**Center for International Environmental Law • Defenders of Wildlife •
Friends of the Earth • Humane Society of the United States •
Natural Resources Defense Council
Pacific Environment and Resources Center • Public Citizen • Sierra Club**

February 15, 2001

Ms. Gloria Blue
Office of the U.S. Trade Representative
Room 122
600 17th Street, N.W.
Washington, D.C. 20508

Re: Notice Requesting Public Comment on Proposed United States-Chile Free Trade Agreement

Dear Ms. Blue:

We appreciate this opportunity to present our views on how trade negotiations with Chile can be conducted in a manner that includes key environmental objectives**,** enhances environmental protection, and promotes sustainable development in both the United States and Chile.

The negotiation of a Free Trade Agreement (FTA) between the United States and Chile provides an important opportunity to demonstrate that environmental policy is an integral component of United States international trade policy. The United States should seize this opportunity to demonstrate the compatibility of economic development and environmental protection by committing the staffing and resources needed to ensure that the U.S. and Chile benefit both economically and environmentally from the negotiation of a free trade agreement.

We are also deeply concerned, however, that this agreement will lead to significant environmental harm. The size of our country's trading relationship with Chile, Chile's important role in Latin American trade, and the wealth of natural resources in both countries make environmental concerns of critical importance in these negotiations. Furthermore, a U.S.-Chile FTA would establish important precedents for the Free Trade Area of the Americas negotiations.

In particular, we are concerned that this FTA could undermine critical legal and regulatory protections for the environment in both countries and that the FTA could also encourage damage in environmentally-sensitive sectors, including foresty, mining, and shipping transport. We believe it is vital for the United States to unequivocally address these issues and ensure that an FTA with Chile does not directly threaten the environment

or weaken our efforts to protect it. In addition, because of the significant role played by trade in environmentally-sensitive and natural resource sectors, the FTA should proactively ensure increased environmental protections.

The comments that follow suggest general ideas and principles as well as, in some cases, specific language for addressing environmental matters in the context of a U.S.-Chile FTA. Without the incorporation of these changes, an FTA between the United States and Chile will increase the likelihood of environmental decline in the Western Hemisphere. Above all, the United States should ensure that we clearly and significantly improve upon provisions in other trade agreements related to environmental concerns. We also note that the Environmental Review (ER) of the U.S.-Chile FTA will be one of the first reviews of the environmental impact of trade agreements. The negotiation of this agreement is therefore an important opportunity to demonstrate that ERs will be conducted thoroughly, meaningfully and with the aim of making environmental concerns central to the formation of U.S. trade negotiating positions.

Our organizations offer these comments as part of our ongoing efforts to ensure the inclusion of environmental perspectives in the development of our country's trade policy. We also believe it is vital that there be continued opportunities to examine this FTA's impact on the environment and natural resources in the future. Such examinations should include a review by the United States and Chile of the agreement's environmental impact after a 3-5 year period.

Our comments below are divided into three sections addressing: 1) Legal and Regulatory Issues; 2) Direct Impacts of Trade Liberalization; 3) Transparency and Dispute Resolution; and 4) Scope of the Environmental Review.

Section 1: Legal and Regulatory Issues

I. Ensure that the Free Trade Agreement Does Not Undermine Environmental Laws and Regulations

Debates about the impact of trade agreements on environmental goals have often centered on the frequency with which trade rules are used to challenge and undermine environmental policies. We believe it is imperative that the current framework of international trade rules be shifted to ensure that environmental laws and regulations are given appropriate weight and are not threatened by trade agreements. It is therefore critical in negotiating a U.S.-Chile FTA that protections for regulatory authority involving both domestic and international environmental concerns be clearly enunciated.

A. Burden of Proof and Scientific Basis for Environmental Regulation

The U.S.- Chile FTA must allow for appropriate deference to national regulatory authorities in the development of high environmental standards that treat foreign and

domestic producers alike - even if they exceed relevant international standards. Specifically, the burden of proof should be explicitly placed on the challenging party in disputes involving health or environmental measures (*See NAFTA, art. 723.6*), and parties should be able to maintain environmental standards higher than the international norm as long as they have a scientific basis ("Scientific basis means a reason based on data or information derived using scientific methods" and not "scientific justification." *See NAFTA art. 724*). In the WTO context, dispute settlement panels have interpreted the term "scientific justification" to give them authority to sit in judgment of the *quality* of the science utilized by domestic regulatory authorities in risk management decisions or to decide which among several legitimate scientific theories is the appropriate basis for national measures. In effect, panelists are allowed to substitute their own unqualified views for those of the scientific and policy experts who developed the standard. This is inappropriate, and the U.S.-Chile agreement must make clear that this is not the role of dispute panels. Environmental standards higher than the international norm should be presumed consistent with the disciplines of the U.S.-Chile FTA as long as there is a rational relationship between a scientifically-based risk assessment (even if there are other "competing" scientific theories) and the restriction imposed by the regulation.

