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NAFTA [North American Free Trade Agreement] Memos and Documents

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. paper	Environment and Labor Issues (24 pages)	00/00/0000	P1/b(1)
002. paper	Import Surges [Options] (3 pages)	00/00/0000	P1/b(1)
003. paper	NEC Working Group on the Uruguay Round (4 pages)	00/00/0000	P1/b(1)
004. paper	Import Surges [Options] (3 pages)	00/00/0000	P1/b(1)
005. paper	Environment and Labor Issues (7 pages)	00/00/0000	P1/b(1)
006. memo	NAFTA (10 pages)	12/31/1992	P1/b(1)

COLLECTION:

Clinton Presidential Records
Council on Environmental Quality
Kathleen "Katie" McGinty
OA/Box Number: 2572

FOLDER TITLE:

NAFTA [North American Free Trade Agreements] Memos and Documents

2012-0769-F

kc1962

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CAMPAIGN POSITION

ENVIRONMENT

Domestic

- Ensure adequate funding for environmental cleanup and for infrastructure necessary to handle increased development and traffic
- Pass domestic legislation that allows individuals and groups to participate in crafting the U.S. Government's position in NAFTA disputes, especially those with environmental implications
- Introduce legislation that gives private citizens the right to petition the U.S. Government to challenge under NAFTA objectionable environmental practices by Mexican or Canadians
- Strictly apply U.S. pesticide requirements to imported food

Multilateral

- Establish an environmental commission with substantial power and resources to:
 - Encourage the enforcement of each country's domestic environmental laws
 - Provide remedies such as money damages and injunctions
 - Develop minimum environmental standards
 - Educate and train
 - Prevent pollution
 - Clean up and prevent border pollution
 - Undertake construction projects
- Secure agreement that each Party will ensure citizen access to the courts to enhance enforcement of domestic environmental statutes
- Ensure that citizens enjoy strong procedural safeguards (such as easy access to the courts, public hearings and the right to present evidence, streamlined procedures, and effective remedies) in exercising their right to suit

LABOR

Domestic

- Introduce a comprehensive worker assistance program
- Make growers eligible for worker adjustment assistance
- Identify alternative, competitive crop opportunities for affected growers
- Ensure that "professional workers," such as nurses, are not brought in as strikebreakers
- Require that Mexican truck drivers operating in the U.S. are subject to more vigorous inspections

Multilateral

- Establish an worker standards and safety commission with substantial power and resources to:
 - Encourage the enforcement of each country's domestic worker standards and safety laws
 - Provide remedies such as money damages and injunctions
 - Develop minimum worker standards
 - Educate and train
- Secure agreement that each Party will ensure citizen access to the courts to enhance enforcement of domestic worker standards and safety statutes
- Ensure that citizens enjoy strong procedural safeguards (such as easy access to the courts, public hearings and the right to present evidence, streamlined procedures, and effective remedies) in exercising their right to suit

Environmental Issues Surrounding the NAFTA:
Options Paper

In order to address key concerns that:

- o closer economic integration with Mexico will adversely affect the environment in the U.S.-Mexico border area;
- o Mexico does not adequately enforce its environmental laws;
- o and no institutional oversight mechanism exists to monitor, and work to improve, the state of the North American environment,

agencies generally agree that the U.S. should pursue:

- o with Mexico, a variety of border-related and other bilateral measures; and
- o with Mexico and Canada, the establishment of a Commission and other trilateral measures.

(The assumptions/considerations underlying the development of such measures are set forth in Attachment A.)

I. Border and other bilateral measures with Mexico

The suggested measures, which include implementation of the Border Plan, revitalizing the 1983 Border Agreement and 1989 Mexico City Agreement, and signing last year's bilateral agreement on environmental pollution (including enforcement issues), are elaborated in Attachment B.

