

NORTH AMERICAN FREE TRADE AGREEMENT: ENTRY
INTO FORCE

The North American Free Trade Agreement entered into force on Jan. 1, 1994, see note set out under section 3311 of this title.

PART B—GENERAL PROVISIONS

§ 3451. Effect of termination of NAFTA country status

(a) In general

Except as provided in subsection (b) of this section, on the date on which a country ceases to be a NAFTA country, the provisions of this title¹ (other than this section) and the amendments made by this title¹ shall cease to have effect with respect to that country.

(b) Transition provisions

(1) Proceedings regarding protective orders and undertakings

If on the date on which a country ceases to be a NAFTA country an investigation or enforcement proceeding concerning the violation of a protective order issued under section 1677f(f) of this title or an undertaking of the Government of that country is pending, the investigation or proceeding shall continue, and sanctions may continue to be imposed, in accordance with the provisions of such section 1677f(f) of this title.

(2) Binational panel and extraordinary challenge committee reviews

If on the date on which a country ceases to be a NAFTA country—

(A) a binational panel review under article 1904 of the Agreement is pending, or has been requested; or

(B) an extraordinary challenge committee review under article 1904 of the Agreement is pending, or has been requested;

with respect to a determination which involves a class or kind of merchandise and to which section 1516a(g)(2) of this title applies, such determination shall be reviewable under section 1516a(a) of this title. In the case of a determination to which the provisions of this paragraph apply, the time limits for commencing an action under section 1516a(a) of this title shall not begin to run until the date on which the Agreement ceases to be in force with respect to that country.

(Pub. L. 103–182, title IV, § 415, Dec. 8, 1993, 107 Stat. 2148; Pub. L. 104–295, § 21(c)(4), Oct. 11, 1996, 110 Stat. 3530.)

REFERENCES IN TEXT

This title, referred to in subsec. (a), is title IV of Pub. L. 103–182, Dec. 8, 1993, 107 Stat. 2129, which enacted this subchapter, amended sections 1502, 1514, 1516a, 1677, and 1677f of this title and sections 1581, 1584, 2201, and 2643 of Title 28, Judiciary and Judicial Procedure, enacted provisions set out as a note under section 3431 of this title, and amended provisions set out as a note under section 2112 of this title.

AMENDMENTS

1996—Subsec. (b)(2). Pub. L. 104–295 substituted “action under section 1516a(a)” for “action under 1516a(a)”.

¹ See References in Text note below.

SUBCHAPTER V—MISCELLANEOUS
PROVISIONS

PART A—PROVISIONS RELATING TO
PERFORMANCE UNDER AGREEMENT

§ 3461. Discriminatory taxes

It is the sense of the Congress that when a State, province, or other governmental entity of a NAFTA country discriminatorily enforces sales or other taxes so as to afford protection to domestic production or domestic service providers, such enforcement is in violation of the terms of the Agreement. When such discriminatory enforcement adversely affects United States producers of goods or United States service providers, the Trade Representative should pursue all appropriate remedies to obtain removal of such discriminatory enforcement, including invocation of the provisions of the Agreement.

(Pub. L. 103–182, title V, § 511, Dec. 8, 1993, 107 Stat. 2154.)

EFFECTIVE DATE

Section 516 of title V of Pub. L. 103–182 provided that: “(a) IN GENERAL.—Except as provided in subsection (b), the provisions of this subtitle [subtitle B (§§ 511–516) of title V of Pub. L. 103–182, enacting this part and section 2707 of this title, amending section 2242 of this title, and enacting provisions set out as a note under section 2707 of this title] shall take effect on the date the Agreement enters into force with respect to the United States [Jan. 1, 1994].

“(b) EXCEPTION.—Section 515 [enacting section 2707 of this title and provisions set out as a note under section 2707 of this title] shall take effect on the date of the enactment of this Act [Dec. 8, 1993].”

§ 3462. Review of operation and effects of Agreement

(a) Study

By not later than July 1, 1997, the President shall provide to the Congress a comprehensive study on the operation and effects of the Agreement. The study shall include an assessment of the following factors:

(1) The net effect of the Agreement on the economy of the United States, including with respect to the United States gross national product, employment, balance of trade, and current account balance.

(2) The industries (including agricultural industries) in the United States that have significantly increased exports to Mexico or Canada as a result of the Agreement, or in which imports into the United States from Mexico or Canada have increased significantly as a result of the Agreement, and the extent of any change in the wages, employment, or productivity in each such industry as a result of the Agreement.

