



CEC Annual Report

2004



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Mission

The CEC facilitates cooperation and public participation to foster conservation, protection and enhancement of the North American environment for the benefit of present and future generations, in the context of increasing economic, trade and social links among Canada, Mexico and the United States.

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Message from the Council

In 2004, we celebrated the tenth anniversary of the creation of the Commission for Environmental Cooperation. At the same time, an independent international review and assessment committee appointed by the Council submitted a report reviewing implementation of the *North American Agreement on Environmental Cooperation* (NAAEC) since 1994, and made recommendations for the future. As Council members, we look forward to the next ten years and have dedicated effort this year to charting a new course for the CEC.

In its report, the Ten-year Review and Assessment Committee (TRAC) stated that the CEC has been an extraordinarily active organization that has helped create a North American environmental community and has achieved substantial results on issues such as chemicals management and setting the basis for progress on conservation of North American biodiversity. The TRAC reported that the CEC has built substantial environmental capacities, advanced the understanding of trade and environment linkages, successfully promoted citizen engagement on environmental issues, and increased government accountability regarding the enforcement of environmental laws. The TRAC also noted that the NAAEC stands out for its provisions on public participation and for the unprecedented commitment by the three governments to account internationally for the enforcement of their environmental laws. These provisions, the committee noted, make the CEC an international model.

Thus informed by the TRAC review and based on our experiences on the value of the CEC, we, the members of Council, have taken this opportunity to redefine our objectives and focus our resources. The *Puebla Declaration*, adopted at our 11th Council session in June, sets out our new vision for the CEC, as an organization that is a catalyst for action by the Parties and others to ensure that our air is cleaner, our water purer, and our plant and animal species better conserved and protected. To these ends, we have reoriented the future work of this international organization into three new priority areas: Information for Decision-making, Capacity Building and Trade and Environment.

In addition to these twin accomplishments, the TRAC evaluation and the *Puebla Declaration*, our Commission and each of our countries have worked diligently, through cooperative initiatives and country-specific efforts described in this report, to protect and enhance the environment we share in North America.

We invite you to examine our progress in this annual report of the CEC for 2004.

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Report from the Joint Public Advisory Committee (JPAC)

JPAC held its first meeting of the year in March in Oaxaca, Mexico, in conjunction with the CEC's symposium on Maize and Biodiversity. The event drew hundreds of participants many of whom were indigenous peoples who are directly affected and very much concerned with the issue of transgenic maize in Mexico. This is a very sensitive and controversial topic—and one that I am proud to say JPAC did not shy away from. Based on our participation in the meeting, JPAC provided a letter to Council with a series of recommendations for addressing this complex topic in the final Article 13 report.

During the first several months of 2004, JPAC actively participated in the Ten-Year Review Committee's work. JPAC as a whole met twice with the TRAC Committee and individual members provided interviews with their consultants on a variety of matters. JPAC was very pleased with the TRAC report and expressed its commitment to work with the recommendations. Of particular significance was the call to improve relations between the CEC's institutional partners—Council, JPAC and the Secretariat. JPAC held a public session during the June Council session to review the recommendations of the TRAC and prioritize follow up. JPAC also participated in the review of Council Resolution 00-09 on matters related to Articles 14 and 15. JPAC continues to be vigilant in its support of the citizen submission process particularly regarding timeliness, transparency, accountability and the independence of the Secretariat when developing factual records.

One of the year's more interesting initiatives was a plan for capacity building and securing the long-term involvement of Indigenous Peoples in the activities of the CEC. Developed in collaboration with the Secretariat it called for some specific commitments and actions to be taken in 2005, including the creation of a new permanent position at the Secretariat to be staffed by an indigenous person with responsibility for capacity building, guiding policy relevant work and developing an agenda for Indigenous Peoples within the institution, generally.

In October, JPAC participated in a CEC meeting on Building the Renewable Energy Market in North America. JPAC has a long-standing interest in this important area and issued an Advice to Council providing very specific recommendations for how work in this area could be built into the new CEC pillars.

To cap the year, JPAC participated in the development of the new strategic direction for the CEC and the formulation of the three new pillars. We held a public session in November and provided concrete Advice to Council on priorities for action under each pillar. Given our interest in the subject over the years, I would be remiss if I did not mention JPAC's disappointment that the program of Children's Health and the Environment was terminated.

It was an honour and a pleasure to serve as JPAC chair for 2004. The year concluded my second full term with JPAC. In those six years I made many new friends and professional contacts and was privileged to participate in many invigorating public meetings. My life was enriched. I wish JPAC continuing success in its next 10 years.

Donna Tingley
JPAC Chair for 2004

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Message from the Executive Director

This year marks the tenth anniversary of NAFTA and its side agreement, the North American Agreement on Environmental Cooperation. Just as NAFTA sought to dismantle barriers to trade and investment, the NAAEC sought to build bridges to environmental sustainability. Together, the environmental provisions of NAFTA and the NAAEC mark our determination to couple economic growth and liberalization of trade with international cooperation and an upward harmonization of environmental standards and performance in each of our countries.

In the fall of 2003, the CEC Council mandated the *Ten-year Review and Advisory Committee* (TRAC), composed of two representatives from each of the three NAFTA countries, to assess NAAEC's implementation over its first decade and provide recommendations for the future.

In its report to Council published in June and available from www.cec.org/trac, the TRAC committee noted that the NAAEC stands out for its provisions for public participation and for the unprecedented commitment by the three governments to account internationally for the enforcement of their environmental laws. These provisions make the CEC an international model.

The committee also found:

- The CEC was and remains a unique, innovative and important institution.
- As well as promoting regional environmental cooperation, the CEC plays an important role in addressing the issues around environment and trade.
- The CEC has pursued both its environmental cooperation agenda and its environment and trade agenda in active collaboration with civil society.
- The three Parties have benefited significantly from the NAAEC.

The Council ended its June Council session by responding with the *Puebla Declaration* (see Annex in this section). That declaration looked forward with renewed commitment and outlined a new strategy for the work of the CEC.

This year also saw the publication of an independent Secretariat report entitled *Maize and Biodiversity: The Effects of Transgenic Maize in Mexico: Key Findings and Recommendations*. This report was the result of two years of research and public consultations conducted with the assistance of an independent expert advisory group.

Highlights of other achievements in 2004 can be found in the Cooperative Achievements of this report.

William V. Kennedy
Executive Director
CEC Secretariat

2004 Program Summary

GOAL 1: To foster understanding of the state of our environment and its relation to the economy and trade in North America

Objective A: The public and the Parties have a better understanding of the state of and outlook for the North American environment and its relation to human and ecosystem health

Strategy 1: Facilitating data harmonization and information sharing and promoting integrated monitoring across North America to foster better understanding of the current status of the North American environment

Strategy 2: Investigating potential environmental threats and issues of common concern by performing comparative analyses and assessments using comparable environmental information collected across North America

Strategy 3: Assessing the impacts of environmental degradation on human and ecosystem health in North America and disseminating assessment results to decision makers and the public

Objective B: Trade officials and the public understand the environmental effects of liberalized trade and use that understanding to inform new agreements

Strategy 1: Developing a strategic plan for the Environment, Economy and Trade program

Strategy 2: Assessing and disseminating findings on environment/trade relationships in a transparent manner

GOAL 2: To act as a catalyst to improve domestic law and policy and enhance environmental enforcement and compliance across North America

Objective A: Enhance cooperation in the development, improvement and dissemination of information about environmental laws, policies, standards and technical requirements

Strategy 1: Improving the understanding of regulatory and technical requirements, experiences and management techniques in selected sectors

Strategy 2: Ensuring that online information about North American environmental laws and policies is up-to-date and easily accessible

Strategy 3: Improving the coordination of environmentally sound management and tracking of transboundary hazardous waste in North America

Objective B: The Parties enhance compliance with, and enforcement of, their environmental laws and regulations

Strategy 1: Providing a forum for the Parties and stakeholders to come together on issues of common concern

Strategy 2: Ensuring that the Articles 14/15 process yields information that can enhance environmental enforcement and compliance in North America

GOAL 3: To mobilize international cooperation to resolve critical North American environmental issues

Objective A: Conserve North America's biodiversity and use it sustainably

Strategy 1: Implementing the Biodiversity Strategic Plan through collaboration and cooperation

Strategy 2: Promoting cooperation for the conservation and maintenance of North American regions of ecological significance

Strategy 3: Promoting the conservation of North American migratory and transboundary species, and other species identified by the Parties

Strategy 4: Facilitating data and information sharing across North America and promoting integrated monitoring and assessment to increase understanding of the state of North American biodiversity

Strategy 5: Facilitating communication, networking, and identification and sharing of best practices, priorities, and opportunities for education and training

Strategy 6: Promoting collaborative responses to threats facing North American ecosystems, habitats and species

Strategy 7: Identifying and evaluating potential collaborative opportunities for biodiversity conservation and sustainable use of biological resources that arise from regional trade

Objective B: Ensure North American environmental, economic and trade policies are mutually supportive

Strategy 1: Promoting renewable energy and energy efficiency in North America

Strategy 2: Fostering understanding of environmental labeling

Strategy 3: Encouraging the disclosure of relevant environmental information

Strategy 4: Fostering green procurement in North America

Objective C: Prevent or reduce pollution impacts on human and ecosystem health

Strategy 1: Facilitating the development and implementation of North American strategies and actions to protect human health and the environment

Strategy 2: Fostering private sector actions to adopt sound approaches to environmental protection and conservation

GOAL 4: That all CEC activities strive to provide a forum for public dialogue and participation concerning environmental issues in North America

Objective A: The North American public and NAAEC Parties view the citizen submission process as a useful and valuable mechanism for enhancing enforcement of and compliance with environmental law in North America

Objective B: The CEC will engage and inform the North American public in its programming and operations

Cooperative Achievements

1. Introduction

The year 2004 marked the tenth anniversary of the creation of the CEC. On 14 June, a six-member committee (two each from Canada, Mexico and the United States) appointed by Council submitted to Council a report reviewing the implementation of NAAEC since 1994 and making recommendations for the future. In its report, the Ten-year Review and Assessment Committee (TRAC) stated that the NAAEC stands out for its provisions on public participation and for the unprecedented commitment by the three governments to account internationally for the enforcement of their environmental laws. It stated that these provisions make the CEC an international model. The TRAC noted that the CEC has been an extraordinarily active organization which has helped create a North American environmental community and has achieved substantial results on issues such as chemicals management and setting the basis for progress on conservation of North American biodiversity. The TRAC reported that the CEC has built substantial environmental capacities; advanced the understanding of trade and environment linkages; successfully promoted citizen engagement on environmental issues; and increased government accountability regarding the enforcement of environmental laws. The TRAC noted a number of issues that require attention for the CEC to realize its full potential. It recommended engaging more fully the three countries' ministers of the environment; clarifying CEC governance (the roles of Council, the Secretariat and JPAC as they relate to the cooperative agenda and the citizen submissions process); improving outreach and mobilizing the CEC's constituency; sharpening the programming focus; establishing an adequate funding base for the future; and continuing to focus on integrating capacity building into the CEC's activities.

At the 11th Regular Session of Council held in June, in Puebla, Mexico, Council issued a declaration (the *Puebla Declaration*, see *Annex*) stating that the tenth anniversary of the NAAEC and NAFTA was an occasion to assess the work of the CEC and an opportunity to review its progress, re-affirm the Council members' commitment to the CEC, and set directions for the future, using the TRAC report as an important basis for its deliberations.

In the *Puebla Declaration*, the Council members state that looking forward, they envision the CEC as an organization that is both a catalyst and a forum for action by the Parties on environmental matters. They state their desire that the CEC be known for concrete results as well as quality information and analysis that have policy relevance to the three countries. Council committed to grounding the CEC's work program, starting in 2005, in results-oriented strategic plans for three priorities: information for decision-making, capacity building, and trade and environment, and it recognized that this would involve a transition period. Council stated that it continued to support the Secretariat's work under Article 13 of the NAAEC to identify emerging issues and to provide recommendations to the Parties for addressing these issues. It also expressed its continued support for the submissions on enforcement matters process, and committed to exploring ways for each Party to communicate how matters raised in factual records may be addressed over time. The Council stated that it wants to foster partnerships to grow the constituencies engaged in the work of the CEC. It stated further that it continued to place great value on advice from JPAC.

2. Conservation and Biodiversity

A. Implementing the Biodiversity Strategic Plan Through Collaboration and Cooperation

In September, the Biodiversity Conservation Working Group established objectives for the Five-year Action Plan to implement the Strategic Plan for North American Cooperation in the Conservation of Biodiversity.

B. Promoting Cooperation for the Conservation and Maintenance of North American Regions of Ecological Significance

1. North American Marine Protected Areas Network (NAMPAN)

Stakeholders from the three countries agreed to establish a pilot network of marine protected areas (MPAs) in the Baja California

to Bering (B2B) Sea region. The network will be based on the B2B Priority Conservation Areas, the Marine Ecoregions classification system, and the MPA management effectiveness project.

2. Grasslands Ecosystem Network (Grassnet)

Work began on identifying grasslands priority conservation areas on a North American scale as part of a grasslands conservation network. As part of the Secretariat's ongoing efforts to link trade issues with biodiversity conservation matters, a survey on grass-fed cattle/bison was created in collaboration with the Secretariat's Environment, Economy and Trade program.

C. Promoting the Conservation of North American Migratory and Transboundary Species, and Other Species Identified by the Parties

1. Marine and Terrestrial Species of Common Conservation Concern

Draft North American Conservation Action Plans (NACAPs) for the leatherback sea turtle, the humpback whale, and the pink-footed shearwater, underwent broad peer review and were being finalized. In late October, CEC representatives joined school children from Canada, Mexico and the United States in Zihuatanejo, in the Mexican state of Guerrero to celebrate the release of marine turtle hatchlings into the wild. A species book that will include terrestrial and marine ecoregion maps for all the species of common conservation concern was being finalized.

Initial draft NACAPs were developed by trilateral experts for the black tailed prairie dog, the ferruginous hawk, and the burrowing owl (grassland species identified by Canadian and Mexican wildlife agencies) at a July meeting facilitated by the CEC.

2. Assessment of the conservation status of birds

Regional information on the status of birds was consolidated for integration with country-wide data from Canada and the United States as part of a first attempt to compile such information on a North American scale.

D. Facilitating Data and Information Sharing across North America and Promoting Integrated Monitoring and Assessment to Increase Understanding of the State of North American Biodiversity

As part of the implementation of the NAMPAN, a database was created to provide access to cross-linked information on marine ecoregions, organizations, and species.

E. Promoting Collaborative Responses to Threats Facing North American Ecosystems, Habitats and Species

A report on "Status, Environmental Threats, and Policy Considerations for Invasive Seaweeds for the Pacific Coast of North America" was completed and submitted for peer review. A trilateral task team was being formed to target and test a risk analysis model for invasive species of common concern.

3. Environment, Economy, and Trade (EET)

A. Pursue Development of the Strategic Plan for the EET Program

Meetings of trade and environment officials were held in May and September to develop a strategic plan for understanding the links between the environment, the economy and trade in North America. The plan will serve as a foundation for achieving the trade and environment objectives of the *Puebla Declaration*.

B. Assessing Linkages between Trade and Environment

Two studies were published to further understanding of the environmental impacts of agricultural trade liberalization and identify agricultural subsectors requiring additional analysis. Updates were made to information gathered in 2000 on the production and management of hazardous wastes. The Secretariat participated in a strategic dialogue on commodities, trade, poverty and sustainable development organized by the International Centre for Trade and Sustainable Development and the International Institute for Environment and Development. The Secretariat published a report on payment schemes for the provision of environmental services. It conducted a survey on meat consumption habits of North Americans as part of a study that seeks to determine the viability of eco-labeled grass-fed cattle and bison as a market-based mechanism for conserving grassland biodiversity. It produced a background paper entitled "An Examination of Trade in Environmentally Preferable Goods and Services" that classifies and quantifies trade in the NAFTA region.

C. Promoting Renewable Energy and Energy Efficiency in North America

Renewable Energy Certificates (RECs) have been identified as a key market-based mechanism to promote the development of renewable energy in North America. The Secretariat sponsored a special session on "Forging North American Energy Security" at a meeting organized by the North American Forum on Integration focusing on the challenges and opportunities related to the development of a credible market for RECs. The Secretariat published a report on the status of REC tracking systems in North America. In April, the Secretariat facilitated small breakout sessions at the North American Energy Summit hosted by the Western Governors' Association. In May, the Secretariat participated in a seminar co-sponsored by the Renewable Energy and International Law Project, the British Embassy and the Renewable Energy and Energy Efficiency Partnership focusing on increasing investment in clean energy practices. In October, in collaboration with JPAC, the Secretariat held a public meeting on building a renewable energy market in North America.

In November, the Secretariat hosted a workshop with the EPA and the World Resources Institute on avoided emissions calcula-

tion methodologies. A paper was published laying the groundwork for determining which non-modeling-based methodology can provide the best estimates of displaced emissions.

The Secretariat prepared a report on environmentally preferable uses of biomass in collaboration with Natural Resources Canada and the National Research Council.

The Secretariat was invited to join a partnership composed of the Renewable Energy and International Law Project, Baker & McKenzie, Yale University, and the Renewable Energy and Energy Efficiency Partnership to study trade aspects of renewable energy. A report was being finalized discussing trade agreements and domestic laws on investment and renewable energy sources in the NAFTA context.

D. Fostering Understanding of Environmental Labeling

The Secretariat delivered a presentation on environmental labeling at the United Nations Environment Program's 8th International High-Level Seminar on Sustainable Consumption and Production in November and published an analysis of the environment, economic, and trade benefits for Mexico of various definitions of environmental goods and services. The Secretariat launched a database cataloguing information about sustainable consumption and production initiatives in North America, online at <<http://www.p2win.org/nasca>>.

E. Encouraging Disclosure of Financially-Relevant Environmental Information

The Secretariat participated in an inter-American forum on "Globalizing Civil Society from the inside out" in October and co-hosted a meeting with the US Environmental Protection Agency that examined the role of environmental agencies in North America in fostering transparency and disclosure. It also published two papers in collaboration with Environment Canada, one on the mining industry and another on the business value case of environmental management and disclosure.

F. Fostering Green Procurement in North America

In February, the Secretariat took part in a conference aimed at identifying environmental expectations in the Canadian, Mexican and US markets for paper. The Eco-SAT self-assessment tool became fully automated and was posted on the web. The North American Green Purchasing Initiative and the Secretariat finalized their strategic plan to increase green purchasing of renewable energy, cleaning products and office supplies.

G. Following-up and Completing the Sustainable Palm Project

The initiative on sustainable palm was completed. The Secretariat conducted a survey that showed a majority of Christian congregations would be willing to pay nearly double the current

price to purchase palm fronds through a program guaranteeing sustainable harvesting. The Secretariat published a report detailing a pilot sales project and certification guidelines for palms.

