

Mexican Trade Policy: Trading Away the Future?

Once the classic example of a state-run, inward looking, and shielded economy, in the past 20 years Mexico has undergone a dramatic transformation. Today, it is one of the world's most open trading nations, with trade accords signed (or pending) with more than 30 countries. Mexico is the second largest U.S. trading partner and, according to WTO figures, ranks number one among Latin American exporters and number eight globally. Mexico's total trade reached US\$240 billion in 1998 and is expected to have surpassed \$273 billion in 1999. Some observers worry, however, that Mexican leaders have taken things too far and have failed to establish mechanisms capable of mitigating the environmental impacts of increased trade.

by **Talli Nauman**

Mexico is signing free trade agreements left and right these days. Yet despite prodding from governments and green groups at home and abroad, none of these pacts contains an environmental side-accord like the one Mexico, Canada, and the United States tacked on to the 1994 North American Free Trade Agreement (NAFTA). Not even Mexico's 1999 free trade pact with Chile—which is based on NAFTA and is currently being expanded to eliminate antidumping clauses—includes any green provisions.

The administration of Ernesto Zedillo can take credit for free trade agreements with 28 countries, all in some stage of finalization, according to Herminio Blanco, former head of the Secretariat of Trade and Industrial Development (SECOFI). Blanco maintains that the reason Mexico avoided including environmental provisions in its post-NAFTA accords was a concern that they could be used as pretexts for blocking investments and exports during trade disputes.

In November 1999, U.S. President Bill Clinton called on World Trade Organization (WTO) countries to include the environment in their trade agreements. At the same time, he issued an executive order that obliges the United States to review the environmental impacts of its future trade accords. Unlike the United

INSIDE

- **BIOS action kit: contacts & websources p. 6**
- **Border Briefs p. 8**
- **Border Water Woes p. 9**

States and many other industrialized nations, however, Mexico is dragging its feet when it comes to including clauses dealing with environmental issues or labor relations in its trade deals.

The Mexican government's convictions in this regard have been so strong, in fact, that last year its negotiators mounted a campaign to oppose the inclusion of environmental language in the Organization for Economic Cooperation and Development's (OECD) nonbinding "Guidelines for Multinational Enterprises." The unprecedented lobbying effort broke with a long-standing OECD tradition of consensual decisionmaking. The 29-nation group eventually approved a watered-down version of the guidelines.

Last October, Greenpeace Mexico publicly urged SECOFI to stop bullying other federal departments—specifically the environment, health, and foreign ministries—to avoid environmental commitments at the

continued on p. 2

CONTACTS:

Enrique Dussel

Tel: (5) 263-9712

Email:
dussel@servidor.unam.mx

Alfredo Jalife-Rahme

Tel: (5) 681-6608

Email:
alfarid@ftnetwork.com

Octavio Jiménez Alcalá

Mexican Foreign Trade
Council

Tel: (47) 16-99-05, 06

Email: octavioj@ciatec.mx

Sen. Jorge Calderón

PRD Parliamentary Group

Tel: (5) 130-2200

Email:
csalazar.prd@senado.gob.mx

continued from p. 1

international level. Said Greenpeace's Toxics Campaign Coordinator Adrián Ruíz: "Environmental protection shouldn't be subordinated to trade accords."

Some officials and environmentalists in Mexico have expressed guarded optimism that long-held attitudes will change before long. But four months into the new administration, signals to that effect remain few and far between. Mexican economist Enrique Dussel, author of a recent report for the UN's Economic Commission on Latin America and the Caribbean entitled "NAFTA and Economic Performance in Mexico," says that Mexico's posture toward the environment in trade pacts remains "indulgent." According to Dussel, Mexican trade officials reason that their commitments to the environment under NAFTA and the WTO are already greater than those of other Latin American countries, and they think that signing any new environmentally conscious trade agreements will only cause problems. They are wary that increasing environmental stipulations will "shoo away foreign investment," says Dussel.

NAFTA, of course, included a parallel environmental side-accord establishing the Commission for Environmental Cooperation (CEC) and additional mechanisms designed to protect the trilateral environment—not because of Mexican support but rather because domestic politics in the United States necessitated it. Says Dussel, a researcher in the postgraduate studies division of the National Autonomous University of Mexico (UNAM): "It's no accident that the [NAFTA side-accord] situation has not been repeated."

What's more, according to Alfredo Jalife-Rahme, a specialist on globalization and geoeconomics at UNAM, "the environment is not a priority on the agenda." Most Mexico policymakers still consider it something "unconnected" to other issues, he says.

And according to a recent telephone poll by the daily *La Reforma* newspaper, 68% of Mexicans believe that international trade is good, because it has brought Mexico "development, jobs, and prosperity." Only 18% of the middle-class sample group voiced concerns related to economic inequality, environmental damage, or loss of sovereignty.

Where That Leaves Mexico

Although trade negotiators say their stance will protect Mexico from trade wars, other observers say it is leaving Mexico in dire straits. Julia Carabias, who headed up Mexico's Secretariat for Environment, Natural Resources, and Fisheries (SEMARNAP) under President Zedillo, frequently

argued that Mexico's lack of understanding regarding the relationship between foreign trade and environmental impacts could open the door for foreign interests to overexploit Mexico's vast biodiversity. Even NAFTA has fallen short of expectations for environmental protection, she noted.

Citing "the deplorable state of the environment along the border," Jalife-Rahme agrees. "We need to have a cross-boundary vision," he says.

In an effort to more specifically pinpoint trade-environment linkages and strengthen that cross-border vision, in October the CEC held a symposium to present some of the first independent studies on the effects of free trade on the environment in the NAFTA zone. Although not all the research papers presented at the symposium painted a negative picture, many indicated that Mexico might want to consider taking trade's environmental impacts more seriously.

For example, findings aired by the nonprofit organizations La Neta-Proyecto Emisiones, Texas Center for Policy Studies, and Canadian Institute for Environmental Law and Policy indicate that NAFTA has resulted in "an ongoing concentration of economic activity, including hazardous waste generation and management in the U.S.-Mexico border region." Recent figures from Baja California, showing that the amount of hazardous waste generated in that border state has tripled since NAFTA was signed, echo those findings.

