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Carlos Navarro

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## **NAFTA Labor, Environment Commissions Defined**

*by Carlos Navarro*

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In late March, US, Canadian, and Mexican representatives met to work out details to launch the environmental and labor commissions called for under the parallel accords negotiated in late 1993 to complement the North American Free Trade Agreement (NAFTA). These meetings were described as successful, since the US, Mexican, and Canadian cabinet officials involved in the discussions were able to better define the roles and structure of each of the two commissions.

Nonetheless, two other meetings related to NAFTA one on transportation and another on a US-Mexico fisheries dispute were postponed due to the crisis resulting from the assassination of Luis Donaldo Colosio, the presidential candidate for the ruling Institutional Revolutionary Party (PRI).

### ***NAFTA labor commission set***

At the meeting on the labor accord in Washington on March 21, US Labor Secretary Robert Reich and his counterparts Arsenio Farell of Mexico and Lloyd Axworthy of Canada gave final approval for the decision to locate the headquarters for the North American Commission on Labor Cooperation in Dallas. The three ministers also agreed that the staff of the labor commission will be comprised of 15 members.

The commission was allocated a budget of US\$600,000 for 1994 and US\$3 million for 1995, based on contributions from the governments of the three countries. According to Reich, a new labor commissioner will be named in the near future and will begin work by June 1. However, the labor commission itself will not begin to function until late this year.

Reich also told reporters that the US, Canada, and Mexico had drafted an "ambitious" plan to cooperate in the areas of health, training, productivity, industrial relations, and safety. Nevertheless, he said that NAFTA does not have provisions to resolve disputes between unions and employers. Reich explained that dealing with labor disputes was not included in the dispute-resolution mandate of the commission because the labor relations systems of the three countries are very different and linked to the economic structure of each country.

On the other hand, Reich said the commission will provide a forum for "responsible" charges of unfair labor practices to be brought to the attention of the public. In fact, Reich said US officials decided to investigate a complaint filed by the Teamsters Union on behalf of workers at maquiladora plants operated by Honeywell and General Electric. According to the complaint, workers at the plants have been dismissed because of labor organizing activities.

### ***Environment commission defines mandate***

The environmental commission meeting which took place in Vancouver, Canada, on March 22-23 was attended by US Environmental Protection Agency (EPA) administrator Carol Browner, Canadian Environment Minister Sheila Copps, and Mexican Social Development Secretary Carlos

Rojas. All three officials agreed to locate the headquarters for the North American Commission for Environmental Cooperation in Montreal, Canada. The three officials also agreed to place strong emphasis on the areas of pollution prevention and technology cooperation, and to compile a study of the environmental effects of NAFTA.

The three countries decided that, during the first year of operations, the commission will particularly focus its work on such areas as conservation and the enforcement of environmental regulations. In addition, the three environmental officials approved the basic operational structures of the commission, which will be comprised of one commissioner and a team of 30 environmental specialists. Nevertheless, a budget must yet be approved for the commission, which is scheduled to hold its first public meeting the week of July 23 in Washington.

"We are extremely pleased with the outcome of this first meeting," EPA administrator Carol Browner told reporters. "Today's meeting sets the tone for what promises to be a very close and collegial relationship." In a related development, on March 30 US Treasury Secretary Lloyd Bentsen announced the sites for two NAFTA- related agencies which will deal with matters specific to the US-Mexico border.

Bentsen said one agency, the Border Environment Cooperation Commission, will mainly help states and communities on both sides of the border coordinate and design environmental infrastructure projects. This agency will be headquartered in Ciudad Juarez, Chihuahua state. The other agency, the North American Development Bank (NADBank), will be headquartered in San Antonio, Texas. The bank, which will have initial capital of about US\$3 billion, will provide loans and guarantees, mostly for projects related to environmental improvements.

According to San Antonio Mayor Nelson Wolff, a branch office of the bank will operate in Los Angeles, although about 90% of the bank's business will be handled out of the San Antonio headquarters.

### *Transportation, fisheries meetings postponed*

Despite the progress on environmental and labor issues, however, the Colosio assassination forced the postponement of other NAFTA-related meetings and events. One of the suspended conferences was a planned summit among Communications and Transportation (SCT) Secretary Emilio Gamboa Patron, US Transportation Secretary Federico Pena, and Canadian Transportation Minister Douglas Young. At the meeting, the officials planned to evaluate what changes are needed in the transportation systems in each country to expedite the movement of cargo. In particular, the officials must review a recent memorandum of understanding signed between Mexico and Canada that allows Canadian truck drivers to drive as far as 20 kilometers into Mexico to unload their cargo.

Consultations in Washington on the US ban against imports of Mexican tuna were also suspended due to Colosio's death. Fisheries Secretary Guillermo Jimenez Morales was leading a delegation of government officials and fishing industry representatives to meet with US officials. The Mexican delegation had planned to present details on how advances in methods of tuna capture had reduced the number of cases in which dolphins are accidentally caught in fishing nets. The US imposed the embargo against Mexican tuna in 1991 due to the high incidence of dolphin deaths. Jimenez

had been expected to argue that Mexico has reduced the incidence of dolphin deaths to the norms established under international law. He said the US is violating the spirit of NAFTA by retaining the tariffs on Mexican tuna.

Finally, the schedule for a visit to Mexico City by Canadian Prime Minister Jean Chretien was also interrupted by Colosio's death. Chretien had recently arrived in Mexico City when the assassination occurred. Several days after the murder, Chretien and Salinas were finally able to meet. The two leaders discussed the possibility of expediting the NAFTA timetable for Mexican tariff reductions on imports of 30 Canadian product categories. In addition, they discussed their common concerns regarding the impact of NAFTA on their respective energy sectors, trade promotion efforts in the two countries, and the possibility of extending membership in NAFTA to other Latin American nations, especially Chile.

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