

INVESTMENT

Environmental Measures

1. [U.S. Proposal]

The Parties affirm that this Chapter shall not be construed to prevent the adoption of enforcement of any measure, otherwise consistent with this Chapter [Agreement], that a Party deems appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.

2. [Canada Proposal]

No Party shall, as an inducement or incentive to the establishment, acquisition, or expansion of an investment of an investor, eliminate, waive, reduce, or otherwise derogate from measures of general application necessary to protect human, animal or plant life or health or the environment in its territory, or from measures relating to the conservation of exhaustible natural resources.

6/18/92

[Canada Proposal]

GENERAL PROVISIONS

Article XX: Relation to International Environmental and Conservation Agreements

1. Subject to the requirement that such measures are applied among the Parties in the least trade restrictive manner, and to the further requirement that the Party adopting or enforcing such trade measures is also implementing domestically the obligations of such environmental or conservation agreements, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any Party of trade measures contained in any international environmental or conservation agreement that all the Parties agree shall be covered by this paragraph, including international or bilateral agreements that affect trade only among some of the Parties.

6/18/92