Another CEC study, released March 9, found that air pollution from freight traffic is significant in Mexico, Canada, and the United States and that projected increases in truck and train traffic resulting from enhanced NAFTA trade will cause pollution levels to continue to rise. Studies like these are particularly relevant in light of the spate of trade agreements negotiated by Mexico recently and the additional accords Mexican leaders are expected to lock down over the next few years.

European Union Accord

One of the most important of Mexico's recent free trade deals, the Accord for Economic Association, Political Concentration, and Cooperation (AEAPCC) between the European Union (EU) and Mexico, took effect July 1, 2000, after eight years of negotiations. According to Octavio Jiménez Alcalá of the Mexican Foreign Trade Council, a nonprofit association representing leading businesses nationwide, the EU-Mexico accord satisfactorily covers environmental concerns in its Article 34, which calls for reciprocity between the parties in efforts to protect the environment and requires compliance with WTO guidelines. Furthermore, the EU has already

demonstrated its commitment to upholding environmental standards in trade with Mexico, says Jiménez. Many European companies comply with ISO 14000 standards, and EU importers insist that Mexican suppliers use nontoxic and recyclable materials. Mexican producers who want to take advantage of free trade deals will have to live up to Europe's environmental expectations, he argues.

Members of the Democratic Revolution Party's (PRD) Senate Parliamentary Group, who voted against AEAPCC ratification in March last year, disagree. According to the PRD's analysis, the accord "violates the policies and commitments on environmental protection and sustainable development that both parties have declared and subscribed to in their respective spheres and on the international plane." This is particularly clear regarding clauses that lift taxes on banned and restricted pesticides, they argue. Under the AEAPCC, DDT and other persistent organic compounds internationally slated for restricted use or elimination due to carcinogenic and environmental risks can now be exported tax-free from Europe to Mexico.

The senators also warn that the agreement paves the way for trade in toxic wastes supervised by the 1992 Basel Convention, which both parties have signed. The AEAPCC eliminates all tariffs on trade in these wastes, which Basel permits only when the wastes are destined for recycling.

Prior to the treaty's signing, opponents had called for written guarantees of mutual respect for international environmental accords, more explicit mechanisms to ensure reciprocal treatment and clauses that would require raising Mexico's environmental protection up to Europe's level. These requirements might have been met, says the PRD group, had the negotiation process involved broad public consultation.

The Mexican Free Trade Action Network (RMALC), composed of dozens of nongovernmental organizations (NGOs) at home and abroad, condemns the AEAPCC process for having excluded citizen input and for involving only a small group of well-placed business leaders. As a result of that lack of citizen oversight, "the treaty is replete with judicial mechanisms that facilitate and protect free trade and capital circulation, but it is completely lacking in judicial mechanisms to guarantee the protection of human, social, labor, ethnic, or environmental rights," argues Mexican economist Alfonso Moro, RMALC's European representative in Paris. Now that the accord has been ratified, it's up to the public to monitor its application and denounce the detrimental effects it inevitably will have, he says.

Northern Triangle Accord

On March 15, Mexico's free trade agreement with Guatemala, Honduras, and El Salvador—known as the Northern Triangle—took effect after a decade of negotiations. According to Guatemalan Finance Minister Eduardo Weyman, the Central American countries will quadruple exports to Mexico in the first few years of the agreement.

Like the AEAPCC,
the Northern Triangle Accord
does not include any specific
language addressing
environmental issues.

Like the AEAPCC, the Northern Triangle Accord does not include any specific language addressing environmental issues. "No obligations are assumed that connect matters of environmental protection, social, and labor rights, and an accord to guarantee reciprocal rights of migrant workers and their families is also excluded," notes Sen. Jorge Calderon Salazar, coordinator of international affairs for the PRD's Senate Parliamentary Group. "Once again, a strictly commercial and mercantile agenda dominated, and its negotiation reproduced exclusionary practices," he says. "The Senate of the republic and the people of Mexico were not consulted or informed."

Two years ago, more than 200 NGOs and businesses, along with legislators from Mexico and the Northern Triangle countries issued a joint declaration questioning the absence of public consultations in the negotiating process and stressing the need for sustainable development in Mexico and Mesoamerica—to no avail. Today, members of the PRD's parliamentary group continue to demand democratic participation in implementing the agreement, devising trade strategies that raise living standards, establishing mechanisms that prioritize environmental quality, and prohibiting investment promotion based on lax environmental law enforcement.

Other Accords

In addition to these two key agreements, Mexico has recently concluded a number of other trade deals. In December 1999, Mexico and

WEB SOURCES:

RMALC
www.rmalc.org.mx

Alliance for Responsible Trade
www.art-us.org

Alianza Social Continental
www.asc-hsa.org

continued on p. 4

continued from p. 3

Uruguay agreed to expand their complementary economic accord. Both countries are working on legal mechanisms to activate the expansion terms, which would eliminate 90% of tariffs. In February 2000, Mexico and Peru expanded their complementary economic accord. The next month Mexico completed a free trade pact with Israel, and in November 2000, Mexico and the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland) signed a free trade agreement that is currently awaiting Senate approval and is expected to go into effect in July. Also in November, Mexico signed an investment guarantee compact with South Korea that officials said laid the foundation for a free trade agreement between the two countries. An accord with Brazil is expected next year, while negotiations continue with China. Argentina, Japan, and Panama are also Mexican targets for free trade agreements.

These new and pending free trade deals complement the agreements Mexico already maintains with Bolivia, Chile, Costa Rica, Colombia and Venezuela, Nicaragua, the United States, and others. Mexico has also announced plans to join the Southern Cone Common Market, or Mercosur (Argentina, Brazil, Paraguay, and Uruguay) in 2004. Free trade boosters are hoping that the Mercosur pact will contribute to the consolidation of the proposed Free Trade Area of the Americas (FTAA), envisioned in Washington as eventually including all 35 countries in the Western Hemisphere except Cuba.