The effectiveness of border and other bilateral measures will be dependent upon adequate funding. Although some proposals involve bilateral or even trilateral mechanisms, funding is primarily a domestic issue that need not be decided before negotiations begin in mid-March. OMB will be coordinating an interagency effort to identify and analyze various funding options.

II. The Commission and other trilateral measures

There is general agreement that a Commission should be established to:

- o facilitate implementation of the NAFTA's environmental provisions;
- o play a role with respect to enforcement of environmental laws;
- o generally address environmental issues in North America; and
- o promote NGO involvement.

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The suggested elements for the Commission, as well as other trilateral measures, are set forth in Attachment C. Issues for decision involve:

- o the extent of the Commission's enforcement role;
- o whether the Commission should develop "minimum" environmental standards; and
- o the status of the secretariat.

Issue #1 (Enforcement): As reflected in Attachment B, agencies consider that the Commission's enforcement role should include:

- o public reporting on the three countries' enforcement of their environmental laws (including an obligation on parties to submit to the Commission compliance and enforcement data);
- o promoting comparability of enforcement effectiveness;
- o playing a role in consultations under NAFTA Article 1114.2 (which involves using law enforcement to lure investment);
- o receiving complaints/comments from the public on the enforcement of environmental laws in the three countries;
- o assessing complaints/comments, including by gathering information through public hearings and review of public documents;
- o making recommendations to the relevant government.

The issue is whether the Commission should enjoy other enforcement-related functions and/or the agreement should contain other enforcement-related commitments, bearing in mind their reciprocal nature. Options include:

- o a commitment by the parties to enforce their respective environmental laws

-- Considerations: the precise laws in question would need to be listed; U.S. concerns would be that such a commitment would be inconsistent with prosecutorial discretion (i.e., we only enforce a fraction of suspected cases of violation), would involve substantial resources, and might not be implementable vis-a-vis states and localities);

- o a commitment by the parties to permit their respective publics to bring suits to enforce environmental laws

-- Considerations: this would promote a Rio Declaration goal; the laws in question would need to be listed; "standing" requirements would need to be spelled out, which would be difficult (there is no parallel to the concept of "right

-3-

holders," as in the NAFTA intellectual property provisions); a U.S. concern would be that, depending on the scope of "environmental laws," some U.S. laws do not provide for a private right of action;

- o in the context of assessing public complaints/comments, granting the Commission (i.e., secretariat staff) access to relevant facilities and data, with the consent of the country where the facilities/data are located
 - Considerations: this would help provide the Commission with an independent basis for assessing complaints/comments (as opposed to relying solely on public information); although the consent of the country in question would be required -- this is a must for the United States -- the public nature of the Commission's request for consent would likely create appropriate pressure; on the U.S. side, consent would have to be given consistent with our legal system (e.g., after obtaining a search warrant, if necessary; after concurrence of a state, if necessary);
- o granting the Commission supranational enforcement authorities, such as the right to inspect facilities (without consent), subpoena documents, or conduct other traditional governmental enforcement functions
 - Considerations: this would raise serious Constitutional problems in the U.S. and strong sovereignty concerns in Canada and Mexico;
- o authorizing the Commission to impose trade sanctions for lax enforcement
 - Considerations: this would be inconsistent with the NAFTA; it would also be difficult to establish a benchmark against which to measure enforcement performance; Mexico and Canada would strongly oppose; the Baucus proposal, which, beyond a Commission recommendation, leaves enforcement measures, including imposition of any penalties, to national enforcement authorities, should be noted.

Issue #2 (Standards): Because Canada has proposed it, there is an issue whether the Commission should develop "minimum" North American environmental standards. Agencies do not support this proposal, as elaborated in Attachment D.