B. Precautionary Principle

The FTA should explicitly recognize the Precautionary Principle and allow the United States and Chile to adopt environmental, health, and safety measures in instances where the scientific evidence regarding the existence, cause, or degree of the risk posed by a given product or service is incomplete or inconclusive. The inclusion of the precautionary principle would allow countries to undertake precautionary action to protect their people and the environment against products or services that could cause harm in a situation where there is a lack of scientific certainty concerning that harm. This principle is a common-sense approach that would ensure that products be proven to be safe to the people and the environment by the producer or provider. In circumstances in which the uncertainties associated with a potential risk are intractable, the FTA should recognize the right of parties to maintain precautionary measures indefinitely.

C. Market Access Based on Environmental Impacts of Production

The manner in which products are produced can have significant consequences for the environment, frequently including global and transboundary effects. The FTA should therefore permit each party to make distinctions about market access based on the environmental impacts of the manner in which products are produced, as long as there is no clear and convincing violation of national treatment. At a minimum, the FTA should explicitly state that eco-labeling programs that take into account the environmental impact of production are permissible. Such a policy on eco-labeling would provide sufficient flexibility to permit all forms of eco-labeling.

D. Across-the-Board Application of General Exceptions

The list of general exceptions drawn from GATT Article XX should be applied across-the-board to all articles of the U.S.-Chile FTA, including any service or investment articles. Parties must retain the right to apply environmental measures to protect human, animal or plant life or health and measures relating to conservation of living and non-living exhaustible natural resources in whatever domain or sector the agreement addresses. We believe that the use of these exceptions is just as appropriate in an investment context as in a trade-in-goods context. The exceptions are intended to ensure that certain essential categories of regulatory protection used to serve the public good and the environment are not undermined or threatened by the other provisions of such an international agreement.

E. Rejection of Least Trade Restrictive Test

Language establishing environmental exceptions, particularly if modeled after GATT Art. XX, should explicitly reject incorporation of "least restrictive to trade" tests. Instead, the Chile-US FTA should seize the opportunity to define the exception as covering any environmental measure passing muster under the Art. XX chapeau. Further, any qualification or condition on the application of the exceptions, including under the chapeau, should only prohibit measures that can clearly be demonstrated to be a disguised restriction on trade primarily intended to discriminate.

F. Sanitary and Phytosanitary Measures Concerning Harmful Invasive Species

Increased shipping and other modes of transport due to this FTA will increase the number of potentially harmful invasive species entering both the United States and Chile. The U.S. should ensure that any provisions on Sanitary and Phytosanitary measures do not undermine efforts to address non-native species. It is widely recognized that prevention is the only efficient means of responding to the invasive species threat. It is therefore imperative that SPS measures in this FTA do not impair the ability of domestic regulatory authorities in any country to regulate high-risk pathways or restrict imports of known or potential invasives. Specifically, it is imperative that SPS measures not restrict the right of any country to take precautionary measures with respect to products or pathways which may become or may carry potential invasives until the safety of the product or pathway has been demonstrated.

G. Exception for Multilateral Environmental Agreements

Environmental measures taken by either party under Multilateral Environmental Agreements (MEAs) or to achieve goals advocated by an MEA should be exempt from challenge. At a minimum, measures taken under MEAs that either or both parties have signed should be exempt. In addition, disputes that relate to environmental measures should be first decided by multilateral environmental bodies, particularly where a relevant one is established under an MEA. To faciliate such processes, formal links to such

intergovernmental institutions as the United Nations Environment Programme (UNEP) should be established through the FTA.

H. Measures to Regulate Sensitive Products

Measures taken to regulate certain sensitive products should be exempt from challenge under the trade agreement. Such products could include small arms, animals, persistent organic pollutants, and diamonds.

