

Protection Agency (EPA) and the Mexico Secretaria de Desarrollo Urbano y Ecologia (SEDUE) together with this study. The fundamental Border Plan priorities are:

- to control industrial and municipal discharges into surface waters to prevent and/or reduce contamination of surface and subsurface waters;
 - to monitor and track the movement of hazardous wastes to ensure environmentally sound disposal and prevent contamination of surface or subsurface waters;
 - to prevent air pollution which exceeds ambient standards by controlling stationary, area, fugitive and mobile source emissions;
 - to develop contingency and emergency response plans for hazardous material emergencies.
- To address these priorities, the Border Plan identifies action items in the areas of: enforcement of existing laws, initiatives to reduce pollution, cooperative planning and training, and development of an environmental data base.

NAFTA NEGOTIATIONS

- Negotiations on a NAFTA began June 12, 1991 and are well advanced. From the outset, Mexico, Canada and the U.S. agreed that a NAFTA must cover trade in goods, services, intellectual property, and investment.
- A NAFTA will be consistent with GATT requirements for free trade areas (as set forth in GATT Article XXIV).
- In accordance with its May 1 commitment to Congress, the U.S. has informed Canada and Mexico that in a NAFTA it must:
 - maintain the right to prohibit the entry of goods that do not meet U.S. health, safety, pesticide, food and drug, and environmental regulations, so long as such regulations are based on sound science, do not arbitrarily discriminate against imports or constitute a "disguised" trade barrier.
 - maintain the right, consistent with other international obligations, to limit trade in items or products controlled by international treaties to which the U.S. is party.
- In addition it is expected that a NAFTA will provide for: the phased elimination of tariffs among the three countries over a period of at least 10 years; elaborated rules of origin for North American trade; obligations on governments for treatment of investors, including in many cases standards of national treatment; rights of entry and nondiscriminatory treatment for services providers; standards of treatment for intellectual property; and a mechanism for settlement of disputes pertaining to agreement provisions.
- Studies show a NAFTA will generate positive economic benefits for all three countries, with the largest relative increase accruing to Mexico, given the smaller size of its economy and the higher level of its existing trade barriers.