNC reaffirms that the Chair of the NGSV, in consultation with the NGSV, should organize the Negotiating Group's work on such specialized areas, in a manner that delegations may count on technical support as each delegation deems appropriate.
3. Regarding addressing the cross-cutting issue of movement of natural persons (mode 4) within the negotiations, the TNC instructs the NGSV to address the issue and to coordinate with other negotiating groups as appropriate.
4. Regarding consideration of the interaction between trade and competition policy in the negotiations, the TNC invites delegations in the NGCP and the NGADCV to make specific text proposals on this issue. Furthermore, the TNC invites delegations which have conducted studies on the interaction between trade and competition policy to share those studies with other delegations in the NGCP and NGADCV for their information.
5. To ensure that issues presented within the negotiations are afforded thorough discussion and consideration, the TNC urges delegations to present submissions of negotiating proposals in a timely manner, particularly those involving new issues.
6. Recognizing that as negotiating groups develop text they may want to incorporate into the FTAA Agreement certain provisions of other international agreements, the TNC provides the document "Incorporation by Reference: Recommendations and Report by the Negotiating Group on Dispute Settlement (NGDS) to the Trade Negotiations Committee (TNC)" for drafting guidance. The TNC affirms that it is the prerogative of the Negotiating Groups to decide whether they wish to incorporate by reference. If they do, the drafting devices in the document should be used to establish consistency across the chapters and to address the questions contained therein. The TNC instructs the NGDS to consider further whether any additional recommendations need to be made to provide appropriate transparency when drafters use incorporation by reference to include future changes or additions to incorporated rules.
7. The TNC reminds Negotiating Groups that revised draft text must be submitted to the TNC no later than September 25, 2003, as mandated in the Quito Declaration, in preparation for the Miami Ministerial.

TNC GUIDANCE ON INSTITUTIONAL ISSUES

8. The TNC approved the template for draft chapters as proposed by the TCI, and instructs the Negotiating Group Chairs to apply the template to the draft texts that have been developed by their respective groups, seeking assistance from the Tripartite Committee (TPC) if needed. The Chairs are to submit the newly formatted chapters to their respective Negotiating Groups for review at their next meeting.
9. Regarding the document “Preliminary Structure of the FTAA Agreement” presented by the TCI, the TNC notes that the document is evolving and is not definitive or adopted by the TNC. However, the TNC delegations and Negotiating Groups are invited to provide comments, including suggestions to modify it, to the TCI Chair as soon as possible before the next meeting of the TCI. The TCI shall present a revised proposal to the TNC at its meeting in Port of Spain.
10. The TNC instructs the TCI to keep within its work plan the document “Institutional Issues” and to develop it further, as appropriate.
11. The TNC delegations agreed to provide to the TNC Co-Chairs by August 20, 2003 input on elements for the evaluation of the candidate sites for the FTAA Secretariat. The Co-Chairs will prepare draft elements for consideration by the TNC at its next meeting. The TNC agreed that cities seeking to be considered for the permanent site of the FTAA Secretariat should notify the Co-Chairs before November 20, 2003.

TNC GUIDANCE ON MARKET ACCESS NEGOTIATIONS

12. The TNC requests delegations to submit to the Chairs of the NGMA and the NGAG by August 5, 2003 the following information regarding initial market access offers for goods:
 - The percentage of trade (by value) with hemispheric partners in each of the product baskets (A, B, C, and D), as well as for products not included in any of the baskets;
 - The percentage of tariff lines represented by products offered in each of the product baskets (A, B, C, and D), as well as for products not included in any of the baskets;
 - The percentage of trade (by value) with hemispheric partners in each of the product baskets (A, B, C, and D) that is subject to tariff-rate quotas;
 - The percentage of tariff lines in each product basket (A, B, C, and D) that are subject to tariff-rate quotas.

Data presented shall differentiate between agricultural products and non-agricultural products. The NGMA and the NGAG Chairs will coordinate the development of any guidance on format that may be required to ensure uniformity of information. The Chairs are also instructed to forward this data to the TNC Co-Chairs no later than August 29, 2003.

13. The TNC delegations expressed concern that some countries have not yet fulfilled the instruction, as provided by the Quito Declaration, to submit initial offers in the areas of services, investment, and government procurement. The TNC again urges delegations that have yet to present initial offers in the respective Negotiating Groups to exercise their best endeavor to do so as soon as possible. Moreover, the TNC expressed concern that some offers for market access for goods do not fulfill the guidelines established in FTAA.TNC/20/Rev.1: the entire tariff universe shall be subject to negotiation; distribution of the offers into four phases; and significant offers for immediate tariff elimination. The TNC instructs the Chairs of the NGIN and the NGSV each to prepare proposals for submission to the TNC on elements that could be used to conduct an assessment of investment and services offers, at an appropriate time.

