

**SESSION 98-01 OF THE COUNCIL
10 February 1998**

SUMMARY RECORD

The Council, represented by the Alternate Representatives, met in Montreal on 10 February 1998. Mr. José Luis Samaniego (Mexico) chaired the meeting and Mr. Avrim Lazar and Mr. William Nitze represented Canada and the United States, respectively. Mr. Victor Lichtinger, Executive Director of the CEC and Mr. Marc Paquin, Council Secretary participated on behalf of the Secretariat. Ms. Mary Simon, Chair of JPAC, as well as other government officials were also in attendance.

Item 1 Opening of the session and adoption of the agenda

The Chair opened the session. The agenda for the session was adopted (see Appendix A).

Item 2 Approval of summary records

The summary records for sessions 97-00, 97-03, 97-06, 97-07, 97-08, 97-09 and 97-10 (except item 2 of the latter) were approved by the Alternate Representatives.

The Alternate Representatives agreed that the summary records shall reflect the consensus agreed to at the sessions, as summarized at the meeting by the Chair or his (her) designee. The Alternate Representatives also agreed that the summary records shall be prepared by the Secretariat and circulated to the Parties within the time-frame agreed to at Session 97-10. The Alternate Representatives further agreed that the Chair may undertake to write the first draft.

Item 3 Statement by the Executive Director

The Executive Director reported progress on year-end financial matters. He also stressed the importance for the Parties to pay their first contribution for 1998 without further delay as the Secretariat will run out of cash flow by 1 April 1998. On the preparation of the annual program and budget, the Executive Director indicated that it would be very useful if the Parties were to detail, before the next adoption cycle begins, what information they need in order to be able to review effectively the proposed annual program and budget (Secretariat to present proposal of text). Regarding the 1998 program and budget, the Executive Director stressed the importance that the Alternate Representatives authorize the Secretariat to commence work on as many projects as possible, even if all the specifics are not totally agreed upon. He also indicated that the Secretariat has begun its preparation for the regular session of Council, to be held in Mérida on 25-26 June 1998. The Executive Director also stressed the importance of the conference call with the Council members to address the Environment, Economy and Trade program of the CEC. Finally, the Executive Director presented his ideas on a proposed symposium on sustainable agriculture and energy to be held in Mexico.

Item 4 Statement by the Chair of JPAC

The Chair of JPAC summarized the activities of the Committee since the last Alternate Representatives' session and indicated that JPAC would hold its next session in early April. During that session JPAC will refine its advice on the 1998 program and budget and seek clarification on certain issues related to the JPAC budget for 1997, the public consultation process identified in JPAC's 1998 workplan, and the quorum for JPAC sessions. The Chair of JPAC then explained to the Alternate Representatives JPAC's priorities for its 1998 workplan, pending further discussion. Those priorities are: 1) environment, economy and trade; 2) follow-up on the Kyoto conference on climate change; 3) guidelines for NAAEC Article 14 Submissions; 4) equity criteria; 5) CEC program and budget for 1999-2000; 6) mercury-related studies; 7) CEC proposed program for 1999; 8) continental pollutant pathways; 9) transportation. Acting on the Committee's advice, the Chair of JPAC encouraged acceptance of the recommendations contained in the "Interim Evaluation of the North American Fund for Environmental Cooperation" and suggested that particular attention be paid to: 1) the issue of repeat funding for continuing projects; 2) the term and rotation of the Selection Committee members; 3) providing technical assistance to applicants and grant recipients; and 4) hiring the NAFEC staff as CEC employees. Finally, the chair of JPAC requested that a JPAC member be allowed to attend the next meetings on the review of the Article 14 guidelines.

The Alternate Representatives agreed to allow a JPAC representative to attend the meetings of the working group on the review of the Articles 14 and 15 guidelines. On the issue of public consultations, the Alternate Representatives agreed that JPAC consultations should be integrated in the work program activities undertaken by the Secretariat and that any decision on the conduct of public consultations be dictated by efficiency and effectiveness. With regard to the 1998 regular session of Council, the Alternate Representatives agreed that the majority of JPAC advices should be presented to the Council in writing in advance of the meeting to allow the dialogue between the Council and JPAC to focus on a couple of important areas of concerns for both the Council and JPAC.

Item 5 1998 Contributions and other financial issues

Mexico provided its schedule of contributions for 1998. The Alternate Representatives adopted resolution 98-01 on 1998 Funding of the Commission (see Appendix B).

Item 6 Discussion and approval of Annual Program and Budget 1998

The Chair of the GSC reported on the discussion that took place during GSC Session 98-05 held the day before the Alternate Representatives' meeting. In his report he highlighted the discussions that took place on the following issues: the process leading to the selection of projects for inclusion in the annual program and budget; the added value of the CEC projects; the contracting of consultants; a request for information about the various work groups and their participants and; the preparation of the draft 1999 Program and Budget in time for the June 1998 regular session of the Council.

