

NAFTA: A PARTNERSHIP AT WORK

The NAFTA Commission

The Free Trade Commission, which includes cabinet-level representatives from the three member countries, is the central institution of the NAFTA. The Commission supervises the implementation and further elaboration of the Agreement and helps to resolve disputes arising from its interpretation. It also oversees the work of the NAFTA's 30-plus committees and working groups. The Commission last met in Washington, D.C. in March, 1997. Ministers have agreed that the Commission's next meeting will take place in Mexico early in 1998.

NAFTA Coordinating Secretariat

Ministers have agreed that the Commission will be assisted in its work by the NAFTA Coordinating Secretariat (NCS), which is to be established later this year in Mexico City. The NCS will serve as the formal archive for the work of the NAFTA and serve as a working secretariat to the Commission.

Working Groups and Committees

The NAFTA envisages further work to help fully achieve the objective of a free trade area. Under the Agreement, over 30 working groups and committees were established to facilitate trade and investment and to ensure effective implementation and administration of the NAFTA's rules. Key areas where this work

is being undertaken include rules of origin, customs, agricultural trade and subsidies, standards, government procurement and the cross-border movement of business people. These working groups and committees report annually to the NAFTA Commission, composed of the trade ministers of Canada, Mexico and the United States.

The NAFTA working groups and committees also help to smooth the implementation of the Agreement and provide a forum for exploring ways of further liberalizing trade between members. One example is Canada's continued effort to pursue the accelerated reduction of tariffs on specific goods. The NAFTA working groups and committees also provide an apolitical arena for the discussion of issues and, through early dialogue on contentious points, the possible avoidance of dispute settlement procedures.

The Dispute Settlement Process

The vast majority of trade in North America now takes place in accordance with the clear and well-established rules of the NAFTA and the World Trade Organization (WTO). Nonetheless, in such a large trading area disputes are bound to emerge. In such cases, the NAFTA directs the governments concerned to seek to resolve their differences amicably, through the NAFTA's committees and working