
At the First Summit of the Americas celebrated in Miami in December 1994,¹ the elected heads of state of all the countries in the Western Hemisphere but for Cuba met to discuss issues of mutual concern. It was the first gathering of hemispheric leaders since a conference in Punta del Este, Uruguay, in 1967. The Miami gathering produced numerous statements on a variety of subjects, including the need to respect human rights, improve educational systems, and protect the environment. Without a doubt, the topic that drew the most attention, however, was the issue of free trade. At the conclusion of the Summit, all 34 leaders pledged to have an agreement to create a Free Trade Area of the Americas (FTAA) ready for signature by 2005.

The First Summit of the Americas in December 1994 was followed by four other meetings of the trade ministers from each of the 34 countries present in Miami. The first so-called Trade Ministerial was held in Denver in June 1995, while the second one took place in Cartagena, Colombia, in March 1996, and a third one was held in Belo Horizonte, Brazil, in May 1997. The fourth Trade Ministerial took place in San José, Costa Rica, in mid-March 1998.

At the Denver Ministerial, it was agreed that all the countries participating in the FTAA process would be required to accept all of its obligations, and no country could opt out of certain provisions (although it was also agreed to take into consideration the adjustment concerns of the smaller economies). In addition, the FTAA would have to be compatible with obligations created under the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). In particular, duties could not be raised to higher levels than existed prior to the creation of the FTAA, and new, non-tariff barriers could not be imposed vis-à-vis other WTO member states not participating in the FTAA. Seven working groups were created in Denver to look into the current norms and legal frameworks that existed among the participating countries with respect to: (1) market access; (2) customs procedures and rules

¹ The full text of all the declarations emanating from a Summit of the Americas session are found in the official FTAA Web site, at http://www.ftaa-alca.org under the link “Summits of the Americas.” The full text of all trade ministerial declarations are at the same Web site under the link “Ministerial Declarations.”
of origin; (3) investment; (4) standards and technical barriers; (5) subsidies, antidumping, and countervailing duties; and (6) sanitary and phytosanitary measures. The seventh working group was created to focus on issues affecting the smaller economies and was expected to make recommendations designed to facilitate their incorporation into an eventual FTAA.

In the Cartagena Trade Ministerial held in March 1996, the trade ministers agreed to establish four more working subgroups on: (1) government procurement, (2) intellectual property rights, (3) services, and (4) competition policy. The trade ministers also received recommendations on 13 topics developed by the Americas Business Forum, a group representing mostly large- and medium-sized business interests that met in conjunction with each Trade Ministerial since Cartagena, and they issued policy recommendations as well as provided private sector input into the FTAA process.

The third Trade Ministerial held in Belo Horizonte in May 1997 ended without what was supposed to have been a definitive agreement for how and when to begin formal negotiations to create the FTAA. While the United States and Canada advocated that negotiations begin on all issues right after the Second Summit of the Americas scheduled for Santiago, Chile, in April 1998, the MERCOSUR (Common Market of the South in English or MERCOSUL in Portuguese) block, led by Brazil, favored a three-staged approach in which certain topics would be negotiated at different times over the next eight years. In particular, between 1998 and 1999, negotiations would focus on business facilitation measures designed to reduce the private sectors’ costs when importing or exporting goods, including simplification of customs documentation and certificates of origin, and mutual recognition of sanitary and phytosanitary certificates. Between 2000 and 2002, the MERCOSUR countries proposed that negotiations would center on harmonizing technical regulations and customs administrative procedures, eliminating “unjustified” non-tariff restrictions, and establishing a mechanism for the resolution of disputes. Only in 2003 would negotiations begin on market access issues such as actual commitments for reducing and eventually eliminating tariffs on intra-hemispheric trade, liberalizing the services sector and opening up government procurement opportunities, and providing for an effective and adequate protection of intellectual property rights, investment, and competition.

Although the Belo Horizonte meeting did not resolve the issue of how and when an FTAA would be negotiated, the trade ministers did issue a statement that they would recommend to their respective governments that negotiations to create an FTAA begin following the Second Summit of the Americas scheduled for Santiago, Chile, in April 1998. The meeting also resulted in the creation of a 12th working group authorized to look into the issue of dispute resolution.

In October 1997 Mexico proposed that the 12 working groups be converted into negotiating groups for the FTAA. The United States, for its part, proposed, that only nine negotiating groups be created, some of which would be based on the existing 12 working groups. These separate negotiating groups would focus on issues related to market access, subsidies, foreign investment, services,