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## **Mexico's Importance and Multiple Relationships with the United States**

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# Mexico's Importance and Multiple Relationships with the United States

## Summary

This report provides information on the importance of Mexico to U.S. interests and catalogues the many ways Mexico and the United States interact. The report is a snapshot of the bilateral relationship at the beginning of 2006. It will not be updated on a regular basis.

Sharing a 2,000-mile border and extensive interconnections through the Gulf of Mexico, the United States and Mexico are so intricately linked together in an enormous multiplicity of ways that President George W. Bush and other U.S. officials have stated that no country is more important to the United States than Mexico. At the same time, Mexican President Vicente Fox (2000-2006), the first president to be elected from an opposition party in 71 years, has sought to strengthen the relationship with the United States through what some have called a "grand bargain." Under this proposed bargain, the United States would regularize the status of undocumented Mexican workers in the United States and economically assist the less developed partner in the North American Free Trade Agreement (NAFTA), while Mexico would be more cooperative in efforts to control the illegal traffic of drugs, people, and goods into the United States.

The southern neighbor is linked with the United States through trade and investment, migration and tourism, environment and health concerns, and family and cultural relationships. It is the second most important trading partner of the United States, and this trade is critical to many U.S. industries and border communities. It is a major source of undocumented migrants and illicit drugs and a possible avenue for the entry of terrorists into the United States. As a result, cooperation with Mexico is essential to deal effectively with migration, drug trafficking, and border, terrorism, health, environment, and energy issues.

The United States and Mexico have developed a wide variety of mechanisms for consultation and cooperation on the range of issues in which the countries interact. These include (1) periodical presidential meetings; (2) annual cabinet-level Binational Commission meetings with 10 Working Groups on major issues; (3) annual meetings of congressional delegations in the Mexico-United States Interparliamentary Group Conferences; (4) NAFTA-related trilateral trade meetings under various groups; (5) regular meetings of the Attorneys General and the Senior Law Enforcement Plenary to deal with law enforcement and counter-narcotics matters; (6) a wide variety of bilateral border area cooperation meetings dealing with environment, health, transportation, and border crossing issues; and (7) trilateral meetings under the "Security and Prosperity Partnership (SPP) of North America" launched in Waco, Texas, in March 2005.

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# Mexico's Importance and Multiple Relationships with the United States

This report provides information on the importance of Mexico to United States interests, and catalogues the many ways that Mexico and the United States interact. The report is a snapshot of the bilateral relationship at the beginning of 2006 and it will not be updated on a regular basis.

## Importance of Mexico

### Diplomatic Weight of Mexico

With a population of 105 million people, Mexico is the most populous Spanish-speaking country in the world, and the third most populous country in the Western Hemisphere (after the United States and Brazil). This gives it a diplomatic weight in the hemisphere as a leader of Latin American countries, and in the world as a leader of developing countries. With an estimated Gross Domestic Product (GDP) for 2005 of \$660 billion, and estimated worldwide turnover trade (exports and imports) for 2005 of \$455 billion, Mexico is an active member of the World Trade Organization (WTO) and a leading trader in the world, principally through its partnership with Canada and the United States in the North American Free Trade Agreement (NAFTA).<sup>1</sup>

### Linkages with the United States

Sharing a 2,000-mile border and extensive interconnections through the Gulf of Mexico, the United States and Mexico are so intricately linked together in an enormous number of ways that President George W. Bush and other U.S. officials have stated that no country is more important to the United States than Mexico. At the same time, Mexican President Vicente Fox (2000-2006), the first president to be elected from an opposition party in 71 years, has sought to strengthen the bilateral relationship through what some have called a “grand bargain.”<sup>2</sup> Under this proposed bargain, the United States would regularize the status of undocumented Mexican workers in the United States and economically assist the less developed partner in the North American Free Trade Agreement (NAFTA) while Mexico would be more

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<sup>1</sup> See *Latin America Monitor — Mexico*, January 2006; and “Mexico at a Glance, 2006-07, *Economist Intelligence Unit*, December 2005.

<sup>2</sup> See *Mexico-U.S. Migration: A Shared Responsibility*, Carnegie Endowment for International Peace (International Migration Policy Program) and the Mexican Autonomous Technological Institute — ITAM (Faculty of International Relations), 2001.

cooperative in border security and in controlling the illegal traffic of drugs, people, and goods into the United States.