Free Trade Area of the Americas

Disagreements among negotiators have raised doubts as to whether the FTAA will ever fly. Even if it does make it off the drawing board, signs are that any effort to include a set of environmental parallel accords in the agreement would be an uphill—if not impossible—struggle.

With fair trade activists and others preparing for protests, demonstrations, and teach-ins at the Quebec City FTAA meeting April 20-22, the hemisphere's environment and labor ministers have been meeting to discuss possible side-provisions and draft a nonbinding set of recommendations regarding FTAA implementation. The most recent of such gatherings—which are independent of official FTAA negotiations—between environmental officials occurred in Montreal, Quebec, March 28-30. At the close of the meeting, participants reported that they had scrapped a proposed action plan including sections on economic prosperity, democracy, and social issues—which supported

including labor and environmental linkages in the FTAA.

Sources told the *Toronto Globe and Mail* that Latin American negotiators—in particular those from Brazil—opposed the plan on the basis that social conditions placed on trade benefits would be used as pretexts for protectionism. As a result, one negotiator said, “we spent quite some time... polishing the text in order to make sure that there was no linkage.” The group's action plan and recommendations will undergo further revisions when negotiators meet in Canada just prior to the April 20-22 summit.

How will Mexico respond to proposals to include environmental provisions in the FTAA? Victor Lichtinger, head of Mexico's EPA-equivalent, the Secretariat of Environment and Natural Resources (SEMARNAT), is optimistic that Mexico will not only support environmental protections in the FTAA talks but will also convince other countries to do the same. Most Latin American authorities exhibit a cold-feet reaction similar to Mexico's with respect to including environmental protection in trade treaties. “With [the] FTAA, Latin American countries must be given confidence that the United States has good intentions in that regard and doesn't want protectionism veiled in environmental excuses,” Lichtinger says.

According to Lawrence Sperling, the Environmental Protection Agency's (EPA) attaché in Mexico: “Although it remains to be seen, we are certainly hopeful that the Fox administration will support the development of international trading regimes which are consistent with high levels of environmental protection, given the focus the administration has placed domestically on transparency, sustainable development, and the relationship between environment and economy.”

Things Won't Likely Get Much Worse...

Iván Restrepo, founder of the Mexico City-based environmental education Center for Eco-Development, is less sanguine. He says that, at the very least, expectations that Mexico will include environmental matters in future trade negotiations aren't any lower now than they were during the past administration. “[The role] of the old trade secretariat—today's Economy Secretariat—was frankly lamentable, and demonstrated that up through the past [Zedillo] administration our authorities were more interested in defending and guaranteeing free trade and pollutive industry than in public health and the environment. The new government has insisted that things will be

WEB SOURCES:

FTAA Website
www.ftaa-alca.org

Stop the FTAA
www.stopftaa.org

**"Summit of the Americas:
Lessons from NAFTA"**
www.cec.org/trio

different. Let's see if the promise is more than a promise," he says.

In the months prior to Fox's inauguration, his transition team floated a proposal for putting the Secretariat of Foreign Relations (SRE) in charge of future trade pacts, but the Private Sector Center for Economic Studies (CEESP) attacked the idea, arguing that negotiations should remain exclusively in the hands of the Economy Secretariat and that moving that responsibility to the Foreign Ministry would politicize trade negotiations. Today, Mexico is in the process of quietly installing the Under-Secretariat of Economic Relations and National Cooperation within the SRE, with the intention of shifting negotiating powers there for joint handling by Economy and Foreign Relations, according to the ministry's international information officer, Mariana Cortés. Still, SECOFI's International Trade Negotiations Secretary Luis de la Calle remains in charge of trade pacts, and many staffers at that secretariat remain at their old posts, giving rise to doubts about the impact of this bureaucratic shuffle.

...But Probably Won't Get Better Anytime Soon

So far, the Fox administration has given a few signals that things might be changing. At a March meeting of the international Food and Agriculture Organization, the Mexican delegation strongly opposed proposed international restrictions designed to limit overfishing on the grounds that they represented a barrier to trade. However, after heavy lobbying by Greenpeace Mexico, Mexican authorities joined with representatives of other countries in a plan to control pirate fishing by unregulated ships. A month earlier, Economy and Foreign Ministry heads met in Brussels with European Parliament greens who, along with RMALC, are trying to get the EU-Mexico trade accord opened up to input from environmental groups and civil society. Fox has included Semarnat in the priority group of Cabinet departments, alongside the Economy Secretariat, resulting in assurances from Semarnat head Lichtinger that the environment will be taken into account in all policy decisions.

Lichtinger, for the most part, sees eye-to-eye with those U.S. officials and constituencies who advocate for environmental protection in trade treaties. However, when asked in a recent interview for *borderlines'* email supplement whether he predicts that the Fox years will yield an attitude more favorable to the inclusion of environmental clauses in free trade agreements, Lichtinger

replied that he would "have to speak with my colleague in the Economy Secretariat."

Most analysts say that the Fox administration's posture regarding inclusion of environmental concerns in trade negotiations remains ambiguous at best and that a few intermittent signs of change have so far produced only cautious hopes for

"With [the] FTAA, Latin American countries must be given confidence that the United States has good intentions in that regard, and doesn't want protectionism veiled in environmental excuses."

improvement. "I don't think things will change," says Dussel. "There's no strong [fair trade] lobby in Mexico. There's a lack of profound social conscience in Mexico with respect to the environment, which allows for great laxity in terms of treaties. The existing work of the NGOs is like drops of water in a desert." Dussel says that Mexico is still a long way from living up to the spirit of NAFTA's environmental accord and that the country is generally less concerned about environmental standards when dealing with Latin American neighbors than when dealing with the United States.

For his part, Jalife-Rahme advocates turning up public pressure in support of fair trade via increased cross-border activism. "The democratic, pluralistic environmentalists in Mexican civil society should work with NGOs in the United States," he says, in order to draw the attention of the U.S. Congress and other U.S. institutions to Mexico's trade policies, since Mexican authorities are notoriously sensitive to U.S. policy.

