

A Comparative Guide to the Chile-United States Free Trade Agreement and the Dominican Republic-Central America-United States Free Trade Agreement
A STUDY BY THE TRIPARTITE COMMITTEE

Chapter Twenty-One: Administration of the Agreement

[Comparative Study](#)

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CHILE – U.S. Date of Signature: June 6, 2003 Chapter Twenty one: Administration of the Agreement	DR - CAFTA Date of Signature: August 5, 2004 Chapter Nineteen: Administration of the Agreement and Trade Capacity Building
<i>Article 21.1: The Free Trade Commission</i>	Section A: Administration of the Agreement <i>Article 19.1: The Free Trade Commission</i>
1. The Parties hereby establish the Free Trade Commission, comprising cabinet-level representatives of the Parties or their designees.	1. The Parties hereby establish the Free Trade Commission, comprising cabinet level representatives of the Parties, as set out in Annex 19.1 or their designees.
2. The Commission shall:	2. The Commission shall:
(a) supervise the implementation of this Agreement;	(a) supervise the implementation of this Agreement;
(b) oversee the further elaboration of this Agreement;	(b) oversee the further elaboration of this Agreement;
(c) seek to resolve disputes that may arise regarding the interpretation or application of this Agreement;	(c) seek to resolve disputes that may arise regarding the interpretation or application of this Agreement;
(d) supervise the work of all committees and working groups established under this Agreement;	(d) supervise the work of all committees and working groups established under this Agreement; and
(e) establish the amounts of remuneration and expenses that will be paid to panelists; and	<i>NO CORRESPONDING PARAGRAPH</i>

<p>(f) consider any other matter that may affect the operation of this Agreement.</p>	<p>(e) consider any other matter that may affect the operation of this Agreement.</p>
<p>3. The Commission may:</p>	<p>3. The Commission may:</p>
<p>(a) establish and delegate responsibilities to committees and working groups;</p>	<p>(a) establish and delegate responsibilities to committees and working groups;</p>
<p>(b) in accordance with Annex 21.1, further the implementation of the Agreement's objectives by approving any modifications of:</p>	<p>(b) modify in fulfillment of the Agreement's objectives:</p>
<p>(i) the Schedules attached to Annex 3.3 (Tariff Elimination), by accelerating tariff elimination,</p>	<p>(i) the Schedules attached to Annex 3.3 (Tariff Elimination), by accelerating tariff elimination;</p>
<p>(ii) the rules of origin established in Annex 4.1 (Specific Rules of Origin),</p>	<p>(ii) the rules of origin established in Annex 4.1 (Specific Rules of Origin);</p>
<p>(iii) the Common Guidelines referenced in Article 4.17 (Common Guidelines), and</p>	<p>(iii) the Common Guidelines referenced in Article 4.21 (Common Guidelines); and</p>
<p>(iv) the Sections of Annex 9.1 (Government Procurement);</p>	<p><i>(iv) Annexes 9.1.2(b)(i), 9.1.2(b)(ii), and 9.1.2(b)(iii) (Government Procurement);</i></p>
<p>NO CORRESPONDING PARAGRAPH</p>	<p>(c) issue interpretations of the provisions of this Agreement;</p>

NO CORRESPONDING PARAGRAPH	(d) seek the advice of non-governmental persons or groups; and
NO CORRESPONDING PARAGRAPH	(e) take such other action in the exercise of its functions as the Parties may agree.
NO CORRESPONDING PARAGRAPH	4. Each Party shall implement, in accordance with its applicable legal procedures, any modification referred to in subparagraph 3(b) within such period as the Parties may agree.
NO CORRESPONDING PARAGRAPH	5. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by consensus, unless the Commission otherwise decides.
NO CORRESPONDING PARAGRAPH	6. The Commission shall convene at least once a year in regular session, unless the Commission otherwise decides. Regular sessions of the Commission shall be chaired successively by each Party.
<u>Article 21.2: Administration of Dispute Settlement Proceedings</u>	<u>Article 19.3: Administration of Dispute Settlement Proceedings</u>
1. Each Party shall designate an office that shall provide administrative assistance to panels established under Chapter Twenty-Two (Dispute Settlement) and perform such other functions as the Commission may direct.	1. Each Party shall: (a) designate an office that shall provide administrative assistance to the panels established under Chapter Twenty (Dispute Settlement) and perform such other functions as the Commission may direct; and
NO CORRESPONDING PARAGRAPH	(b) notify the Commission of the location of its designated office.
2. Each Party shall be responsible for the operation and costs of its designated office, and shall notify the Commission of the location of its office.	2. Each Party shall be responsible for: (a) the operation and costs of its designated office; and

(b) the remuneration and payment of expenses of panelists and experts, as set out in Annex 19.3

*Annex 21.1: Implementation of Modifications
Approved by the Commission*

Chile shall implement the actions of the Commission referenced in Article 21.1(3)(b) through Acuerdos de Ejecución, in accordance with article 50, numeral 1, second paragraph, of the Constitución Política de la República de Chile.

