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TRILATERAL BUSINESS COUNCIL URGES PROGRESS IN BUILDING A SECURE AND COMPETITIVE NORTH AMERICA

Montebello, Quebec, Canada. August 21, 2007. Building on the success of the world's most dynamic free trade zone, the two-year-old Security and Prosperity Partnership of North America (SPP) has established itself as an effective and flexible vehicle for promoting economic growth, creating jobs, and enhancing security in Canada, Mexico, and the United States, according to business leaders from the three countries.

"The fundamental principle of the SPP is to promote common-sense solutions to deal with practical issues in practical ways, which can help the economies of all three countries work better while improving security and quality of life throughout North America," said members of the North American Competitiveness Council (NACC) in a report presented at the North American Leaders' Summit in Montebello, Quebec.

The NACC is an advisory group of business leaders from Canada, Mexico, and the United States created last year to gather guidance from the private sector on ways to enhance North America's competitive position in global markets, promoting increased employment, and fostering a higher standard of living. In carrying out its mandate, the NACC has engaged in broad consultation across the business communities of all three countries, with hundreds of companies, sectoral associations, and chambers of commerce throughout North America participating in the process.

In February 2007, NACC members submitted an initial report to Security and Prosperity cabinet ministers and secretaries from the three countries. The report offered 51 concrete recommendations for actions in three areas—both within and building upon the SPP—which would have a meaningful impact on improving the competitiveness of the three economies: border-crossing facilitation; standards and regulatory cooperation; and energy supply and distribution. These recommendations









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were organized into three time frames: those that can be accomplished immediately, those that can be accomplished before the end of 2008, and those that will require additional time to address, with a goal of completion by 2010.

Today's report, titled *Building a Secure and Competitive North America*, offers reflections on the progress made so far on those recommendations and on the mandate of the NACC going forward. Copies of the report were delivered this morning to Prime Minister Stephen Harper of Canada, President Felipe Calderón of Mexico and President George W. Bush of the United States.

In today's report, the business leaders note that the launch of the SPP in March 2005—at a summit meeting in Waco, Texas, involving Canada's then-Prime Minister Paul Martin, President Bush and Mexico's then-President Vicente Fox—recognized two fundamental realities: "First, September 11, 2001 marked a new era in which economics and security have become undeniably intertwined. Second, the transformation of global trade and investment by new economic powers such as China and India has made it vital for the North American partners to work together more effectively and efficiently."

The report adds, "Action on our recommendations in all three priority areas is urgent. We need to make borders within North America as safe and transparent as possible. We need to aim for regulations that, while protecting safety, are simple and make sense. We need to reaffirm efforts to balance cross-border security considerations with the legitimate international trade that is of vital importance to the economies of all three countries. We need to enhance access to reliable sources of cost-effective energy.

"Our goal must be to reduce waste and excessive costs that are making North American companies less competitive. If we work together effectively, we can make a real difference in improving the lives of people in all three countries. If we fail to act, we will all lose ground on the global stage."

Background

The Leaders of Canada, Mexico, and the United States launched the Security and Prosperity Partnership of North America (SPP) in 2005 as a trilateral effort to increase security and enhance prosperity in the three countries through greater cooperation and information-sharing. At their summit in Cancún, Mexico, in 2006, the Leaders encouraged the creation of the North American Competitiveness Council (NACC) as a means of gathering direct advice from the front lines of the private sector.

The NACC is composed of 10 business leaders from each of the three countries, who represent their respective private sectors.

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Highlights of the August 21st NACC Report to Leaders

In border-crossing facilitation, the NACC notes, in particular, considerable advancement in emergency management planning, important steps toward a new crossing at Detroit-Windsor, and the signing of the United States-Mexico Megaports Agreement.

In standards and regulatory cooperation, governments are close to completing two short-term recommendations—a trilateral Regulatory Cooperation Framework and a trilateral Intellectual Property Rights (IPR) strategy—and are making progress on specific recommendations affecting food and agriculture, financial services, insurance, trucking, and electronic trading.

On the energy front, the report underscores the work done by the governments of the three countries to promote the development of specialized skilled labor, to develop a North American energy outlook, to expand the mandate of the North American Energy Working Group (NAEWG), and to identify opportunities for development of biofuels.

"We are committed to doing our part both in shaping a more competitive and secure North American economy and in helping to build a better understanding of the resulting benefits to Canadian, Mexican, and U.S. families and communities," the report states. "We urge the Leaders above all to make it clear to their ministers, officials, and people in each of their countries that they continue to support strongly the goals of the SPP and that sustained progress on the SPP agenda is a strategic priority that serves the interests of all three countries."

Copies of the NACC Report to Leaders are available from the websites of the NACC Secretariats: in Canada, the Canadian Council of Chief Executives (www.ceocouncil.ca); in Mexico, the Instituto Mexicano para la Competitividad (www.imco.org.mx); and in the United States, the U.S. Chamber of Commerce (www.uschamber.com) and the Council of the Americas (www.counciloftheamericas.org).

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