4. Pollutants and Health

A. North American Pollutant Release and Transfer Register (PRTR) Project

Since 1995, the Secretariat has been working with the national PRTR programs of Canada (National Pollutant Release Inventory), the United States (Toxics Release Inventory), and Mexico (*Registro de Emisiones y Transferencia de Contaminantes*) to develop a North American profile of pollutant releases and transfers, promote public access to environmental information, and enhance comparability among the national systems. Its annual publication, *Taking Stock*, contains a compilation of information for the industries and chemicals that are common to the national PRTR lists. To date, this "matched" data set only covers the United States and Canada. In June 2004, Mexico adopted regulations to provide for a mandatory and publicly accessible PRTR system and began making a list of chemicals that will be subject to the reporting requirement. *Taking Stock 2001* was released in May 2004. It showed that overall, North American industrial releases and transfers of chemicals decreased by seven percent from 1995 to 2001. Flexible access to the data sets is available through the Secretariat's *Taking Stock Online* web site <<http://www.cec.org/takingstock>>.

B. Air Quality Project

The Secretariat completed an assessment of the potential for sharing electronically air emissions inventory information from each country in North America through a distributed database framework. The report, "Next Steps towards a Shared Emissions Database for North America," provides a number of recommendations on possible future directions for electronic data sharing of air emissions inventories among the NAFTA partners. The Secretariat published a report on 2002 emissions of sulfur dioxide, nitrogen oxides, mercury and carbon dioxide from fossil fuel burning electric power plants in North America. The Secretariat also produced a report on North American air quality and climate change standards, regulations, planning and enforcement at the national, state/provincial and local levels.

C. Sound Management of Chemicals Program

Council Resolution 95-05, adopted by the Council on 13 October 1995, in Oaxaca, Mexico, created the Sound Management of Chemicals program. The resolution created a working group composed of senior government officials from the Parties and set out a framework, together with specific commitments, for working together and with the Secretariat in addressing the sound man-

agement of persistent, bioaccumulative and toxic chemicals in North America. The working group was instructed to first address the list of persistent organic pollutants included in United Nations Environment Program Governing Council Decision 18/32 of May 1995, as well as “certain heavy metals.” In 2004, North American Regional Action Plans (NARAPS) were being developed for lindane and dioxins/furans/hexachlorobenzene (as a group).

Two areas in Mexico were selected for pilot projects aimed at improving techniques for controlling malaria without the use of DDT. Core sampling of a remote lake in Mexico provided a historic profile of DDT deposition. Implementation of Phase II of the Mercury NARAP continued with a mercury wet deposition monitoring initiative in Mexico. A project to monitor first birth mothers’ cord blood in Mexico, Canada and the United States was implemented with financial support from the World Bank. The results are intended to provide a preliminary baseline of contaminant levels in the region from a survey utilizing uniform sampling and analytical methodologies. A decision document was prepared for lead, and the Parties agreed to develop an oversight procedure for monitoring lead reduction activities without the implementation of a formal NARAP. The Council authorized the Secretariat to be the executing agency for a World Bank project providing financial support to Mexico for the development of its National Implementation Plan for Persistent Organic Pollutants under the Stockholm Convention.

D. Children’s Health and the Environment in North America

In June 2003, Council gave approval to populate a core set of 12 indicators of children’s environmental health and instructed the three countries to prepare the first North American indicators report. This work commenced in 2004.

5. Law and Policy

A. Comparative Report on Environmental Standards

The Secretariat finalized a report on comparative standards for intensive livestock operations (ILOs) in Canada, Mexico and the United States, drawing conclusions about environmental requirements imposed on intensive livestock operations and making recommendations on improving ILO management in North America.

B. Environmentally Sound Management and Tracking of Hazardous Waste

Work continued on developing a North American approach for environmentally sound management (ESM) of hazardous waste and on a feasibility study for a pilot project on electronic tracking of hazardous waste movements among the NAFTA countries. Following recognition that spent lead-acid batteries (SLABs) are

a waste stream of mutual concern in North America, the Secretariat worked on compiling background material, criteria, and options for strengthening ESM practices, including as regards tracking and transportation of SLABs in the region.

C. Enforcement and Compliance Cooperation

The Secretariat began to study options for its involvement in expanding to a trilateral level an existing web-based assistance center offering compliance information for the import of hazardous wastes from Mexico to the United States <www.bordercenter.org>.

As part of its capacity-building agenda, the Secretariat co-sponsored a series of events on environmental enforcement: a) a seminar on intelligence-led enforcement for wildlife crimes; b) a seminar on vessel pollution enforcement training; and c) an international symposium for judges focusing on environmental law and comparing judicial practices across North America and in selected nations abroad.

D. Sustainable Use and Conservation of Freshwater in North America

The Secretariat identified and disseminated information on case studies demonstrating national and local experiences and best practices in the area of water quality in North America. With the support of Mexico’s Institute of Water Technology, successful water quality practices of indigenous communities in Oaxaca and Puebla, Mexico were recorded in video format.

E. Environmental Management Systems to Promote Compliance and Environmental Performance

The Secretariat was finalizing a report on the use of environmental management systems in small and medium-size businesses in Canada, Mexico, and the United States.

6. Article 13 Report

Article 13 of the NAAEC provides that the Secretariat may prepare a report for Council on any matter within the scope of the CEC annual work program, or, on notice to Council and unless Council objects by a two-thirds vote, on any other environmental matter related to the cooperative functions of the Agreement. Following a 2002 petition from members of the public requesting the Secretariat to investigate the effects of transgenic maize in Mexico, and mindful of a request from JPAC that the Secretariat focus more attention on issues relevant to indigenous peoples, in 2004, the Secretariat published a report, entitled *Maize and Biodiversity: The Effects of Transgenic Maize in Mexico: Key Findings and Recommendations*, following a two-year research and consultation process conducted with the assistance of an independent expert advisory group.

7. Capacity Building for Pollution Prevention

Since 1995, the CEC has worked to advance the concept of pollution prevention in North America, establishing a pollution prevention fund that has granted 105 loans totaling approximately US\$3,000,000 to projects that have prevented chemical releases to the environment and achieved significant water savings.

Annex: Puebla Declaration: Eleventh Regular Session of the CEC Council

Puebla, Mexico, 23 June 2004—We, the environment ministers of Canada, Mexico and the United States, members of the Council of the Commission for Environmental Cooperation (CEC or “the Commission”), met for our annual regular session on 22 and 23 June 2004.

The year 2004 marks the tenth anniversary of the North American Agreement on Environmental Cooperation (NAAEC) and the North American Free Trade Agreement and is an occasion to assess our work. We see this as an opportunity to review our progress, re-affirm our commitment to the CEC, and set directions for the future. The report of the independent Ten-year Review and Assessment Committee has provided an important basis for our deliberations.

Looking forward, our vision of the CEC is of an organization that is a catalyst for action by the Parties and others to ensure our air is cleaner, our water purer, and our plant and animal species better conserved and protected, as our countries’ economic relationship grows. We also see the organization as a forum through which we can discuss and facilitate regional action on our common global commitments. Over the next ten years we want the CEC to be known for concrete results and for quality information and analysis, which have policy relevance to the three countries.

We recognize the value of the CEC’s work on environment, economy and trade; biodiversity conservation; pollutants and health; and law and policy. Looking forward, we commit to grounding the CEC’s work program, starting in 2005, in results-oriented strategic plans for three priorities: information for decision-making, capacity building, and trade and environment. These are priorities that the CEC is uniquely positioned to help the three countries address together—and separately—for the benefit of North America.

We want the CEC to be an organization recognized for its credible, balanced and timely information on the North American environment, and want to ensure that this information is available and accessible to all interested parties in order to provide governments, the private sector, and citizens alike with information to address the key environmental challenges and

opportunities facing the region. We support strengthening the CEC’s information-gathering activities, databases, and communications, and making linkages with other information systems, such as the Global Earth Observation System of Systems.

In developing the strategic plan for information, we will build a knowledge base related to contaminants, the integrity of our ecosystems, and our ability to ensure environmental security at our borders. We will focus on information that is key to providing answers regarding the state of our North American environment, and will develop and use information technologies that will help us access and share this information.

We recognize the different capacities of the Parties and the continuing, urgent need to focus on institutional capacity building in order to sustain targeted results. We acknowledge that this is especially important for Mexico, and want the CEC to assist those concerned in the three countries—governments, the private sector, environmental organizations, academia, indigenous and local communities, and others—in gradually strengthening the capacity for sound environmental management across North America.

In developing a capacity-building strategic plan, we will focus on priorities such as our abilities to assess and manage chemicals of concern, undertake pollution prevention, participate in biodiversity conservation, and improve our enforcement efforts.

We want to build on the CEC’s recognized expertise on trade and environmental linkages, and to address specific trade and environmental issues more effectively. We will enhance the positive working relationship that has been developed with our trade counterparts to ensure trade and environment policies are mutually supportive. We will continue our work with the NAFTA Free Trade Commission, under the Article 10(6) Working Group, to develop a strategic plan on trade and environment.

As we work to develop the plan, we will consider, among other priorities, areas which could include: establishing key elements to enhance markets for renewable energy; addressing issues related to trade pathways for invasive species; trade and enforcement of environmental laws, including enforcement of domestic laws that address transboundary trade in environmentally sensitive goods and materials; environmental procurement practices; market-based approaches to connect North American ecoregions; and sharing, as appropriate, information on methodologies for conducting environmental reviews of trade agreements with a view to better assessing the environmental effects of NAFTA.

The NAAEC and the CEC have been a bold ten-year initiative in building a continental framework for trilateral environmental cooperation within the context of increasing trade and economic ties amongst our three countries. We recognize the significant progress accomplished and the invaluable contribu-

tion of the Secretariat and the Joint Public Advisory Committee (JPAC), as well as the efforts of the CEC's working groups. We know it is critical to streamline the work of the CEC and to focus our work on generating concrete, measurable results that will make a difference to the environment in North America. We recognize that there will be a transition period as we adjust the work program and apply new approaches to achieve our goals.

While we are focusing on the CEC's work around three main themes, it is also important to identify and keep abreast of emerging issues, particularly those which have special relevance for North America. We continue to support the CEC's Article 13 work to identify emerging issues, and to provide recommendations to the Parties for addressing these issues.

We continue to be supportive of the process for submissions on enforcement matters, and commit to exploring ways for each Party to communicate how matters raised in factual records may be addressed over time.

As we move to the next ten years in the life of the CEC, we look to a skilled Secretariat to help us achieve our vision for the organization. We are committed to strengthening the relationship amongst all parts of the CEC—the Council, the Secretariat and JPAC. We seek to grow the constituencies engaged in the work of the CEC by including a broad and balanced spectrum of other levels of government, including local governments, environmental groups, academics, the private sector, indigenous and local communities, civil society, and others. We envision a strong role for the CEC in promoting partnerships across this spectrum. We will continue to place great value on advice from JPAC, which reflects the diversity and innovative views of its members.

We have important work ahead, and we are confident that our strong commitment to the CEC will contribute to a cleaner, healthier, and more sustainable North American environment for future generations.

SUBMISSIONS ON ENFORCEMENT MATTERS – REPORT FOR 2004

| ID. NUMBER | SUBMITTERS | END-OF-YEAR STATUS |
|------------|---|---|
| SEM-00-005 | <i>Academia Sonorense de Derechos Humanos</i> and Domingo Gutierrez Mendivil | Final factual record released to the public. Process terminated. |
| SEM-00-006 | <i>Comisión de Solidaridad y Defensa de los Derechos Humanos, A.C.</i> | Preparing factual record. |
| SEM-02-001 | Canadian Nature Federation et al. | Preparing factual record. |
| SEM-02-003 | Sierra Legal Defence Fund et al. | Preparing factual record. |
| SEM-02-004 | Arcadio Pesqueira Senday et al. | Process terminated by Submitters' withdrawal. |
| SEM-03-001 | Waterkeeper Alliance, et al. | Process terminated under Article 15(1). |
| SEM-03-003 | Dr. Raquel Gutierrez Najera, et al | Determining whether a factual record is warranted. |
| SEM-03-004 | Angel Lara García | Awaiting Council's decision on the development of a factual record. |
| SEM-03-005 | Waterkeeper Alliance, et al. | Preparing factual record. |
| SEM-03-006 | <i>Academia Sonorense de Derechos Humanos, A.C.</i> and Domingo Gutiérrez Mendivil | Process terminated under Article 15(1). |
| SEM-04-001 | Francisco H. Garza Vara et al. | Determining whether a factual record is warranted. |
| SEM-04-002 | <i>Academia Sonorense de Derechos Humanos, A.C.</i> and Domingo Gutierrez Mendivil | Reviewing under Article 14. |
| SEM-04-003 | <i>Centro de Derechos Humanos Tepeyac del Istmo de Tehuantepec, A.C.</i> et al. | Process terminated under Article 14(1). |
| SEM-04-004 | The Friends of the Oldman River | Process terminated under Article 14(1). |
| SEM-04-005 | Waterkeeper Alliance et al. | Awaiting a revised submission that meets the criteria of Article 14(1). |
| SEM-04-006 | Canadian Nature Federation et al. | Awaiting Council's decision on the development of a factual record. |
| SEM-04-007 | Quebec Association Against Air Pollution (<i>Association québécoise de lutte contre la pollution atmosphérique</i>) | Awaiting Party's response under Article 14(2). |

Submission ID: SEM-00-005 (MOLYMEX II)

Submitter(s): *Academia Sonorense de Derechos Humanos, A.C. and Domingo Gutiérrez Mendivil*

Party: Mexico

Date received: 6 April 2000

Summary of the matter addressed in the submission:

The Submitters allege that Mexico failed to effectively enforce the General Law of Ecological Equilibrium and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*—LGEEPA) in relation to the operation of the company Molymex, S.A. de C.V. (Molymex) in the town of Cumpas, Sonora, Mexico.

2004 Events:

1. On 17 May 2004, the Secretariat submitted a draft factual record to Council, for a 45-day comment period on the accuracy of the draft.
2. On 25 August 2004, the Secretariat submitted a final factual record to Council for Council's vote on whether to make the final factual record publicly available.
3. On 24 September 2004, the Council voted to instruct the Secretariat to make the final factual record publicly available.
4. On 8 October 2004, the final factual record was publicly released. Process terminated.

Submission ID: SEM-00-006 (TARAHUMARA)

Submitter(s): *Comisión de Solidaridad y Defensa de los Derechos Humanos, A.C.*

Party: Mexico

Date received: 9 June 2000

Summary of the matter addressed in the submission:

The Submitters allege a failure by Mexico to effectively enforce its environmental law by denying access to environmental justice to Indigenous communities in the Sierra Tarahumara in the State of Chihuahua. They particularly assert failures to effectively enforce environmental law relative to the citizen complaint process, to alleged environmental crimes and other to alleged violations with respect to forest resources and the environment in the Sierra Tarahumara.

2004 Events:

The Secretariat continued the process of preparing a factual record which began in 2003.

Submission ID: SEM-02-001 (ONTARIO LOGGING)

Submitter(s): Canadian Nature Federation et al.

Party: Canada

Date received: 6 February 2002

Summary of the matter addressed in the submission:

The Submitters assert that Canada is failing to effectively enforce section 6(a) of the Migratory Bird Regulations (MBR) adopted under the Migratory Birds Convention Act 1994, with respect to migratory bird nest destruction by clearcut logging in Ontario.

2004 Events:

1. On 12 March 2004, the Council voted to instruct the Secretariat to develop a factual record.
2. On 30 June 2004, the Secretariat posted a request for information relevant to the factual record on its web site.

Submission ID: SEM-02-003 (PULP & PAPER)

Submitter(s): Sierra Legal Defence Fund et al.

Party: Canada

Date received: 8 May 2002

Summary of the matter addressed in the submission:

The submitters allege that Canada is failing to effectively enforce the pollution prevention provisions of the Fisheries Act, and provisions of the Pulp and Paper Effluent Regulations, against pulp and paper mills in Quebec, Ontario, and the Atlantic provinces.

2004 Events:

1. On 15 January 2004, the Secretariat placed a work plan on its web site or otherwise made it available to the public and stakeholders.
2. On 01 March 2004, the Secretariat posted a request for information relevant to the factual record on its web site.

Submission ID: SEM-02-004 (EL BOLUDO PROJECT)

Submitter(s): Arcadio Pesqueira Senday et al.
Party: Mexico
Date received: 23 August 2002

Summary of the matter addressed in the submission:

The Submitters assert that Mexico is failing to effectively enforce the General Law of Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*—LGEEPA), paragraphs III and IV of Article 15 of the LGEEPA Hazardous Waste Regulations and the Mining Law and its Regulations, with respect to the “El Boludo” gold mining project on the Submitters’ land, in the Municipality of Trincheras, Sonora, Mexico.

2004 Events:

1. On 17 May 2004, the Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record
2. On 7 July 2004, the Submitters requested the Secretariat in writing to withdraw the submission. Process terminated.

Submission ID: SEM-03-001 (ONTARIO POWER GENERATION)

Submitter(s): Waterkeeper Alliance et al.
Party: Canada
Date received: 1 May 2003

Summary of the matter addressed in the submission:

The submitters assert that Canada is failing to effectively enforce sections 166 and 176 of the Canadian Environmental Protection Act and section 36(3) of the Fisheries Act, with respect to emissions of mercury, sulfur dioxide and nitrogen oxides from Ontario Power Generation’s (OPG) coal-powered facilities.

2004 Events:

1. On 28 May 2004, the Secretariat determined not to recommend the preparation of a factual record. The process was terminated.

Submission ID: SEM-03-003 (LAKE CHAPALA II)

Submitter(s): Dr. Raquel Gutierrez Najera et al.
Party: Mexico
Date received: 23 May 2003

Summary of the matter addressed in the submission:

The Submitters assert that Mexico is failing to effectively enforce its environmental law with respect to the management of the Lerma-Chapala-Santiago-Pacifico basin, resulting in serious environmental deterioration and uneven water distribution in the basin, as well as the risk that Lake Chapala and its migratory birds will eventually disappear.

2004 Events:

1. On 31 March 2004, the Secretariat received a response from the concerned government Party and began considering whether to recommend a factual record.

Submission ID: SEM-03-004 (ALCA-IZTAPALAPA II)

Submitter(s): Angel Lara García
Party: Mexico
Date received: 17 June 2003

Summary of the matter addressed in the submission:

The Submitter asserts that Mexico is failing to effectively enforce Article 150 of the General Law of Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*—LGEEPA), with respect to a citizen complaint filed with the Office of the Federal Attorney for Environmental Protection (*Procuraduría Federal de Protección al Ambiente*—Profepa) in 1995, regarding environmental irregularities in the operation of a footwear materials factory located in the Santa Isabel Industrial neighborhood of Iztapalapa Delegation in Mexico, D.F., where the Submitter lives.