NO CORRESPONDING ANNEX

Article 19.2: Free Trade Agreement Coordinators

NO CORRESPONDING ARTICLE

1. Each Party shall appoint a free trade agreement coordinator, as set out in Annex 19.2.

2. The coordinators shall work jointly to develop agendas and make other preparations for Commission meetings and shall follow-up on Commission decisions, as appropriate.

Section B: Trade Capacity Building

Article 19.4: Committee on Trade Capacity Building

NO CORRESPONDING ARTICLE

1. Recognizing that trade capacity building assistance is a catalyst for reforms and investments necessary to foster trade-driven economic growth, poverty reduction, and adjustment to liberalized trade, the Parties hereby establish a Committee on Trade Capacity Building, comprising representatives of each Party.

2. In furtherance of the Parties' ongoing trade capacity building efforts and in order to assist each Central American Party and the Dominican Republic to implement this Agreement and adjust to liberalized trade, each such Party should periodically update and provide to the Committee its national trade capacity building strategy.

3. The Committee shall:

(a) seek the prioritization of trade capacity building projects at the national or regional level, or both;

(b) invite appropriate international donor institutions, private sector entities, and nongovernmental organizations to assist in the development and implementation of trade capacity building projects in accordance with the priorities set out in each national trade capacity building strategy;

(c) work with other committees or working groups established under this Agreement including through joint meetings, in support of the development and implementation of trade capacity building projects in accordance with the priorities set out in each national trade capacity building strategy;

(d) monitor and assess progress of trade capacity building projects; and

(e) provide a report annually to the Commission describing the Committee's activities, unless the Committee otherwise decides.

4. During the transition period, the Committee shall meet at least twice a year unless the Committee otherwise decides.

5. The Committee may establish terms of reference for the conduct of its work.

6. The Committee may establish *ad hoc* working groups, which may comprise government or non-government representatives, or both.

7. All decisions of the committee shall be taken by consensus, unless the committee otherwise decides.

8. The Parties hereby establish an initial working group on customs administration and trade facilitation, which shall work under and report to

the Committee.

Annex 19.1 *The Free Trade Commission*

NO CORRESPONDING ANNEX

The Free Trade Commission shall be composed of:

(a) in the case of Costa Rica, the *Ministro de Comercio Exterior*;

(b) in the case of the Dominican Republic, the *Secretario de Estado de Industria y Comercio*;

(c) in the case of El Salvador, the *Ministro de Economia*;

(d) in the case of Guatemala, the *Ministro de Economia*;

(e) in the case of Honduras, the *Secretario de Estado en los Despachos de Industria y Comercio*;

(f) in the case of Nicaragua, the *Ministro de Fomento, Industria, y Comercio*; and in the case of

(g) the United States, the *United States Trade Representative*,

or their successors.

Annex 19.1.4

Implementation of Modifications Approved by the Commission

NO CORRESPONDING ANNEX

1. In the case of Costa Rica, decisions of the Commission under Articles 19.1.3(b) will be equivalent to the instrument referred to in article 121.4, third paragraph (protocolo de menor rango) of the *Constitución Política de la República de Costa Rica*.

2. In the case of Honduras, decisions of the Commission under Article 19.1.3(b) will be equivalent to the instrument referred to in article 21 of the *Constitución Política de la República de Honduras*.

Annex 19.2

Free Trade Agreement Coordinators

The free trade agreement coordinators shall consist of:

(a) in the case of Costa Rica, the *Director General de Comercio Exterior*;

(b) in the case of the Dominican Republic, the *Subsecretario de Estado de Industria y Comercio Encargado de Comercio Exterior*;

(c) in the case of El Salvador, the *Director de la Dirección de Administración de Tratados Comerciales del Ministerio de Economía*;

(d) in the case of Guatemala, the *Director de Administración de Comercio Exterior del Ministro de Economía*;

(e) in the case of Honduras, the *Director General de Política Comercial e Integración Económica de la Secretaría de Estado en los Despachos de Industria y Comercio*;

(f) in the case of Nicaragua, the *Director General de Comercio*

*Exterior del Ministro de Fomento,
Industria y Comercio; and*

(g) in the case of the United States,
the Assistant United States Trade
Representative for the Americas, or
their successors.

[Annex 19.3](#)

Remuneration and Payment of Expenses

1. The Commission shall establish the amount of remuneration and expenses that will be paid to the panelists and experts.
2. The remuneration of panelists and their assistants, experts, their travel and lodging expenses, and all general expenses of panels shall be borne equally by the disputing Parties.
3. Each panelist and expert shall keep a record and render a final account of the person's time and expenses, and the panel shall keep a record and render a final account of all general expenses.