Talli Nauman has worked as a journalist on both sides of the border and has been reporting from Mexico since 1987. In addition to her other endeavors, Talli is editor-at-large for BIOS, managing our email supplement, the borderlines UPDATER, and authoring articles like this one.

CONTACTS:

CEESP

Tel: (5) 250-7755

Email: ceesp@cce.org.mx

Frente Autentico del Trabajo (FAT)

Tel: (5) 556-9314

Email: fat@laneta.apc.org

Adrián Ruíz

Greenpeace México

Tel: (5) 590-6868

Email:

Adrian.ruiz@dialb.greenpeace.org

Guidelines For International Calls

To call Mexico from the U.S., dial: 011-52 (city code) + the number

To call the U.S. from Mexico, dial: 001 (area code) + the number

Contacts

Alliance for Responsible Trade

c/o The Development Gap for Alternative Policies (D-GAP)
927 15th Street NW

Washington, DC 20005

Contact: Karen Hansen-Kuhn, International Coordinator

Tel: (202) 898-1566

Fax: (202) 898-1612

Email: dgap@igc.apc.org

Web: <http://www.art-us.org/>

Coalition of nonprofit organizations with a progressive, internationalist position on trade. During the NAFTA debate, worked closely with counterpart coalitions in Mexico and Canada. Following the December 1994 Summit of the Americas ART extended its focus to the FTAA. Recently issued the document *Plan for the Americas: A Critical Analysis of the U.S. Negotiating Positions on the FTAA*. Also see www.igc.apc.org/dgap.

Center for International Environmental Law (CIEL)

1367 Connecticut Avenue NW, Suite 300

Washington, DC 20036

Contact: Steve Porter, Senior Attorney

Tel: (202) 785-8700

Fax: (202) 785-8701

Email: cielus@igc.apc.org

Web: <http://www.ciel.org/>

CIEL promotes innovative methods for integrating the principles of sustainable development with international trade and investment law and policies. In 1996, launched the Public Participation in Trade Negotiations in the Americas Project, whose goal is to promote broader public participation and greater attention to environmental protection in the FTAA.

Centro Mexicano de Derecho Ambiental (CEMDA)

Atlixco No. 138, Col. Condesa

Mexico, DF, C.P. 06140

Contact: Gustavo Alanís, Ma. Elena Mesta Fernández, or Ana Carina González

Tel: (5) 211-2457, 286-3323

Fax: (5) 211-2593

Email: general@cemda.org.mx or akgl@cemda.org.mx

Among other activities, CEMDA works to develop and promote an environmental agenda in trade policies in the Americas and to document trade-environment linkages.

Equipo Pueblo

Francisco Field Jurado No. 51

Col. Independencia, Mexico, DF

Contact: Carlos Heredia Zubieta or Manuel Pérez Rocha Loyo

Tel: (5) 539-0015, 539-0055

Email: pueblodip@laneta.apc.org or mpri@webtelmex.net.mx

Through its Citizen Diplomacy program Equipo Pueblo works in various ways on issues related to Mexico's trade policies and free trade in general.

Frente Auténtico del Trabajo (FAT)

Godard No. 20, Col. Guadalupe Victoria

México, DF, C.P. 07790

Contact: Antonio Villalba

Tel: (5) 556-9314, 556-9375, 556-9316

Email: fat@laneta.apc.org

Progressive labor organization which has spearheaded efforts in Mexico to defend workers rights in a free trade context. Strong crossborder collaboration with the U.S.-based United Electrical Workers and a member of the Coalition for Justice in the Maquiladoras.

Greenpeace México

Andalucía 218, Col. Álamos

Mexico, DF, C.P. 03400

Contact: Adrián Ruíz, Toxics Campaign Coordinator

Tel: (5) 590-6868

Fax: (5) 590-9474

Email: Adrian.ruiz@dialb.greenpeace.org

Website: <http://www.greenpeace.org.mx/>

Works in various ways on a number of issues related to free trade and its environmental impacts.

Grupo de Estudios Ambientales (GEA)

Apdo Postal 635

Xalapa, Veracruz

Contact: Gerardo Alatorre

Tel: (281) 40-50-07

Email: geajalapa@laneta.apc.org

One of several groups organizing the ISIS-DPH (Desarrollo para el Progreso del Hombre) research system, which includes information on Mexican trade policies, NAFTA, and trade-environment linkages.

Red Mexicana de Acción frente al Libre Comercio (RMALC)

Godard No. 20, Col. Guadalupe Victoria

Mexico, DF, C.P. 07790

Contact: Maria Atilano, Andres Peñaloza, or Silvia Sandoval

Voice/Fax: (5) 556-0642

Email: rimalc@laneta.apc.org

Web: <http://www.rimalc.org.mx/>

One of the leading Mexican networks working on trade issues since well before the NAFTA debates. Maintains a number of projects, organizes forums, produces information, and more.

Public Citizen's Global Trade Watch

1600 20th Street NW
 Washington, DC 20009
 Tel: (202) 588-1000
 Contact: Margaret Strand
 Email: gtwinfo@citizen.org
 Web: <http://www.tradewatch.org/>

Powerful Washington-based free trade critic working for international trade and investment policies that promote government and corporate accountability, consumer health and safety, and environmental protection.

Secretaria de Relaciones Exteriores

Instituto Mexicano de Cooperación Internacional
 Paseo de la Reforma 175 Col Cuauhtémoc
 Delegación Cuauhtémoc
 Mexico, DF, C.P. 06500
 Contact: Gabriela Franco Palafox, Personal Secretary to the Executive Director
 Tel: (5) 782-4144 ext. 3449, 5241, or 3498
 Email: gfranco@sre.gob.mx
 Web: <http://www.sre.gob.mx/>

Texas Center for Policy Studies (TCPS)

Border Trade and Environment Project
 44 East Avenue, #306
 Austin, TX 78701
 Contact: Cyrus Reed
 Tel: (512) 474-0811
 Fax: (512) 474-7846
 Email: cr@texascenter.org
 Web: <http://www.texascenter.org/bordertrade/>

Working with partner organizations in Mexico, TCPS has been producing a series of reports examining how various issues—from hazardous waste to water management to forestry—are linked to NAFTA and U.S.-Mexico economic integration.