2004 Events:

1. On 23 August 2004, the Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record.

Submission ID: SEM-03-005 (MONTREAL TECHNOPARC)

Submitter(s): Waterkeeper Alliance et al.

Party: Canada

Date received: 14 August 2003

Summary of the matter addressed in the submission:

The submitters assert that Canada is failing to effectively enforce section 36(3) of the Fisheries Act, with respect to polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbons (PAHs) and other pollutants being discharged from Technoparc, the site of an historic industrial and municipal waste landfill.

2004 Events:

1. On 19 April 2004, the Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record.
2. On 20 August 2004, the Council voted to instruct the Secretariat to develop a Factual Record.
3. On 16 September 2004, the Secretariat placed a work plan on its web site or otherwise made it available to the public and stakeholders.

Submission ID: SEM-03-006 (CYTRAR III)

Submitter(s): Academia Sonorense de Derechos Humanos, A.C. and Domingo Gutiérrez Mendivil

Party: Mexico

Date received: 15 August 2003

Summary of the matter addressed in the submission:

The submission asserts that Mexico is failing to effectively enforce its environmental law in relation to the establishment and operation of the Cytrar landfill in Sonora, Mexico.

2004 Events:

1. On 27 October 2004, the Secretariat determined not to recommend the preparation of a factual record. The process was terminated.

Submission ID: SEM-04-001 (HAZARDOUS WASTE IN ARTEAGA)

Submitter(s): Francisco H. Garza Vara et al.

Party: Mexico

Date received: 27 January 2004

Summary of the matter addressed in the submission:

The Submitters assert that Mexico is failing to effectively enforce its environmental laws by not properly processing their complaint against the operation of companies, *Ecolimpio de México, SA de CV*, and *Transportes J. Guadalupe Jiménez, SA*.

2004 Events:

1. On 29 January 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 20 February 2004, the Secretariat notified the submitter(s) that the submission did not meet all of the Article 14(1) criteria and the submitter(s) had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
3. On 16 March 2004, the Secretariat received a revised submission and began to analyze it.
4. On 20 April 2004, the Secretariat determined that part of the revised submission did not meet the Article 14(1) criteria and the Secretariat allowed Submitters a thirty-day term to provide more information for it to reconsider its determination prior to considering the merits of requesting a response from the concerned government Party.
5. On 25 May 2004, the Secretariat received more information from the Submitters.
6. On 30 June 2004, the Secretariat determined that the revised submission met the criteria of Article 14(1) and requested a response from the concerned government Party in accordance with Article 14(2).
7. On 24 September 2004, the Secretariat received a response from the concerned government Party and began considering whether to recommend a factual record.

Submission ID: SEM-04-002
**(ENVIRONMENTAL POLLUTION
IN HERMOSILLO)**

Submitter(s): Academia Sonorense de Derechos Humanos,
A.C. and Mr. Domingo Gutierrez Mendivil
Party: Mexico
Date received: 14 July 2004

Summary of the matter addressed in the submission:

The Submitters assert that Mexico is failing to effectively enforce various provisions of Mexican environmental law regarding the prevention, monitoring, oversight and control of air pollution in Hermosillo, Sonora.

2004 Events:

1. On 15 July 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 30 August 2004, the Secretariat notified the Submitters that the submission did not meet all of the Article 14(1) criteria and the submitter(s) had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
3. On 28 September 2004, the Secretariat received a revised submission and began to analyze it.
4. On 9 November 2004, the Secretariat notified the Submitters that under Article 14(2), the revised submission did not merit requesting a response from the concerned government Party, and that the Submitters had thirty days to file new or supplemental information.
5. On 13 December 2004, the Secretariat received new or supplemental information from the Submitters, and began to analyze it.

Submission ID: SEM-04-003
(GASOLINE SPILL IN TEHUANTEPEC)

Submitter(s): Centro de Derechos Humanos Tepeyac del
Istmo de Tehuantepec, A.C. et al.
Party: Mexico
Date received: 7 September 2004

Summary of the matter addressed in the submission:

The submission asserts that Mexico is failing to effectively enforce its environmental laws in relation to a citizen complaint filed with the Office of the Federal Attorney for Environmental Protection (*Procuraduría Federal de Protección al Ambiente*) dealing with the death of fish in the Laguna Superior of the Gulf of Tehuantepec in Oaxaca, Mexico, due to the alleged spillage of gasoline into the lagoon following a tanker truck accident.

2004 Events:

1. On 7 September 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 7 October 2004, the Secretariat notified the Submitters that the submission did not meet all of the Article 14(1) criteria and that the Submitters had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
3. The thirty-day term expired without the Secretariat receiving a submission that conformed to Article 14(1). Under guideline 6.2, the process was therefore terminated on 22 November 2004.

Submission ID: SEM-04-004 (OLDMAN RIVER III)

Submitter(s): The Friends of the Oldman River
Party: Canada
Date received: 10 September 2004

Summary of the matter addressed in the submission:

The Submitters assert that the Canadian federal government's 1998 "Decision Framework for the Determination and Authorization of Harmful Alteration, Disruption or Destruction of Fish Habitat" is not authorized by or compatible with the Fisheries Act or the CEAA.

2004 Events:

1. On 16 September 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 14 October 2004, the Secretariat notified the Submitters that the submission did not meet all of the Article 14(1) criteria and that the Submitters had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
3. The thirty-day term expired without the Secretariat receiving a submission that conformed to Article 14(1). Under guideline 6.2, the process was therefore terminated on 15 November 2004.

Submission ID: SEM-04-005 (COAL-FIRED POWER PLANTS)

Submitter(s): Waterkeeper Alliance et al.
Party: United States
Date received: 20 September 2004

Summary of the matter addressed in the submission:

The Submitters assert that the United States is failing to effectively enforce the federal Clean Water Act against coal-fired power plants for mercury emissions to air and water that are allegedly degrading thousands of rivers, lakes and other waterbodies across the United States.

2004 Events:

1. On 20 September 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 16 December 2004, the Secretariat notified the Submitters that the submission did not meet all of the Article 14(1) criteria and that the Submitters had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).

Submission ID: SEM-04-006 (ONTARIO LOGGING II)

Submitter(s): Canadian Nature Federation et al.
Party: Canada
Date received: 12 October 2004

Summary of the matter addressed in the submission:

The Submitters allege that Canada is failing to effectively enforce Section 6(a) of the Migratory Bird Regulations adopted under the Migratory Birds Convention Act, 1994, in regard to logging in four forest management units in Ontario.

2004 Events:

1. On 14 October 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 14 October 2004, the Secretariat determined that the submission met the criteria of Article 14(1) and requested a response from the concerned government Party in accordance with Article 14(2).
3. On 8 December 2004, the Secretariat received a response from the concerned government Party and began considering whether to recommend a factual record.
4. On 17 December 2004, the Secretariat informed Council that the Secretariat considers that the submission warrants development of a factual record, and recommended that the submission be combined with submission SEM-02-001 (Ontario Logging) for the purpose of developing one consolidated factual record for both submissions.

Submission ID: SEM-04-007 (QUEBEC AUTOMOBILES)

Submitter(s): Quebec Association Against Air Pollution (*Association québécoise de lutte contre la pollution atmosphérique*)
Party: Canada
Date received: 3 November 2004

Summary of the matter addressed in the submission:

The Submitter asserts that Canada, and more specifically the province of Quebec, is failing to effectively enforce its environmental regulations in connection with emissions of hydrocarbons, carbon monoxide and nitrogen oxides from post-1985 light vehicle models.

2004 Events:

1. On 3 November 2004, the Secretariat acknowledged receipt of a submission and began a preliminary analysis of it under the guidelines.
2. On 3 December 2004, the Secretariat determined that the submission met the criteria of Article 14(1) and requested a response from the concerned government Party in accordance with Article 14(2).

COUNTRY REPORTS

CANADA PROGRESS REPORT, 2004

Part I: Government of Canada

Note: In the interest of submitting a concise report, web-links have been provided to direct the reader to additional, more detailed information.

Federal Government

Article 2(1)(a)

The State of the Environment Infobase

The State of the Environment Infobase web site <<http://www.ec.gc.ca/soer-ree/English/default.cfm>> has been operational on Environment Canada's Green Lane for the past eight years. It continues to evolve and provides access to an increasingly broad range of environmental reporting information including the *Environmental signals* reports, the National Ecological Spatial Framework (ecozones and ecoregions) and links to provincial, territorial, and some international SOE reports.

National Environmental Indicators and State of the Environment Reporting Strategy and Background Reports

In response to the challenge of managing and sharing knowledge creatively to better serve Canadians, Environment Canada has prepared a draft report entitled *Environmental indicators and state of the environment reporting strategy, 2004–2009: Environment Canada*. The current draft of the Strategy outlines four goals for making Environment Canada's environmental reporting more effective.

Development of the Strategy benefited from a broad consultation within Environment Canada and with indicator practitioners across Canada.

Two accompanying background reports were finalized, and will be published in 2004:

- Background Paper No. 1, *Current status, trends, and perceptions regarding environmental indicators and state of the environment reporting in Canada*, provides analysis

of the major forces shaping the development and use of environmental indicators and SOE reporting in Canada.

- Background Paper No. 2, *Environmental indicators and state of the environment reporting: an overview for Canada*, provides background information on indicators and reporting initiatives of Environment Canada and its partners, other Government of Canada agencies, the provinces and territories, interdepartmental and inter-governmental programs, and international initiatives. It also presents the results of a survey of indicators practitioners and senior decision-makers in Canada to obtain an understanding of views about the current approaches and future directions for environmental indicators and reporting initiatives in Canada.

Article 2(1)(b)

Management of emergencies in areas where there are sensitive environmental resources is a critical element of Environment Canada's Environmental Emergencies Program. The availability of new computer based programs and Canadian Geospatial Data Infrastructure is enabling the development of a system, the National Environmental Management System (E2MS), to support more effective responses to environmental emergencies in Canada.

The national system, currently in a prototype stage, will enable the collection and provision of current detailed information, knowledge and expertise regarding environmental resources, environmental emergencies and decision-making throughout all regions of Canada.

The aim of E2MS is to seamlessly integrate, and make accessible, topographic and thematic data from a diverse group of mapping applications, meet recognized national and international standards and specifications for data sharing, and provide both web based and stand alone versions, thereby establishing a unified platform for environmental emergency management decision making and coordination across all stakeholder agencies.

Environmental Emergency Plans for Industrial Facilities:

The 2003 CEC Annual Report indicated that Environment Canada had published regulations under s.200 of CEPA 1999 requiring the development and implementation of Environmental Emergency (E2) Plans for 174 substances that, if released to the environment as a result of an environmental emergency, may harm human health or environmental quality. Environmental Emergency Plans must address prevention, preparedness, response and recovery. These Regulations came into force on 18 November 2003.

The Regulations apply to anyone storing or using a listed substance above the specified threshold, or who has a container with a capacity for that substance in excess of the specified quantity. They are then required to notify Environment Canada of the place where the substance is held, along with the maximum expected quantity and the size of the largest container for that substance. If both the maximum expected quantity and the capacity of the largest container exceed the threshold, an environmental emergency plan is required and Environment Canada must be notified accordingly.

Any operator captured by the *Environmental Emergency Regulations* had to submit up to three notices by the deadlines indicated (16 February, 18 May and 18 November 2004, respectively). The first notice (Identification of Substance and Place) applied to any facility that exceeded either the quantity or container capacity threshold for a particular listed substance. For those facilities that met both criteria, notices of plan preparation and implementation also had to be submitted. By the end of 2004, more than 3100 facilities had been registered under the program for various substances. Of these, 2100 were required to prepare and implement E2 plans.

Additional information may be obtained at <<http://www.ec.gc.ca/ee-ue/default.asp?lang=En&n=E3A506F8-1>>.

National Emergency Response System (NERS)

The Government of Canada is designing and implementing an all hazards emergency response framework, called the National Emergency Response System (NERS). The system is being developed to ensure that Canada is prepared and able to respond to all emerging, imminent or occurring national emergencies and threats to ensure the protection and safety of Canadians. NERS will provide effective coordination of the large number of national players who must act in the event of national emergencies.

Through the development and implementation of the NERS, the Government of Canada is continuously increasing its ability to ensure the safety and security of Canada and its citizens. As different threats and emergencies arise, whether they are natural or deliberately caused events or disasters, NERS is designed to coordinate federal actions and provide an integrated and complementary national response.

Article 2(1)(c)

As part of Canada's Project Green and in pursuit of a cleaner environment to support a healthier population and build a stronger economy, emphasis is being placed on the education and engagement of Canadians. Environment Canada recognizes that an educated and informed public can not only make better-informed decisions, but also can more effectively participate in decision-making processes and influence others, while appreciating the possible need for regulatory action on the part of governments. Environment Canada has initiated development of an education and engagement strategy that will focus in particular on partnerships with provincial/territorial governments and NGOs, and that will have, as key targets, consumers, small and medium-size enterprises (SMEs), youth and educators, both in the formal education system and in the area of non-formal/informal education.

Article 2(1)(d)

In 2004, Environment Canada, through the Electricity and Industrial Combustion Branch, provided funding to the following research projects to further scientific research and technology development in respect of environmental matters.

Clean and Efficient Combustion Technologies for Large Utility Electricity Generation

This work comprises several areas of study carried out with federal, provincial and academic research institutions. It involves laboratory and field investigations. Specifically, the studies have examined:

- sorbents for mercury capture from power plant stack gases;
- coal gasification technology and its implications/impacts for the Canadian electricity industry and indigenous coal reserves;
- methodology for measurement of the condensable fraction of fine particulate matter; and
- advanced technique for the real-time sampling, measurement and monitoring of ambient aerosol particulate matter.

Environmental Contaminants in Coal and Coal Byproducts

This work comprises laboratory and field investigations into the analyses of coal feed stocks, the ash by-product and the emissions to atmosphere from coal-fired boilers. The goal is to determine the quantification of the contaminants (e.g., heavy metals), the factors that affect the transformation and speciation of these contaminants, and to identify strategies for preventing or minimizing the release of these contaminants. The purpose of this project is to try to determine what char-

acteristics of coals and their constituents affect the ability for mercury in the coal to be captured in the fly ash as opposed to being emitted to atmosphere.

Canada, through the Environmental Technology Centre and Waste Water Technology Centre continues to deliver on various initiatives in support of a cleaner environment. The majority of the work involves development or application of tools to measure the ambient environment, mobile and stationary emissions and effluents, and oil spills. It also includes development of new technologies to measure emissions, reduce the effects of effluents or to conserve energy and reduce GHG emissions. It also includes new chemical and biological test methods for regulations. A summary of work accomplished in 2004/2005 can be found at <http://www.etc-cte.ec.gc.ca/publications_e.html>.

For specific area such as the National Air Pollution Surveillance network, please see <http://www.etc-cte.ec.gc.ca/NAPS/index_e.html>.

For oils spill response, remote sensing and contaminated sites remediation, see <http://www.etc-cte.ec.gc.ca/home/water_e.html>.

For a biological methods activities and publications, see <http://www.etc-cte.ec.gc.ca/organization/spd_e.html>.

For work on emissions measurements, see <http://www.etc-cte.ec.gc.ca/organization/spd_e.html>.

For information on the work on wastewater technologies see <<http://www.ec.gc.ca/etad/default.asp?lang=En&n=6BBA5D53-1>>.

For work on green technologies (microwave processes) see <http://www.etc-cte.ec.gc.ca/organization/mapd_e.html>.

Article 2(1)(f)

With respect to promoting the use of economic instruments for the efficient achievement of environmental goals:

- In 2004, Environment Canada developed the Competitive-ness and Environmental Sustainability Framework (CESF) to attain the highest level of environmental quality as a means to enhance the health and well-being of Canadians, preserve Canada's natural environment, and advance its long-term competitiveness. This framework is supported by five pillars, one of which is performance promotion and enforcement. The overarching objective of this pillar is to attain CESF objectives in the most efficient and effective manner by influencing behaviour using a broad range of mutually reinforcing instruments, including market-based instruments, and ensuring results are achieved.
- Environment Canada hosted a small international work-

shop for federal and provincial government officials with the dual objectives of educating and promoting the use of market-based instruments. The workshop centred on several presentations by specialists in other countries, including the UK, Sweden, and Denmark, which provided an opportunity to learn about the successes and challenges of their experience with instrument implementation.

Article 2.3

During 2004, Environment Canada prohibited the use of the following three substances:

- 2-Propenoic acid, 2-methyl-, hexadecyl ester, polymers with 2-hydroxyethyl methacrylate, gamma-omega-perfluoro-C10-16-alkyl acrylate and stearyl methacrylate;
- Hexane, 1,6-diisocyanato-, homopolymer, reaction products with alpha-fluoro-omega-2-hydroxyethylpoly(difluoromethylene), alkylbranched alcohols and 1-alkanol; and
- 2-Propenoic acid, 2-methyl-, 2-methylpropyl ester, polymer with butyl 2-propenoate and unsaturated anhydride, perfluoroalkyl esters, tert-Bu benzenecarboperoxoate-initiated.

Article 3

Additions to the List of Toxic Substances

Ozone-depleting Substances Regulations, 2004

The regulations include a system of consumption allowances for hydrochlorofluorocarbons. The amendments will help stakeholders to adapt to the 35% reduction in hydrochlorofluorocarbon consumption without compromising Canada's international commitments under the Montreal Protocol. Other changes are of an administrative nature.

Article 4

The following notices were published in *Canada Gazette*, Part I during 2004:

| Regulation | Date |
|--|---------------|
| Proposed Total, Partial or Conditional Prohibition of Certain Toxic Substances Regulations | April 2004 |
| Ozone-depleting Substances Regulations, 2004 | December 2004 |

| Pollution Prevention Plan | Date |
|---|--------------|
| Proposed Notice Requiring the Preparation and Implementation of Pollution Prevention Plans in Respect of Specified Toxic Substances Released From Base Metals Smelters and Refineries and Zinc Plants | 25 Sept 2004 |
| Final Notice Requiring the Preparation and Implementation of Pollution Prevention Plans in Respect of Ammonia dissolved in water, Inorganic Chloramines and Chlorinated Wastewater Effluent | 4 Dec 2004 |
| Final Notice Requiring the Preparation and Implementation of Pollution Prevention Plans in Respect of Textile Mills Effluents and Nonylphenol and its Ethoxylates | 4 Dec 2004 |
| Final Notice Requiring the Preparation and Implementation of Pollution Prevention Plans in Respect of Nonylphenol and its Ethoxylates in Products | 4 Dec 2004 |

| Codes of Practice | Date |
|---------------------------------|-------------|
| Code of Practice for Road Salts | April 2004 |

Article 5

Enforcement information, reports and statistics can be found on EC's web site at: <<http://www.ec.gc.ca/ele-ale/>>. This site also includes historical court decisions on guilty parties and press releases and media advisories.

