

SESSION 98-09 OF ALTERNATE REPRESENTATIVES

SUMMARY RECORD

The Council, represented by the Alternate Representatives, met via conference call on 16 and 17 December 1998. Ms. Norine Smith (Canada) chaired the meeting. Mr. José Luis Samaniego and Mr. William Nitze represented Mexico and the United States, respectively. Mr. Jonathan Plaut, represented JPAC and Ms. Janine Ferretti, Interim Executive Director, represented the Secretariat. Mr. Marc Paquin, Council Secretary, was the session secretary. Other officials from the Parties and the Secretariat were also in attendance.

Item 1 Adoption of the agenda

The agenda for the session was adopted at the beginning of the session based on the provisional agenda (Annex A).

Item 2 Approval of the 1999-2001 Program Plan

The Alternate Representatives discussed many projects and proposed changes to their description and budget. The agreed upon changes will be reflected in the next version of the 3-year Program Plan and of the 1999 Annual Program and Budget.

More specifically, the discussions focussed on the following projects:

- 1) Emerging Trends in North America: approved;
- 2) Regional Cooperation in support of the Clean Development Mechanism: approved pending inclusion of modifications;
- 3) NAFTA Environmental Effects: to be redrafted and circulated;
- 4) Facilitating Conservation of Biodiversity as it relates to Trade in Wildlife Species: approved pending inclusion of modifications
- 5) North American Biodiversity Conservation Mechanisms: approved pending inclusion of modifications
- 6) Sound Management of Chemicals: approved pending inclusion of modifications.

Item 3 Approval of the 1999 Annual Program and Budget

This item was discussed in the context of item 2.

Item 4 Report by the Interim Executive Director

This item was not discussed.

Item 5 Statement by the Chair of JPAC

Mr. Jonathan Plaut, on behalf of the Chair of JPAC, provided a summary of the JPAC activities

that took place since the last meeting of the Alternate Representatives. In that regard he focused on the JPAC meeting held 3-4 December 1998 in Washington and highlighted the following Advice to Council developed by JPAC during that session: Advice 98-07 recommending the approval of the CEC Annual Program and Budget for 1999 at the current session of Alternate Representatives; Advice 98-08 urging Council to actively promote the implementation of Article 10(6) of NAAEC; Advice 98-09 recommending that further attention be paid to Enforcement issues and Compliance indicators; Advice 98-10 reiterating JPAC's interest in continuing to participate in the selection process for the Executive Director of the CEC. He also summarized the outcome of the Round Table on the Three Year Plan conducted by JPAC during that meeting.

While recognizing the value of the integral version of the State of the Environment report for reference purposes, Mr. Plaut recommended the issuance of a 50-page summary of the report for wider distribution.

Mr. Plaut also reported on the attendance of JPAC members at recent meetings of the Enforcement Working Group and NAFTA Environmental Effects Peer Reviewers held 1 and 2 December 1998, respectively. He concluded by giving a preview of JPAC activities in the coming months such as the upcoming workshop on Articles 14 -15 Revised Guidelines scheduled 29 January 1999 in Montreal and the JPAC Regular Session scheduled on 25-26 March 1999 in Mexico City.

Item 6 Approval of the summary records

This item was not discussed.

Item 7 Negotiations of the North American Agreement on Transboundary Environmental Impact Assessment (TEIA)

This item was not discussed.

Item 8 Process and timeframe for finalizing the public participation guidelines

This item was not discussed.

Item 9 Update by the Secretariat and the Parties on financial issues

This item was not discussed.

Item 10 Agreement with the Province of Québec, including tax reimbursement

This item was not discussed.

Item 11 US Income Tax – Status and Reimbursement

This item was not discussed.

Item 12 NAAEC Part V Model Rules of Procedures

This item was not discussed.

Item 13 Spanish version of CEC Rules

This item was not discussed.

Item 14 Date and venue for the 1999 Regular Session of the Council

This item was not discussed.

Item 15 State of the Environment report

The Interim Executive Director indicated to the Parties that the Secretariat will produce a 50-page report on the State of the Environment (SOE) based on the voluminous experts' report currently under review by the Parties. The Secretariat will circulate to the Parties a revised schedule for the production of the report.

Item 16 Scheduling of next sessions of Alternate Representatives

The Alternate Representatives agreed to hold a teleconference on 6 January 1999 from 1:00 to 5:00 PM EST (12:00 to 4:00 PM Central) and on 8 January from 1:00 to 3:00 PM EST (12:00 to 2:00 PM Central).

Item 17 Other issues

Item 18 Closure of the session

The Chairperson closed the session.