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Issue #3 (Secretariat): Agencies generally agree that a secretariat is needed to support the Commission. Options are:

- o a secretariat that rotates among the three countries

- Considerations: this approach has been supported by Mexico and Canada; it is the least costly option; it is unlikely to be adequate to perform the desired functions; there would be a lack of continuity; some are concerned that Mexico would not perform adequately during its rotation;

- o each country has its own standing section of the secretariat for which it pays the costs

- Considerations: this approach would ensure greater continuity than option #1 and the ability to perform more functions; it resembles the CFTA and NAFTA models; and

a trilateral body housed in one of the countries and paid for collectively

- Considerations: this option is favored by environmental NGOs as the strongest; it would be the most expensive; it would also have the ability to perform more functions than option #1; it might require giving Commission international legal personality).

III. Other

An additional concern is that, depending upon how broadly/narrowly a NAFTA dispute settlement panel were to construe the environmental exceptions to the NAFTA, certain U.S. environmental laws that employ trade measures might be found inconsistent with the NAFTA. (This concern stems from a GATT panel's recent finding that the tuna/dolphin portion of the Marine Mammal Protection Act is inconsistent with the GATT.) Seeking Mexican and Canadian agreement at this point to "immunize" all such laws:

- o would be a reopening of the NAFTA;
- o would encounter strenuous objection from Mexico and Canada; and
- o raises complex issues that are at the crux of the upcoming Administration trade/environment policy review.

As a result, it is suggested that the concern be addressed for the moment by empowering the Commission described below to address the underlying environmental goals of the U.S. laws in question (e.g., protection of endangered birds, dolphin, turtles).

Assumptions/Considerations

- President Clinton has said the NAFTA text will not be reopened to further negotiation.
- The NAFTA countries agree that economic development flowing from NAFTA is to be undertaken "in a manner consistent with environmental protection and conservation" and that the development promoted by the Agreement is to be "sustainable development."
- A principal environmental objective of the NAFTA is "to strengthen the development and enforcement of environmental laws and regulations."
- The extent to which environmental, health, safety and conservation (hereinafter "environmental") concerns are addressed may determine whether the NAFTA is approved. How supplemental or "parallel track" environmental initiatives and agreements help ensure that the NAFTA is both an engine for economic growth and an affirmative force for environmental protection, restoration and enhancement, will shape Congressional response to creation of a North American free trade area.
- Certain environmental concerns are related to the stage of development of the Mexican economy and how existing conditions may be exacerbated or improved by the NAFTA.
- The proposed timing of submission of implementing legislation to Congress and the up-or-down vote on that legislation is such that if side agreement(s) are to be concluded concurrently, their negotiation must be concluded by June 1, 1993.
- There is a range of available foreign policy tools (bilateral and trilateral agreements or initiatives and unilateral actions) that the United States may use, concurrently if necessary (i.e., they are not mutually exclusive), to address regional environmental concerns.
- Agreement(s) reached with Mexico and/or Canada to address environmental concerns will likely be "reciprocal," meaning that the United States will itself be subject to the same conditions that it succeeds in imposing on the other NAFTA countries.

- Each NAFTA country, including the United States, is concerned with the measure of "sovereignty" it will surrender in reaching agreement on how environmental concerns are to be addressed.
- Subnational authorities in each NAFTA country retain certain authority of environmental enforcement and standards development.
- There are limitation on what international obligations the United States could accept with respect to enforcement within its national jurisdiction, given its system involving prosecutorial discretion, Constitutional rights of due process, and concerns related to the commitment of resources.
- The content of any agreement that the United States reaches with Mexico and/or Canada will influence the form of the agreement (e.g., executive agreement, treaty requiring two-thirds approval of the Senate, agreement and/or its implementing legislation rolled into NAFTA implementing legislation).
- The U.S., Mexican, and Canadian legal systems are different from one another (e.g., Mexico's reliance on administrative action as opposed to litigation and Canada's generally non-litigious system).
- Institutions or mechanisms created in the NAFTA context may be viewed as a models in other multilateral fora.
- There are budgetary constraints on the ability of each NAFTA country to address every environmental concern raised in connection with the NAFTA; the effectiveness of any new institutions or mechanisms created and Mexico's willingness/ability to take additional environmental measures could be dependent upon the commitment of additional financial resources from the U.S./Canada.
- With respect to the issue of working toward the harmonization of standards, it should be noted that the United States has recognized, most recently in Principle 11 of the Rio Declaration, that "[e]nvironmental standards, management objectives and priorities should reflect the environmental and development context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries."