Article 6

Persons with a recognized legal interest have access to remedies before administrative tribunals and the courts. Interested persons, in addition to being able to institute private prosecutions, may also put forth to a competent authority, a request to investigate alleged violations of environmental laws and regulations.

For example, CEPA 1999 provides statutory authority for a person to apply to the Minister of the Environment for an investigation concerning any alleged offense under that Act. As well, persons with a recognized legal interest in a particular matter have access to administrative, quasi-judicial and judicial proceedings for the enforcement of Canada's environmental laws and regulations. In this regard, CEPA 1999 has introduced the concept of "environmental protection actions" that allows any person to seek a court order prohibiting a continued violation of the statute and/or to mitigate harm caused by a viola-

tion of the statute. As well, CEPA 1999 provides the statutory authority to request the review of administrative decisions or proposed regulations.

Article 7

Canada has administrative, quasi-judicial and judicial proceedings available for the enforcement of environmental laws and regulations. Both the Canadian Charter of Rights and Freedoms and the courts have ensured that persons are given an opportunity, consistent with the rules of procedural fairness and natural justice, to make representations to support or defend their respective positions and to present information or evidence. Decisions are provided in writing, are made available without undue delay, and are based on information or evidence on which the parties were offered the opportunity to be heard. In accordance with its laws, Canada provides parties to such proceedings, as appropriate, the right to seek review and where warranted, correction of final decisions by impartial and independent tribunals. An example of fair, open and equitable proceedings at the administrative level is the Board of Review process available under CEPA 1999.

Part II: Provincial Governments

Note: The following presents information submitted by the provinces that are signatory to the Canadian Intergovernmental Agreement on the North American Agreement for Environmental Cooperation.

Alberta

Article 2(1)(a)

To provide the public with timely information on the quality and condition of the environment, Alberta Environment developed a State of the Environment (SoE) web site at <www.gov.ab.ca/env/soe>, tracking 44 environmental indicators of air quality, climate change, water quality and use, land quality and use, biodiversity and waste management.

Article 2(1)(c)

In 2004–2005, Alberta Environment continued to promote the principle of shared responsibility for the environment by engaging Albertans on several environmental initiatives. Implementation of Alberta's Water for Life: Alberta's Strategy for Sustainability involved stakeholders from many sectors. A review of water use for oilfield injection was led by a multi-stakeholder advisory committee. Agreements with watershed councils in the Bow River Basin, Oldman Basin and North Saskatchewan Basin were established so that these councils can take a leadership role in developing watershed management plans. A waste management stakeholder group was actively engaged in making recommendations for improving waste management in the province. During the year, the department also worked with stakeholders on climate change issues, including:

- Industry (e.g., Canadian Association of Petroleum Producers, electricity producers) and the federal government on systems to regulate greenhouse gas emissions,
- Municipalities and the transportation sector on greenhouse gas reduction agreements,
- Climate Change Central, Municipal Affairs, municipalities and Alberta Infrastructure and transportation on energy conservation, and
- Clean Air Strategic Alliance on developing and applying a comprehensive air quality management system.

Alberta Environment organized a Lake Wabamun scientific review panel chaired by Dr. David Schindler, and consisting of university scientists from across Canada. The panel's recommendations were presented to the public in January 2005. The outcome contributed to our ongoing efforts to make appropri-

ate management decisions for the lake and its watershed. The department also coordinated government participation in public consultations by the International Joint Commission to review a 1921 Order on the apportionment of water from the St. Mary and Milk Rivers between the United States and Canada.

Article 2(1)(d)

During this past year, Alberta Environment developed a Monitoring, Evaluation and Reporting Strategy. The strategy will support outcomes-based management and assure that Alberta's environment is safe, clean and sustained for future generations. Elements of the strategy included:

- Development of a State of the Environment (SoE) web site in collaboration with other departments. Forty-four environmental indicators regarding air quality, climate change, water quality and use, land quality and use, biodiversity and waste management were developed for the SoE web site.
- Consultations across the environmental community on hydrometric, meteorological and groundwater monitoring networks.
- Continued upgrading of Alberta Environment's infrastructure to ensure the uninterrupted reporting and monitoring of water and air quality and quantity.
- Establishment of a cross-government workgroup to improve collaboration on environmental monitoring and reporting.
- Continued increase in the use of Internet-based technologies, such as surveying and conferencing tools, to help expand the reach of programs, promote efficiencies and enhance evaluation efforts.

The department also promoted and improved engagement of Albertans through the following programs and initiatives:

- Alberta Environment identified, through a stakeholder workshop, priority substances for ambient air quality objective setting over the next three years.
- In addition, Alberta Environment, together with industry partners, implemented Switch Out Alberta, a program to recycle the mercury from end-of-life vehicles. The program is the most successful of three provincial programs in Canada.
- To promote and improve engagement of Aboriginal communities in shared stewardship, Alberta Environment designed and implemented a Cross-Ministry Information Portal for Aboriginal consultation.
- Finalization of Public Participation Principles to support more effective departmental public consultation and stakeholder engagement.

Article 2(a)(f)

In 2004–2005, Alberta Environment continued to develop and implement a comprehensive, flexible set of environmental tools and incentives to encourage, support and reward effective environmental management practices. Key initiatives for the application of new tools include:

- Environmental handling fees applied as an economic instrument in the recently launched electronics waste recycling program.
- Continued promotion and enhancement of voluntary, performance-based stewardship programs for environmental leaders in industry.
- The Approval Review Project, which created six codes of practice for municipal drinking water, wastewater, water out-fall structure, and sand and gravel pits. The Code of Practice for sand and gravel operations streamlined the regulatory process for approximately 550 pits across Alberta.

Article 5

The Ministry of Environment amended regulations to address priority issues, including the following:

- Adoption of a code of practice for sand and gravel pits as part of its ongoing efforts to streamline regulatory processes,
- New reporting requirements on greenhouse gas emissions by large final emitters,
- Harmonization of Alberta's regulations for ozone-depleting substances for consistency with the National Action Plan and,
- Broadening information available to the public without the need for a formal request under the Freedom of Information and Protection of Privacy Act (FOIP).

The Ministry of Environment also amended regulations to address administrative issues.

The renewal period for certificates of qualification for facility operators was extended from two to three years to support changes to the Water and Wastewater Operators Program. These changes were designed to assure Albertans of safe water supplies. The Ministry also introduced a new Act into the Legislature to make treated water available to communities in the County of Stettler. A regulatory amendment under the Environmental Protection and Enhancement Act allows for sharing of scientific and technical reports and studies related to environmental site assessments with the general public and interested organizations. The amendment also opens the door to the development of a variety of internet-based tools, such as an Environmental Site Assessment Registry (ESAR).

Waste Management and Recycling

During 2004–2005, Alberta Environment released Alberta's Municipal Waste Action Plan for reducing municipal solid waste going to landfills and completed new standards for landfills. Operation **Clean Farm**, a three-year project to collect obsolete pesticides was also completed in 2004–2005. The project was a successful partnership involving government and industry. Over 75,000 kilograms of potentially harmful, obsolete pesticides were collected for treatment at the Swan Hills Treatment Centre.

In 2004–2005, Alberta Environment developed and implemented the first electronics recycling program in Canada and delegated the responsibility to deliver the program to the Alberta Recycling Management Authority (ARMA). Since the program's inception, more than 100 collection sites and electronic round-ups have been established throughout the province to collect old televisions, computers, and related electronics.

Health Sustainability Initiative

Alberta Environment recognizes the contribution of environmental factors to the health and wellness of Albertans. In 2004–2005, Alberta Environment participated in the planning, development and coordination of cross-department policies and actions affecting the success of this initiative. Highlights include:

- Co-chairing the Federal/Provincial/Territorial Committee on Health and Environment.
- Assisting in the development and implementation of the 2004 West Nile Virus Response Plan.
- Inspecting drinking water facilities—100 per cent of surface water facilities, 50 per cent of groundwater facilities.

Aboriginal Policy Initiative

In 2004–2005, Alberta Environment undertook activities to promote the goals and objectives of this initiative. Some highlights of collaboration between the department and Aboriginal stakeholders include:

- Development, with other departments, of a Government of Alberta Aboriginal Consultation Policy to ensure appropriate and effective consultation with Aboriginal communities in the department's regulatory processes.
- Development, with other departments, of a Cross-department Aboriginal Economic Development Strategy.
- Implementation of a training program for staff on First Nations history, culture and legal issues.
- Design and implementation of a Cross-Ministry Information Portal for Aboriginal consultation co-ordination.
- Commitment of a staff member to a one and a half year secondment with the Mikisew Cree First Nation in Fort McMurray to assist the group in addressing their concerns about oil sands development in the area.

Manitoba

Article 2(1)(a)

Manitoba has graduated from producing State of the Environment reports every 2 years to producing a Provincial Sustainability Report that provides important information to Manitobans on key sustainability issues and trends. Under *The Sustainable Development Act* proclaimed in 1998, the Manitoba government must prepare a sustainability report based on a chosen set of indicators by July 2005. A draft set of sustainability indicators was proposed, and all government departments and working groups have responded with issue-based material, data, and feedback for a draft sustainability report through the intergovernmental working group, coordinated by Manitoba Conservation. In 2004, a draft of the report was completed.

Water Quality Reporting

The Water Quality Management Section of the department of Water Stewardship assists in the protection, maintenance, and where necessary, rehabilitation of aquatic ecosystems through the application of principles of sustainable development and the innovative management of risks by:

- Operating an ambient monitoring network on major streams, lakes and recreational beaches, assisted by volunteers, regional personnel and organizations, such as conservation districts.
- Conducting issue-based, site-specific studies, usually by intensive short-term sampling, to assess point and non-point source impacts from agriculture, mining, forestry, municipal discharges, and others.
- Supporting and participating in scientific studies to better understand impacts of human disturbance on aquatic ecosystem structure and function.
- Co-operating with neighbouring jurisdictions to protect water quality from upstream developments.
- Managing acquisition of ongoing, high-quality laboratory analytical services for the provincial government departments.
- Managing water quality data in a secure, user-friendly system that meets complex, on going needs of the section, department, clients and partners.

Air Quality Reporting

To ensure the sustainable use of our air quality resources for the benefit of citizens today, while safeguarding these resources for future generations, the section:

- Develops and reviews objectives and guidelines for air pollutants of concern,

- Monitors ambient (outdoor) air quality in urban areas and near selected industrial sources to measure adherence to objectives and guidelines,
- Undertakes special project investigations,
- Provides scientific and technical support to the provincial government, other agencies and the public,
- Prepares reports and evaluates peer reports, and
- Assists in the review and assessment of developments and provides comments for environmental licensing.

Article 2(1)(b)

The most frequent environmental emergency handled by the Manitoba provincial government is wildfires. Manitoba experienced a very slow wildfire season in 2004. A total of 234 fires burned over 26,000 hectares, well below the 20-year average of 568 fires and 440,888 hectares burned. The spring began with lower than normal fire activity due to higher than normal snowfall conditions and an abundance of spring rains. Due to the slow season, Manitoba was able to export resources to assist other Canadian fire agencies.

The Emergency Response Program received over 3,400 calls to the Emergency Response 24-hour line. Of these, 599 were handled directly by the Conservation department's Emergency Response Team and/or Regional personnel. The remaining calls that were received but were not within the Department's mandate were directed to appropriate outside agencies for action.

Article 2(1)(c)

Provincial guidelines and educational resources were updated as needed. The Support Services Section of Parks Operations and Maintenance Division, for example, completed the development of a comprehensive Beach Safety Program policy and a program manual to guide the activities of contractors. They also implemented a provincial Beach Safety signing strategy and initiated work on implementing standardizing buoy lines and worked with the Manitoba Coalition for Safer Waters on the updating of Manitoba waterfront safety guidelines.

In addition, Manitoba Parks interpretive staff contacted about 90,000 visitors at field programs and in interpretive centres and museums. 18 Green Team members provided assistance at these parks.

The Forestry Division published two guidebooks on Forest Roads and Brush Disposal that are accessible on their web site <<http://www.gov.mb.ca/conservation/forestry/forest-practices/practices/fpp-guideline-pdfs.html>> and work continued on a new Riparian Management Area guidebook.

Manitoba Forestry staff continued to participate in the Manitoba Envirothon. Envirothon is an annual Olympic-style academic and environmental program for high school students

(Grades 9-12). The students are tested in four discipline areas (aquatics, forestry, soils and wildlife) and an annual theme (2004: Natural Resource Management in the Urban Environment). The event was held at Brandon and 27 Manitoba school teams participated. The winning school represented Manitoba at the International Canon Envirothon in West Virginia, USA.

National Wildlife Week, coordinated with the Canadian Wildlife Federation (CWF) was celebrated during 4-10 April 2004. The theme selected for 2004 was "Give Backyard Birds Something to Sing About." Apart from this event, teacher kits were purchased from CWF and were distributed to all elementary schools in Manitoba.

Project WILD is an environmental education program, sponsored by the Canadian Wildlife Federation, emphasizing wildlife and implemented under agreements with each province's wildlife agency. Project WILD activities were developed for use in the Grade Four science curriculum. Teachers are required to attend an in-service training workshop, usually conducted jointly by a wildlife specialist and a trained workshop facilitator. Last year, three Project WILD workshops were delivered.

Article 2(1)(d)

Scientific Research and Technology Development

Research and development continued in the various divisions in Manitoba Conservation. Significant amongst these are:

- Forest stratification for Forest Management Units (FMU) 11 and 12 was completed and 85% of FMU 11 was photo interpreted. FMU 10 was mapped for land cover change using satellite imagery and 25% the existing forest cover maps were updated.
- As part of the National Forestry Inventory Program, 29 long-term ecosystem monitoring plots were randomly established across Manitoba's eco-zones to measure provincial, national, and international reporting requirements related to forest growth, sustainability, and climate change.
- Following a successful upgrade to version 4 of Biotics in 2003-2004 within the Wildlife division, the focus in 2004-2005 was to improve the quality of information in the database and meet new data standards that have been implemented by NatureServe in conjunction with the upgraded software. Adoption and implementation of these standards allows Manitoba to contribute to seamless data sets across provincial and state boundaries for species at risk—a key contribution to the Accord for the Protection of Species at Risk in Canada—among other uses.

Article 2(1)(e)

In 2004-2005, 53 *Environment Act* proposals or pre-clearances were reviewed, 46.5% less than in 2003-2004. They included highway upgrades, mine closure plans, wastewater-treatment facilities, crop protection warehouses, bulk fertilizer facilities, utility corridors, and town water supplies. Three draft licences concerning irrigation projects and water pollution controls were reviewed, as were the annual operating plans for Louisiana Pacific Canada, Tolko Manitoba, Tembec/Pine Falls Paper, and Mountain Quota Holders Association.

Article 2(1)(f)

Manitoba manages funding programs that support innovative solutions to environmental issues. Overall administrative support is provided to the Sustainable Development Innovations Fund (SDIF) and three targeted allocations include the SDIF Open Category, the Waste Reduction and Pollution Prevention (WRAPP) Fund and the Environmental Youth Corps (EYC).

The Fund supports innovative projects, activities, research and developments that further the sustainability of Manitoba's environment, economy, human health and social well-being, and support sustainable economic growth. The Fund encourages the creation of partnerships towards improving sustainability.

The SDIF expended \$2.9 million within the various category allocations:

- Environmental Youth Corps (EYC)
- Manitoba Climate Change Action Fund (MCCAF)
- Manitoba Forestry Association Woodlot Program
- Orphan Mine Site Rehabilitation Program
- Orphan Mine Site Assessment Program
- Waste Reduction and Pollution Prevention (WRAPP) Fund
- Zebra Mussel Program

Article 3

Manitoba Conservation has administrative responsibility for 27 statutes and 91 regulations. In addition, officers have inspection and enforcement responsibilities under *The Non-Smokers Health Protection Act*, 10 regulations under *The Public Health Act* and a number of City of Winnipeg health bylaws.

The following legislative and regulatory activity within Manitoba Conservation's administrative mandate occurred during the reporting period:

- *The Porcupine Provincial Forest Activities Management Regulation* was registered on 18 May 2004, creating a pro-

tected area within the Porcupine Provincial Forest. In this protected area logging, mining, petroleum, natural gas and hydroelectric power developments and any other activities with a significant adverse effect on habitat are prohibited.

- Twenty-four amending regulations were registered during the reporting period, amending eighteen existing regulations including:
 - an amendment to the *Provincial Snowmobile Trail Regulation* under **The Crown Lands Act**;
 - an amendment to the *Storage and Handling of Petroleum Products and Allied Products Regulation* under **The Dangerous Goods Handling and Transportation Act**;
 - two amendments to the *Ecological Reserves Designation Regulation* under **The Ecological Reserves Act**;
 - an amendment to the *Designation of Provincial Forests* under **The Forest Act**;
 - an amendment to the *Designation of Provincial Forests Regulation* under **The Forest Act**;
 - an amendment to each of the *Chief Place of Residence Levy Regulation*, the *Park Activities Regulation* and the *Park Fees Regulation*, four amendments to the *Park Reserves Designation Regulation* and three amendments to the *Provincial Parks Designation Regulation* under **The Provincial Parks Act**;
 - an amendment to each of the *General Hunting Regulation*, the *Hunting Guides Regulation*, the *Hunting Seasons and Bag Limits Regulation*, the *Trapping Areas and Zones Regulation*, the *Trapping of Wild Animals Regulation*, the *Vehicle Use in Hunting Regulation*, the *Wildlife Fees and Royalties Regulation* and the *Wildlife Permit Exemption Regulation* under **The Wildlife Act**;
 - Bill 22, **The Water Protection Act**, was introduced into the house for second reading. This Bill reflects the priority legislative amendments recommended in The Manitoba Water Strategy; and
 - **The Manitoba Floodway Authority Act** was proclaimed in November 2004. This legislation establishes a separate, independent and accountable authority to complete the expansion of the Red River Floodway on behalf of Manitoba residents. The Red River Floodway Authority would own the floodway's physical assets and be responsible for its expansion and maintenance. The authority to operate the Red River Floodway remains with Manitoba Water Stewardship.
 - Manitoba continued to challenge North Dakota's Devils Lake water diversion project.

