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North American Leaders' Summit

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Introduction:

The United States, Canada, and Mexico have been partners in the North American Free Trade Agreement (NAFTA) since 1994, 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*). Since 2005, the three countries have also made efforts to increase cooperation on broader 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 will host President Barack Obama and Mexican President Enrique Peña Nieto in Ottawa, Ontario, Canada for the 10th NALS. The upcoming meeting is expected to provide an opportunity to discuss measures to boost economic competitiveness, expand trade ties, and work on a common climate-change strategy.

The most recent summit 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, removed these visa requirements in early 2016.

In addition to the NALS, the three countries have pursued further efforts to enhance trilateral cooperation in a number of areas. 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

During the 2014 NALS, President Obama, then-Canadian Prime Minister Harper, and Mexican President Peña Nieto discussed numerous initiatives regarding the economic prosperity and security 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 last NALS in 2014, the three leaders announced several initiatives for North America in the 21st century with the goal of setting new global standards for trade, education, sustainable growth, and innovation. Discussions included:

- developing a North American Transportation Plan;
- streamlining customs procedures and harmonizing customs data requirements;
- facilitating the movement of people through the establishment of a North American Trusted Traveler Program;
- promoting trilateral exchanges on logistics corridors and regional development;
- continuing prior trade-related initiatives in areas such as intellectual property rights protection;
- developing and securing affordable, clean, and reliable energy supplies to help drive economic growth and support sustainable development;
- cooperating on climate change and environmental issues;
- establishing effective information exchanges and coordination among law-enforcement authorities to counter drug trafficking, arms trafficking, money laundering, and other illicit activities; and
- combating human trafficking in all its forms and agreeing to work toward improving services for victims.

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 Twenty-first Center Border Management that was launched in 2010.