(3) The extent to which investment in new or existing production or other operations in the United States has been redirected to Mexico as a result of the Agreement, and the effect on United States employment of such redirection.

(4) The extent of any increase in investment, including foreign direct investment and increased investment by United States investors, in new or existing production or other

operations in the United States as a result of the Agreement, and the effect on United States employment of such investment.

(5) The extent to which the Agreement has contributed to—

(A) improvement in real wages and working conditions in Mexico,

(B) effective enforcement of labor and environmental laws in Mexico, and

(C) the reduction or abatement of pollution in the region of the United States-Mexico border.

(b) Scope

In assessing the factors listed in subsection (a) of this section, to the extent possible, the study shall distinguish between the consequences of the Agreement and events that likely would have occurred without the Agreement. In addition, the study shall evaluate the effects of the Agreement relative to aggregate economic changes and, to the extent possible, relative to the effects of other factors, including—

(1) international competition,

(2) reductions in defense spending,

(3) the shift from traditional manufacturing to knowledge and information based economic activity, and

(4) the Federal debt burden.

(c) Recommendations of President

The study shall include any appropriate recommendations by the President with respect to the operation and effects of the Agreement, including recommendations with respect to the specific factors listed in subsection (a) of this section.

(d) Recommendations of certain committees

The President shall provide the study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and any other committee that has jurisdiction over any provision of United States law that was either enacted or amended by the North American Free Trade Agreement Implementation Act. Each such committee may hold hearings and make recommendations to the President with respect to the operation and effects of the Agreement.

(Pub. L. 103-182, title V, §512, Dec. 8, 1993, 107 Stat. 2155.)

REFERENCES IN TEXT

The North American Free Trade Agreement Implementation Act, referred to in subsec. (d), is Pub. L. 103-182, Dec. 8, 1993, 107 Stat. 2057. For complete classification of this Act to the Code, see Short Title note set out under section 3301 of this title and Tables.

§ 3463. Report on impact of NAFTA on motor vehicle exports to Mexico

(a) Findings

The Congress makes the following findings:

(1) Trade in motor vehicles and motor vehicle parts is one of the most restricted areas of trade between the United States and Mexico.

(2) The elimination of Mexico's restrictive barriers to trade in motor vehicles and motor vehicle parts over a 10-year period under the Agreement should increase substantially

United States exports of such products to Mexico.

(3) The Department of Commerce estimates that the Agreement provides the opportunity to increase United States exports of motor vehicles and motor vehicle parts by \$1,000,000,000 during the first year of the Agreement's implementation with the potential for additional increases over the 10-year transition period.

(4) The United States automotive industry has estimated that United States exports of motor vehicles to Mexico should increase to more than 60,000 units during the first year of the Agreement's implementation, which is substantially above the current level of 4,000 units.

(b) Trade Representative report

No later than July 1, 1995, and annually thereafter through 1999, the Trade Representative shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on how effective the provisions of the Agreement are with respect to increasing United States exports of motor vehicles and motor vehicle parts to Mexico. Each report shall identify and determine the following:

(1) The patterns of trade in motor vehicles and motor vehicle parts between the United States and Mexico during the preceding 12-month period.

(2) The level of tariff and nontariff barriers that were in force during the preceding 12-month period.

(3) The amount by which United States exports of motor vehicles and motor vehicle parts to Mexico have increased from the preceding 12-month period as a result of the elimination of Mexican tariff and nontariff barriers under the Agreement.

(4) Whether any such increase in United States exports meets the levels of new export opportunities anticipated under the Agreement.

(5) If the anticipated levels of new United States export opportunities are not reached, what actions the Trade Representative is prepared to take to realize the benefits anticipated under the Agreement, including possible initiation of additional negotiations with Mexico for the purpose of seeking modifications of the Agreement.

(Pub. L. 103-182, title V, §514, Dec. 8, 1993, 107 Stat. 2157.)

PART B—IMPLEMENTATION OF NAFTA
SUPPLEMENTAL AGREEMENTS

§ 3471. Agreement on Labor Cooperation

(a) Commission for Labor Cooperation

(1) Membership

The United States is authorized to participate in the Commission for Labor Cooperation in accordance with the North American Agreement on Labor Cooperation.

(2) Contributions to budget

There are authorized to be appropriated to the President (or such agency as the President