Article 5

The following is a synopsis of Manitoba's enforcement activities.

| Acts | Prosecutions | Warnings | Total Offences |
|----------------------|--------------|------------|----------------|
| Crown Lands | 33 | 32 | 62 |
| Forest | 11 | 15 | 26 |
| Fisheries (Canada) | 435 | 161 | 596 |
| Fisheries (Manitoba) | 225 | 182 | 407 |
| Highway Traffic | 35 | 27 | 62 |
| Liquor Control | 244 | 21 | 265 |
| Migratory Birds | 9 | 8 | 17 |
| Off Road Vehicle | 21 | 10 | 31 |
| Provincial Parks | 1,219 | 222 | 1,441 |
| Wildfires | 16 | 16 | 32 |
| Wildlife | 287 | 66 | 353 |
| Water Rights | 0 | 2 | 2 |
| Total | 2,537 | 764 | 3,301 |

Article 5(1)(a)

Recruitment and training:

- Twenty-four new Park Patrol Officers were recruited from across Canada and were certified to Department standards over eight days in hospitality, tactical communications, defensive tactics, firearms, and legislation before being hired and assigned to various parks for 17 weeks of employment.
- Four new seasonal Assistant Resource Officers received basic training in Tactical Shotgun, Baton Deployment, and Officer Safety.
- A new initiative was implemented to provide federally mandated Marine Emergency Duties certification to employees required to use boats on the job. Seventy-five officers were trained. Other courses delivered to select Natural Resource Officers were Glock Instructor/Armorer re-certification and Defensive Tactics Instructor re-certification.
- Overall, 480 casual hire Emergency Fire Fighters were trained and/or recertified in various communities across the region. All department initial attack staff completed their national CIFFC (Canadian Interagency Forest Fire Centre) certification. In 2004, thirteen individuals were sent on an exchange to British Columbia to assist in fire fighting efforts.

Quebec

Article 2(1)(a)

In 2004–2005, Quebec published 40 new documents on the state of the environment on the Internet site of the Québec Department of Sustainable Development, Environment and Parks (*ministère du Développement durable, de l'Environnement et des Parcs du Québec*—MDDEP) <<http://www.mddep.gouv.qc.ca>>, 31 of which dealt with water quality and nine with air quality <http://www.mddep.gouv.qc.ca/ministere/rapports_annuels/rapport_2004-2005.pdf>. The MDDEP also published documents presenting the latest information on five priority drainage basins, an overall look at water quality in Québec's rivers, and a summary of the state of the St. Lawrence River. The Québec air quality index and the program Info-Smog (summer and winter) are also made available on the MDDEP Internet site.

Article 2(1)(b)

The MDDEP operates an emergency response system (Urgence-Environnement) throughout its territory, with regional departments ensuring continuous supervision of the territories they cover. The Emergency Coordination Bureau (*Bureau de coordination des urgences*—BCU) supports regional action teams and oversees the operation of the emergency call center, which takes calls regarding emergencies around the clock. Urgence-Environnement personnel undergo continuous training (e.g., updating and courses on the MDDEP emergency plan, hydro-carbon spills, spills of hazardous materials, and the nuclear emergency plan). The MDDEP participated in several exercises carried out by its partners (e.g., "Border Safe" of the Sûreté du Québec, which simulated a terrorist event on the border with Vermont; Prevention 2004 of the Canadian Coast Guard, simulating a maritime spill in the Montérégie region; and DÉRAD of Hydro-Québec, simulating an accident at the Gentilly-2 nuclear reactor). In terms of planning, the MDDEP focused on the elimination of large numbers of carcasses and animal by-products and on maritime spills.

Article 2(1)(c)

On its Internet site, the MDDEP published the adventures of Rafale (a series of environmental features for children 10 to 14 years old), two new brochures on pesticides, and a document on the toxicity of pesticides used for lawn care and ornamental plants. The Internet column *Jardiner... tout naturellement* was updated. The MDDEP awarded grants totalling \$1.5 million to 17 social economy businesses to support waste management activities, and, as part of its *Politique de soutien à l'action communautaire*

autonome, it provided aid totaling \$2.8 million to over 60 non-profit organizations to continue annual activities and undertake concrete projects.

The MDDEP held a training session for government managers involved in implementing integrated watershed-based water management, and for regional managers it held an initiation and refresher workshop for new watershed management tools. In collaboration with RÉSEAU environnement, the MDDEP held the fourth annual Forum on Integrated Watershed-based Water Management (management methods, recent experiences and stakeholder capacity building). The MDDEP held about 50 training sessions on Québec's riverbank, coastline and floodplain protection policy (*Politique de protection des rives, du littoral et des plaines inondables*) (session trainers, city inspectors and wildlife protection agents) and 20 training and information sessions on drinking water and wastewater (themed workshop for regional departments; conferences on the Regulation respecting the quality of drinking water (*Règlement sur la qualité de l'eau potable*—RQEP); blue-green algae, cyanotoxins and endocrine disrupters in drinking water; disinfection by-products and the RQEP; pharmaceutical products; operator competency; amendments to Q-2, r.8; and municipal officer training and technical guide). Along with Emploi Québec, the MDDEP set up a training program to allow drinking water treatment plant operators to comply with competency requirements under the RQEP. An information sheet on the watertight system was produced.

RECYC-QUÉBEC: The program VERRR 2008 funded 42 projects (\$270,000) dealing with information, awareness and education in reduction, reuse and recycling and recovery of waste. In partnership with *Boissons gazeuses environnement* (BGE), the program to collect consigned containers involved 146 high schools. In partnership with BGE and the Consortium Écho-logique, collection and awareness activities were held during 30 public events (reaching over 8 million people and collecting 108,000 kg of recyclables). Partner of the Brundtland Green School movement (funding of \$100,000, 860 primary and secondary schools, colleges and several daycare centres) and funding of organizations working to develop environmental values in schools (*Réseau québécois des écoles micro-entreprises environnementales*, *Réseau québécois des Centres de formation en entreprise et récupération* and *ENvironnement JEUnesse*). Main sponsor of the *Réseau des Ressourceries du Québec* (4th edition of Québec garbage reduction week). Participation in the production of the TÉLÉ-QUÉBEC series *Les artisans du rebut global*. Publication of a kit (*Des Idées dans l'Air*) to raise awareness among young people of the issues of climate change and of the behaviours that contribute to worsening the phenomenon, of the electronic newsletter RECYC-INFO, of three directories on the RECYC-QUÉBEC website (manufacturers of environmental

equipment, products with recycled content made in Québec, and collectors, recyclers and recoverers), and of two information tools aimed at helping cities and furnishing information directly to Québec citizens (*@bc du recyclage à domicile* and *Guide de recyclage* in partnership with the Yellow Pages Group). Rendez-vous 2004, in partnership with RÉSEAU environnement (waste management, partnerships and responsibilities).

The Department of Natural Resources and Wildlife (*ministère des Ressources naturelles et de la Faune—MRNF*) produced an educational product for teachers and students of secondary cycle I entitled *Le Parc faunique*, which raises awareness of the situation of threatened species in Québec.

Article 2(1)(d)

The MDDEP distributed \$750,000 to finalize 14 technological research and development projects. The MDDEP contributed \$600,000 to fund 33 projects dealing with awareness, environmental studies, reclamation and ecosystem restoration for the St. Lawrence River (Community Interactions, managed jointly with Environment Canada). The MDDEP, via its *Programme de soutien en milieu agricole*, funded 10 agroecology research projects (\$175,000) and three water monitoring projects in farming areas (\$43,000). The MDDEP recognized nine new technology projects for drinking water production and wastewater treatment and is overseeing a study to test solutions for treating and disposing domestic wastewater effluents in areas with low soil permeability.

In the area of climate change, the Québec government has pursued multiple initiatives to reduce and avoid GHG emissions in its economy (e.g., renewing funding for the next five years for the Ouranos Consortium on regional climate modeling, and granting tax credits for ethanol production and the use of biodiesel).

RECYC-QUÉBEC: Launch of working committees on recycling; compostable waste, textile and clothing waste, vehicles (halocarbon, end-of-life and body maintenance committees) and single-use beer and soft drink containers; support for regional county municipalities in developing waste management plans and consulting services for management plan development directors; administration of the *Programme gouvernemental d'aide financière à l'élaboration des plans de gestion des matières résiduelles* (\$1.9 million in 2004–2005); active participation in the asphalt shingle working committee set up by 3RMCDQ; creation of a committee on carpets to support the efforts of providers who offer their clients return and recovery services for obsolete items. In collaboration with the *Comité sectoriel de main-d'œuvre en environnement* and the Québec Department of Education, Leisure and Sport (*ministère de l'Éducation, du Loisir et du Sport du Québec*) RECYC-QUÉBEC carried out a study of changes in employment and training in the waste management sector.

Article 2(1)(e)

Québec applied its environmental assessment procedure to projects targeted under the Regulation respecting environmental impact assessment and review. From 1 April 2004 to 31 March 2005, 98 projects were subject to one step or another of the environmental impact assessment and review procedure in force for southern Québec (24 projects were granted authorization and 29 new projects registered for the process). The projects currently being processed break down as follows: 55 land-based projects (roads, gas pipelines, sanitary landfill sites, wind farms, etc.), 33 water-based projects (hydroelectric plants, methane tanker terminal, dredging, filling), and 10 industrial projects (e.g., co-generation plant, nuclear power plant). Twenty-eight projects were assessed under the James Bay and Northern Québec Agreement (21 new files, along with 15 decisions rendered, including mining projects, maritime infrastructure projects, wastewater and solid waste management projects, and a ballistic testing project).

Canada and Québec signed an Agreement on Environmental Assessment Collaboration, under which the governments, when possible, will coordinate their respective environmental assessment processes.

Article 2(1)(f)

Under the provisions of the *Taxation Act*, the MDDEP issued five visas for donations of land or easements with ecological value totaling over 290 hectares of private land.

In March 2004, Québec adopted the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters*, based on the principle of extended producer responsibility and under which industry is to apply the principle of cost internalization. The *Regulation respecting compensation for municipal services provided to recover and reclaim residual materials* will provide financial support for municipalities to meet their waste management responsibilities.

In 2004, Québec continued to levy charges based on emission amounts of various contaminants, as defined in regulations, from industrial establishments holding a depollution attestation (equivalent to a renewable environmental operations permit). All establishments in the pulp and paper sector (62 facilities) were subject to this levy.

Between 1 April 2004 and 31 March 2005, 28 projects were registered in Québec's urban contaminated sites rehabilitation program, Revi-Sols. This program aims to encourage the re-use of contaminated sites and to revitalize the urban fabric. These projects will lead to approximately \$10.2 million in restoration work (with grants of about \$6.0 million), and about \$295 million in real-estate investment.

RECYC-QUÉBEC continued to operate funding programs in the glass sector, in collaboration with the Société des alcools du Québec.

Article 3

An important step in the achievement of sustainable development was taken with the launch, on 25 November 2004, of the Québec Sustainable Development Plan, supported by a draft bill on sustainable development. Founded on a new vision of development, the draft bill aims to create a framework of accountability for all departments and public administration agencies. The bill provides for the government's adoption of a sustainable development strategy, establishes principles for the public administration to consider in striving to integrate sustainable development into all of its activities, and provides for the implementation of conditions that favor broad participation from regional and local communities, institutions and businesses in implementing sustainable development in Québec. It also introduces the creation of a green fund to support the initiatives of environmental groups and municipalities. Between February and March 2005, 14 regional meetings were held and 227 papers submitted.

Adoption in December 2004 of amendments to the *Environment Quality Act* (EQA) recognizing the polluter-pays principle by allowing the introduction, by way of regulation, of a fee structure for certain environmental monitoring.

In December 2004, the Regulation Respecting Agricultural Operations was amended to introduce the concept of degraded watersheds. Limits on pig farms, in municipalities in degraded watersheds and everywhere else, were extended until 15 December 2005.

During 2004–2005, the MDDEP continued its implementation of the Residual Materials Management Policy 1998–2008 through various measures that will have major structuring effects over the coming years. Québec adopted the Regulation Respecting Halocarbons to achieve international objectives in the control and management of ozone-depleting substances.

RECYC-QUÉBEC continued to oversee and assess the preparation of waste management plans by municipal authorities. With respect to protected areas, work was begun to create two new provincial parks, one of which is located in the boreal forest; this work targets an area of 2,500 square kilometers.

During 2004, a draft regulation to list 25 new plant species as threatened or vulnerable and 36 important habitats for these species was published in the *Gazette officielle du Québec* for public consultation purposes, and six new wildlife species were listed under the *Act respecting threatened or vulnerable species*.

In November 2004, the Québec government made public its Strategy and Action Plan on Biological Diversity 2004–2007. For

each of the Plan's 22 priority intervention points, which range from protected areas to activities on the Canadian scene, objectives and performance indicators were identified to allow for monitoring progress.

In 2004–2005, the MDDEP recognized 10 new nature reserves on private land, totaling 1,217 hectares, and granted \$4.7 million for the acquisition of 54 natural sites covering over 22 square kilometers distributed over Québec's 11 administrative regions. This partnership with non-governmental organizations aims to protect natural areas, some of which are rare and exceptional, in the most populated and utilized part of Québec.

In 2004–2005, the MDDEP constituted seven new proposed biodiversity reserves and one proposed aquatic reserve in the "natural province" or ecoprovince of the Abitibi and James Bay lowlands and the proposed ecological reserve in the Finlay Islands of the Outaouais region.

The MDDEP has described biodiversity in the ecoprovinces of the central Laurentians, the Mistassini highlands, the Abitibi and James Bay lowlands, and the Appalachians in order to identify areas of interest and formulate new proposals for protected areas, and it has selected 20 representative areas of all ecoprovinces of the boreal forest and of certain marine ecosystems of the Baie des Chaleurs. A new protected areas action plan for 2005–2008 was prepared.

In February 2005, the MDDEP made public Directive 019 on the mining industry, which primarily targets new mining projects and proposes new requirements for final effluents, a pollutant charge calculation procedure for releases into the environment, mining waste management methods based on dangerousness, and specific monitoring requirements for the post-operation and post-restoration period for mining sites.

The MDDEP amended three regulations: the Regulation respecting the quality of drinking water (*Règlement sur la qualité de l'eau potable*—RQEP), the Regulation respecting waste water disposal systems for isolated dwellings (Q-2, r.8) and the Regulation respecting public wading and swimming pools. The MDDEP issued memorandum of instruction 04–03 (administrative tool related to the systematic delivery of violation notices to accredited laboratories in contravention of RQEP requirements for time limits for sending analysis results).

Article 4

All Québec laws and regulations, along with most administrative rulings of general application, must be published in the *Gazette officielle du Québec* and are published on the MDDEP Internet site <<http://www.mddep.gouv.qc.ca>>, along with its annual reports. Reports, programs, agreements, policies and other documents for public consumption are published on the Internet site of RECYC-QUÉBEC. The public registers for the industrial sector

and for livestock operations (farmland project notification) are accessible on the MDDEP Internet site.

The MDDEP holds public consultations on its draft regulations and policies. The Québec wildlife department (Faune Québec) holds priority consultations with partners united under “wildlife groups” (Groupes Faune) and with the parks advisory committee, and holds public consultations on draft regulations and policies as necessary.

Between January 2004 and March 2005, 11 information sessions and public consultations, 16 inquiries and public hearings, six inquiries and mediations, one inquiry, and two public consultations on proposed protected areas were held by the Québec environmental hearings board (*Bureau d'audiences publiques sur l'environnement*—BAPE).

The Canada-Québec Agreement on Environmental Assessment Collaboration was published on the Internet prior to its signing. An initial public consultation was held on a draft agreement on permanent water resources in the Great Lakes basin between Quebec, Ontario and the eight Great Lakes U.S. states. Public consultations were held as part of the process of amending the RQEP and Q-2 r.8.

Over the course of 2004, the MDDEP published three guides to support and promote the implementation of integrated water management in Québec (*Guide des bonnes pratiques de protection des rives, du littoral et des plaines inondable et dépliants de sensibilisation - villégiateurs et agriculteurs*).

Article 5

Governmental enforcement measures

Within the framework of implementing the Pesticide Management Code and amending the Regulation respecting permits and certificates for the sale and use of pesticides, the MDDEP informed customers targeted by regulatory provisions or by new requirements (e.g., businesses holding pesticide sales permits or holders of pesticide sales certificates).

Additionally, publicity was placed in specialized magazines to raise awareness among producers and workers in the farming and forestry sectors of the new requirement for a MDDEP certificate of qualification in order to purchase and use pesticides on farmlands or forests.

Effective enforcement of environmental laws and regulations

In May 2004, the MDDEP reorganized its regional services in order to boost monitoring of environmental compliance, a fundamental focus of its mission. All activities related to monitoring, such as inspections, inquiries and emergency response services were grouped together into a single agency, the Québec environmental monitoring center (*Centre de contrôle environne-*

mental du Québec), whose mission is to oversee compliance with environmental legislation throughout Québec by verifying conformity of activities that could cause environmental harm and, where appropriate, by implementing prevention, protection and restoration measures.

In 2004–2005, 92 percent of authorization requests were handled within 90 days or less, compared to 86 percent in 2003–2004, despite a 19-percent increase in the number of requests. Moreover, MDDEP inspectors carried out 22,639 interventions in the field, an increase of 13 percent over the average of the two previous years.

Article 5.1 (a)

MDDEP inspectors and MRNF wildlife protection agents receive training in implementing new regulations in their areas of intervention. Inspectors receive basic training on the emergency plan, hydrocarbon spills, chemical spills, and the nuclear emergency plan.

Article 5.1 (b)

Over the course of 2004, MDDEP investigators closed 469 investigation files. During the same period, 404 additional files were opened.

Article 5.1 (c)

As part of its support of watershed organizations in charge of coordinating water stakeholders, the MDDEP signed 34 funding agreements totaling \$2.2 million for the implementation of integrated watershed-based water management; this recurrent funding allows the organizations to consult with various stakeholders to create master water management plans. Administrative agreement between MDDEP and MRNF concerning the cooperation and consultation mechanism for dealing with authorization requests received under section 128.7 of the *Act Respecting the Conservation and Development Of Wildlife* and under section 22 (paragraph 2) of the *EQA*. Agreement between the MDDEP and the Department of Municipal Affairs and Regions Department (*ministère des Affaires municipales et des Régions*) concerning drinking and wastewater treatment technologies.

Partnership agreement between the Québec Building and Environmental Municipal Officers Corporation (*Corporation des officiers municipaux en bâtiments et en environnement du Québec*) and the MDDEP to ensure a training framework for municipal officers that allows them to assume their responsibilities under Q-2, r.8 and the Groundwater Catchment Regulation.

Article 5.1 (f)

The MDDEP has continued its implementation of four systematic intervention and monitoring programs: the farm-by-farm visit program (*programme de visites ferme par ferme*)—10,410 visits; the used vehicle recycling or collection business visit program (*programme de visites des entreprises spécialisées dans le recyclage ou la récupération de véhicules hors d'usage*)—583 visits; the RQEP monitoring program (*programme de contrôle à l'égard du RQEP*) 2,900 networks controlled monthly; and the annual pulp and paper mill inspection program (*programme annuel d'inspections des fabriques de pâtes et papiers*)—60 mills.