World Wildlife Fund (WWF)

1250 24th Street NW
 Washington, DC 20037-1132
 Contact: David Schorr, Director
 Tel: (202) 778-9779
 Fax: (202) 887-5293
 Email: david.schorr@wwfus.org
 Web: <http://www.worldwildlife.org/commerce/>

Leading NGO actor working and organizing around issues related to the implementation of NAFTA's environmental side agreement.

Websites**Alianza Social Continental**

<http://www.asc-hsa.org/>
 A forum of progressive organizations and social movements created to exchange information, define strategies, and promote collective action with an eye to development a model of alternative, democratic development that benefits all the people of the Americas.

Alternative for the Americas

<http://www.web.net/comfront/alts4americas/eng/eng.html>
 This document outlines a progressive vision of socially responsible and environmentally sustainable international commerce in the Americas.

CEC Symposium on Trade-Environment Linkages

<http://www.cec.org/symposium/index.cfm?varlan=english&id=3>

Economy Secretariat of Mexico, Subsecretary of International Commerce Negotiations

<http://www.economia-snci.gob.mx/portada.htm>
 Information on Mexico's free trade treaties at www.secofi-snci.gob.mx/Tratados/tratados.htm and www.secofi-snci.gob.mx/Negociaci_n/negociaci_n.htm.

Free Trade Area of the Americas Official Website

<http://www.ftaa-alca.org/>

Global Exchange—Free Trade Area of the Americas

<http://www.globalexchange.org/ftaa/>
 Updates, background information, and more related to the FTAA from one of the leading progressive nonprofit organizations working on U.S.-Mexico relations and fair trade issues.

SECOFI NAFTAWorks

<http://www.naftaworks.org/>
 Provides extensive information on foreign investment in Mexico, NAFTA trade issues and trade regulations, trade agreements between the U.S. and Mexico, and trade statistics.

Stop the FTAA

<http://www.stopftaa.org/>
 Coalition of groups opposing the FTAA. One-stop online portal to information and other resources for fair trade activists.

Summit of the Americas Information Network

<http://www.summit-americas.org/>
 This OAS-sponsored site offers a wealth of information related to the Summit of the Americas and FTAA negotiations.

"Trade Policy Suggestions for Quebec Summit"

Center for Strategic and International Studies (CSIS)
<http://www.csis.org/simonchair/issues.htm>
 In this document, Sidney Weintraub argues that rethinking labor and environmental protections may be the only way for the United States to make a breakthrough in free trade negotiations at the Summit of the Americas in Quebec this April.

U.S.-Mexico Border Action Project

<http://www.actionla.org/border/>
 Coalition of California-based activists and groups organizing anti-globalization, anti-FTAA protests on the U.S.-Mexico border for April 20-21.

border briefs

A Downsized BECC?

With the recent decisions by NADB and BECC to move ahead with “mandate expansion” and the two institutions’ subsequent call for proposals in new infrastructure areas, many expected the debate over the future of the two NAFTA-created institutions to settle down—at least for a little bit.

While BECC is moving forward with evaluating proposed pilot projects in sectors beyond the institutions’ original core areas of water, wastewater, and solid waste, some actors are reported to be suggesting that NADB could take over many of the planning and technical assistance activities now handled by the BECC, whose responsibilities would be downsized.

Exact details are not clear, but the argument purportedly being used is an old one: BECC’s certification process—intended to ensure that NADB funded projects are environmentally sustainable and reflect community needs—is a waste of time and resources that prevents the bank from doing more.

Sources in Washington report that during the Feb. Bush-Fox meeting in Guanajuato, the two leaders briefly discussed the need to make the BECC and NADB more efficient. After the summit, Mexican Deputy Secretary of Foreign Affairs Enrique Berruga told *La Jornada* that Mexico would like to “change [NADB’s] mandate, expand its faculties and make possible greater financing, so it’s not only dedicated to border and environment issues... but also works on regional development issues.”

At the recent BECC BOD meeting on March 27, officials presented a preliminary list of projects received as a result of their call for proposals in new infrastructure areas. Interestingly, the majority of suggested projects received so far fall in to the core areas of water, wastewater, and municipal solid waste, which the BECC and NADB were originally created to address.

(BIOS coverage of recent BECC/NADB events online: www.us-mex.org/borderlines/updates/ Dec. 18, Nov. 30, Nov. 10, Sept. 1, and Aug. 18, 2000.)

Health Care for Migrants

Last month, a group of insurance industry experts, academics, and public-health specialists met in Cuernavaca to convene the Binational Migrant Health Policy Initiative, intended to improve access to quality health care for migrant Mexican workers in the U.S. and reduce the costs of covering illnesses and accidents among migrants. An estimated one-fourth of uninsured people in the U.S. are immigrants—caring these uninsured is figured to cost billions.

Mexico currently provides health plans for households who have a family member working in the U.S. and the Fox administration hopes to expand that coverage to cover Mexican workers in America. Officials with Fox’s Office of Migrant Affairs, the Foreign Ministry, and the Mexican health system are planning a meeting with the Binational Migrant Health Policy Initiative to explore ways to get the Mexican Social Security system involved.

Meanwhile, Blue Cross-Blue Shield of Mexico has announced that it will soon launch a binational plan offering coverage to Mexicans working in America. While Blue Cross representatives admit that initially the policy will be too expensive for most migrant workers, they say they hope the plan will pave the way for less expensive binational health insurance policies in the future. One Blue Cross representative said that the insurance industry needs to develop a platform that addresses the differences in health-care costs and delivery in the two countries before companies can begin to offer policies that are affordable to the average migrant worker.

Most migrant workers go without health coverage. Those employed near the border often cross back into Mexico when they need care. But the ever-larger numbers of migrants seeking work far from the border must rely on a sparse network of underfunded, nonprofit clinics. A recent survey suggests that only 20% of migrant farmworkers actually access U.S. health clinics. Many Mexican migrants avoid clinics because of their illegal status. Others, including legal workers, are often fear retribution from employers if they report injuries that take place on the job.