II. Ensure that Investment Provisions Do Not Undermine Environmental Laws and Regulations

We believe it is vital for our country's environmental interests that the U.S.-Chile FTA not replicate the deeply flawed investment provisions in NAFTA. The NAFTA provisions make it possible for foreign investors to attack laws and regulations that serve to protect the environment, or decisions by domestic courts. An agreement with Chile that includes investment provisions like those in NAFTA would be a clear setback for the environment and for the U.S. judicial system. The central concerns we discuss below must be addressed in order to ensure that an investment chapter in this FTA will not be harmful to the environment.

A. Investor-to-State Dispute Resolution

We are strongly opposed to the inclusion of an investor-to-state dispute settlement process in the U.S.-Chile FTA. At the very least, the FTA should guarantee that governments can take regulatory action in the public interest (especially measures to protect health and the environment and to conserve natural resources) without paying private investors for decreased property values. Investors have moved aggressively under NAFTA Chapter 11 to use this mechanism to urge broad interpretations of the agreement's substantive provisions, frequently in a manner that poses a direct challenge to environmental protection measures and to the finality of decisions by state courts. We believe that broad, enforceable rights to challenge environmental laws and regulations should not be granted to business investors when non-governmental citizen organizations are denied similar rights to challenge governmental failures to protect the environment. In addition, we see the granting of rights to investors without any concomitant obligations to ensure responsible corporate behavior as fundamentally unfair and unreasonable.

Further, the investor-to-state dispute settlement process completely lacks any degree of transparency, any opportunity for public participation, or an appropriate appellate process. Under NAFTA Chapter 11 and the rules of the relevant arbitral bodies, all documents and hearings in a suit can be kept from public view, there is no provision for amicus participation, including the right to attend hearings, obtain documents, make presentations to tribunals, and submit amicus briefs. There is also no appellate body with an appropriate breadth of expertise to review the decisions made by a arbitral panel. In

sum, foreign investors benefit from a process that is far different from the one available to domestic investors in our federal or state courts.

B. Application of General Exceptions

As we noted above, we believe that the general exceptions set forth in Article XX of the General Agreement on Tariffs and Trade (GATT) 1994 should be applied to any investment chapter. We see no reason that our government should not retain the right to adopt environmental protections that are found to be appropriate under domestic constitutional law. Further, and significantly, we believe that the application of the Article XX general exceptions is necessary to address the additional concerns we address below concerning other investment provisions.

C. Investment Provisions

We believe that the NAFTA language providing rights to investors is far too broad and must be revised substantially for the U.S.-Chile FTA. Even if investment disputes are adjudicated only in a state-to-state dispute resolution forum, these changes are essential to ensuring that environmental protections are not threatened.

- **Expropriation**. The NAFTA language on expropriation has been the basis for several claims that private foreign investors have far greater rights to compensation than domestic takings laws afford to domestic investors. In practice, such language allows foreign investors to challenge and undermine reasonable regulatory protections--and even decisions by domestic courts--by demanding compensation for the impact of environmental laws and regulation. The expropriation language of this FTA must not provide any greater rights to foreign investors than are available to domestic ones. The FTA should specify that governments can take regulatory action in the public interest without having to provide compensation for decreased property values.

- **Fair and Equitable Treatment**. The broad scope of the NAFTA language on fair and equitable treatment allows foreign investors to challenge environmental protections on substantive due process grounds, not only on the more limited grounds of procedural due process available to domestic entities. The fair and equitable treatment language of the U.S.-Chile FTA must be strictly limited to procedural due process concerns.

- **National Treatment**. The NAFTA language on national treatment and trade law jurisprudence makes it likely that a "*de facto* discrimination" standard, rather than one based on intentional *de ju*re discrimination against foreign investors, will be applied under this standard. In practice, this will mean that legitimate environmental laws and regulations that in some fashion involve *de facto* discrimination - such as limits on fishing permits - will violate the national treatment standard, even where there is no *de jure* discrimination

involved. The national treatment language of this FTA should therefore explicitly reject a *de facto* discrimination test that can be used to attack legitimate environmental regulatory action.

III. Maintain and Raise Environmental Regulatory Standards and Enforcement

The U.S.-Chile FTA should encourage upward movement in the parties' environmental standards rather than stagnation or downward harmonization in their regulatory efforts. Regulatory changes designed to increase the flows of goods and capital in the global economy frequently impair countries' efforts to maintain and raise their levels of environmental protection. At the level either of an entire economy or of individual firms, concerns about a country's competitive advantage can constrain efforts to ensure fully robust environmental protection. International economic pressures that hamper the efforts of countries to raise their standards also impede progress in addressing transboundary and global environmental concerns, which increasingly require cooperation among countries to increase environmental regulation and enforcement. This trade agreement should therefore support the efforts of governments and the public in Chile and the United States both to maintain and to raise their levels of environmental protection.