Mexico is linked with the United States through trade and investment, migration and tourism, environment and health concerns, and family and cultural relationships. Mexico is the second most important trading partner of the United States, and this trade is critical to many U.S. industries and border communities. Mexican descendants constitute 64% (or 24 million) of the growing Hispanic population of 37.4 million people in the United States, with a significant presence in California and Texas and other states. Moreover, Mexico is the largest source of legal migrants to the United States (21% of the total in 2002) and by far the largest source of undocumented migrants (57% of the total in 2004, according to estimates). It also is the principal transit or source country for illicit drugs and it is a possible avenue for the entry of terrorists into the United States. As a result, cooperation with Mexico is essential in dealing with migration, drug trafficking, and border, terrorism, health, environment, and energy issues.<sup>3</sup>

## **Mexico's Role in NAFTA**

In large part because of the United States, NAFTA is the world's largest free trade area, with about one-third of the world's total GDP, accounting for about 19% of global exports and 25% of global imports. Based on the volume of trade, Mexico is generally viewed as the least important member of NAFTA, although its population of over 100 million is more than three times that of Canada (32 million), and its GDP is nearly equal to that of Canada (\$757 billion). About 37% of the United States' trade with NAFTA countries is with Mexico, and 63% is with Canada.

Under NAFTA, Mexico's estimated total turnover trade (exports and imports) with the United States for 2005 was \$289 billion, making it the second most important trading partner of the United States (following Canada), while the United States is Mexico's most important partner by far, providing the market for 88% of Mexico's exports and supplying 62% of Mexico's imports. Since NAFTA entered into force in 1994, total trilateral trade has more than doubled to \$621 billion in 2004, while Mexico-U.S. trade more than tripled from \$82 billion to \$266 billion, although the United States has experienced a generally growing trade deficit. U.S. foreign direct investment was encouraged by NAFTA as well, although in recent years the amount and proportion of U.S. investment flows has declined from \$20.4 billion (77% of total investment) in 2001 to \$10.7 billion (56% of total) in 2003 as total worldwide investment declined.<sup>4</sup>

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<sup>3</sup> See *The United States and Mexico: Forging a Strategic Partnership: Report of the Study Group on U.S.-Mexico Relations*, Woodrow Wilson International Center for Scholars' Mexico Institute, Mexican Council on Foreign Relations (COMEXI), and Mexican Autonomous Institute of Technology (ITAM), 2005. For general information on the bilateral relationship, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for the 109<sup>th</sup> Congress*, by K. Larry Storrs.

<sup>4</sup> See *The U.S. and Mexico at a Glance*, available from the U.S. Embassy in Mexico website [<http://www.usembassy-mexico.gov/eatag glance1.htm>] and NAFTA [at 10] on USTR website [[http://ustr.gov/Trade\\_Agreements/Regional/FAFTA/NAFTA\\_at\\_10/Section\\_Index](http://ustr.gov/Trade_Agreements/Regional/FAFTA/NAFTA_at_10/Section_Index)]. For

## **Mexico's Role in Latin America and the Caribbean**

As one of the major countries in the region, Mexico has historically played an important role in Latin America and the Caribbean as a strong defender of the principles of non-intervention and self determination, particularly in the hemispheric Organization of American States (OAS). This stance put it at odds with the United States on policies toward Cuba since the 1960s and toward Nicaragua in the 1980s, although it cooperated fully with the United States in the Summits of the Americas process in the 1990s. Under President Fox, Mexico has sought to strengthen hemispheric relations. The President has promoted the so-called Puebla-Panama Plan, which promotes cooperative development efforts among the Central American countries and the southeastern states of Mexico. He has revived the G-3 group (Colombia, Venezuela, and Mexico), has indicated the intent to become an associate member of the Southern Common Market (Mercosur) countries in South America, and is implementing free trade agreements with 10 countries in Central and South America. In the OAS context, Mexico has been a strong advocate for the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, the Multilateral Evaluation Mechanism of the Inter-American Drug Abuse Control Commission (CICAD), and the revision and updating of hemispheric security concepts after it formally withdrew from the Rio Treaty collective security mechanism. In October 2003, it hosted a Hemispheric Security Conference in Mexico City that adopted a new multi-dimensional approach, and in January 2004 it hosted a Special Summit of the Americas in Monterrey with emphasis on democracy and social issues.<sup>5</sup>

