

**SUMMARY OF 10(6) ENVIRONMENT  
AND TRADE OFFICIALS MEETING: 18 JANUARY 2002**

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Secretariat Note

A meeting of the [Article] 10(6) Environment and Trade Officials Group was held Friday, 18 January 2002, at the CEC offices in Montreal. Senior government officials from Canada, Mexico and the United States governments attended the meeting, together with representatives of JPAC and the Commission Secretariat.

**BACKGROUND:** The 10(6) Group had not met since October 2000. Previous meetings have largely been procedural, and the potential of this group to examine trade-environment issues in an informal and proactive way has not been realized. This meeting might be viewed as a new start for the group.

**I. PRECAUTION:**

The Parties exchanged views on background papers on precaution, commissioned by the Secretariat upon instructions from the Parties in late 2000. The Parties noted that two of the three background papers (the Wirth and Raustalia papers) were particularly informative.

**Revisions:**

It was agreed that the Parties would submit revisions, edits and comments on the papers. The Secretariat would request the authors to incorporate the revisions, if possible. The Parties agreed that they would send comments and revisions on either two or all three of the papers. (It was generally agreed that the third paper would require a great deal of revision and may still not be useful.) The Parties agreed that the draft papers should be distributed to the JPAC immediately, so that their comments could be incorporated.

**Release of Papers:**

Upon completion of the revisions, the two aforementioned papers will be released to the public. This release is conditional on the understanding that the papers do not formally represent the views of the Parties.

**Context:**

One Party noted that the purpose of this group's examination of precaution was in the context of the trade-environment nexus generally, and environment-related trade disputes, in particular. This led to an exchange of views on the next steps in considering precaution.

Canada presented an overview of its work at the federal level in developing a coherent approach to the use of precaution as it relates to human health, safety, environmental protection, resource management and conservation priorities. In examining the coherence of science-based policies related to precaution, it was noted that a balance needed to be struck between domestic mandates and international legal obligations. Among the key goals was to maintain the public trust; develop common terminology; and identify and understand underlying principles behind the use of precaution. An important focus of Canada's work on precaution was to go beyond the words and legal definitions of precaution and examine its practical application.

The use of precaution may differ among sectors and the type of risks that are presented by different technologies. It was also noted that the definition of precaution from an international trade perspective remained unclear. A question posed to the group is whether the Parties viewed precaution from a North American perspective and whether this differs from a non-North American approach to the use of precaution?

## **NEXT STEPS**

### **Regulator-to-Regulator Workshop on Precaution:**

It was agreed that a workshop on precaution will be held. It was suggested that the workshop could build a bridge at the regulatory level in North America, by bringing regulators from Canada, Mexico and the US together. The regulator-to-regulator, or bottom-up approach, could provide practical lessons regarding how science is used to make regulatory decisions.

In addition to exchanging views on the use of precaution, an underlying goal of the workshop could involve minimizing or avoiding trade complications in North America involving precaution.

It was suggested that the regulator workshop be held over two days, and examine four subjects. (One suggestion for the four areas was fishing quotas, health experts, environmental decision-making, and food safety.) Mexico offered to host the workshop.

In principle, part of the workshop could be open to the public. The Parties noted the expression of interest by a JPAC member in this regard, and they agreed that the format for the workshop would be finalized at the next 10(6) meeting.

In preparing for the workshop, the Secretariat will compile information about discussions of precaution underway in other international fora (e.g., OECD, UNEP, WHO) and circulate this to the Parties.

## **II. ENVIRONMENTAL ASSESSMENT OF TRADE**

The Secretariat briefed the Parties on the just-completed CEC meeting on assessing the environmental effects of trade. The CEC now enters a new phase of its assessment work, by combining *ex post* and *ex ante* assessments of trade agreements.

The main focus of its work will continue to be at the sectoral level, with agriculture and energy (and energy-related services) providing the focus of this next analytic phase. The CEC will increase its collaboration with the secretariats of the WTO and FTAA to exchange results and lessons learned from *ex-post* analyses of NAFTA. The CEC also will compile and make available to the Parties updated data, methodologies and analytical findings for their potential use in upcoming negotiations.

## **III. ARTICLE 13: RENEWABLE ENERGY WORK**

The Secretariat will hold a meeting on renewable energy in North America, to be held in Montreal on 18 February 2002. The objective is to examine barriers and opportunities to renewable energy in North America. This initiative could complement the on-going work of the North American Energy Working Group and its technical sub-committees.

Among the issues to be examined involves the comparability and possible harmonization of renewable energy definitions among different sub-federal jurisdictions, as well as third-party private certification schemes, in North America.

### **Input From Parties:**

The Secretariat will send to the Parties the names of officials invited to the meeting, and the Parties agreed to forward the provisional agenda and list of participants to other federal agencies.

#### **IV. NAFTA ENVIRONMENT AND TRADE MINISTERIAL MEETING**

There was an exchange of views on the possible hosting of a NAFTA Trade and Environment meeting, with representation at the ministerial level. The provisional date of the meeting would be 2003.

The Parties noted that such a meeting would proceed only if a substantive agenda were in place in advance of the meeting. One Party noted that the likelihood of the ministerial meeting proceeding hinged on having a substantive agenda.

JPAC noted that the work of the CEC in environmental assessments and other areas could provide useful lessons to the FTAA negotiations. One Party noted that a Ministerial meeting could help articulate a North American perspective on the trade-environment interface generally. The Ministerial meeting could feed into negotiations underway in other trade fora, notably the FTAA and the WTO. (It was also noted that Mexico will host the next WTO Ministerial meeting in 2003, and this could provide an additional opportunity for a NAFTA Trade-Environment Ministerial.)

#### **IMMEDIATE STEPS**

##### **Develop Agenda:**

The Parties agreed that an agenda needs to be developed. The Parties agreed that the next meeting of the FTC will take place in May 2002, and a meaningful agenda should be presented to that meeting. It was further noted that a meeting at the deputy level will take place in April 2002, prior to the FTC meeting in May, and the meeting of deputies would present an opportunity to examine a draft agenda.

It was agreed that the Parties would follow-up this timetable with a conference call, with Canada taking the initiative. The Secretariat noted that it would be prepared to facilitate any logistical support that the Parties deemed necessary.

#### **NEXT MEETING:**

The Parties will decide on the date of the next meeting during the conference call (noted above). There was a general view that 10(6) meetings should be held two or three times per year. The meeting was adjourned.