Border Birth Defects

A toxin that can occur naturally in corn may be responsible for the tragic 1991 outbreak of birth defects in the lower Rio Grande Valley in Texas. State health officials are investigating the effects of fumosin, a toxin produced by a fungus that grows on corn grown in hot, dry weather followed by periods of high humidity. The toxin, unknown to science until 1988, is known to cause a variety of diseases in animals. Pigs that eat fumosin-contaminated corn can develop pulmonary edema, and the toxin can cause a crippling brain disease in horses, leukoencephalomalacia.

People living in parts of the world with high incidents of fumosin have high rates of esophageal and liver cancer. Latinos in Texas experience liver cancer rates two to three times higher than those of other groups. Health officials also point out that the birth defects that appeared in the Rio Grande Valley are also present in the world in areas where fumosin frequently occurs. Three babies born in Cameron County, Texas in 1990-91 had anencephaly, a neural tube defect that occurs soon after conception. The county’s rate of anencephaly rose from nine out of every 10,000 births in 1988 to 25 per 10,000 in 1991. At present, however, research doesn’t definitively rule out the possibility that similar incidents of the phenomenon in other parts of the world are simply coincidence.

Although they lack proof of a direct correlation between fumosin and neural tube defects, state health officials say they are concerned. Hispanic women in particular are at considerable risk if there is a connection between birth defects and the toxin found in corn, the mainstay of the traditional Mexican-American diet. Mexican-American women along the border consume an average of 110 tortillas a month. Last summer the U.S. Food and Drug Administration (FDA) announced guidelines limiting the consumption of corn that contains fumosin. But some Texas health officials argue that the recommended levels may be too high for most Hispanics. In a three-page report, they urged the FDA to “take into consideration the consumption patterns of the Texas Hispanic population.”

continued on back page

Mexico and U.S. Cut Rio Grande Deal, But Tensions Run High as Border Water Runs Low

by **Jonathan Treat**

The thirst for water is growing throughout much of Mexico and the southwestern United States. As demand increases and supplies diminish, governments, farmers, urban planners, and developers are scrambling for ways to access and manage this precious natural resource. As a result, on both sides of the border the water found in rivers and aquifers is becoming not just a resource, but a commodity. And deciding who has access to that commodity is a source of mounting tension between state and federal governments.

Mexico's decision March 16 to repay some of the Rio Grande water it owes the U.S. under a 1944 treaty illustrates the political importance of international water use issues. One of the tangible outcomes of the meeting between U.S. President George Bush and Mexican President Vicente Fox last month in Guanajuato, the repayment agreement is being touted as an example of fresh cooperation between the U.S. and its southern neighbor.

"This represents a first step toward a renewed commitment by both countries to allocate and use the valuable water resources of the Rio Grande in a responsible manner," Texas Governor Rick Perry said in a recent statement. In the past, Gov. Perry has complained publicly about Mexico's recent failures to meet terms of the 1944 treaty, which requires the United State's southern neighbor to release an annual average of 350,000 acre-feet of water into the Rio Grande. Most of that water is used for irrigation by U.S. farmers. An acre-foot is the volume of water that covers an acre of land to a depth of one foot, or about 326,000 gallons.

Mexican officials have acknowledged their failure to comply with the treaty. But they explain that Mexico needs all the water it can get to endure one of the worst droughts the country has experienced in 50 years. The drought has had devastating effects in a dozen states, including the border states of Tamaulipas, Coahuila, and Chihuahua. The livelihoods of thousands of Mexican farmers have literally been lost in the dust. Drought conditions on both sides of the border, along with the overexploitation of water resources, have severely strained the Rio Grande.

Things have gotten so bad that the Rio Grande stopped reaching the Gulf of Mexico in February. Its level dropped so low that plant growth and sand banks barred its flow. "This is the first time this has occurred since the Río Bravo was discovered in 1519," Mexican historians Andrés Cuellar and Oscar Rivera Saldaña told the Mexican government news agency Notimex.

Under the March 16 agreement, outlined in Minute No. 307 of the International Boundary and Water Commission, Mexico promised to release 600,000 acre-feet of water into the Rio Grande by July 31—about 20% of the water it owes the United States. And Mexican officials have offered to work with the U.S. to develop a long-term plan by the end of 2001 to repay the remainder of the deficit of 1.4 million acre-feet. However, some Texas officials worry that the repayment of water by the end of July will come too late to help the spring planting of cotton and grains in the Rio Grande Valley, which is parched due to lack of rain in recent years.

Minute No. 307 also addresses the commitment of the U.S. and Mexico to work together to prevent future deficits, to explore ways to handle drought, and to encourage sustainable management of the Rio Grande Basin.

Challenges On and Off the Border

Meanwhile, cross-border tensions remain over the use of the Colorado River's waters, despite a Dec. 12 nonbinding U.S.-Mexico agreement to seek ways to protect the river's ecology on the border and in the river's delta region, just south of the international boundary. Little more than a month later, on Jan. 16, then U.S. Interior Secretary Bruce Babbitt announced that the federal government and the states of Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada had reached an agreement to provide some of their surplus Colorado River water to California immediately, in exchange for that state's commitment to reduce usage later.

Mexico's Secretariat of Environment and Natural Resources (Semarnat) says the accord will

CONTACTS:

NM Water Resources Institute

Tel: (505) 646-4337

Email:

nmwrri@wrri.nmsu.edu

Rio Grande/Rio Bravo Basin Coalition

Tel: (915) 532-0399

Email: coalition@rioweb.org

Coalición de la Cuenca del Rio Grande/Rio Bravo

Tel: (16) 17-59-98

Email:

coalicion@hotmail.com

Southwest Environmental Center

Tel: (505) 522-5552

Email: swec@zianet.com

continued on p. 10

WEB SOURCES:

Comisión Nacional de Agua

www.cna.gob.mx

Instituto Mexicano de Tecnología del Agua

www.imta.mx

"Borderlands Water Conflicts"

borderlines vol. 7 no. 6 July 1999
www.us-mex.org/borderlines/bkissues.html

"Navigating the Waters of the Paso del Norte: A People's Guide"

harc.edu/cgs/mexico/navigating.html

continued from p. 9

boost agricultural usage in southern California's fertile growing zones which, in turn, will raise salinity levels in the water sent south of the borderline in accordance with a 1945 treaty. "The question of the Colorado River is very serious," said Semarnat-chief Victor Lichtinger at a February meeting with environmental officials.