When, following a decree, the MDDEP Department of Environmental Assessment (*Direction des évaluations environnementales*) issues a certificate of authorization, it produces a review report that includes a verification program.

Article 5.1 (g)

The MDDEP Department of Environmental Assessment uses an electronic file management system called IDÉE—*Information sur les dossiers d'Évaluation environnementale*.

Article 5.1 (i)

In 2004, all 62 facilities in the pulp and paper sector held depollution attestations, the equivalent to an environmental operations permit renewable every five years. In addition to ensuring their emissions comply with applicable regulatory requirements and standards, these facilities are required, under their attestations, to carry out comprehensive studies of their wastewater emissions to determine how well aquatic receiving environments are supporting those emissions. In 2004, the MDDEP began to develop depollution attestations for industrial facilities in the mineral industry and for prime metal manufacturing.

Article 5.1 (k)

In 2004, MDDEP investigators executed over 50 authorized entries and search warrants.

Article 5.2

Statistics on convictions in 2004 are listed in Table 1.

Table 1 Convictions in 2004 (MDDEP)

| ACT / REGULATION | Number | Fine (\$) |
|--|---------------|------------------|
| <i>Natural Heritage Conservation Act</i> | 12 | 4,400 |
| <i>Ecological Reserves Act</i> | 1 | 50 |
| Environment Quality Act | 116 | 370,217 |
| Pesticides Act | 1 | 4,000 |
| Act respecting threatened or vulnerable species | 21 | 11,285 |
| Regulation respecting solid waste | 8 | 2,700 |
| Regulation respecting snow elimination sites | 2 | 10,000 |
| Regulation respecting hazardous materials | 15 | 105,420 |
| Regulation respecting the reduction of agricultural pollution | 38 | 85,000 |
| Regulation Respecting Agricultural Operations | 4 | 10,000 |
| Regulation respecting the application of the Environment Quality Act | 1 | 300 |
| Regulation respecting the quality of the atmosphere | 33 | 16,900 |
| Regulation respecting pits and quarries | 3 | 3,400 |
| Règlement sur les espèces fauniques menacées ou vulnérable et leur habitat | 4 | 2,000 |
| Regulation respecting wading and swimming pools | 3 | 1,500 |
| Regulation respecting waste water treatment systems for isolated dwellings | 1 | 500 |
| TOTAL | 263 | 627,672 |

MEXICO PROGRESS REPORT, 2004

Introduction

This section of the 2004 Annual Report refers to the key environmental enforcement and protection activities carried on from 1 September 2003, to 31 August 2004. It includes the activities of autonomous agencies including the National Water Commission (*Comisión Nacional del Agua—CNA*), the National Institute of Ecology (*Instituto Nacional de Ecología—INE*), the Office of the Federal Attorney for Environmental Protection (*Procuraduría Federal de Protección al Ambiente—Profepa*) and the National Commission for Protected Nature Areas (*Comisión Nacional de Áreas Naturales Protegidas—Conanp*), as well as decentralized agencies such as the Mexican Institute for Water Technology (*Instituto Mexicano de Tecnología del Agua—IMTA*) and the National Forestry Commission (*Comisión Nacional Forestal—Conafor*), and the National Commission for Biodiversity Awareness and Use (*Comisión Nacional para el Conocimiento y Uso de la Biodiversidad—Conabio*). This report does not represent all activities undertaken by the Mexican government during the period of reference, or the full range of activities carried on under the North American Agreement on Environmental Cooperation (NAAEC). The purpose of the report is to reflect the principal environmental efforts at the federal, state and local levels.

Environment, economy and trade

- The Commercial Forestry Plantation Development Program (*Programa para el Desarrollo de Plantaciones Forestales Comerciales—Prodeplan*) continued to provide funding for the establishment of high-quality plantations geared toward satisfying the needs for several timber products, ranging from rolled wood to cellulose, to help to reduce Mexico's timber shortage.
- The change in land use for 6,276.1 hectares of woodland (less than 0.001 percent of the total national forested

area) was allowed as an exception to undertake high-impact social and economic programs in 25 states, such as electrical infrastructure (transmission and distribution lines), highways, mining, urban development (tourism and residential), farm projects and gas pipelines.

- Actions were carried out to increase the production and productivity of forestry ecosystems and to promote the development of production chains to improve the quality of life of forest landowners. In this regard, support was granted to incorporate 1.7 million hectares into the technical management program and 58,000 hectares into the commercial forestry plantation program, and to certify 169,950 hectares dedicated to sustainable forestry management. Support was also given to establish and strengthen 30 indigenous community forestry enterprises, incorporating 60,000 hectares into the community land zoning system.
- In the framework of the Socioeconomic Agenda, focusing on researching the design of economic instruments for environmental policy, formulating economic evaluation methodologies for natural capital and environmental services, and the establishment of environmental accountability systems, studies were conducted on water demand and power rates for farm pumping; the determination of the Environmental Water Services Payment Program (*Programa de Pago por Servicios Ambientales Hidrológicos—PSAH*); pesticide demand; policies to halt and reverse the wear on natural capital; collective dynamics in the appropriation of Mexico's underground waters; and environmental mediation strategies for managing natural resources on collective properties.
- On 24 June 2004, the Secretariat of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales—Semarnat*), the Baja California State Government, the National Chamber of the Cement Industry (*Cámara Nacional del Cemento*) and the company *Cementos de México* (Cemex) executed a Cooperation Agreement for the remediation of sites

contaminated by the disposal of tires. In addition to site cleanup, the agreement seeks to promote the recovery of waste through coprocessing and to further the joint involvement of various social sectors and government authorities. Also, on 9 September 2004, Semarnat, the cement industry chamber and the company Grupo Cementos Chihuahua signed an Agreement to commence the disposal of tires at the Chihuahua city drop-off center.

- As regards green management, 31 Green Management State Committees were created in the various states to measure environmental performance in electrical power, water, office supplies and waste separation in Semarnat buildings. The *Manual for the Environmentally Sound Use of Resources* was drafted and work was undertaken to create the *Green Management Manual* for Semarnat.

Conservation of Biodiversity

- Five new protected nature areas were decreed, including Laguna Madre and the Río Bravo Delta, Isla Guadalupe, Islas Marietas, the San Lorenzo Archipelago and Balan Ka'an, adding around 1,237,994 hectares to the total protected area.
- Conanp authorized the addition of five areas in the National Protected Nature Area System (*Sistema Nacional de Áreas Naturales Protegidas—SINAP*), for a total of 53 protected nature areas (ANPs) covering 11 million hectares.
- A process was designed to regionalize ANPs, establishing seven regions for ANP decision-making and problem-solving. These regions are known as Yucatán Peninsula, Southern Border, Northwest, Northeast, West, Gulf-Central and Southern Pacific.
- Mexico added ten sites to the Ramsar Convention on Wetlands in November 2003, for a total of 17 sites. By 2 February 2004, 34 more wetlands were added, for a total of 51 Ramsar sites throughout the country. Mexico broke the record for the most sites added at once, reaching second place in number of wetlands listed and fifth place in total area under international recognition.
- Two protected nature areas (Sierra La Laguna and Banco Chinchorro) were approved and incorporated into the MAB-UNESCO World Network of Biosphere Reserves in 2003. Two others, Ría Lagartos and Ría Celestún, were submitted (approved in October 2004), giving Mexico a total of 16 Network biosphere reserves.
- A total of 1.6 million hectares representing 499 Wildlife Conservation Management Units (*Unidades de Manejo para la Conservación de la Vida Silvestre—UMAs*), for an overall 5,893 UMAs and an area of 22.29 million hectares, equal to 11.2 percent of all national territory. This designation provides for the conservation through

sustainable use of more than 1,157 species and 51 subspecies of Mexican wildlife and their habitat.

- The National Technical Advisory Committee for the Recovery of Priority Species (*Comité Técnico Consultivo Nacional para la Recuperación de Especies Prioritarias*) was created and its regulations drafted. Two new subcommittees were also created, for a total of 25. These subcommittees act as technical advisory bodies for the competent authority for the conservation, management and sustainable use of priority species.
- A total of 270 wildlife flora and fauna research projects were authorized, the results of which will contribute to awareness for the conservation and sustainable use of the nation's biodiversity.
- The application of policies for the sustainable use, conservation, protection and restoration of forest ecosystems through comprehensive basin management continued:
 - The program for the restoration of non-forest soils in degraded areas was undertaken in 21 federal Semarnat delegations, with 20.7 million pesos in funds from the Temporary Employment Program applied in 110 municipalities, benefiting 9,865 persons. Two hundred ninety-three restoration projects were undertaken on 9,285 hectares, with agroforestry, sediment and water-capture retaining dams, contouring and arranged-stone barriers.
 - The National Forest Parasitology Reference Center (*Centro Nacional de Referencia en Parasitología Forestal*) identified 872 entomological and pathological samples, preventing the entry of 21 quarantine-warranting insect and fungus genera into Mexico.
 - Covering 4,300 hectares in 15 Mexican states, 230 forest remediation notices were issued, thereby protecting nearly 43,000 hectares from infestation.
- Conafor endeavored to protect 500,000 hectares from soil erosion and degradation and the conservation and restoration of 30,000 hectares; the reforestation of 170,000 hectares; the diagnostic and phytosanitary treatment of 188,000 hectares; and forest fire prevention and protection throughout the country's woodlands.
- The National Program for Forestry Ecosystem Conservation and Restoration (*Programa Nacional de Conservación y Restauración de Ecosistemas Forestales—Procoref*) was begun, subject to the specific operating rules aimed at making the use of public funds used in reforestation, soil conservation and restoration, and forest health more transparent and efficient.
- Under the green agenda, 33 studies were conducted for the conservation of ecosystems and biodiversity and to halt and reverse the loss of natural capital, primarily in

the Lerma-Chapala, Conchos and Valle de Bravo basins; for the conservation of priority species and habitats; regional- and community-level ecological zoning (notably the updating of ecological zoning in the monarch butterfly region); the sustainable management and conservation of natural resources in Mexico's indigenous communities; and territorial planning.

- IMTA continued to work on its strategy for environmental awareness, improvement and protection, with a focus on water resources, through the execution of research and development projects aimed at the rational use, sustainable exploitation and conservation of water.
- Conabio continued to develop the Living Modified Organism (LMO) Information System (*Sistema de Información de Organismos Vivos Modificados—SIOVM*) to be used as a platform for the exchange of information and decision-making. To date, it has 61,043 wild relative records and information on 139 transformation events corresponding to 17 commercially released species in at least one country. It also prepared a directory of biosafety experts and worked on processing 42 LMO release applications, corresponding to 214 cases (receiving organism x transformation event x locale), issuing recommendations on the risks to biodiversity.
- In conjunction with Mexico's CITES authorities, Conabio organized an international CITES enforcement workshop for seahorse conservation and trade to provide exporting countries with recommendations for managing their fisheries and putting the CITES provisions into practice.

Pollutants and health

- As part of the Comprehensive Clean Beach Program (*Programa Integral de Playas Limpias*), beach cleanup programs were provided to the municipal or state governments to prevent health risks. With the participation of representatives from the Secretariat of Health and the Navy and the CNA, the creation of local clean-beach committees was promoted. The objective of these committees is to assess water quality and to conduct beach and waterway cleanup and remediation activities. Mexican standard NMX-AA-120-SCFI-2006 was created to establish the requirements and specifications for the sustainability of beach quality.
- Through the Metropolitan Environmental Commission (*Comisión Ambiental Metropolitana*), the federal government, the Mexico State government and the Mexico City government reviewed the priority environmental policy instruments for the Valley of Mexico Metropolitan Area. A key achievement was the establishment of new criteria and parameters for

operating the “Day Without a Car” (*Hoy No Circula*) program, with effect from June 2004.

- The Air Quality Improvement Program (*Programa para Mejorar la Calidad del Aire—Proaire*) was created for Salamanca, Guanajuato, in which the three levels of government, Petróleos Mexicanos (Pemex) and the Federal Electricity Commission (*Comisión Federal de Electricidad—CFE*) entered into a coordination and collaboration agreement to reduce air pollution in the region.
- Efforts continued to create an infrastructure to have appropriate technologies and sufficient capacity for the sound management of hazardous waste and to reduce pollution and risks to health and the environment. At the end of 2003 total installed capacity for handling hazardous industrial waste was 8.470 million tons per year. From January to August 2004, the handling of 644,000 tons was authorized, reaching 1,792 tons by the end of 2004. Thus, total installed capacity grew by 21 percent with respect to 2003, totaling 10.262 million tons per year, or 133 percent of the generation estimate of 8 million tons. In the case of biological-infectious hazardous waste, from September 2003 to July 2004 the handling and treatment of 4,508.89 tons per year was authorized, representing an accumulated 258,794 tons per year authorized from 1996 to the end of 2004.
- In 2000, the CEC completed a factual record on the contaminated site known as “Metales y Derivados” in Tijuana, Baja California. Related to this, and through the 2012 Border Program, Semarnat, Profepa, the state of Baja California and the US EPA joined efforts to set a workplan and initiate the actions first to stabilize the site and prevent further risks to human health, and then to achieve the full remediation of the site. Semarnat, the Baja California state government and the municipality of Tijuana entered into a coordination agreement to join efforts and resources for the recovery, reestablishment and remediation of the Metales y Derivados site. The site was gated and surface cleaning began.
- Throughout 2004, remediation actions were carried out at sites contaminated with tires disposed of in Mexico's northern border region, to reduce the negative environmental and health effects. Key actions include:
 - Full remediation of six municipal delegations in Tijuana, Baja California.
 - Cleanup begun at the drop-off center in Ciudad Juárez, Chihuahua and at the INNOR and El Centinela sites in Mexicali, Baja California.
 - Demonstrative pavement of a secondary roadway using concrete made with shredded used tires in San Pedro Garza García, Nuevo León.
- Toxic chemical studies were conducted to determine the

capacity to research persistent organic pollutants (POPs) and to inventory Mexico's lindane and hexachlorobenzene stocks. Two online databases were also designed to release basic information on the main pesticides used in Mexico, POP research capacities and the need to strengthen actions to prevent and minimize the risks associated with such substances.

- Work continued on the strategy for the preservation and control of water quality. Key actions sought to address the problem of water underground water pollution and overuse and the ecological damage caused to the Lerma-Chapala basin. The drafting of regulations for the use of the basin's hydraulic resources began, concluding in 2005. In addition, to prevent the discharge of contaminated water into national bodies, 58 new wastewater treatment plants were built by the end of 2004, for a total national inventory of 1,229 plants treating 63,809 liters of wastewater per second.
- On 24 June 2004, the US EPA, Semarnat, the California Environmental Protection Agency (Cal/EPA) and the state of Baja California signed a memorandum of cooperation for monitoring air quality, providing nine automatic air monitoring stations to determine criteria pollutant concentrations and other meteorological parameters, and four manual PM₁₀ monitoring stations. With this agreement, Baja California with INE support will gradually take over the operation and data management of the stations located in Baja California.

Environmental law and policy

- Public policies were adjusted to include eight strategic topics, including three priority topics: defense of woodlands, wastewater treatment and promoting transversality of public policy for sustainable development. The other policy areas were conservation of biodiversity, territorial action, environmental infrastructure, citizen participation, and the institutionalization and prosecution of environmental justice.
- The agendas on Public Policy Transversality for Sustainable Development were drafted and consolidated, aimed at including the environment in other sectors' agendas. Of the 16 federal government institutions involved in the process in 2003, 32 were added in January 2004 (including Semarnat itself).
- On 4 October 2004, Semarnat executed a general inter-institutional collaboration agreement with ten federal government agencies for the development of ecotourism, rural tourism and other nature tourism activities in Mexico. The agreement seeks to promote the cooperation of institutions connected with nature tourism to join

efforts and resources to promote ecosystem conservation, further sustainable use, assist in the development of rural and indigenous communities, and enhance the profitability of tourism enterprises. In this regard, the following interinstitutional actions were attained:

- A federal government investment of 222.7 million pesos to promote ecotourism in 2004.
- The drafting of a Mexican standard establishing the requirements and procedures for interested parties to be green-certified in ecotourism throughout Mexico.
- Training community enterprises to apply the "Moderniza" management model, an innovative approach to business management and administration based on respect for cultural diversity and promotion of ecosystem conservation.
- The 2003–2005 biennial regulatory improvement program was designed to provide greater coherence and transparency to the environmental regulatory framework and to afford greater certainty to citizens, with a view to promoting long-term sustainable investment.
- The drafting and revision of Mexican Official Standards (*normas oficiales mexicanas*—NOMs) continued for regulatory improvement, with the release of two new environmental protection standards in the *Official Gazette of the Federation* and the amendment of three existing standards. Specifically, a standard on the confinement of waste in cavities built by dissolution in geologically stable salt domes was published for the energy and mining sector, and another two were modified to establish the environmental specifications for the drilling and maintenance of land-based oil wells and direct mining exploration, respectively.
- The direct industry regularization and enforcement continued. For example, 89 sole environmental licenses (*Licencias Ambientales Únicas*—LAUs) were issued to determine the required operating conditions to prevent pollutant releases. The resulting 2,557 annual operating certificates (*Cédulas de Operación Anual*—COAs) were processed to collect information used in the pollutant release and transfer register (PRTR) for 2002. Of these, 278 were rejected because they did not comply with the filing requirements. The third PRTR phase was completed, with an inventory of releases by source in the six northern border states.
- In territorial planning, four new coordination agreements were signed to begin ecological zoning processes, four zoning programs were decreed, and seven multistate regional committees were established to track a like number of ecological zoning processes.
- Regarding comprehensive basin management, promoting

the overall management of natural resources in the country's different hydrological regions, two studies were conducted in the Mexico basin to support environmental planning and decision-making.