Prepared by Marc Paquin
Council Secretary

AGENDA

TELECONFERENCE SESSION 98-09 OF ALTERNATE REPRESENTATIVES

Held 16 December 1998, from 3:00 to 3:45 PM (EST) (2:00 to 2:45 PM, Mex. time)
and 17 December 1998, from 12:00 to 4:00 PM (EST) (11:00 AM to 3:00 PM Mex. time)

CHAIR: Canada

- Item 1 Adoption of the Agenda
- Item 2 Approval of the 1999-2001 program plan
- Item 3 Approval of the 1999 Annual Program and Budget
- Item 4 Report by the Interim Executive Director
- Item 5 Statement by the Chair of JPAC
- Item 6 Approval of the summary records
- Item 7 Negotiations of the North American Agreement on Transboundary Environmental Impact Assessment (TEIA)
- Item 8 Process and timeframe for finalizing the public participation guidelines
- Item 9 Update by the Secretariat and the Parties on financial issues
- Item 10 Agreement with the Province of Québec, including tax reimbursement
- Item 11 US Income Tax – status and reimbursement
- Item 12 NAAEC Part V Model Rules of Procedures
- Item 13 Spanish version of CEC Rules
- Item 14 Date and venue of the 1999 Regular Session of the Council
- Item 15 State of the Environment Report
- Item 16 Scheduling of next sessions of Alternate Representatives
- Item 17 Other issues
- Item 18 Closure of the session

Note: Alternate Representatives will reconvene, if necessary, on 21 December from 11:00 AM to 1:00 PM (EST) (10:00 to 12:00 AM Mexico Time)

SESSION 98-09 OF ALTERNATE REPRESENTATIVES
ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 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.01/98-09/AGEN/01/Rev.3

Item 2 Approval of the 1999-2001 Program Plan

In accordance with the CEC Program Development Cycle (annexed to Council Resolution 98-09) approved by the Council in Mérida (June 1998), the Alternate Representatives are expected to finalize the remaining projects and formally approve the 1999-2001 Program Plan.

DOCUMENTS:

- a) Revised draft Three-Year Program Plan for the CEC (distributed 20-11-98) C/C.01/98-07/PLAN/01/Rev.4
b) Summary of the Three-Year Program Plan, including matrix of functions (distributed 1-12-98)
c) CEC Program Development Cycles for 1998, 1999 and beyond (annexed to Resolution 98-09)
d) JPAC Advice to Council 98-05 (distributed 28-09-98) J/98-05/ADV

Item 3 Review of the 1999 Annual Program and Budget

In accordance with the CEC Program Development Cycle (annexed to Council Resolution 98-09), the Alternate Representatives are expected to review and approve the proposed 1999 Annual Program and Budget which was revised by the Secretariat to incorporate changes proposed by the Parties to the Three-Year Program Plan during the last session of Alternate Representatives.

DOCUMENTS:

- a) Draft 1999 Annual Program and Budget (distributed 25-11-98) C/C.01/98-08/APB/01/Rev.2
b) CEC Program Development Cycles for 1998, 1999 and beyond (annexed to Resolution 98-09)

Item 4 Report by the Interim 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 Interim Executive Director will report on Secretariat activities.

DOCUMENTS:

- a) Record of Council decisions and their status as of 14 December 1998
(distributed 14-12-98) C/C.02/98-11/DISC/01/Rev.6

Item 5 Statement by the Chair of JPAC

Under this item the Chair of JPAC will provide an update to the Alternate Representatives on JPAC activities.

DOCUMENTS:

- a) Draft JPAC Summary Record of Session 98-05 (to be distributed) J/98-05/SR

Item 6 Approval of summary records

In accordance with Council Rules of Procedure (R. 11), the Executive Director prepared the summary records of Alternate Representatives sessions. 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 of sessions 98-08 and the record of discussion of the conference call of 9 October 1998 with KPMG (98-E), which have already been cleared by the GSC.

DOCUMENTS:

- a) Session 98-08 Summary Record C/C.01/98-08/SR/01/Rev.1
- b) Record of discussion of 9 October 1998 conference call with KPMG C/C.01/98-E/SR/01/Rev.1

Item 7 Negotiations of the North American Agreement on Transboundary Environmental Impact Assessment

The Alternate Representatives are expected to discuss the status of negotiations of the Agreement. At their last session, the Alternate Representatives agreed to ask the Parties' negotiators to consider further the proposed text submitted by Mexico and the United States with a view to breaking the current stalemate.

DOCUMENTS:

- a) Proposed text submitted by Mexico and the United States (tabled at session 98-08)

Item 8 Process and timeframe for finalizing the Public Participation Guidelines

The Alternate Representatives are expected to review the process and time frame developed by the Secretariat and JPAC for the development of Public Participation Guidelines.

DOCUMENTS:

- a) Proposed process and time frame for finalizing the public participation guidelines (distributed 25-11-98) C/PLAN/01
- b) Background Paper: Public Participation issues for the CEC (distributed 21-08-98)
- c) Summary Analysis of Interview Results (distributed 21-08-98)
- d) Advice to Council 98-06 (distributed 28-09-98)

Item 9 Update by the Secretariat and the Parties on the financial issues

Under this item, the Secretariat will provide the Parties with a financial update on the 1998 budget, including expenditures, amounts obligated and expected surplus funds, if any.