A. Relaxation of Environmental Laws and Regulations

Reductions in environmental, health and safety standards are not appropriate incentives to use in attracting foreign investment or increasing export opportunities. The U.S. and Chile should agree not to lower environmental, health or safety standards in order to attract or maintain individual foreign investments, in order to create a more attractive investment climate in general, or in order to increase export opportunities. Language establishing this commitment should be binding, clearly enforceable through dispute resolution, and subject to a mechanism for investigation in response to citizen submissions.

B. Environmental Measures and Enforcement

The North American Agreement on Environmental Cooperation (NAAEC), agreed to as a side agreement to NAFTA, includes a set of obligations among the parties regarding environmental measures and enforcement *(Articles 2-7)*. To reflect both governments' commitment to adequate environmental frameworks, obligations at least as strong as Articles 2-7 of the NAAEC should be incorporated in the text of the U.S.-Chile FTA. These obligations should reflect state of the art intergovernmental consensus on the characteristics (not standards) of an adequate regulatory system (e.g., public access to information; coverage of all major media, such as air, land, water, wildlife, natural resources, etc). Further, these obligations should be binding and subject to the dispute settlement process established under the FTA.

C. Export of Toxins

Certain provisions of the NAAEC should be strengthened in their incorporation into the U.S.-Chile FTA, particularly NAAEC Article 2.3. The U.S.-Chile FTA should establish a ban on the export of pesticides and other toxins that are domestically prohibited in the exporting country. In addition, the exporting country should be required to obtain prior informed consent of the importing party regarding any pesticide or other toxin that is regulated in the exporting country.

D. Citizen Submissions

The parties should provide a procedure for citizen submissions and independent investigations relating to the environmental provisions of the FTA, similar to that provided in Arts. 14-15 of the NAAEC. Citizens should be able to make submissions regarding lack of enforcement of environmental laws, adequacy of environmental regulatory framework, and investor responsibility provisions of the FTA. The independence of the investigatory body should be clearly established, as should its authority to issue findings of fact and conclusions and recommendations concerning the effectiveness of environmental enforcement or the adequacy of environmental protections.

E. Sanctions

We believe that trade sanctions must be available to ensure that the environmental provisions of the U.S.-Chile FTA are enforceable. Fines are insufficient as final tools of enforceability because they are ultimately non-enforceable if a party chooses to not to pay them. Sanctions, on the other hand, can be imposed without the consent of a party. Without doubt, that is the reason that the WTO relies on trade sanctions as its final enforcement mechanism. In addition, previous agreements that have included fines have inappropriately capped their level, thus limiting the costs to a party that chooses not to comply with any environmental provisions and thereby undermining the effectiveness of such fines.

IV. Multinational Investor Responsibilities

As businesses have become increasingly mobile throughout the globe in recent years, concerns have also grown about the effectiveness of environmental governance of these businesses. In response, the OECD member nations recently agreed to a revised set of Guidelines for Multinational Enterprises that establish a set of standards for business operations. An FTA between the United States and Chile would likely amplify the mobility of businesses between the two countries and thus increase the need for effective environmental governance of foreign investment. The U.S.-Chile FTA should therefore include measures that address critical issues involving the environmental practices of foreign investors.

A. Pollutant Emissions Reporting

In order to ensure that full information concerning pollutant emissions is provided to the public, foreign investors from each party should be required to report on emissions from facilities that they own (in whole or in part, directly or through a subsidiary) or contract with in the other party. The reports would be provided to the U.S. Environmental Protection Agency, Chilean environment officials, and the Joint Committee established by the FTA. Information provided in the reports should be made readily available to the public. The U.S. and Chile should cooperate to develop a mandatory pollutant release and transfer reporting program in Chile within 5 years.

B. Environmental Technology Reporting

Foreign investors from the other party should be required to report annually on whether their facilities and activities are meeting the highest standards applicable to their activities in either the United States or Chile, and, if not, what steps are being taken to improve and raise their environmental standards.