TNC GUIDANCE TO THE NEGOTIATING GROUP ON AGRICULTURE

14. The TNC expressed concern that the NGAG has not yet been able to fulfill the instructions provided in FTAA.TNC/22. The TNC urges delegations to adopt the decisions necessary to enable the NGAG to intensify its discussions on all issues on its agenda, in particular those related to export subsidies and to all the other practices that distort trade in agricultural products, including those that have an equivalent effect to agricultural export subsidies, without any exceptions and without prejudging the outcome, in accordance with the mandates of Buenos Aires and Quito Ministerial Declarations.

TNC GUIDANCE ON PREPARATION OF THE MIAMI MINISTERIAL DECLARATION AND OTHER REPORTS

15. The TNC established deadlines for submissions of Reports from FTAA entities to Ministers as provided in the document "Reports to Ministers".
16. The TNC Co-Chairs provided draft elements for the Miami Ministerial Declaration. TNC delegations are invited to provide to the TNC Co-Chairs input describing the elements, proposing additional elements and/or providing text by July 29, 2003.

TNC GUIDANCE OF ISSUES RELATING TO THE CONSULTATIVE GROUP ON SMALLER ECONOMIES

Hemispheric Cooperation Program

17. The TNC directed the CGSE to convene its first meeting, hosted by the IDB, between countries seeking assistance under the Hemispheric Cooperation Program (HCP) and those appropriate development and financial officials, international financial institutions, international agencies to discuss financing and implementation of the HCP in Washington, D.C. on October 14 and 15, 2003. A meeting of the CGSE, hosted by the OAS, will follow on October 16 and 17, 2003.

Differences in Levels of Development and Size of Economies

18. The TNC instructs the CGSE to provide input to the TNC no later than September 12, 2003 for the TNC Report regarding the results of the progress achieved in relation to the treatment of differences in levels of development and size of economies in each of the Negotiating Groups.
19. The TNC requests the CGSE to advance in the preparation of the proposal contained in a document to the degree possible and without prejudice to that established in the above paragraphs, and that it report its progress to the TNC at its fifteenth meeting.

TNC GUIDANCE ON TRANSPARENCY AND PARTICIPATION OF CIVIL SOCIETY

20. The TNC approved instructions to the SOC contained in the document "Request for TNC Instructions" (FTAA.soc/20), which will expedite the release of information to the public and the posting to the official FTAA website of timely information regarding the SOC issue meetings with civil society, including the time/date/place of meetings, agenda, civil society submissions, and reports. Upcoming SOC issue meetings will be held in Santiago, Chile on September 23, 2003 on the topic of services; and in 2004 in the Dominican Republic on intellectual property rights and in the United States on industrial and consumer goods market access, with a special session on small and medium-sized business. The TNC also approved the derestriction of the agenda for the issue meeting in Santiago, Chile contained in the document "Second Thematic Meeting with the Participation of the Hemispheric Civil Society (FTAA.soc/19).

21. The TNC also created an expedited process for the SOC to post additional useful information to the public website, including all FTAA documents derestricted by the TNC, and urged continuing work to illustrate countries' consultations with civil society. The TNC will review this information at its Port of Spain meeting.
22. The TNC approved the posting of the website that was prepared by the SOC with the assistance of the Tripartite Committee and instructs that the new site is made public as soon as possible. The posting of the updated information contained under the title "About the FTAA" ("El Proceso ALCA") should be completed as soon as the SOC completes consultations under the non-objection procedure.

TNC GUIDANCE ON BUDGET AND ADMINISTRATIVE MATTERS

23. The TNC approved the changes in the Secretariat's structure as recommended by the ADM in document to enable the Secretariat to hire additional staff, subject to available funding. The TNC also approved Portuguese and French simultaneous interpretation for the Trinidad and Tobago TNC meeting to be provided by the Secretariat subject to available funding.

Derestriction Requests

24. To enable countries to effectively distribute information on projects for which they are seeking financing through the Hemispheric Cooperation Program, the TNC derestricted the document "Summary Matrix of Project Profiles" (FTAA.sme/105/Rev.2), as well as the underlying documents identified in the column entitled "Classification."

Chair and Vice-Chair Vacancies

25. The TNC approved selection of Dr. Ronald Ramkissoon from Trinidad and Tobago as the new Vice-Chair for the Consultative Group on Smaller Economies.