## **Mexico's Linkages to Europe, Asia and the World**

While Mexico is strongly linked to the United States and to Latin America, it has important ties to Europe and Asia as well, and has been a member of the Organization of Economic Cooperation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC) forum since the early 1990s. In addition, it is a regular participant in the Rio Group, the Ibero-American Conference, and the Latin America and Caribbean-European Union summits. Particularly under President Fox, Mexico has pursued an even more activist global foreign policy, with greater involvement in United Nations (U.N.) and Organization of American States (OAS) activities. Mexican officials are seeking to expand trade with the European Union under the EU-Mexico Free Trade Agreement that went into effect in July 2000, and they signed a free trade agreement with Japan in 2004. Mexico held a temporary seat on the U.N. Security Council in 2002 and 2003 and expressed support for continuing diplomatic efforts under United Nations auspices to achieve the disarmament of Iraq, leading to expressions of disappointment from the Bush Administration and some tension in the bilateral relationship. Under Fox, the country has been open to international human rights monitors and has played a stronger role in the United

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more information on NAFTA and economics, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

<sup>5</sup> See U.S. Department of State, *Background Note: Mexico*, December 2005, especially the section on Foreign Relations; and the OAS website [<http://www.oas.org/main/english/>].

Nations Human Rights Commission, at times voting for resolutions critical of Cuba. On December 1, 2004, Mexican Foreign Minister Derbez launched a bid for Mexico to have a permanent seat on the U.N. Security Council, placing it in competition with Brazil to represent Latin America in a still-to-be-approved enlarged Security Council.

## **Mexico as Host to Regional and International Meetings**

In recent years, Mexico has hosted a number of important U.N. and OAS meetings. In March 2002, it hosted the U.N. Conference on Financing and Development in Monterrey where President Bush announced the Millennium Challenge Account. In September 2003, Mexico hosted the WTO Ministerial in Cancun that collapsed without agreement despite the efforts of Foreign Minister Derbez to achieve consensus between developing and developed countries to advance the Doha Round of global trade talks. In October 2003, it hosted a Hemispheric Security Conference in Mexico City that adopted a multi-dimensional approach to transnational threats, and in January 2004 it hosted a Special Summit of the Americas in Monterrey to refocus the Summit process on the advancement of democracy and economic growth and the reduction of poverty and inequality in the region.

## **Mechanisms for Mexico-United States Interactions**

The United States and Mexico have developed a variety of mechanisms for consultation and cooperation on the wide variety of issues on which they interact, with some overlapping in the functioning of the various fora. Grouped together to some extent by function and longevity, these mechanisms include (1) periodic presidential meetings; (2) annual cabinet-level Binational Commission meetings with 10 Working Groups; (3) annual meetings of congressional delegations in the Mexico-United States Interparliamentary Group Conferences; (4) NAFTA-related trilateral meetings under various groups; (5) bilateral border area cooperation meetings hosted by such entities as the Border Environment Cooperation Commission (BECC) and the United States-Mexico Border Health Commission; and (6) trilateral meetings under the Security and Prosperity Partnership (SPP) of North America, launched in March 2005.

### **Periodic Presidential Meetings**

Presidents Bush and Fox have met on a regular basis and have discussed a range of issues, at times in specially arranged bilateral meetings and state visits, and at other times at the margins of multilateral meetings. In 2001, the Presidents met in mid-February in Guanajuato, Mexico at President Fox's ranch where they launched bilateral immigration talks; in mid-April in Quebec, Canada during a Summit of the Americas meeting; in early May in Washington, D.C., in early September in the Washington, D.C. on an official state visit where migration issues figured prominently again; and in early October in New York when President Fox expressed solidarity with the United States following the terrorist attacks. In 2002, the Presidents met in March in Monterrey, Mexico, following the U.N. Conference on Financing and Development; and in October in Los Cabos, Mexico, at the APEC

summit. In 2003, the Presidents met in October, in Bangkok, Thailand, at the APEC summit, where they reaffirmed the desire to continue bilateral immigration talks. In 2004, the Presidents met in January, in Monterrey, Mexico, at the time of the Special Summit of the Americas; in March at President Bush's ranch in Crawford, Texas, where they discussed President Bush's January 2004 immigration proposal; and in late November in Santiago, Chile at another APEC summit following President Bush's re-election, where immigration issues were broached again. In 2005, the Presidents met in March in Texas, along with Prime Minister Martin of Canada, and launched the trilateral "Security and Prosperity Partnership (SPP) of North America."<sup>6</sup>