V. Include Environmental Language in the Preamble

The preamble to the U.S.-Chile FTA should include clear language defining its purposes with respect to natural resources and the environment. Such language can provide guidance to any dispute resolution or mediation process under the terms of the agreement. In particular, guiding language in the preamble should indicate the parties' intent to promote:

- ever higher levels of environmental protection, including efforts to increase and improve regulatory measures and enforcement of environmental laws and regulations;
- sustainable development; and
- cooperation to protect natural resources and the environment among the parties and with other countries, particularly those with shared boundaries.

Section 2: Direct Impacts of Trade Liberalization

I. Avoid Environmentally-Harmful Tariff Reductions and Elimination of Non-Tariff Measures

It is vital that the United States ensure that trade liberalization with Chile does not directly lead to increased harm to the environment. In particular, tariff reductions and the elimination of environmentally-beneficial non-tariff barriers in certain sectors often promote environmental damage and overexploitation of natural resources. We therefore urge that **tariffs not be reduced and that non-tariff barriers not be eliminated when those actions are likely to encourage environmental harm**.

We are especially concerned about the impact of trade liberalization in the following sectors:

A. Forestry

The United States and Chile both have forests of global significance that will be affected by trade liberalization policies in the lumber and forest products sectors. In Southern Chile, for example, one-third of the world's largest tract of relatively undisturbed temperate forest is at risk from logging and other forestry activities, much of it for production for export markets. Since wood products constitute the second largest sector of goods imported from Chile to the United States, liberalization in this sector will substantially heighten the risk to Chile's frontier forests. We believe it is particularly important that environmentally-beneficial non-tariff barriers in the forestry sector not be eliminated. Such measures include: logging bans and harvest restrictions; certification and labelling schemes; procurement and usage policies; and protections against exotic pests and diseases.

B. Mining

Precious and other metals are among the largest sectors of imports from Chile to the United States. Any trade liberalization affecting these products is thus likely to exacerbate the damage caused by mining projects in Chile. After logging, mining projects are the most significant threat to frontier forests in Latin America, and fisheries and other ecosystems are also threatened by the toxic pollutants and heavy siltation from mines. The U.S.-Chile FTA should therefore not include tariff reductions and other trade liberalization measures that will lead to rapidly increased mining activities.

C. Shipping Transport

Shipping transport is a significant worldwide threat to the environment, and trade liberalization with Chile should only be conducted following full consideration of the impacts in this sector. As we note below, Chile and the U.S. should include in the FTA provisions regulating the pollution and other impacts of ships that transport goods between the two countries. Ninety-five percent of the commercial goods imported to the U.S. arrive aboard ships, and air and marine pollution due to emissions and discharges from shipping vessels will therefore likely rise substantially due to implementation of the FTAA. Worldwide air pollution caused by ocean-going ships already is remarkably high; ship pollution currently represents 14% of global nitrogen pollution and 16% of global sulfur pollution from petroleum sources. In addition, increased shipping transport can cause serious threats to ecosystems in the waters through which ships pass, including to coral reefs.

II. Avoid Environmentally-Harmful Services Liberalization

Services provisions in the U.S.-Chile FTA could have significant environmental impacts in those sectors in which liberalization disciplines, including national treatment and market access, will be applied. In particular, the relaxation of restrictions in such sectors as transport, energy, tourism, water, mining and environmental services (which

are focused in sewage and waste disposal) can have substantial environmental consequences. The United States should avoid liberalization in those sectors unless clear limitations to ensure environmental protection are included in the FTA.

III. Adopt Environmentally Beneficial Trade Policies

The U.S.-Chile FTA can achieve environmentally-beneficial aims through more traditional trade policy mechanisms. Tariffs, quotas, export subsidies, and other policies can have substantial environmental effects by creating incentives or disincentives in specific sectors. This agreement should seek to maximize its positive environmental impact through these mechanisms.

A. Tariff Benefits for Environmentally Beneficial Technologies.

An accelerated phase-out of tariffs on environmentally beneficial technologies and services should be established. We emphasize that such a phase-out should not be granted to so-called "environmental goods and services" across the board. The definition in the GATS context of "environmental goods and services" includes many environmentally-harmful technologies such as waste incinerators. Clear distinctions between environmentally beneficial and harmful technologies must therefore be made. We also propose that, in any reduction of automobile tariffs, tariff rates and reduction timetables should provide preferences for automobiles using the most environmentally beneficial fuel and pollution control technologies.

