

Relationship to the General Agreement on Tariffs and Trade

- The General Agreement on Tariffs and Trade (GATT) regulates international trade. The GATT allows for exceptions to the trade rules for measures which are related to the conservation of exhaustible natural resources or are necessary to protect human, animal or plant life or health. However, there are no specific exceptions for environmental measures. Nor does it specifically cover living and non-living resources.

The NAFTA confirms and expands these exceptions to explicitly include environmental measures. It specifies that these exceptions include any necessary environmental measures to protect human, animal or plant life or health, as well as measures related to the conservation of both living and non-living exhaustible natural resources.

- Incorporating the environmental exceptions allowed by GATT into the NAFTA permits any resulting disputes to be resolved using the dispute settlement mechanism contained in the NAFTA.

The NAFTA dispute settlement mechanism provides important opportunities for presenting the environmental implications of a trade dispute to a panel set up to resolve a dispute.

Standards

- Chapter 9 of the NAFTA defines Standards-Related Measures as technical regulations, standards and procedures used to test whether or not the regulations or standards are met.
- The chapter protects the rights of governments in Canada to determine their own levels of environmental protection in areas such as pollution controls, emission levels, and the transport and disposal of hazardous waste.
- The Agreement also permits each jurisdiction to set higher levels of protection than recommended by international bodies.
- The NAFTA countries would be free to select the most appropriate levels of sanitary and phytosanitary protection, i.e., standards to safeguard human, animal, or plant life or health from foreign contaminants, disease or pests.
- The Agreement prohibits a lowering of environmental standards to the lowest common denominator or the middle ground of the member countries.

The NAFTA will guarantee the right of governments in Canada to select the level of environmental protection appropriate to Canadian environmental conditions and priorities. The NAFTA countries will be required to work jointly on improving the level of environmental protection on a continental basis.