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North American Leaders' Summit

July 5, 2016 (IN10508)

Related Author

• <u>M. Angeles Villarreal</u>

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M. Angeles Villarreal, Specialist in International Trade and Finance (avillarreal@crs.loc.gov, 7-0321)

Introduction

Since 2005, the United States, Canada, and Mexico have made efforts to increase cooperation on broad economic and security issues through various endeavors, most notably by participating in trilateral summits known as the North American Leaders' Summits (NALS). On June 29, 2016, Canadian Prime Minister Justin Trudeau hosted President Barack Obama and Mexican President Enrique Peña Nieto in Ottawa, Ontario, Canada for the 10th NALS. The <u>meeting</u> <u>served as</u> an opportunity to discuss measures to boost economic competitiveness, expand trade ties, and work on a common climate-change strategy. <u>Climate change and clean energy</u> were the primary focus of the 2016 NALS.

The prior NALS was hosted by President Peña Nieto in Toluca, Mexico on February 19, 2014. In 2015, former Canadian Prime Minister Stephen Harper <u>reportedly canceled</u> a summit because of disagreements with the Obama Administration related to the Keystone XL pipeline and tensions with Mexico over Canada's prior visa requirements for Mexican visitors. Prime Minister Trudeau, who assumed office in November 2015, <u>announced on June 28, 2016</u> Canada's intention to lift the visa requirement for Mexican visitors beginning December 1, 2016.

The three countries also are partners in the North American Free Trade Agreement (NAFTA), are parties to the proposed Trans-Pacific Partnership agreement (TPP), and benefit from a broad and expanding trade relationship (see CRS In Focus IF10047, *North American Free Trade Agreement (NAFTA)* and CRS Report R44489, *The Trans-Pacific Partnership (TPP): Key Provisions and Issues for Congress*).

In addition to the NALS, the three countries have pursued further efforts to enhance trilateral cooperation. These endeavors include the North American Competitiveness Workplan (NACW) and the North American Competitiveness and Innovation Conference (NACIC). The NACW was endorsed in 2014 by the three governments and includes trilateral investment initiatives, tourism collaboration, strengthening the North American production platform, and building skills for a 21st century workforce. The NACIC is a forum for business and government leaders to address economic issues. On February 12, 2016, the three countries signed a Memorandum of Understanding on Climate Change and Energy Collaboration that could be a potential step toward a future joint energy strategy among the trading partners.

NALS Accomplishments

The NALS have led to numerous trilateral initiatives regarding the economic prosperity, security, and environmental protection of the region. In general, efforts to increase cooperation, either through trilateral or bilateral endeavors, have followed the recommendations of special working groups created after the first NALS. These recommendations included (1) regulatory cooperation to increase economic competitiveness; (2) long-term border infrastructure planning and coordination to facilitate trade and reduce bottlenecks and congestion at border crossings; (3) harmonization of energy efficiency standards to enhance energy security and environmental protection; (4) cooperation and information sharing on the safety of food and products; and (5) North American emergency coordination to help each other respond quickly and more efficiently during times of crisis.

After the June 2016 NALS, President Obama, Prime Minister Trudeau, and President Peña Nieto <u>announced initiatives</u> on renewable energy, trade, global competitiveness, and security. These include:

- ensuring that 50% of North America's energy comes from "clean" sources by 2025 through increased wind, solar, nuclear, and other renewable energy production;
- liberalizing NAFTA rules of origin on a range of products including pharmaceuticals, cosmetics, rubber, metals, and industrial and electrical machinery;
- reducing costs for business and facilitating partnerships by improving supply chain efficiency and advancing innovation;
- creating the North American Center for Collaborative Development to pursue joint research and foster exchanges between academics and others on climate change, energy, manufacturing, and indigenous peoples;
- signing a memorandum of understanding to promote women-owned small and medium enterprises;
- committing to a <u>North American Traveler Arrangement</u> by the end of 2016 and a single portal application by the end of 2017;
- pursuing greater alignment of the countries' energy sectors by increasing regulatory cooperation;
- reaffirming a commitment to refugee protection and pledging \$10 million to the United Nations High Commissioner for Refugees appeal for Central American refugees and asylum seekers; and
- continuing commitments on security and defense by enhancing a common understanding of security threats and developing effective, coordinated, and efficient approaches on security-related matters.

Proponents of North American competitiveness and security cooperation view the NALS as a <u>constructive mechanism</u> for addressing issues of mutual interest and benefit for all three countries especially in areas of economic competitiveness, education, energy cooperation, and citizen security. <u>Some critics believe</u> that the summits are not substantive enough and that North American leaders should consolidate the summits into more consequential, action-oriented meetings with follow-up mechanisms. Others contend that the efforts do not include human rights issues or discussions on drug trafficking-related violence in Mexico and demand in the United States and Canada.

The NALS has served as a mechanism to increase communication and cooperation among North American trading partners, but some maintain that because there are no binding agreements, the NALS role in improving economic prosperity and security has been limited.

Bilateral Endeavors with Canada and Mexico

The Obama Administration also has engaged in bilateral efforts, both with Canada and Mexico, to increase regulatory cooperation, enhance border security, promote economic competitiveness, and pursue energy integration. For example, in February 2011, President Obama and Canadian Prime Minister Harper announced the Beyond the Border Action Plan: A Shared Vision for Perimeter Security and Economic Competitiveness, establishing a new long-term partnership to address threats within, at, and away from the U.S.-Canada border, while expediting lawful trade and travel. The two governments also created a U.S.-Canada Regulatory Cooperation Council to improve alignment of regulatory approaches.

The United States and Mexico have an ongoing U.S.-Mexico High Level Economic Dialogue (HLED) to advance economic and commercial priorities through annual meetings at the Cabinet level that also include leaders from the public and private sectors. Other bilateral efforts with Mexico include the High-Level Regulatory Cooperation Council (HLRCC) to help align regulatory principles, an effort similar to the U.S.-Canada Regulatory Cooperation Council. In

addition, the two countries have a bilateral initiative for border management under the Declaration Concerning Twentyfirst Center Border Management that was launched in 2010.