

**JOINT STATEMENT OF NAFTA GOVERNMENTS**  
**On the Establishment, Operation and Initial Agenda**  
**of a North American Steel Trade Committee**

*October 7, 2003*

To demonstrate their shared commitment to address market distortions in the steel sector, and to further the integration of their steel industries in the context of greater North American economic integration, the NAFTA governments pledged in a December 2002 joint statement to identify areas in which they might work together to promote more openness in the North American steel market and cooperation on steel trade and industry policies. As a forum to facilitate this work, the NAFTA governments agreed to establish a North American Steel Trade Committee (NASTC). The inaugural meeting of the NASTC is currently scheduled to take place on November 21, 2003, in Mexico City.

The NASTC will have several broadly articulated purposes: (i) to promote continued cooperation among the three governments on steel policy matters, including in the OECD High Level Steel Initiative and in other multilateral fora; (ii) to serve as a consultative mechanism for regular exchanges of information and views, development of complementary approaches to common problems, and review of progress on matters of mutual interest or concern; and (iii) to seek the reduction and elimination, as appropriate and consistent with the rights and obligations of the NAFTA and the WTO, of remaining distortions in the North American steel market, taking account of progress made by other countries in addressing their own market-distorting measures and practices.

The NASTC will provide a venue for:

- ▶ Obtaining input from and enhancing interaction with the steel industries of North America in order to gain a better appreciation of their interests and concerns;
- ▶ Seeking common or better coordinated approaches and responses, where appropriate, to emerging problems and issues, including in the context of multilateral and regional discussions on steel trade issues;
- ▶ Exchanging information on the North American steel market and trade, to maintain a sound understanding of the nature of steel trade within North America and between North America and other regions;
- ▶ Identifying problems in North American steel trade or markets which could adversely affect intra-NAFTA steel trade or market conditions, with a view toward reaching mutually beneficial solutions consistent with the NAFTA governments' domestic laws and international obligations.
- ▶ Consulting on governmental policies and activities in the steel sector that may have an impact on trade in steel, with a view towards modifying, reducing or eliminating remaining barriers and distortions in the North American steel market where such actions are feasible and appropriate.
- ▶ Considering ways to develop or promote joint, affirmative policies which would facilitate

the adjustment and promote the health of the steel sector in North America within the context of and consistent with broader government policies in favor of North American economic growth and integration.

### **Establishment and Operation**

- The NASTC will operate primarily as an intergovernmental body, with the level and composition of delegations to be determined according to the issues to be discussed. Its work and activities will be reported to senior NAFTA government officials, and authority to take any official actions will derive from decisions of the NAFTA governments.
- In the context of its meetings, the NASTC will permit and facilitate direct interaction and exchange of information with representatives of North American steel producers and industry associations.
- Regular meetings will typically be scheduled semi-annually, upon agreement of the parties, with the possibility left open for *ad hoc* meetings in order to address particular issues should the need arise. Hosting responsibility will rotate on a semi-annual basis and the host government will be responsible for chairing the meeting, circulating a proposed agenda in advance of the meeting, and performing other ministerial functions necessary to the smooth operation of the Committee.
- In general, responsibility for leading discussion of specific agenda items and, where appropriate, the drafting and circulation of discussion papers will rest with the government that places the item on the agenda. In cases where the item is a regular element of the Committee's discussions, such responsibility will be decided by consensus of the parties at the suggestion of the Chair of the Committee.
- Apart from the obligation to report to senior NAFTA government officials on its work, as well as other operational considerations aimed at facilitating oversight and transparency, the activities of the Committee will be kept as informal as possible in order to promote the efficiency of its work. Periodically, the Committee will consider whether it wishes to issue public statements or reports either in conjunction with or independent of the industry representatives.

### **Proposed Initial Agenda Items**

- Review current multilateral and regional discussions on and developments affecting steel trade issues, including the OECD High Level Steel Initiative, and explore potential areas of cooperation for a successful and mutually beneficial outcome.

- Take stock of emerging problems, trade trends and areas of concern regarding global steel trade, including problems facing NAFTA countries as a result of actions or developments in other regions of the world. Discuss appropriate approaches and responses to such issues, whether of a unilateral, coordinated or collective nature.
- Explore a feasible mechanism for the exchange of information on the North American steel market and trade, consistent with antitrust considerations.
- Identify potential or emerging problems in North American steel trade or markets which could adversely affect intra-NAFTA steel trade or market conditions, with a view towards clarifying the issues and exchanging ideas on reaching mutually beneficial solutions consistent with the NAFTA governments' domestic laws and international obligations.