-- Principle 10 of the Rio Declaration (to which Mexico and Canada have made a political commitment) provides, in the context of public participation in environmental issues, that "Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided."

-- Principle 10 of the Rio Declaration (to which Mexico and Canada have made a political commitment) provides that "[E]ach individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes."

Attachment BBorder and Other Bilateral Measures with Mexico

- The first phase (1992-1994) of the U.S.-Mexico Border Plan should be implemented.
 - o In the context of this Plan, the U.S.-Mexico Joint Committee for Wildlife Conservation should be strengthened and recognition should be given to ongoing cooperation in fishery and wildlife conservation and management.
- There should be an expectation that cooperation will be further enhanced in the second phase of the Plan (1995-1997); development of this phase should include greater involvement by the range of interested USG agencies, as well as state and local health authorities.
- The 1983 "La Paz" Agreement should be revitalized and strengthened; additional annexes on necessary topics should be considered.
 - o (The "La Paz" Agreement is a bilateral framework agreement with Mexico intended to address environmental concerns in the border region. It currently has five annexes, on: border sanitation; chemical emergencies; transboundary shipments of hazardous wastes; air pollution from copper smelters; and international transport of urban air pollution. While helpful on paper, this package of agreements has been criticized for inadequate funding/implementation.)
- The United States should seek Mexican agreement to conclude the bilateral agreement on environmental pollution negotiated last year (but not signed), which constructs a framework for bilateral cooperation and assistance activities -- including with respect to enforcement -- throughout Mexico.
- Implementation of the 1989 Agreement on Cooperation for the Protection and Improvement of the Environment in the Metropolitan Area of Mexico City should be strengthened.
 - o While several working groups have been created to address various forms of pollution, these groups have not met regularly and have not developed joint programs. (Implementation of DOE's separate agreement on Mexico City is apparently being successfully implemented.)

- Implementation and enforcement of fish and wildlife trade controls on each side of the border should be strengthened.
- Technical assistance to Mexico (e.g., including training of enforcement personnel) should be increased.
- Existing collaborative relationships regarding the management and protection of natural resources should be expanded.

Attachment CThe Commission and Other Trilateral MeasuresThe Commission

The United States should reach agreement with Mexico and Canada that a trilateral Commission be established to:

- o facilitate implementation of the NAFTA's environmental provisions;
- o play a role with respect to enforcement of environmental laws in the three NAFTA countries;
- o generally address environmental issues in North America, including monitoring the state of the North American environment (including any positive/negative environmental impacts of trade), and recommending ways to further cooperation; and
- o to promote NGO involvement.

-- In all these functions, "environment" should be construed broadly to include environmentally-related health issues and conservation of living natural resources.

NAFTA-Related Commission Functions

- In terms of facilitating implementation of NAFTA's environmental provisions, the Commission:
- o should monitor, and report regularly and publicly, on the extent to which the parties are meeting the NAFTA's environmental objectives;
 - o should serve as a point of inquiry, in addition to points available at trade authorities, for information on NAFTA disputes related to the environment under Article 2008, disputes implicating Article 104, and environmental consultations under Article 1114.2;
 - o should serve as a point of receipt, in addition to points available at trade authorities, for comments on Article 2008/104/1114.2 disputes and consultations from interested non-governmental organizations and other private parties and forward these comments to trade authorities involved in such disputes (the NACE should not delay the timetable for resolution of disputes under Chapter 20);

- o should assist in the implementation of NAFTA Article 1114.2, which provides that the Parties "recognize that it is inappropriate to encourage investment by relaxing domestic health, safety or environmental measures" and providing for consultation in the event "a Party considers that a Party has offered such an encouragement;"
- o should make available/act as a clearinghouse for providing environmental expertise to NAFTA dispute settlement panels, at the latter's request; and
- o should generally discuss/report on (including to the NAFTA Free Trade Commission) any environmental issues related to the NAFTA.

