

National Advisory Committee on Labor Provisions of U.S. Free Trade Agreements (NAC)
Discussion on
North American Agreement on Labor Cooperation (NAALC) Institutions
Adopted by NAC on September 27, 2012

Context: The vitality of NAALC institutions has faded in recent years. The secretariat was suspended in 2010; the website still exists but there is no staff and no one to update the website. Yet, there is still office space sitting empty at a cost of several thousand dollars per month and a lease that runs for several more years. The submissions process is still in place and, while the pace has slowed sharply from the early years, there are currently petitions before each of the NAOs. Canada earlier this year made several suggestions for addressing the situation, but the Mexican government has yet to respond and the willingness of the new government under President Peña Neto to engage on NAALC issues is unclear.

In considering how to address this situation, one also cannot ignore that there could be potentially significant changes in the trade policy context as a result of Canada and Mexico joining the ongoing negotiations towards creation of a Trans-Pacific Partnership. At this stage, we know that there will be a labor chapter, but we do not know how likely it is that an overall agreement will be reached or when. Nor do we know what the content of any labor chapter will look like, or how it will operate in relation to existing agreements, including the NAALC.

Given the uncertainty, the subcommittee considered useful but relatively low cost steps that the Department of Labor could consider to strengthen the operation of the NAALC and its institutions. The attached document by Subcommittee Chair Lance Compa is provided as background, as it goes into further detail on the evolution of the NAALC and some of the recommendations included here, and makes additional recommendations for strengthening the NAALC if conditions are propitious. It is not a product of the subcommittee, however.

Recommendations for DOL regarding NAALC institutions and process:

For the short run, until uncertainty over the TPP is resolved:

- Try to engage the new government Mexico in areas of mutual interest on labor issues:
 - migration
 - hemispheric cooperation on technical cooperation activities
- Explore having a “virtual secretariat” with independent, merit-based appointment of an executive director (required by the agreement; Compa paper has details on improvements to selection process) with authority and modest budget (minimal staff) to commission independent research and analysis in support of submissions process and technical cooperation. Take the opportunity to sublet all or most of the currently empty office space to save money.
- Strengthen the submissions process by restoring the practice of holding public hearings when appropriate; when problems are identified, create action plans for remedying violations, and prepare follow-up reports on implementation.