- In the management of the Federal Maritime Land Zone, a shared coastal management model was designed and created for the three levels of government, aligning the planning and environmental protection policies with provisions governing human settlements and regional development. Ten municipalities in six Mexican states were selected to test the model.
- The National Forestry Management System (*Sistema Nacional de Gestión Forestal*) began operations, interfacing the federal delegations to integrate and automatically update the National Forestry Registry (*Registro Forestal Nacional*) and forestry databases, and to track filings on line.
- Actions were strengthened to protect natural resources, with the following achievements: routes for the illegal trade of timber, forestry products and wildlife species were sealed off in two of the main regions in Mexico; six alternative sustainability programs (*programas alternativos de sustentabilidad—PAS*) were undertaken; 104 participatory oversight committees were set up; and 15 special inspection and oversight programs were created in protected nature areas. In addition, 36,108 cubic meters of wood, 111,066 fauna and flora species, and 89,545 turtle eggs were secured.
- Environmental law amendments, bills, standards, decrees and regulations were drafted, including the draft amendments on environmental justice, the draft law on environmental economic instruments, and the PRTR regulations under the General Law of Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente—LGEEPA*), published in the Federal Official Gazette on June 3, 2004.
- In energy and mining, the draft NOMs on the maximum allowable limits for the remediation of soils contaminated by hydrocarbons and the environmental specifications for the construction, operation and post-operation of tailing dams were released for public comment.
- From September 2003 to August 2004, 477 projects in different areas began environmental impact assessment (EIA) procedures.
- Conabio continued to promote, facilitate and advise on the preparation of state studies and strategies for the conservation and sustainable use of biodiversity. Five states (Morelos, Michoacán, Querétaro, Coahuila and Mexico State) were included, with the following progress: Morelos, 74 and 100 percent, respectively; Michoacán, 74

and 10 percent, respectively, and Querétaro 60 percent, only in regard of the former.

- As part of Semarnat's plans provided in the National Development Plan and the Environmental Sector Program, the federal government signed wildlife decentralization agreements with the Nuevo León, Coahuila and Tamaulipas state governments on 17 November 2004. The decentralized functions include those relating to sport hunting.

Citizen participation

- Nine public consultations were held on EIA project submissions in seven Mexican states. These consultations involved 1,916 citizens who submitted their project observations, comments and proposals.
- In conjunction with the INE and with the participation of the Secretariat of Foreign Relations (*Secretaría de Relaciones Exteriores—SRE*), the Senate and Conabio, the Fourth National Advisory Forum on Whales was held.
- A total of 8,819 citizen submissions were received, 6,425 of which referred to manatee conservation. Of all submissions received, 96 percent (i.e., 8,467) were addressed.
- In the framework of sustainable development advisory boards (*consejos consultivos para el desarrollo sustentable—CCDS*), Mexico continued to promote citizen involvement in the planning, execution, assessment and tracking of public environmental and natural resource policies, holding three national plenary CCDS meetings, eight regional board meetings and 19 operating group meetings. The CCDS released 115 recommendations, 87 percent of which were addressed by Semarnat.
- To generate and process water management-related information and programs at the three levels of government using the basin as the basic unit of management, citizen participation continued to be promoted through basin councils and related agencies, such as the underground water technical committees. In this regard, the Law of National Waters (*Ley de Aguas Nacionales*) was amended to strengthen public participation and involvement in the formulation and execution of programs and actions to improve water management, preserve basin resources and develop the priority hydraulic infrastructure.
- With regard to attending to indigenous populations, Semarnat, INE, Profepa, Conafor and Conanp participated in the formation of the Indigenous Peoples' Advisory Group (*Grupo Consultivo para los Pueblos Indígenas*), to contribute to the creation of coordinated national policies addressing the sustainable management of natural resources and biodiversity in indigenous peoples' territories, among other matters.

- The Environmental Education Program (*Programa de Educación Ambiental*) was continued, for the direct involvement of educational agencies and the interaction of state and local authorities. The program's achievements include:
 - In the framework of the National Forest and Water Crusade (*Cruzada Nacional por los Bosques y el Agua*), different activities were carried on with 14,487 students and teachers in the basic and normal education programs. With the participation of CNA, Conafor and IMTA, an environmental stewards program was launched to provide 480 scholarships funded by the Secretariat of Social Development (*Secretaría de Desarrollo Social*) to young social service providers from 21 middle and upper school institutions.
 - As part of the implementation of permanent reforestation programs, reforestation and training activities were carried on with the participation of 14,742 students and teachers, who planted 17,000 trees from September 2003 to August 2004.
- As regards the application of the Federal Law of Transparency and Access to Governmental Public Information (*Ley Federal de Transparencia y Acceso a la Información Pública Gubernamental*), the Mexican government attended to 2,143 consultations and requests. Actions were also undertaken to strengthen the institutional capacity to comply with the Law, with two workshops for public servants responsible for processing requests, the drafting and approval of the administrative process for handling and tracking information requests and for the assessment and continuous improvement of the program, and the drafting of organizational and operating guidelines of the Semarnat Information Committee.
- To keep society informed of the state of the environment and natural resources, and to include the environment in decision-making at the three levels of government and in the economic and social sectors, work was undertaken on the National Environmental and Natural Resources Information System (*Sistema Nacional de Información Ambiental y Recursos Naturales—SNIARN*) and the National Environmental Indicator System (*Sistema Nacional de Indicadores Ambientales*).

Conclusions

In 2004, the actions undertaken focused on attending to the areas identified as strategic, priority topics, including two at the top of the federal agenda: defense of forests and the comprehensive management of water resources. Some of the actions described in this report in accordance with the CEC program areas represent noteworthy progress, given their potential for positive results in environmental matters and citizen involvement.

However, Mexico continues to face major challenges that require us to continue to our efforts in such areas as citizen participation, the protection and sustainable use of natural resources, the consolidation and improvement of the institutional, legal and regulatory framework, and environmental enforcement and policy. At the same time, we continue to strive to incorporate environmental matters in the public policy agendas of other sectors, in order to consolidate the environment as a transversal topic to be addressed comprehensively from a State standpoint, thereby attaining a better environment and better health for the citizens of Mexico and the region as a whole.

UNITED STATES PROGRESS REPORT, 2004

Country Report on Implementation of the Commitments Derived from the NAAEC.

The following report was submitted to the CEC Secretariat by the Government of the United States.

The information included in this section of the 2004 Annual Report is intended to highlight certain activities and developments related to environmental protection in the United States (US) for the calendar year 2004. It does not represent the full range of activities undertaken by the United States government regarding the NAAEC, nor is it intended to reflect environmental efforts at the state, tribal, territory, or local level.

Note that all dollar (\$) amounts are in US dollars, unless otherwise specified.

Introduction

In 2004, the United States (US) achieved noteworthy results in increased public participation and in the program areas of the CEC. Our successful programs are detailed in this section.

Environment, Economy and Trade

In 2004, the US accomplished significant results in the area of Environment, Economy and Trade:

- The US Environmental Protection Agency (EPA) announced a Green Power transaction involving biomass resources (paper pulp) in Georgia and the Agency's Research Triangle Park, North Carolina, facilities. Nationwide, this is the biggest EPA Green Power procurement to date.
- The Governments of the US and the Kingdom of Morocco signed a Joint Statement on Environmental Cooperation where the nations affirmed their mutual intent to pursue

efforts to enhance bilateral environmental cooperation as they expand bilateral trade.

- The Governments of US and Australia signed a Joint Statement on Environmental Cooperation that acknowledges the two countries' many shared environmental priorities and challenges, including improving air and water quality, protecting their natural resources and biodiversity, better understanding climate change, mitigating the effect of chemicals on the environment, and protecting the marine environment.
- To expand potential US wind development through advances in cost effective, low wind speed technology, the US Department of Energy (DOE) opened negotiations for 21 public-private partnerships. The value of the cost-shared projects is expected to total \$60 million over the next four years.
- To support research, development and demonstration of energy efficiency technologies, DOE funded 13 projects selected under the innovative State Technologies Advancement Collaborative (STAC). The total value of the projects will be nearly \$17 million.
- Peabody Energy's Mustang Energy Project received a DOE grant in President Bush's 10-year, \$2 billion Clean Coal Power Initiative (CCPI). The technologies developed under CCPI will help maintain abundant coal resources as a cornerstone of the Nation's future domestic energy portfolio, particularly for power generation.

Conservation of Biodiversity

The United States took action in 2004 to protect national and international biodiversity treasures.

- To prevent further damage to sea turtles from shrimp harvesting, the US Department of State (State) certified 38 nations and one economy as meeting the requirements set by Section 609 of P.L. 101-162 for continued export of shrimp to the US. Shrimp from other nations that have been harvested in a manner harmful to sea turtles will be embargoed.

- Additionally, President Bush signed the Marine Turtle Conservation Act into law. Under the new law, sea turtles will be added to the list of species eligible for funding under the Multinational Species Conservation Fund. That fund supports comprehensive global coordination and collaboration for on-the-ground protection, research, and education efforts in developing countries where resources and capacity are limited.
- Ninety rare parrots, all smuggled into the US for the black market pet trade, were returned to Mexico by federal authorities at Otay Mesa, on the US/Mexico border. The parrots, which were recovered during two US Fish and Wildlife Service (FWS) investigations of bird trafficking, are species native only to Mexico that are protected under international treaty and US and Mexican law.
- Entergy Corporation, the Trust for Public Land, and the FWS announced the addition of 2,208 acres of land to Tensas River National Wildlife Refuge in Tallulah, Louisiana, as part of a unique partnership to conserve and reforest lands in the Lower Mississippi River Valley.
- As part of our commitment to the national treasures of the Great Lakes, President Bush signed an Executive Order creating the Great Lakes Interagency Task Force, which brings together ten Agency and Cabinet officers to provide strategic direction on federal Great Lakes policy, priorities and programs under the lead of the EPA.
- Additionally, FWS granted \$566,256 to fund fish and wildlife restoration projects in the Great Lakes basin. The projects will be funded under authority of the Great Lakes Fish and Wildlife Restoration Act of 1998, which provides assistance to the Great Lakes Fishery Commission, states, tribes and other interested entities to encourage cooperative conservation, restoration and management of fish and wildlife resources and their habitat in the Great Lakes basin.
- Government officials and tribal representatives also signed a Great Lakes Declaration and a framework document for the Great Lakes Regional Collaboration to restore and protect the Great Lakes ecosystem.
- EPA awarded \$660,000 to 66 student teams for the 2004–2005 academic year to research and develop sustainable designs through the People, Prosperity and the Planet (P3) competition. Students will design solutions that both benefit the environment and are not prohibitively expensive.
- To reduce the risks associated with pesticide use in agricultural and non-agricultural settings in the US, thirteen states and universities received grants to develop programs under the Pesticide Environmental Stewardship (PESP) Regional Initiative Grant program. EPA awarded \$507,100 for outreach, education, training, demonstration, and measurement projects that advance pesticide risk reduction.
- For calendar year 2002, over 24,000 facilities reported on nearly 650 chemicals in the Toxics Release Inventory (TRI) Public Data Release Report, the annual report on the amount of toxic chemicals released into the environment by reporting facilities, issued by EPA in 2004. The TRI provides the public with unprecedented access to information about toxic chemical release and other waste management activities on a local, state, regional and national level.
- To study the connection between air pollution and cardiovascular disease, EPA awarded the University of Washington a \$30 million grant. The grant is the largest ever awarded by the EPA for scientific research, and will contribute to a better understanding of the long-term health effects of breathing air contaminated by particulate matter and other pollutants.
- EPA signed a Memorandum of Understanding (MOU) with the National Urban League to work together on protecting children in socio-economically disadvantaged communities from environmental health risks.
- EPA released the report "Particulate Matter (PM) Research Program: Five Years of Progress," which summarizes PM research by EPA scientists, grantees from universities and other US research institutions.
- The US and Mexico announced binational efforts to improve air and water quality along the US-Mexican border. As part of the Border 2012 Program, the US and Mexico signed a binational air monitoring agreement and EPA committed up to US\$13 million toward the cleanup of a wastewater treatment plant in Mexicali, Mexico.
- To study the health effects of environmental contaminants on tribal populations, EPA announced \$2.2 million in research partnership grants. These tribal-academic partnerships will focus on strategies to reduce the risk of exposure to mercury, polychlorinated biphenyls (PCBs), pesticides, and other chemicals.
- To advance international cooperation on the recovery and use of methane as a valuable clean energy source, the US, along with representatives from Argentina, Australia, Brazil, China, Colombia, India, Italy, Japan, Mexico, Nigeria, Russia, Ukraine, and the United Kingdom signed a Terms of Reference formally creating the Methane to Markets Partnership.

Pollutants and Health

In 2004, the United States took great strides in addressing pollution and environmental threats to human health.

- EPA has demonstrated significant progress cleaning up America's most high-priority contaminated sites in the national Superfund program, according to the 2004 annual summary of accomplishments.
- Through the Small Business Innovation Research (SBIR) program, EPA awarded \$700,000 to three companies for development and commercialization of air pollution control technologies.
- EPA certified the first Hybrid SUV for sale in the United States.

Law and Policy

United States environmental enforcement programs generated tremendous results in 2004, indicating continued progress in deterring violations of the nation's environmental laws and reflecting an emphasis on environmental benefits and compliance.

- EPA enforcement actions concluded in fiscal year (FY) 2004 were expected to reduce pollution by a projected one billion pounds and require cleanups estimated to total a record \$4.8 billion. Other annual measures of the Agency's enforcement and compliance activity—such as the number of inspections (up 11 percent from FY 2003) and investigations (up 32 percent from FY 2003)—surpassed or kept pace with previous years.
- FY 2004 was a record-breaking year in terms of the efforts by the Department of Justice's (DOJ) Natural Resources Division to secure commitments for action from polluters to remedy their violations of the nation's environmental laws. Polluters across the nation agreed to spend in excess of \$4 billion—topping the previous record of just more than \$3 billion in FY 2002—to take corrective measures to protect the nation's health, welfare and environment. Additionally, courts imposed more than \$181 million in civil penalties for violations in environmental cases, second only to the record-setting recovery of \$203 million set in FY 2003.
- Buckeye Egg Farm, L.P., the largest commercial egg producer in Ohio, agreed to a comprehensive Clean Air Act (CAA) settlement under which the company would pay an \$880,598 civil penalty and spend more than \$1.6 million to install and test innovative pollution controls to dramatically cut air emissions of particulate matter and ammonia from its three giant egg-laying facilities.
- DOJ and EPA, along with the State of South Carolina, announced a major CAA settlement with the South Carolina Public Service Authority (Santee Cooper) concerning claims that Santee Cooper violated the CAA New Source Review program at several of its plants by undertaking construction activities and increasing emissions of air pollution without installing required pollution controls. The settlement is expected to eliminate almost 70,000 tons of harmful air pollutants annually from four of Santee Cooper's existing coal-fired electricity generating plants in South Carolina.
- Rhodia Inc. was sentenced to pay \$18 million in criminal fines and restitution as a result of its guilty pleas to two knowing violations of the Resource, Conservation and Recovery Act (RCRA). Rhodia was also ordered to perform 1000 hours of community service and was required to clean up the site pursuant to orders by EPA under RCRA. The criminal fine is the largest ever paid for criminal environmental violations in the District of Montana, and one of the largest ever paid for prosecution of hazardous waste crimes in the country.
- DOJ and EPA reached a settlement resolving CAA and other environmental claims against True Manufacturing Co., a maker of commercial refrigeration equipment in O'Fallon, Mo., near St. Louis. True has agreed to reduce its emissions of ozone-causing volatile organic compounds (VOCs) by more than 94 tons per year after settling a CAA civil complaint. True also agreed to pay a \$1.5 million fine and to spend some \$1.9 million on supplemental environmental projects designed to reduce VOC emissions from its plant.
- DOJ, EPA, and the State of Mississippi reached a settlement with Genesis Energy, Inc., Genesis Crude Oil, L.P., and Genesis Pipeline USA, L.P. (Genesis) for penalties and natural resource restoration and damages. Genesis will spend over \$3 million as a result of an oil spill which discharged 336,000 gallons of crude oil near Soso, in Jones County, Mississippi.
- Phelps Dodge Sierrita, Inc. agreed to pay \$1.4 million for allegedly violating the federal CAA. The EPA estimates that more than 1,000 tons of sulfur dioxide were illegally discharged into the air from the copper mine and ore processing plant near Green Valley, Arizona.
- DOJ and EPA, along with the Commonwealth of Virginia and the State of Maryland, reached a CAA settlement with Mirant Mid-Atlantic (Mirant) that would eliminate almost 29,000 tons of harmful nitrogen oxides ("NOx") pollution each year from Mirant's coal-fired electricity generating plants in Maryland and Virginia.
- DOJ and EPA reached a comprehensive CAA settlement with CITGO, expected to reduce harmful air emissions by more than 30,000 tons per year from six petroleum refineries in five states that represent nearly 5 percent of total refining capacity in the US.
- DOJ and EPA reached an agreement with Atlantic Richfield in a consent decree reimbursing the federal government for cleanup costs at four portions of the

Clark Fork Basin Superfund sites, where EPA would receive \$50 million in payments from Atlantic Richfield Company, a subsidiary of British Petroleum, and another \$12 million from the US Judgement Fund, for a total of \$62 million.

Public Participation

The United States government continued our commitment to public participation and stakeholder involvement in 2004.

- In 2004, there were 981 federal advisory committees with 44,957 members advising the President and the Executive Branch agencies on a variety of issues. Advisory committees are established by one of four authorities—Presidential authority, statutory requirement, statutory authority, and federal agency discretion.
- Within EPA, federal advisory committees are an important tool for building consensus and providing input and recommendations from EPA's diverse customers, partners, and stakeholders. In 2004, EPA managed 25 committees, which played a strategic role in helping the Agency carry out its mission to protect human health and the environment. EPA's advisory committees have about 37 subcommittees providing advice to the advisory committees on specific issues. In 2004, the Agency held 151 committee meetings which included 794 scientists, public health officials, industry representatives, academics, citizens, tribal groups, and representatives of stakeholders and all levels of government.
- In FY 2004, nonprofit organizations working at the local level on behalf of communities to address environmental/public health issues received a total of 17 grants worth \$25,000. The Environmental Justice Hazardous Substance Research Small Grants Program focused on research projects related to multiple environmental risks at the community level.
- For continuing work on the nationwide Environmental Information Exchange Network, EPA awarded 67 grants totaling more than \$20 million to states, territories, and tribes. Thirty-two states, three US territories, and 18 Native American tribes received grants under FY 2004 funding.
- An EPA web site offering environmental policies and best practices from countries around the world, Gateway to International Best Practices and Innovations <<http://www.epa.gov/innovation/international>>, was launched. The online global library provides links to journals, databases, guidelines, programs and case studies involving innovations in air, toxics, waste and water issues, as well as multi-media approaches, such as Environmental Management Systems, sustainable transport, smart growth and industrial ecology. It provides examples of state and local partnerships with other countries and regions that have resulted in creative environmental solutions in the US.
- EPA introduced IRIS Track, an online resource that allows the public to follow the development and review of Agency chemical health assessments in the Integrated Risk Information System (IRIS). IRIS is a key database of information on the potential adverse human health effects from exposure to chemical substances in the environment.
- To promote governmental and private programs that provide incentives for developing cost-effective environmental technologies (Energy Star, Green Chemistry, Design for Living), EPA launched the Environmental Technology Opportunities Portal (ETOP) <<http://www.epa.gov/etop>>.
- To help the specialty-batch chemical industry learn about voluntary environmental programs that can improve their environmental and economic performance, EPA released the EPA Voluntary Programs Guide for the Specialty-Batch Chemical Sector. This guide summarizes the requirements and benefits of 16 voluntary programs, such as EnergyStar, Waste Wise, and Design for the Environment, that are applicable to specialty-batch chemical manufacturers. The guide is available at: <<http://www.epa.gov/sectors/sbchemical/index.html>>.
- To give Native American leaders a comprehensive guide to solid waste management, EPA's Tribal Solid Waste Management Program developed the Tribal Decision Makers Guide to Solid Waste Management <<http://www.epa.gov/tribalmsw/resource.htm>>.
- EPA released a Spanish-language video, "Controlando los Factores del Asma," to help millions of asthma sufferers manage common asthma triggers found inside and around the home and to advance the national effort to control childhood asthma. See <<http://www.epa.gov/apti/broadcast.html>>.
- To provide consumers with the information and tools necessary to make smart energy choices a part of their daily lives, DOE and the Alliance to Save Energy (Alliance) announced a year-long Powerful Savings public education and awareness campaign.
- DOE launched a new web site with detailed information and tips on how to save money by developing smart energy habits. The site, <www.EnergySavingTips.gov>, serves as a consumer-friendly portal to detailed energy saving information from various federal agencies.
- EPA introduced two new interactive Brownfields web tools giving the public unprecedented access to inter-related information about local Brownfields properties. The tools allow residents to locate Brownfields in

their area and provide access to new detailed information about the individual Brownfields grants. Users can access the Brownfields Envirofacts or EnviroMapper on the new Find EPA Brownfields Projects Where You Live page at: <http://epa.gov/brownfields/bfwhere.htm>.