Enforcement-Related Commission Functions

-- The Commission should also play a role with respect to the enforcement of environmental laws and regulations in the three NAFTA countries.

-- It should be noted that many of the functions set forth above as NAFTA-related functions are also related to enforcement, including:

- o reporting on the extent to which the parties are achieving NAFTA's environmental objectives, in that one of those objectives is "to strengthen the development and enforcement of environmental laws and regulations"
- o playing a role in the implementation of NAFTA Article 1114.2, in that this provision directly addresses the issue of lax enforcement leading to "pollution havens"; and
- o discussing/reporting on any environmental issues related to the NAFTA, in that this could include enforcement-related issues.

-- Beyond these, the Commission should enjoy additional powers related to enforcement:

- o The Commission should be able to receive complaints/input from the public regarding the enforcement of environmental laws and regulations in the three countries. Such complaints/input could be either general or specific to a particular situation, plant, etc.

- o The scope of such complaints/input should be left open, with the Commission being accorded discretion as to what issues to pursue.

- (There have been suggestions that the public should only be able to raise issues concerning its own government's enforcement; others have suggested that complaints be limited to transboundary ones, i.e., environmental impacts in one country caused by lax enforcement in another; still others would limit complaints to trade-related ones, i.e., competitiveness impacts in one country caused by lax enforcement in another.)

- o The Commission should be able to gather information regarding complaints/input through visits (to public places), public hearings, and review of public documents.

- o The Commission should be able to make recommendations to the relevant government.

- The Commission would be relied upon to use its discretion in making recommendations. For example, if a particular situation were the subject of a pending lawsuit, it is assumed that the NACE would not choose to make a recommendation in that case.

- Further, in order for the Commission to be able to report on enforcement (as it will be called upon to do in connection with reporting on the extent to which the parties are achieving the NAFTA's environmental objectives), the parties should be obligated to report to the NACE on their compliance and enforcement data. This would promote achieving comparability in evaluating enforcement programs, so that reliable indicators of compliance and enforcement productivity can be generated and made available to the public.

General Environmental Commission Functions

- In terms of addressing generally environmental issues in North America, the Commission:
 - should monitor, and report regularly and publicly on, the state of the North American environment, including any positive/negative environmental impacts of trade;

- should discuss, and make recommendations to the three governments on, any aspect of the North American environment, including the protection of "common" resources such as migratory birds, dolphin, turtle, etc.; and
- should promote and facilitate environmental cooperation between and among the NAFTA parties, including with respect to technical cooperation.

Other Aspects of the Commission

- In addition to the functions discussed above, there are several other important aspects of the Commission:
 - o the Commission should be composed of government representatives (but each government should be free to include an NGO representative(s) -- which includes both environmental and business NGOs -- on its delegation);
 - o the Commission should operate by consensus;
 - o the Commission should meet at least annually, or more frequently upon the request of at least one party;
 - o in terms of support to the Commission, there should be some sort of secretariat;
 - o there should be maximum appropriate public involvement in the Commission's work, including:
 - Commission meetings should normally be open to the public (with the option left open for occasional closed sessions, if necessary);
 - the public should be able to submit information/complaints to the Commission concerning enforcement of environmental laws (as described in more detail above);
 - the public should be able to give input to the Commission for inclusion, as appropriate, in the Commission's reports and recommendations;
 - as noted above, all Commission reports should be made available to the public;
 - there should be a mechanism for the Commission to gather advice from the public, whether through separate national advisory committees, a trilateral advisory committee, and/or public hearings; and

- the Commission should be able to establish subsidiary working groups that involve members of the public.