## Annual Cabinet-Level Binational Commission Meetings

Functioning since 1981, the United States-Mexico Binational Commission, with practically unparalleled cabinet-level participation, meets yearly, alternating between Mexico and the United States, with high level consultation on the full range of bilateral topics through a number of associated Working Groups. The Binational Commission meeting scheduled for October 2005 was cancelled because Mexican officials were dealing with Hurricane Wilma in the Yucatan region of Mexico, but Mexican Foreign Minister Derbez visited Washington, D.C. on October 26, 2005, for official meetings. Many of the relevant agencies in both countries had been interacting with each other in the context of the March 2005 launch of the trilateral "Security and Prosperity Partnership of North America," and the June 2005 reports to the three North American leaders on the initial accomplishments and plans for the trilateral partnership.

At the Binational Commission meeting held in November 2004, in Mexico City, the Working Groups reviewed regular activities throughout the year and announced agreements.<sup>7</sup> The Working Groups (with agency representatives indicated) as then constituted were: (1) *Foreign Policy* (U.S. Department of State and Mexican Ministry of Foreign Affairs);<sup>8</sup> (2) *Migration and Consular Affairs* (U.S. Departments of State and Homeland Security and Mexican Ministries of Foreign Affairs and Government); (3) *Homeland Security and Border Cooperation* (U.S. Departments of State and Homeland Security and Mexican Ministries of Foreign Affairs and Government); (4) *Law Enforcement and Counter-Narcotics* (Chaired by U.S. and

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<sup>6</sup> See below for more information on this trilateral initiative.

<sup>7</sup> For information on the background and past Binational Commission meetings, see the Binational Commission webpage on the State Department's website [<http://www.state.gov/p/wha/ci/mx/c10787.htm>].

<sup>8</sup> Cooperation on somewhat related defense policy is limited, especially compared to Canada that cooperates with the United States through the North American Aerospace Defense Command (NORAD) and is an ally in the North American Treaty Organization (NATO). Even so, the United States has provided substantial training to Mexican military units, especially in counter-narcotics areas where the Mexican military is heavily involved in eradication and interdiction efforts. In April 2002, the United States created a new combatant command, U.S. Northern Command (Northcom), with responsibility for the United States and areas 500 nautical miles from the East and West coasts of North America, including Mexico.



Mexican Attorneys General) with reference to the more frequent Senior Law Enforcement Plenary (SLEP) meetings; (5) *Trade and Agriculture* (U.S. and Mexican Ministries of Trade and Agriculture); (6) *Labor* (U.S. and Mexican Ministries of Labor); (7) *Education* (U.S. and Mexican Ministries of Education); (8) *Environment* (U.S. Environmental Protection Agency (EPA) and Mexican Ministry of Environment and Natural Resources (SEMARNAT); (8) *Housing* (U.S. Department of Housing and Urban Development and Mexican Commission of Housing); (9) *Transportation* (U.S. Department of Transportation and Mexican Ministry of Communication and Transportation); and (10) *Energy* (U.S. and Mexican Ministries of Energy) that met in the summer. A report on the related public-private *Partnership for Prosperity (P4P)* launched by Presidents Bush and Fox in September 2001 to promote development in Mexico, particularly in areas with high out-migration rates, was also made at the meeting.

At the conclusion of the November 2004 Binational Commission meetings, Secretary of State Colin Powell, summarizing the accomplishments, emphasized the growing bilateral cooperation on counter-narcotics and border security matters between the countries, including the creation of a new Working Group on Cyber-Security. He also noted the conclusion of educational agreements that will advance Mexican competitiveness, housing agreements to strengthen the local mortgage market, agricultural agreements to advance cooperation on rural development programs, and environmental agreements to promote environmental conservation.