B. Shipping Transport

As we noted above, the U.S.-Chile FTA should include provisions to address the significant environmental damage caused by shipping transport. Such provisions should, at minimum, address the emissions from ocean-going ships and the impact of ocean-going ships on the waters and eco-systems through which they travel.

C. Environmentally Harmful Subsidies

Chile and the U.S. should establish a working group to examine environmentally harmful subsidies.

Section 3: Transparency, Process and Dispute Resolution

Public participation and access to information in trade policy-making and in dispute settlement proceedings have recently become issues of paramount concern. The U.S.-Chile agreement must not create a Joint Committee on implementation or a dispute process that forecloses participation and access by public actors, including non-governmental organizations**.** The level of and procedures for public participation and transparency in the U.S.-Chile FTA, must, at a minimum, match those established in the

NAFTA package, including the NAAEC. NAAEC Arts. 4 and 21 in particular should serve as the baseline for providing access and information to the public regarding environmental concerns; while articles 14 and 15 provide a baseline against which to measure citizen access to enforcement mechanisms. In addition, the following minimum standards for transparency and public participation should be adhered to:

- Proceedings of the Joint Committee should be open to public observation.

- The draft agreement of the FTA should be posted on the Internet for public comment before it is signed.

- Both parties should be required to consult with the public before submitting a challenge to the other party's law under the FTA.

- Dispute proceedings before conciliation panels established by the Joint Committee should be open to public observation, and conciliation panels should be required to allow amicus participation – including the right to submit amicus briefs, to attend hearings, to obtain documents, and to make presentations to the Joint Committee – in all dispute proceedings.

- The Joint Committee should be required to accept petitions from citizens for violations of the environmental provisions of the FTA, including non-enforcement of domestic environmental laws. Citizens should be considered as parties in pursuing complaints that reach the conciliation panel. *(See NAAEC Art. 14-15.)*

- In disputes among the FTA parties concerning an environmental, health, or safety measure, the challenged party should have the right to have the case heard under the substantive and procedural provisions of the U.S.-Chile FTA. In any conciliation pursuant to the FTA, the party opposing an environmental, health or safety measure of the other party must bear the burden of proving the measure, whether on its face or as applied, unreasonably interferes with the complaining party's benefits under the FTA or another trade agreement. (See, e.g. NAFTA, art. 2005.3, 2005.4, 723.6, 914.4).

- Conciliation panels should be required to make all documents, including legal briefs in dispute proceedings, available to the public.

Finally, Chile and the U.S. should agree to allow public observation of any dispute proceedings in the event of a dispute resolution case involving the two parties at the WTO.

Section 4: Scope of the Environmental Review

The environmental reviews mandated by Executive Order 13141 are intended to produce trade policies that reflect environmental priorities in a meaningful way. As part of this process, full participation both by the public and by agencies with environmental responsibilities and expertise is necessary in the development of proposals for a U.S.-Chile FTA. The environmental review must address the full range of relevant questions, including impacts of a global nature. The following represents a limited and non-exhaustive list of the environmental issues that we believe should be addressed in the environmental review.

1. As a principal element of its scoping phase, the review should begin by canvassing the areas of commerce that could be or are likely to be affected by the FTA or are otherwise relevant to or affected by the commercial relations between the U.S. and Chile. For each area of commercial activity, a preliminary assessment should be performed of the current environmental dimensions of that commercial activity in both countries. Particular emphasis should be given to identifying areas where substantial improvements are required to raise environmental performance (including husbandry of resources and conservation of biodiversity and ecosystem functions) to achieve sustainable development and/or the application of "best practices" or other measures of environmental excellence. The scoping review should further identify current obstacles to achieving improved environmental performance, with specific attention to market failures and policy failures underlying currently inadequate practices. The potential relevance of trade-related policies and/or complementary policies should be examined.

2. The potential impacts on U.S. and Chilean environmental regulations, statutes, and other binding obligations such as multilateral environmental agreements, and on environmental policy instruments and other commitments.

3. The specific impacts in both Chile and the United States of liberalization of tariff and non-tariff measures on the following sectors:
    - forestry;
    - mining;
    - fisheries;
    - shipping transport;
    - air transport;
    - oil/gas extraction and transport;
    - and fruit agriculture.

4. The potential impacts on local and regional air pollution in both Chile and the United States and on global climate change, including changes

due to increased energy usage and other effects from export-related production and transport in Chile.