Following the presentation by the Chair of the GSC, the Alternate Representatives had an in-depth discussion on the proposed 1998 Annual Program and Budget. Mexico remitted to the Secretariat the text relative to project amendments and inclusions, for distribution to the Parties. Mexico also proposed new language and adjustments for projects including a project to deal with mutual recognition of laboratories.

Item 7 Follow-up to the Special Session of Council

Discussion on this item took place in the context of item 6.

Item 8 Review of Guidelines for Submissions on Enforcement Matters under Articles 14 and 15

This item was deferred to the next session.

Item 9 Proposal to amend the CEC Rules

Rule 30.2 of the Rules of Employment was modified by agreement of the Alternate Representatives to read as follows: “Staff shall submit medical certificates for any period of sick leave in excess of three consecutive working days.” The new Rule 30.2 is effective immediately.

Item 10 Other Business

Item 10.1 Spanish version of the CEC Rules

This item was deferred to the next session.

Item 10.2 Technology Clearinghouse

This item was deferred to the next session.

Item 10.3 Appointment of Executive Director

Having been informed by the current Executive Director, Mr. Victor Lichtinger, of his decision to resign from his position as Executive Director effective 1 March 1998, the Alternate Representatives agreed to initiate the search for an Executive Director in replacement of Mr. Lichtinger.

Given that the Alternate Representatives want to ensure that the activities of the Secretariat continue on a normal basis until the next Executive Director is appointed, and recognizing that Ms. Ferretti will have the powers and duties of the Executive Director from 11 February 1998 to 1 March 1998, the Alternate Representatives agreed to appoint, effective 1 March 1998, Ms. Janine Ferretti as interim Executive Director, with all the powers and duties conferred upon the Executive Director by the North American Agreement on Environmental Cooperation and the Rules of the CEC.

Item 11 Next session of Alternate Representatives

This item was not discussed.

Item 12 Closure of the Session

The session was adjourned at 5:15 PM.

Prepared by Marc Paquin, Council Secretary and
José Luis Samaniego, Chair for the Session

**ANNOTATED AGENDA
FOR SESSION 98-01 OF ALTERNATE REPRESENTATIVES**

Held at the Montreal office of the CEC Secretariat
Tuesday, 10 February 1998 from 8:30 AM to 5:00 PM

CHAIR: J.L. Samaniego (Mexico)

- Item 1 Opening of the session and adoption of the agenda
- Item 2 Approval of summary records (97-00, 97-03, 97-06, 97-07, 97-08, 97-09, 97-10)
- Item 3 Statement by the Executive Director
- Item 4 Statement by the chair of JPAC
- Item 5 1998 contributions and other financial issues
- Item 6 Discussion and approval of Annual Program and Budget 1998
- Item 7 Follow-up to the Special Session of the Council
- Item 8 Review of the Guidelines for Submissions on Enforcement Matters under Articles 14 and 15
- Item 9 Proposal to amend the CEC rules
- Item 10 Other business
 - 10.1 Spanish version of the CEC rules
 - 10.2 Technology Clearinghouse (letter of support)
 - 10.3 Appointment of Executive Director
- Item 11 Next Session of Alternate Representatives
- Item 12 Closure of the Session

SESSION 98-01 OF ALTERNATE REPRESENTATIVES
ANNOTATIONS TO THE AGENDA

Item 1 Opening of the session and adoption of the agenda

In accordance with Council Rules of Procedure (R. 9.6), the Council shall adopt the agenda for the session at the beginning of the session based on the provisional agenda.

The Alternate Representatives are expected to adopt the agenda for the session.

DOCUMENTS:

- a) Provisional annotated agenda C/C.01/98-01/AGEN/01/Rev.3

Item 2 Approval of summary records

In accordance with Council Rules of Procedure (R. 11), the Executive Director prepared the summary records of Council and Alternate Representatives sessions 97-00, 97-03, 97-06, 97-07, 97-08, 97-09 and 97-10. Speakers may submit corrections to the summary records of their remarks before they are finally approved by the Council (R.11).

The Alternate Representatives are expected to review and approve the summary records, as appropriate.

DOCUMENTS:

- a) Regular Session of Council 97-00 draft Summary Record C/97-00/SR/01/Rev.2
b) Alternate Representatives Session 97-03 draft Summary Record C/C.01/97-03/SR/01/Rev.2
c) Alternate Representatives Session 97-06 draft Summary Record C/C.01/97-06/SR/01/Rev.4
d) Alternate Representatives Session 97-07 draft Summary Record C/C.01/97-07/SR/01/Rev.2
e) Alternate Representatives Session 97-08 draft Summary Record C/C.01/97-08/SR/01/Rev.2
f) Special Session of Council 97-09 draft Summary Record C/C.01/97-09/SR/01/Rev.4
g) Alternate Representatives Session 97-10 draft Summary Record C/C.01/97-10/SR/01/Rev.2

Item 3 Statement by the Executive Director

In accordance with Council Rules of Procedure (R. 5.3), the Executive Director may make oral and written statements to the Council. The Executive Director will update the Alternate Representatives on Secretariat activities.