With regard to the accomplishments of the Partnership for Prosperity (P4P), Secretary Powell noted that these programs had lowered the fees for transferring funds from the United States to Mexico, brought together more than 1400 business and government leaders from both countries, and developed innovative methods to finance infrastructure projects. Other accomplishments were the establishment for the first time of a Peace Corps program in Mexico, and the recent establishment of the Overseas Private Investment Corporation (OPIC) in Mexico that is expected to provide over \$600 million in financing and insurance to U.S. businesses in Mexico.<sup>9</sup>

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<sup>9</sup> See Remarks [by Secretary of State Colin Powell] with Foreign Minister of Mexico, Luis Ernesto Derbez at a Joint Press Availability, November 9, 2004 on State Department homepage [<http://www.state.gov/secretary/rm/37998.htm>], United States-Mexico Binational Commission, Fact Sheet, November 9, 2004 on State Department homepage [<http://www.state.gov/r/pa/prs/ps/2004/37991.htm>.] For the Mexican view, see The 21<sup>st</sup> Meeting of the Mexico-United States Binational Commission Ends, Press Release, November 9, 2004, on the Mexican Foreign Ministry website [<http://portal.sre.gob.mx/usa/popups/newswindow.php?id=102&print=print>]. For more information on the Partnership for Prosperity (P4P), see the following entry on the State Department website [<http://www.state.gov/p/wha/ci/mx/c7980.htm>].

## Annual Mexico-United States Interparliamentary Conferences

Beginning in 1961, legislators from Mexico and the United States have met once a year to discuss the full range of bilateral topics, alternating between Mexico and the United States.<sup>10</sup> During the latest interparliamentary meeting, the 44th in the long series, in early June 2005, in Newport, Rhode Island, the delegates focused on immigration and security, commerce and competitiveness, criminal justice, and the new trilateral “Security and Prosperity Partnership of North America.” Mexican delegates urged U.S. enactment of a comprehensive immigration reform and action to strengthen Mexico’s economy, while pointing out that Mexican policymakers were increasingly recognizing the migration phenomenon as a two way street and were adopting measures like the “3 for 1” program under which community contributions from Mexicans abroad are matched by the federal, state, and municipal governments to encourage their return to Mexico. U.S. delegates urged the Mexican legislators to strengthen their agricultural sector and to open their energy sector to investment to promote development and to create jobs for Mexicans within the country. They also called upon Mexican policymakers to better control their southern border with Guatemala, and to extradite suspects wanted for murdering U.S. police officers. Delegates from both countries praised the trilateral “Security and Prosperity Partnership (SPP) of North America” launched in March 2005 to advance regional cooperation and competitiveness.

## NAFTA-Related Trilateral Trade Organizations

Functioning since 1994 when the North American Free Trade Agreement (NAFTA) between Canada, Mexico, and the United States went into effect, these trilateral institutions provide the mechanisms for interaction on trade and trade-related issues.

**NAFTA Commissions, Secretariat, and Working Groups.** The NAFTA agreement of 1993 established a variety of commissions and working groups. The central institution is the NAFTA Free Trade Commission, consisting of the trade ministers of each country, which meets annually or when required. For the United States, the appropriate representative is the United States Trade Representative (USTR). Implementation of NAFTA is carried out by more than 25 committees, with representation from the Departments of State, Agriculture, Commerce, Justice, Transportation, and Treasury as well as agencies such as the Small Business Administration (SBA) and the Environmental Protection Agency (EPA), depending on the issue. The NAFTA agreement required each of the countries to have a permanent NAFTA Secretariat to assist the NAFTA Commission and to administer the NAFTA dispute resolution procedures. In the case of the United States, the NAFTA Secretariat is located in the Department of Commerce’s International Trade Administration.<sup>11</sup>

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<sup>10</sup> For information on the 43<sup>rd</sup> meeting, see Forty-Third Mexico-United States Interparliamentary Conference, Guadalajara, Mexico, May 13-16, 2004: Report of the House and Senate Delegations, Committee Print, 109<sup>th</sup> Congress, 1<sup>st</sup> session, 2005.