Other Trilateral Measures

- In the agreement establishing the Commission, the parties should commit to adopt community right-to-know laws, which promote citizen involvement and governmental responsiveness. (Any such commitment needs to be carefully crafted to be consistent with U.S. law.)
- Implementation of the established Tripartite Committee for the Conservation of Wetlands and their Migratory Waterfowl should be strengthened.
- The U.S. should seek advance Mexican and Canadian agreement that, once the NAFTA has entered into force, certain additional international environmental agreements (i.e., the U.S.-Mexico Convention for the Protection of Migratory Birds and Game Mammals, the Convention for the Protection of Migratory Birds in the United States and Canada, and the SPAW Protocol) should be added to the list of agreements contained in Article 104 of the NAFTA. (This is without prejudice to seeking to add yet further agreements in the future, should they include, or be amended to include, mandatory trade measures.)
 - o Under that Article, certain enumerated environmental agreements that contain mandatory trade provisions are to take precedence over any inconsistent NAFTA provision. The list may be expanded by agreement of the NAFTA parties without formal amendment.

Attachment D"Minimum" Standards

- o Canada has proposed that the Commission begin developing "minimum" North American environmental standards.
- o The concerns with such a proposal are:
 - although each country remains free to set higher standards, the process could lead to lowering of current Mexican standards and also to pressure in the U.S. for downward harmonization;
 - such standards would be inconsistent with certain U.S. laws, which rely on market approaches instead of standards; and
 - the problem with Mexico is not inadequate standards, but the lax enforcement of such standards.
- o It should be noted that environmental NGOs are divided on this issue.
- o If the Commission were to be given the function of developing "minimum" standards, it would be appropriate for it to provide input to the NAFTA Standards Committee, which is already charged with harmonizing product standards and sanitary/phytosanitary measures.

NOTE TO EILEEN AND KATIE FROM DAN
RE: NOTE MICKEY KANTOR DISCUSSION
3/17/93

Three Issues of Concern

- o EC GATT suit on tuna/dolphin
- o NAFTA
- o Trade and Environment IWG

EC GATT suit

Process Issues

- o History
 - + White House asked for options paper from USTR outlining issue
 - + USTR agreed but no paper was sent
 - + White House was told by USTR that issue had already been decided, so options paper was no longer relevant
- o Problem
 - + This is not an issue that can be decided unilaterally (environment issues are key here; other agencies are involved--State, NOAA and EPA at a minimum; NSC policy review dealing with this and related issues is still underway)
- o Suggestions for future
 - + USTR can call small high-level interagency meeting (make sure OEP and NSC are involved)
 - + Alternatively, OEP/NSC could chair the meeting

Substance Issues -- is this decision the right one?

- o See only two real alternatives: defend or delay
- o Defend is probably the right choice, but would have been useful to have consultations on the issue

NAFTA

Congressional Pressure

- o For trade sanctions and border surcharge
- o Or to kill the agreement

OEP/NSC Reactions

Looking for creative alternatives as "middle ground" with teeth, will discuss developments with USTR

- o For trade sanctions

- + adjudication reform re: citizen suits
- + delayed implementation of trade sanction process
- + procedures that would identify problem and allow adequate opportunity to redress within the country
- + committing NACE to issue recommendations on the possible use of trade sanctions to be addressed/adopted at a later date

- o For surcharge

- + locally generated revenue
- + user fees for services
- + bonding authority
- + commercial loans/private investment
- + general revenues/development bank (probably not new superfund)

Overall Trade and Environment Process

- o Concerned about emphasis on process issues rather than substance in IWG paper (i.e., focusing on public participation and government organization)
- o Past history on trade and environment has been poor; interagency impressions of Carmen are that she is part of the problem
- o Depending on how IWG paper comes out, may need higher-level involvement from USTR

March 1, 1993

REVENUE EFFECTS OF TRADE AGREEMENTS

The Budget Enforcement Act of 1990 (BEA) altered the manner in which the Executive Branch must address its current and potential proposals for trade agreements that affect trade revenue. Several proposals would result in the loss of several billion dollars of customs revenue. Under the BEA "paygo" provisions, the revenue loss would need to be offset by reductions in mandatory programs (e.g., entitlement programs such as Medicare) or revenue increases (e.g., taxes).

