

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **Symposium convened to discuss environmental impacts of services trade under the North American Free Trade Agreement**

Washington, D.C. – On April 23 Assistant U.S. Trade Representative Mark Linscott will participate in the 4th Symposium on Assessing the Environmental Effects of Trade: Services and the Environment. The event is being co-sponsored by the Arizona State University and will be held in Phoenix.

This biennial event is sponsored by the North American Commission for Environmental Cooperation (CEC) as part of its efforts to promote a better understanding of the environmental effects of trade. It will feature the presentation of ten research papers commissioned by the CEC for the symposium. Previous symposia have looked at a variety of issues including the environmental impacts in North America of liberalized trade in energy, agriculture and investment. Mr. Linscott noted that “one of the real benefits of these symposia is that they provide serious and balanced analysis of the environmental impacts of trade liberalization. When you take a look at the facts you discover that the North American Free Trade Agreement has made some important contributions to the protection of the environment in the Northern Hemisphere.”

Research presented at past symposia has demonstrated that many of the dire predictions about the impact of this agreement on the environment were unfounded. For example, an analysis of the regulatory content of the environmental laws of the United States, Canada and Mexico found no evidence supporting the claim that the countries would lower their regulatory standards in order to attract industry. In fact, in some sectors, the opposite effect has happened. One study concluded that stricter auto emissions standards in Mexico were linked to trade liberalization under the North American Free Trade Agreement. Likewise, research presented at previous symposia has debunked the myth the agreement would result in the creation of pollution havens because manufacturers would flock to the jurisdictions that have the most lenient environmental laws. In total, more than 45 papers looking at various aspects of NAFTA’s impact on the environment have been made available to the public through these symposia.

<http://www.cec.org/symposium/index.cfm?varlan=english>

The North American Free Trade Agreement has resulted in benefits to the environment in other ways too. The trilateral CEC and two other institutions were created under side-agreements in order to address environmental issues. Through the CEC the United States, Canada and Mexico have worked on a cooperative work agenda that has resulted in true environmental benefits. For example, Mexico phased out the use of DDT as part of a regional action plan for managing priority chemicals; Mexico established a national system for tracking release of pollutants by industry, paralleling those in the United States and Canada; the three governments developed strategies for promoting the sale of eco-friendly products such as shade grown coffee; and all have taken steps to reduce the risk of the introduction and spread of invasive alien species in North America.

## **Background**

The Commission for Environmental Cooperation (CEC) was created under the North American Agreement on Environmental Cooperation, a trilateral agreement to, among other things, “promote sustainable development based on cooperation and mutually supportive environmental and economic policies.” The Commission includes a Council, made up of the Administrator of the U.S. Environmental Protection Agency and his counterparts in Canada and Mexico, a Joint Public Advisory Committee (JPAC) and a Secretariat. The JPAC is composed of 5 citizens from each country chosen from the private sector, academia and non-governmental organizations.

The parties provide the CEC with a budget of US\$9 million per year to fund the operation of the Secretariat and the many projects that have been undertaken to improve environmental protection in the three countries and to ensure that trade liberalization and environmental protection are mutually supportive. Additional information on the extensive work of the CEC may be found at [www.cec.org](http://www.cec.org).

When they entered into the North American Free Trade Agreement, the United States and Mexico also created the North American Development Bank (NADBank) and the Border Environment Cooperation Commission (BECC). The NADBank ([www.nadb.org](http://www.nadb.org)) and the BECC (<http://www.cocef.org>) were created to support the development of environmental infrastructure in the U.S.-Mexico border region. The NADBank is a self-supporting bank providing loans for water, wastewater, and solid waste infrastructure in the border region. The bank also funds projects to improve air quality, conserve water, and develop clean and renewable energy. It was originally capitalized in equal parts by the U.S. and Mexico. The NADBank works closely with the BECC, which was created to help preserve and protect the environment in the border region. Among other things, it helps communities develop appropriate infrastructure projects, certifies projects that meet its criteria, and works with the sponsors of certified project to obtain funding from the NADBank and other institutions. Together these two institutions have provided nearly \$1 billion for 135 environmental infrastructure projects with a total estimated cost of \$2.89 billion, and allocated \$33.5 million in assistance and \$21.6 million in grants for over 450 other border environmental projects.

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