"The fact that the part of the river that belongs to us arrives contaminated is a serious problem for biodiversity and also for the marine ecology of the Gulf of Mexico. This has important implications for agriculture, in the availability of water in all the Mexicali Valley and the Colorado River Delta," Lichtinger said. "What we need to achieve is for water to be a factor of cooperation and of unity. It has to be a factor of development, not an obstacle to it," he said.

Under the terms of the 1945 treaty, Mexico obtained rights to 1.5 million acre-feet of Colorado River water per year, or about 10% of the river's flow, which is primarily used for agriculture.

Lichtinger called for the development of a bilateral plan for the sustainable management of water in the border region, including the Colorado River zone.

He also underscored the need for agreements with the U.S. for managing and allocating subter-

rain on Mexico's already limited water supplies. According to estimates by government and private environmental experts, Mexico will have to spend US\$30 to \$60 billion during the next 10 years on wells, treatment plants, and other infrastructure projects to meet the water demands of the population. The Mexican government estimates that roughly 11.8 million Mexicans will lack adequate access to reliable sources of water this year. Mexico currently has an average of 5,000 cubic meters of water per person—an amount far below the global average of 8,000 to 10,000 cubic meters. In contrast, the U.S., Canada, Europe, and some South American countries have as much as 30,000 cubic meters of water per capita.

President Fox's administration has proposed raising water fees to help fund needed water infrastructure development. According to the National Water Commission (CNA), at present the government charges Mexicans for only three out of every 10 liters of water consumed. The Mexican Congress is expected to back the proposal to hike water fees, but the reaction by state governors, especially on the border, has been mixed.

Ciudad Juárez provides a vivid example of an impending water crisis. The booming city is faced with the prospect of a severe water shortage and few realistic options for solving the problem. Previous estimates predicted the city's main water supply, the Hueco Aquifer, could sustain Juárez for at least the next 20 years. But a new hydrological survey recently found that if current rates of water consumption continue, the aquifer could run dry in half that time. Many of the city's wells are already becoming saline.

Officials are searching frantically for new sources of precious water for the arid city. One short-term solution would be to impose strict conservation measures. Considering the city's rapid and frequently uncontrolled growth, however, successfully implementing such measures might be a nearly impossible task. Some experts say the best option is to begin treating Rio Grande surface water for municipal use, which would slow the depletion of the Hueco Aquifer. The obvious disadvantage of this plan is that Mexico's entire share of the Rio Grande isn't enough to meet the current consumption even just in Juárez, to say nothing of future needs.

A 1906 treaty gave Mexico 8% of the river's water, a fact that many observers south of the border cite as evidence to the advantages of being the more powerful neighbor upstream. The rest of the flow stays in the United States and is used mainly for agriculture.

According to estimates,
Mexico will have to spend
US\$30 to \$60 billion during the
next 10 years on wells,
treatment plants, and other
infrastructure projects
to meet water demands.

anean water sources along the border. Currently, no treaty governs the distribution of water found in binational aquifers.

But even if Mexico is successful in garnering U.S. cooperation on the border, it faces extreme challenges in managing water resources in many other parts of the country. Long periods of drought in some areas of Mexico, uncontrolled development, and lack of conservation have put a severe

Some experts say that the 1906 treaty is unfair and that it should be reopened to give Mexico access to more of the Rio Grande. "The treaty must be renegotiated. Things have changed drastically since 1906," says Irasema Coronado, of the Good Neighbor Environmental Board, an independent U.S. federal advisory committee that deals with water issues in the border region. Given the rapid growth of affluent desert cities in the southwestern U.S., however, most observers agree that revisiting the 1906 treaty is extremely unlikely.

Looking for Options

Across the river from Juárez, officials in El Paso and Las Cruces also are looking for ways to manage surging demands for water. As in Mexico, rapid growth and declining aquifers threaten a potential water crisis in those urban centers.

The present El Paso-Las Cruces area population of about 2 million is expected to triple in the next 25 years. The only truly renewable water source in the region is the Rio Grande. Between them, Colorado, New Mexico, and Texas currently divvy up the lion's share of the river's water, roughly 790,000 acre-feet. Nearly all of that water is used for agriculture in those states.

Recently, El Paso began to use waters from the Rio Grande previously allocated for agriculture in order to maintain its growth. The city has leased or bought water rights from area farmers, and it now gets nearly half its municipal water from the river. Much of the remaining portion comes from the Hueco Aquifer beneath Juárez and El Paso, which has supported El Paso's growth over the past 20 years. However, draw down of the Hueco Aquifer from use on both sides of the international dividing line greatly exceeds recharge. Water levels are dropping dramatically, and the aquifer is becoming increasingly saline. Some experts predict the Hueco Aquifer will be depleted by 2030. In December 1999 the El Paso Water Utilities Board entered into a nonbinding Memorandum of Understanding Juárez's Junta Municipal de Agua y Saneamiento, which called for cooperation in conservation and planning efforts.

Nearby Las Cruces, whose sole source of municipal water is the Mesilla Aquifer, also faces potentially serious water shortages.

IBWC Announces El Paso-Las Cruces Water Project

The New Mexico-Texas Water Commission and the binational International Boundary and Waters Commission recently released an environ-

mental impact statement and a plan for managing water in the El Paso-Las Cruces region for the next 50 years. The El Paso-Las Cruces Sustainable Water Project, announced in January, is designed to meet regional drinking water needs through the year 2030, while avoiding water shortages and potentially permanent, negative impacts on groundwater supplies. The plan includes construction of new water treatment plants and expansion of existing plants, construction of an aqueduct to transfer treated water, and 2% of project costs to fund environmental enhancements.