Mexico is asked to indicate when they it will be making their outstanding 1998 contributions. The Parties are asked to provide their schedule of contributions for 1999. In accordance with Council Resolution 94-2 each Party shall inform the Executive Director by November 15 of the payment schedule for appropriated funds that it Party intends to follow for the subsequent program year provided that a minimum of 30% of the annual contribution is made at the time of the initial payment and no more than 20% at the time of the last payment;

In addition, as part of the external audit of the CEC's 1997 financial statements, Mexico is asked to provide confirmation of its contributions for the year 1997, as per the request of the CEC's auditors, Samson Bélair, Deloitte & Touche, dated 25 February 1998.

DOCUMENTS:

- a) Letter from Interim Executive Director to SEMARNAP, dated 25 February 1998

Item 10 Agreement with the Province of Québec, including tax reimbursement

Pursuant to Resolution 95-04 and Summary Records of sessions 95-02, on 29 July 1998 the Secretariat forwarded to the Parties a copy of the Agreement between the CEC and the Government of Québec, for their review and approval. The

Parties are asked to indicate whether or not they are in agreement with the text of the proposed agreement. Should the Parties agree with the text of the proposed agreement, the Alternate Representatives are expected to authorize the Secretariat to sign it on behalf of the CEC in accordance with the above-mentioned resolution.

The Government of Québec is awaiting the signature of the above agreement in order to reimburse to the CEC C\$800,000 in sales tax and to formalize the current ad-hoc arrangements regarding provincial health insurance, drivers licenses, English education rights, etc.

DOCUMENTS:

- a) Proposed Understanding between the Government of Québec and the CEC concerning immunities, tax privileges and courtesies.
- b) Council Resolution 95-04
- c) Summary Record of Session 95-02

Item 11 US Income Tax – Status reimbursement

United States is asked to report on the developments relating to the reimbursement to the CEC by EPA of income tax paid on behalf of US citizens employed by the CEC. So far, the CEC has paid C \$41,781.

DOCUMENTS:

- a) Session 96-07 final Summary Record C/C.01/96-07/SR/final
- b) Session 96-10 final Summary Record C/C.01/96-10/SR/final

Item 12 NAAEC Part V Model Rules of Procedures

The Alternate Representatives are expected to confirm attendance of their delegation to the meeting on Models Rules for Part V of NAAEC scheduled from 1 to 5 February 1999 in Mexico City. As agreed by the Council at its 1998 Regular Session, Part V Model Rules are to be finalized within the same timeframe as the completion of the revised Articles 14 and 15 Guidelines.

DOCUMENTS: No documents

Item 13 Spanish Version of CEC Rules

The Alternate Representatives are expected to review and adopt the Spanish version of the CEC rules. Should the rules not be ready for adoption, the Alternate Representatives are expected to discuss and agree on a calendar for the finalization and adoption of the Spanish version of the rules.

DOCUMENTS:

- a) Reglamento del Consejo (to be distributed) C/C.01/96-06/DISC/01/Rev.1
- b) Reglamento del CCPC (to be distributed) C/C.01/96-06/DISC/02/Rev.1
- c) Reglamento financiero (to be distributed) C/C.01/96-06/DISC/03/Rev.1
- d) Reglamento laboral (to be distributed) C/C.01/96-06/DISC/04/Rev.1

Item 14 Date and venue for the 1999 Regular Session of the Council

The host country (Canada) is expected to confirm the venue for the 1999 Regular Session of the Council scheduled 28-29 June 1999. The Parties are invited to examine the critical path which establishes realistic deadlines for the timely and effective organization of the session.

DOCUMENTS:

- a) Critical path (distributed 10-12-98) C/C.01/99-00/PLAN/01

Item 15 State of the Environment Report

The Alternate Representatives are expected provide comments on the on the final draft of the State of the Environment

Report and to discuss the scheduling required for the public release of the on Earth Day 22 April 1999.

DOCUMENTS:

- a) Memorandum from the Interim Executive Director (distributed 9-11-98)
- b) Production calendar (distributed 9-11-98)
- c) Final draft of the State of the Environment Report and schedule (distributed 9-11-98)

Item 16 Scheduling of next sessions of Alternate Representatives

The Alternate Representatives are expected to adopt the proposed calendar of sessions to December 1999, taking into account the timetable established by the Council for the approval of the Program Plans and Annual Programs and Budgets. In particular, they are expected to confirm their availability for the next meeting scheduled for 15-16 April 1999.

DOCUMENTS:

- a) Proposed schedule of sessions for the period of November 1998 to December 1999
(distributed 10-12-98) C/C.01/98-08/PLAN/01/Rev.1
- b) CEC Program Development Cycles for 1998, 1999 and beyond (annexed to Resolution 98-09)

Item 17 Other issues

At the time of writing the Secretariat had no other issue to include under this item.

DOCUMENTS: No document

Item 18 Closure of the session

The Chairperson is expected to close the session.

DOCUMENTS: No document