Current BEA rules define the **Administration rules** on legislation affecting the deficit. These rules require offsetting the cost (relative to the OMB "baseline") of all measures enacted in a particular session of Congress. If the OMB scoring of the aggregate net deficit effect of these measures (for the fiscal year in which the session begins and the one following) is a deficit increase, then a sequester of direct spending programs is required. The President's February 17th economic package proposed amendments to the Budget Enforcement Act would extend the time horizon over which offsets need to be provided to FY 2003. The OMB baseline currently contains an adjustment for approximately 98% of the cost of the Uruguay Round based on legislation enacted in 1988 (proclamation authority). However, this authority expires in 1993. CBO did not include a matching adjustment in their baseline. No baseline adjustments are allowed (for OMB or CBO) for the NAFTA or GSP extension.

Congressional rules require pay-as-you-go offsets for costs in the budget year (FY 1994) and the five year period beginning with the budget years (i.e., FY 1994-98). The budget resolution governs the amount of revenue required of the House Ways and Means Committee and the Senate Finance committee over a five year period beginning with the budget years (i.e., FY 1994-98). Senate rules allow points of order on the Senate floor (and a 60-vote requirement to overrule) for bills that increase the deficit over the same five years.

The table below presents tentative estimates of the revenue effect of these trade agreements updated for technical and economic assumptions. These estimates should be treated with caution. None of the legislation has been drafted. For the Uruguay Round, there is the additional uncertainty associated with an agreement still under negotiation.

Trade Revenue Summary	1993	1994	1995	1996	1997	1998	1993-98	1995-2003
(fiscal years, \$ in millions)								
North American Free Trade Agreement	\$0	\$333	\$476	\$521	\$562	\$607	\$2,499	\$5,918
Generalized System of Preferences	\$158	\$529	\$501	\$526	\$548	\$564	\$2,826	\$5,904
Uruguay Round (All Legislation)	\$0	\$0	\$326	\$791	\$1,287	\$1,798	\$4,202	\$20,734
PAY-AS-YOU-GO TOTAL	\$158	\$862	\$1,303	\$1,838	\$2,397	\$2,969	\$9,527	\$32,556

political & effective purpose.

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→ what the game does not say

② what the agent does say

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persons

Duty is: goal of no one else

because won't be able to meet all enforcement
objectives.

not just hole business - make things better

→ language of the text

→ consequences.

→

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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002. paper	Import Surges [Options] (3 pages)	00/00/0000	P1/b(1)
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COLLECTION:

Clinton Presidential Records
Council on Environmental Quality
Kathleen "Katie" McGinty
OA/Box Number: 2572

FOLDER TITLE:

NAFTA [North American Free Trade Agreements] Memos and Documents

2012-0769-F
kc1962

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. paper	NEC Working Group on the Uruguay Round (4 pages)	00/00/0000	P1/b(1)

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NAFTA [North American Free Trade Agreements] Memos and Documents

2012-0769-F
kc1962

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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004. paper	Import Surges [Options] (3 pages)	00/00/0000	P1/b(1)
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. paper	Environment and Labor Issues (7 pages)	00/00/0000	P1/b(1)

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NAFTA [North American Free Trade Agreements] Memos and Documents

2012-0769-F
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RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. memo	NAFTA (10 pages)	12/31/1992	P1/b(1)

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Council on Environmental Quality
Kathleen "Katie" McGinty
OA/Box Number: 2572

FOLDER TITLE:

NAFTA [North American Free Trade Agreements] Memos and Documents

2012-0769-F
kc1962

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