Central to the success of the plan is the continued conversion of agricultural waters to municipal and industrial use. Officials propose implementing the project by purchasing irrigation water rights to the Rio Grande or establishing agreements with irrigation districts and water rights holders.

But on Feb. 12, the *El Paso Times* reported that major components of the fledgling Sustainable Water Project have run into troubled waters. The project's planned Upper Valley Treatment Plant to the north of town will require millions of gallons of river water in order to run. But an agreement reached Feb. 1, after three years of acrimonious negotiations between the City of El Paso and the El Paso County Water Improvement District No. 1, doesn't provide for that water. The development has raised doubts regarding the city's plans to build a massive \$82-million aqueduct needed to transport the water the treatment plant would produce.

Backpedaling away from its recent focus on Rio Grande surface waters, El Paso has begun to eyeball construction of desalinization plants to treat the brackish water that remains available underground. It also has begun to consider importing water from outside the county.

Growth in the border region is inevitable, and so is a dramatic increase in the demand for water. Complicating matters is the extended dry spell the already arid region has undergone in recent years. Farmers in northern Mexico say they have been experiencing drought conditions for nine years; meanwhile, in South Texas, reservoirs are filled only to about 43% of their capacity. The looming water crisis transcends international and state borders, and many experts warn that only a cooperative, regional approach to managing and conserving water will avert disaster. ■

Jonathan Treat, a journalist who has lived and worked in Mexico and Central America, is a regular writer for borderlines.

CONTACTS:

El Paso Water Utilities
Tel: (915) 594-5501
Email: jeballiew@epwu.org
Web: www.epwu.org

IBWC
Tel: (915) 832-4175
Email: sallyspener@ibwc.state.gov
Web: www.ibwc.state.gov

Instituto Municipal de Investigación y Planeación
Ciudad Juárez
Tel: (16) 13-65-20
Email: imip@infoink.net
Web: www.imip.org.mx

continued from p. 8

A Kinder, Gentler INS—or More of the Same?

Bush's new immigration budget significantly increases INS funding to "improve services, strengthen border control and enforcement, and detain and deport illegal aliens." The administration has proposed a universal, six-month standard for processing all immigration applications and is planning a five-year, \$500 million initiative to fund new personnel and introduce employee incentives to encourage improved processing times. The administration has proposed \$100 million in 2002 as the first installment in its effort to improve INS services. Currently, processing times for immigration applications can be up to three years—if not more.

On the enforcement side, the 2002 budget requests \$75 million to hire and train 570 new Border Patrol agents annually in 2002 and 2003. With these new agents, there will be an estimated 11,000 officers patrolling the nation's borders by year's end—the vast majority will be in the Southwest. An additional \$20 million was requested to purchase intrusion detection technology such as high-resolution color and infrared cameras and state-of-the-art command centers, while \$7 million was requested to establish special border intelligence units. The units would collect, analyze, and disseminate information to identify and interdict illegal immigrants, monitor possible terrorist activity and smuggling, and track illegal drug and other contraband shipments.

The proposed budget also earmarks funds for INS detention and deportation staff and provides additional resources aimed at removing criminal and illegal aliens quickly. The 2002 budget requests

\$89 million for an additional 1,607 detention bed spaces, bringing the total number to more than 21,000.

FYI and Miscellany

A new report available from the New Mexico Water Resource Research Institute outlines strategies for dealing with drought in the Rio Grande Basin. Available at wrii.nmsu.edu/publish/techrpt/tr317/downl.html.

A series of actions on the border to protest U.S. immigration and trade policies are being planned by various activists groups for April 21-22. In New Mexico, call (505) 345-5792. Elsewhere: (626) 403-2530, email BorderActions@aol.com, or visit www.actionla.org/border.

Immigration deaths on the border are documented in a new report at www.uh.edu/cir/death.htm.

Six Years of NAFTA: A View from Inside the Maquiladoras is an excellent report on border economics, development issues, and working conditions produced by the Comité Fronterizo de Obreras and the American Friends Service Committee. For more information email RHernand@afsc.org.

The 2001 3rd Annual Meeting on the Border Environment will take place in Tijuana, Mexico April 26-28. For more information: www.encuentrofronterizo.org.

The Mexico-U.S. Advocates Network is seeking a Program Coordinator. Visit www.mexicousadvocates.org or email jobsearch@mexicoadvocates.org.

The Red Mexicana de Acción Frente al Libre Comercio's (RMALC) recently redesigned website offers a wealth of valuable information, analysis, and news updates: www.rmalc.org.mx.

borderlines

VOLUME 9 · NUMBER 5 · MAY 2001

Editor: George Kourous

Writer: Jonathan Treat

Production: Tonya Cannariato

ISSN: 1065-1411

POSTMASTER

Send change of address information to:

IRC · Box 4506 · Albuquerque, NM 87196-4506

GENERAL INFORMATION

borderlines is produced by the Border Information and Outreach Service, a project of the Interhemispheric Resource Center. Funding is supplied by the Ford, Kellogg, and Charles Stewart Mott Foundations.

SUBSCRIPTIONS

Individual subscriptions are \$12 per year in the United States, and free on a limited basis in Mexico. Institutional subscriptions are \$20 per year. All subscriptions in other countries add \$5 to the cost. Email borderlines@irc-online.org or call (505) 842-8288 to subscribe.

EDITORIAL OFFICE

Box 2178 · Silver City · NM 88062-2178

Voice: (505) 388-0208

Fax: (505) 388-0619

Email: borderlines@irc-online.org

Website: <http://www.us-mex.org/>

INTERHEMISPHERIC RESOURCE CENTER

BOX 4506

ALBUQUERQUE, NM 87196-4506

NON-PROFIT ORG.
U.S. POSTAGE PAID
ALBUQUERQUE, NM
PERMIT NO. 990

ISSUE 78

The information at the top of your mailing label indicates when your subscription ends.