<sup>11</sup> For more information on the NAFTA Secretariat, see the Secretariat website online at [[http://www.nafta-sec-alena.org/DefaultSite/index\\_e.aspx](http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx)].

At the most recent meeting of the NAFTA Free Trade Commission in San Antonio, Texas, on July 16, 2004, the three trade ministers issued a joint statement hailing “a decade of achievement” under NAFTA, and committing to “deepening economic integration in North America.” They also pledged to achieve meaningful progress on the WTO Doha Development Agenda, and on Free Trade Area of the Americas (FTAA) talks.<sup>12</sup>

**Commission for Environmental Cooperation (CEC).** Established by the trilateral North American Agreement on Environmental Cooperation (NAAEC) of 1993, a companion side agreement to NAFTA, the Commission was formed to strengthen environmental cooperation between the United States, Mexico, and Canada, and to consider complaints of non-compliance with environmental law brought by various non-governmental groups. The Commission is governed by a Council composed of the environment ministers (or alternative representatives) from each of the three countries, who receive outside input from National Advisory Committees, Governmental Advisory Committees and the Joint Public Advisory Committee (JPAC). At the most recent Commission meeting, on June 22, 2005, the Ministers adopted the Strategic Plan 2005-2010 for cooperating on environmental protection matters. More recently, the Commission, in November 2005, issued the first ever trinational conservation plans for six wildlife species, and in December 2005, made public the factual record developed in response to a Mexican non-governmental organization’s complaint that Mexico was failing to enforce environmental laws in the Sierra Tarahumara.<sup>13</sup>

**Commission for Labor Cooperation (CLC).** Created by the trilateral North American Agreement on Labor Cooperation (NAALC) of 1993, another NAFTA side agreement, the Commission was established to encourage cooperation on labor matters and to consider complaints of non-compliance with labor law lodged by non-governmental organizations. The Commission is governed by a Council of Ministers composed of the ministers of labor of each of the countries, with assistance from a trinational Secretariat and independent Evaluation Committees of Experts. The agreement requires each government to establish its own National Administrative Office (NAO), which in the case of the United States is located in the Department of Labor. At the Seventh Ministerial Meeting in November 2003, the ministers praised the cooperative advances in the labor area and announced the release of a major report on North American labor markets and a guide to the rights of migrant workers.<sup>14</sup> In other recent action, in November 2004 the Mexican Secretary of Labor agreed to ministerial consultation with the U.S. Secretary of Labor following a hearing and report on a non-governmental complaint of failure to enforce labor rights in two garment factories in Puebla, Mexico. In 2005, non-governmental

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<sup>12</sup> For more detail, see the entry on NAFTA on the USTR website [[http://www.ustr.gov/Trade\\_Agreements/Regional/NAFTA/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Regional/NAFTA/Section_Index.html)].

<sup>13</sup> For more information, see the CEC website [<http://www.cec.org/home/index.cfm?varlan=english>].

<sup>14</sup> For more information, see the CLC/NAALC website [<http://www.naalc.org/>].

groups also filed submissions alleging violation of the labor rights of Mexican pilots and Mexican textile workers in the state of Hidalgo.<sup>15</sup>

**North American Energy Working Group (NAEWG).** Created in the spring of 2001 by the energy ministers of Canada, Mexico, and the United States, the mission of the trilateral NAEWG is to foster communication and cooperation among the governments and energy sectors of the three countries on energy-related matters, and to enhance energy trade between the countries while respecting domestic jurisdictions. Working Group experts have issued four reports, the first on the general energy picture in June 2002, the second on energy efficiency standards in December 2002, the third on regulation of international electricity trade in December 2002, and the fourth on the North American Natural Gas Vision in January 2005.<sup>16</sup>

### **U.S.-Mexico Senior Law Enforcement Plenary (SLEP) and Regular Meetings of Attorneys General**

Working in conjunction with the Working Group on Law Enforcement and Counter-Narcotics Matters of the Binational Commission (see above), the Senior Law Enforcement Plenary (SLEP) is an annual meeting of senior law enforcement officials from both countries where they discuss cooperation on law enforcement and counter-narcotics matters. The SLEP and Binational Commission meetings are supplemented by regular meetings between the U.S. and Mexican Attorneys General, and by cooperation among the border states Attorneys General. When U.S. Attorney General Alberto Gonzales met with Mexican Attorney General Daniel Cabeza de Vaca on October 13, 2005, in San Antonio, Texas, they announced training and intelligence sharing initiatives to combat narcotics-related violence on the border, particularly in the area of Nuevo Laredo, Mexico.<sup>17</sup>

### **Border Area Cooperation Organizations and Meetings**

A wide variety of Mexico-United States binational organizations meet on a regular basis to deal primarily with the problems of the areas on both sides of the common border.