Conclusion

Calendar year 2004 was a successful year for the United States in fulfillment of our obligations under the North American Agreement for Environmental Cooperation. We have achieved important results in the program areas of the CEC and have improved public participation by making more environmental information available to the public. These achievements represent the stepping stone to our continued efforts in advancing environmental protection in the future.

Financial statements of

**COMMISSION FOR
ENVIRONMENTAL COOPERATION**

December 31, 2004

COMMISSION FOR ENVIRONMENTAL COOPERATION

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Auditors' report

To the Council of the
Commission for Environmental Cooperation

We have audited the balance sheet of the Commission for Environmental Cooperation as at December 31, 2004 and the statements of revenue and expenditures, capital and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair
Deloitte & Touche s.e.n.c.r.l.

Chartered Accountants

March 4, 2005

COMMISSION FOR ENVIRONMENTAL COOPERATION

Statement of revenue and expenditures

year ended December 31, 2004

(in Canadian dollars)

| | 2004 | 2003 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Revenue | | |
| Contribution - Canada (Note 4) | 3,948,044 | 4,796,390 |
| Contribution - Mexico (Note 4) | 3,948,044 | 4,796,390 |
| Contribution - United States (Note 4) | 3,948,044 | 4,796,390 |
| Other revenue | 88,444 | 163,434 |
| | 11,932,576 | 14,552,604 |
| Expenditures | | |
| Expenses related to work program - Schedule | 3,418,073 | 5,315,953 |
| Expenses related to specific obligations - Schedule | 776,123 | 805,822 |
| Expenses related to the Council meetings - Schedule | 250,906 | 277,358 |
| Expenses related to the JPAC - Schedule | 308,978 | 460,644 |
| Expenses related to the Directorate operations | 408,532 | 376,675 |
| Expenses related to North American Fund for Environmental Cooperation | - | 79,245 |
| Expenses related to the ten-year review | 202,204 | - |
| Planning and evaluation | 40,341 | 92,384 |
| Public outreach | 241,971 | 384,880 |
| Salaries and fringe benefits | 3,887,344 | 4,039,711 |
| Relocation and orientation expenses | 42,380 | 143,632 |
| Office expenses | 97,807 | 118,946 |
| Telecommunications | 88,500 | 80,131 |
| Rent, utilities and office maintenance | 649,350 | 607,693 |
| External administrative support | 227,897 | 184,090 |
| Operating equipment | 69,383 | 104,756 |
| Expenditures related to contingency fund | 92,564 | 146,055 |
| Grants disbursed | 399,588 | 686,769 |
| Amortization of capital assets | 97,427 | 100,012 |
| Loss on foreign exchange | 19,566 | 1,192,314 |
| Loss on disposal of fixed assets | 35,968 | - |
| | 11,354,902 | 15,197,070 |
| Excess of revenue over expenditures (expenditures over revenue) | 577,674 | (644,466) |

COMMISSION FOR ENVIRONMENTAL COOPERATION

Statement of capital year ended December 31, 2004 (in Canadian dollars)

| | Invested in capital assets | Restricted for North American Fund for Environmental Cooperation | Restricted for currency fluctuation | Unrestricted | Total | |
|--|----------------------------------|--|---|----------------|------------------|------------------|
| | | | | | 2004 | 2003 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, beginning of year | 253,577 | 399,588 | 518,900 | (156,177) | 1,015,888 | 1,660,354 |
| Excess of revenue over expenditures (expenditures over revenue) | (133,395) | (288,826) | - | 999,895 | 577,674 | (644,466) |
| Interfund transfer (Note 8) | - | (110,762) | - | 110,762 | - | - |
| Investment in capital assets, net of financing | 168,810 | - | - | (168,810) | - | - |
| Balance, end of year | 288,992 | - | 518,900 | 785,670 | 1,593,562 | 1,015,888 |

COMMISSION FOR ENVIRONMENTAL COOPERATION

Balance sheet

as at December 31, 2004

(in Canadian dollars)

| | 2004 | 2003 |
|---|------------------|------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash and term deposits | 3,461,125 | 1,886,049 |
| Short-term investments | 485,000 | - |
| Goods and services tax | 211,435 | 270,008 |
| Receivable contributions | 806,639 | 2,209,244 |
| Other receivables | - | 123,000 |
| Advance to employees | 10,885 | 17,973 |
| Prepays | 62,131 | 15,571 |
| | <u>5,037,215</u> | <u>4,521,845</u> |
| Capital assets (Note 3) | 314,158 | 285,285 |
| | <u>5,351,373</u> | <u>4,807,130</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 468,005 | 814,943 |
| Deferred contributions (Note 4) | 1,902,978 | 2,015,610 |
| Other deferred income | 44,362 | - |
| Employee benefits (Note 5) | 879,704 | 670,613 |
| Current portion of obligations under capital leases (Note 6) | 7,073 | 6,541 |
| | <u>3,302,122</u> | <u>3,507,707</u> |
| Leasehold inducements | 437,596 | 258,368 |
| Obligations under capital leases (Note 6) | 18,093 | 25,167 |
| | <u>3,757,811</u> | <u>3,791,242</u> |
| Commitments (Note 9) | | |
| Capital | | |
| Investment in capital assets | 288,992 | 253,577 |
| Restricted for North American Fund for Environmental Cooperation | - | 399,588 |
| Restricted for currency fluctuation | 518,900 | 518,900 |
| Unrestricted | 785,670 | (156,177) |
| | <u>1,593,562</u> | <u>1,015,888</u> |
| | <u>5,351,373</u> | <u>4,807,130</u> |

Approved by the Council

.....Canada

.....Mexico

.....United States

COMMISSION FOR ENVIRONMENTAL COOPERATION

Statement of cash flows year ended December 31, 2004 (in Canadian dollars)

| | 2004 | 2003 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Excess of revenue over expenditures (expenditures over revenue) | 577,674 | (644,466) |
| Adjustments for: | | |
| Amortization of capital assets | 97,427 | 100,012 |
| Amortization of leasehold inducements | (273,150) | (259,905) |
| Loss on disposal of fixed assets | 35,968 | - |
| | <u>437,919</u> | <u>(804,359)</u> |
| Changes in non-cash operating working capital items (Note 7) | 1,790,967 | 390,114 |
| | <u>2,228,886</u> | <u>(414,245)</u> |
| Investing activity | | |
| Acquisition of short-term investments | (485,000) | - |
| Acquisition of capital assets | (162,268) | (39,720) |
| | <u>(647,268)</u> | <u>(39,720)</u> |
| Financing activity | | |
| Repayment of capital lease obligations | (6,542) | (5,298) |
| Net increase (decrease) in cash and cash equivalents | 1,575,076 | (459,263) |
| Cash and cash equivalents, beginning of year | 1,886,049 | 2,345,312 |
| Cash and cash equivalents, end of year | <u>3,461,125</u> | <u>1,886,049</u> |

COMMISSION FOR ENVIRONMENTAL COOPERATION

Notes to the financial statements

year ended December 31, 2004

(in Canadian dollars)

1. Nature of activities

The Commission for Environmental Cooperation is an international organization that was created by the North American Agreement on Environmental Cooperation for the purpose of meeting NAFTA's environmental provisions. The Commission became operational in July 1994.

2. Significant accounting policies

The financial statements are presented in accordance with Canadian generally accepted accounting principles including the following significant accounting policies.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less.

Capital assets

Capital assets are recorded at cost and are being amortized on a straight-line basis at the following annual rates:

| | |
|------------------------|-------------------|
| Computer equipment | 20% |
| Software | 30% |
| Furniture and fixtures | 20% |
| Telephone system | 30% |
| Equipment | 30% |
| Leasehold improvements | term of the lease |

Leasehold inducements

Leasehold inducements relate to the rental of office space by the commission. These inducements, which are amortized over the term of the lease, are offset against rent expenses.

COMMISSION FOR ENVIRONMENTAL COOPERATION

Notes to the financial statements

year ended December 31, 2004

(in Canadian dollars)

2. Significant accounting policies (continued)

Leases

Leases are classified as either capital or operating in nature. Capital leases are those which substantially transfer the benefits and risks of ownership to the lessee. Assets acquired under capital leases are amortized over their estimated useful life (Note 3). Obligations recorded under capital leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to expense.

Contributions

The Commission follows the deferral method of accounting for government contributions. Under this method contributions are recognized as revenue in the year in which the related expenses are incurred.

The Government of Canada, the Government of the United Mexican States and the Government of the United States of America (the "Parties") contribute to the Commission's annual budget by mutual agreement.

Funds contributed remain available for two months following the end of the financial year to discharge related obligations incurred during the year.

Foreign currency translation

Monetary assets and liabilities of the Commission denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses of the Commission denominated in foreign currencies are translated at the exchange rate in effect at the transaction dates. Translation gains and losses are presented in the statement of revenue and expenditures.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

COMMISSION FOR ENVIRONMENTAL COOPERATION

Notes to the financial statements

year ended December 31, 2004

(in Canadian dollars)

3. Capital assets

| | 2004 | | 2003 | |
|--|------------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| | \$ | \$ | \$ | \$ |
| Computer equipment | 371,362 | 267,147 | 104,215 | 164,341 |
| Software | 108,768 | 86,413 | 22,355 | 21,438 |
| Furniture and fixtures | 381,581 | 377,215 | 4,366 | 6,276 |
| Telephone system | 116,696 | 116,696 | - | - |
| Equipment | 171,343 | 165,929 | 5,414 | 16,482 |
| Equipment financed under capital leases | 37,006 | 12,951 | 24,055 | 31,456 |
| Leasehold improvements | 248,291 | 94,538 | 153,753 | 45,292 |
| | <u>1,435,047</u> | <u>1,120,889</u> | <u>314,158</u> | <u>285,285</u> |

4. Deferred contributions

| | Canada | United Mexican States | United States | Total |
|---|----------------|-----------------------------|----------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance, beginning of year | 671,870 | 671,870 | 671,870 | 2,015,610 |
| Contributions committed | 3,910,500 | 3,910,500 | 3,910,500 | 11,731,500 |
| Contributions transferred to revenue | (3,948,044) | (3,948,044) | (3,948,044) | (11,844,132) |
| Balance, end of year | <u>634,326</u> | <u>634,326</u> | <u>634,326</u> | <u>1,902,978</u> |

5. Employee benefits

Employees are entitled to withdraw amounts accumulated as defined in the Rule of employment. The Commission holds the equivalent of those amounts in a term deposit or in a dedicated bank account.

COMMISSION FOR ENVIRONMENTAL COOPERATION

Notes to the financial statements

year ended December 31, 2004

(in Canadian dollars)

6. Obligations under capital leases

The Commission entered into a five-year lease agreement with a third party for office equipment. Future minimum capital lease payments for the forthcoming years are as follows:

| | <u>2004</u> |
|---|---------------|
| | \$ |
| 2005 | 8,856 |
| 2006 | 8,856 |
| 2007 | 8,856 |
| 2008 | 2,214 |
| | <u>28,782</u> |
| <u>Less: amount representing interest charges</u> | <u>3,616</u> |
| | 25,166 |
| <u>Less: current portion</u> | <u>7,073</u> |
| <u>Balance</u> | <u>18,093</u> |

Interest has been charged at a rate of 7.9%.

7. Changes in non-cash operating working capital items

| | <u>2004</u> | <u>2003</u> |
|--|------------------|----------------|
| | \$ | \$ |
| Goods and services tax | 58,573 | 64,465 |
| Receivable contributions | 1,402,605 | 653,571 |
| Other receivables | 123,000 | - |
| Advance to employees | 7,088 | (699) |
| Prepays | (46,560) | (17,733) |
| Accounts payable and accrued liabilities | (346,938) | 76,073 |
| Leasehold inducements | 452,378 | - |
| Deferred contributions | (112,632) | (341,070) |
| Other deferred income | 44,362 | (95,820) |
| Employee benefits | 209,091 | 51,327 |
| | <u>1,790,967</u> | <u>390,114</u> |

COMMISSION FOR ENVIRONMENTAL COOPERATION

Notes to the financial statements

year ended December 31, 2004

(in Canadian dollars)

8. Interfund transfer

In view of the end of the grant program, the balance of \$110,762 from the Restricted for North American Fund for Environmental Cooperation has been transferred to the unrestricted fund.

9. Commitments

- a) The Commission leases premises under an operating lease which expires in December 2018. Total minimum payments required in future years are as follows:

| | \$ |
|-------------------|-------------------------|
| 2005 | 334,688 |
| 2006 | 334,688 |
| 2007 | 334,688 |
| 2008 | 334,688 |
| 2009 | 407,901 |
| Thereafter | 4,089,469 |
| | <u>5,836,122</u> |

- b) The Commission has commitments of \$1,418,409 related to environmental projects and of \$484,569 related to administration and support, for a total of \$1,902,978.

10. Financial instruments

Currency risk

The Commission realizes 67% of its revenues and approximately 60% of its expenses in U.S. dollars and is thus exposed to foreign exchange fluctuations. The Commission does not actively manage this risk.

Fair value

The fair values of short-term assets and liabilities are approximately equal to their carrying values due to their short-term maturity.

11. Comparative figures

Certain of the comparative figures have been reclassified in order to conform to the current year's presentation.

**COMMISSION FOR ENVIRONMENTAL
COOPERATION**

Schedule

**Expenses related to the work program, specific obligations
under North American Agreement, Council meetings,
Joint Public Advisory Committee (JPAC) meetings
year ended December 31, 2004
(in Canadian dollars)**

| | 2004 | 2003 |
|---|------------------|------------------|
| | \$ | \$ |
| Work program | | |
| Professional fees | 2,041,083 | 2,981,589 |
| Travel, accommodation and meeting expenses | 843,834 | 1,486,978 |
| Translation and interpretation | 248,930 | 459,075 |
| Publications | 189,825 | 310,392 |
| Office expenses | 94,401 | 77,919 |
| | 3,418,073 | 5,315,953 |
| Specific obligations under North American Agreement on Environmental Cooperation | | |
| Professional fees | 354,592 | 191,332 |
| Travel, accommodation and meeting expenses | 162,087 | 138,662 |
| Translation and interpretation | 80,477 | 174,943 |
| Publication | 113,560 | 257,523 |
| Office expenses | 65,407 | 43,362 |
| | 776,123 | 805,822 |
| Council meetings | | |
| Translation and interpretation | 65,738 | 29,884 |
| Travel, accommodation and meeting expenses | 177,898 | 217,644 |
| Office expenses | 6,520 | 29,330 |
| Professional fees | 750 | 500 |
| | 250,906 | 277,358 |
| Joint Public Advisory Committee (JPAC) meetings | | |
| Travel, accommodation and meeting expenses | 206,384 | 294,880 |
| Translation and interpretation | 57,557 | 70,508 |
| Professional fees | 36,514 | 88,591 |
| Office expenses | 8,523 | 6,665 |
| | 308,978 | 460,644 |

Approved budget for 2005 CEC work program – 4 April 2005

| New projects | | 2005 |
|--|--|----------------|
| Information for Decision Making | | 1,012.0 |
| 1 | Information Systems Strategy | 60.0 |
| 2 | North American Atlas | 140.0 |
| 3 | Air Information Project (to include sub-projects: data in key NA cities and in clean areas; building monitoring capacities in Mx; study on marine emissions; infrastructure plan for emissions reporting; air contaminants; power plant database) | 355.0 |
| 4 | North American Pollutant Release and Transfer Registers | 335.0 |
| 5 | NA Monitoring and Assessment (SMOC NARAP) | 112.0 |
| 6 | State of the Environment and Indicators Options Paper | 0.0 |
| 7 | Quality System Development and Implementation | 10.0 |
| 8 | NA Environmental Law Database | 0.0 |
| Institutional Capacity Building | | 635.0 |
| 1 | Institutional Coop. & Strengthen. for Wildlife Enforcement | 70.0 |
| 2 | Partnerships for Integrated Environmental Management | 425.0 |
| 3 | Building local capacity for Integrated Ecosystem Management. | 140.0 |
| Trade and Environment | | 928.0 |
| 1 | Ongoing Environmental Assessment of NAFTA | 198.0 |
| 2 | Promotion of a North American Market for Renewable Energy | 250.0 |
| 3 | Green Purchasing | 150.0 |
| 4 | Trade and Enforcement of Environmental Laws | 250.0 |
| 5 | Invasives Species | 80.0 |
| Total New Projects | | 2,575.0 |
| Current Projects | | |
| 1 | SMOC – Persistent Toxic Substances NARAPs | 290.0 |
| 2 | Biodiversity-related Activities | 250.0 |
| 3 | Children's Health and Environment – Indicators Report | 150.0 |
| 4 | Regional Program of Action, DDT | 80.0 |
| 5 | Disclosure of Environmental Information | 10.0 |
| 6 | Environmentally Sound Management of Hazardous Waste | 10.0 |
| 7 | Successful water quality practices – world water forum preparations | 5.0 |
| 8 | Environmental Management Systems | 0.0 |
| Total Current Projects | | 795.0 |
| Total Work Program | | 3,370.0 |



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