DOCUMENTS: No document

Item 4 Statement by the chair of JPAC

Under this item the Chair of JPAC will update the Alternate Representatives on the JPAC session held 21-22 January 1998 as well as on JPAC's activities for 1998. The Alternate Representatives are expected to discuss and provide guidance to JPAC for its activities in 1998. The Alternate Representatives may also wish to respond to the 1997 JPAC Advices.

DOCUMENTS:

- a) JPAC Advice 97-1: Views about substantial issues for the CEC J/97-00/ADV/R04
b) JPAC Advice 97-2: Views regarding CEC Public Consultations J/97-02/ADV/R05
c) JPAC Advice 97-3: Assessment of the First Three Years of the Agreement J/97-03/ADV/R01
d) JPAC Advice 97-4: JPAC Rules of Procedures J/97-04/ADV/R1
e) JPAC 1997 attendance report J/97-00/LIST/01

Item 5 1998 contributions and other financial issues

The Alternate Representatives are expected to adopt a resolution establishing the level of funding for 1998 as well as a schedule of payments in accordance with Financial Rule 4.7. In accordance with that same Rule, the first payment for 1998 shall be made by December 1997, but no later than January 1998.

Canada is expected to provide an update on the adoption of the Remission Order related to the reimbursement of GST to the CEC. The United States is expected to provide an update on progress made on the issue of income tax status for American citizens working for the CEC and the refunding of taxes paid on their behalf.

DOCUMENTS:

a) Draft Resolution: 1998 Funding of the Commission

C/97-00/RES/07/Rev.6

Item 6 Discussion and approval of Annual Program and Budget 1998

The Alternate Representatives are expected to discuss and approve, as appropriate, the Annual Program and Budget 1998 of the CEC submitted by the Executive Director in December 1997, in accordance with Article 11(6) of NAAEC.

DOCUMENTS:

a) Proposed Annual Program and Budget 1998 (December 1997)

Item 7 Follow-up to the special session of Council

At its Special Session held 24 October 1997, the Council agreed to hold a conference call in order to discuss how the themes they had identified for future implementation by the CEC could be achieved.

The Alternate representatives are expected to discuss a preliminary agenda for the ministers' conference call.

DOCUMENTS:

a) Special Session of Council 97-09 draft Summary Record

C/97-09/SR/01/Rev.4

b) Memo from the Executive Director dated December 10, 1997 Re: Advice to Council

in response to questions raised during the Special Session of Council, 24 October 1997

C/97-09/ADV/01

Item 8 Review of the Guidelines for Submissions on Enforcement Matters under Articles 14 and 15

This item was added to the agenda in order to allow for a discussion, at the Alternate Representatives level, before proceeding further with the Review of the Guidelines for Submissions on Enforcement Matters under Articles 14 and 15 of NAAEC.

DOCUMENTS: No document

Item 9 Amendments to the CEC rules

Under this item, the Alternate Representatives are expected to discuss amendments to the rules of procedure of the CEC.

DOCUMENTS:

a) Draft resolution proposed by the US

Item 10 Other Business

Item 10.1 Spanish version of CEC Rules

The final English and French versions of the rules listed below were made available in 1995 during session 95-01. The Spanish version of these Rules has yet to be adopted by the Council. The Alternate Representatives are expected to establish a process and a calendar for the adoption of the Spanish version of the Rules.

DOCUMENTS:

a) Reglamento del Consejo (distributed on 17 May 1996)

C/C.01/96-06/DISC/01

b) Reglamento del CCPC (distributed on 17 May 1996)

C/C.01/96-06/DISC/02

c) Reglamento financiero (distributed on 17 May 1996)

C/C.01/96-06/DISC/03

d) Reglamento laboral (distributed on 17 May 1996)

C/C.01/96-06/DISC/04

Item 10.2 Technology Clearinghouse

Under this item, the Alternate Representatives are expected to discuss the signing of a letter of support to Services and Information Ecotechnologies (SIE).

DOCUMENTS:

- a) Revised draft Letter of Support to Services and Information on Ecotechnologies (SIE) (to be distributed by the US)

Item 10.3 Appointment of Executive Director

Item 11 Next Session of Alternate Representatives

The Alternate Representatives are expected to schedule their next session.

DOCUMENTS: No document

Item 12 Closure of the Session

The Chairperson is expected to close the session.

DOCUMENTS: No document