**International Boundary and Water Commission (IBWC).** Created by treaties of 1889 and 1944, the International Boundary and Water Commission is a binational governmental organization charged with the task of identifying and solving boundary and water problems arising along the 2,000 mile border between Mexico and the United States. There is a U.S. section of the Commission in El Paso, Texas,

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<sup>15</sup> For information on the status of public submissions, see the Bureau of International Labor Affairs website on the NAALC [<http://www.dol.gov/ilab/programs/nao/naalc.htm>].

<sup>16</sup> For more information, see the relevant NAEWG page on the U.S. Department of Energy's Office of Policy and International Affairs website, [<http://www.pi.energy.gov/naewg.html>].

<sup>17</sup> See "Attorney General Alberto R. Gonzalez and Attorney General of Mexico Daniel Cabeza de Vaca Announce Initiatives to Combat Narcotics-Related Violence on the Border" on the website of the U.S. Department of Justice [[http://www.usdoj.gov/opa/pr/2005/October/05\\_ag\\_537.html](http://www.usdoj.gov/opa/pr/2005/October/05_ag_537.html)].

and a Mexican section in Ciudad Juarez, Chihuahua, with each side funding its own section. In recent action, in November 2005, the IBWC sponsored a binational summit of stakeholders to develop recommendations for the sustainable development of the Rio Grande Basin, and in December 2005, the U.S. section adopted an Environmental Management System to ensure the integration of environmental considerations into day-to-day decisions.<sup>18</sup>

**Border Environment Cooperation Commission (BECC).** Established under the North American Free Trade Agreement of 1993, the Border Environment Cooperation Commission is a joint U.S.-Mexico international organization with a mandate to assist border communities in developing environmental infrastructure projects, and to certify the feasibility of these projects for the purpose of receiving loans from the sister institution, the North American Development Bank (NADBank). The BECC is governed by a Board of Directors, with members from U.S. and Mexican public and private sectors, and is located in Ciudad Juarez, Chihuahua. In 2004, the mandate of the BECC and NADBank were expanded to include communities in Mexico up to 300 kilometers from the border, and to establish a joint Board of Directors for both institutions. Funding for the U.S. side comes from the International Commissions section of the Department of State appropriation in the Commerce, State, Justice Appropriations. The BECC has also received funds directly from the U.S. Environmental Protection Agency (EPA) and Mexico's Ministry of Social Development (SEDESOL), and has provided more than \$30.2 million to aid in the development of 230 water, sewage, and municipal waste projects in 131 communities on both sides of the border. Since the establishment of the BECC, it has certified 105 environmental infrastructure projects for funding in Mexico and the United States worth \$2.4 billion.<sup>19</sup>

**North American Development Bank (NADBank).** Established under the North American Free Trade Agreement of 1993, the North American Development Bank is an international financial institution established and capitalized in equal parts by the United States and Mexico for the purpose of financing environmental projects along the border. It is located in San Antonio, Texas. As indicated above, in 2004, the geographical mandate of the NADBank was expanded to cover Mexican communities up to 300 kilometers from the border. U.S. funding for the NADBank comes from the Multilateral Development Banks section of the Foreign Operations Appropriations. By the end of FY2005, the NADBank had authorized 24 loans for border environmental projects totaling \$105 million. The NADBank also administers the Border Environment Infrastructure Fund (BEIF) with funds directly from the EPA's Border Fund. By the end of FY2005, \$516 million in BEIF grants have been committed for 54 water and wastewater projects along the border.<sup>20</sup>

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<sup>18</sup> For more information, see the IBWC website [<http://www.ibwc.state.gov/>]. For information on water debt issues, see CRS Report RS22085, *The United States-Mexico Dispute over the Waters of the Lower Rio Grande River*, by Stephen R. Viña.

<sup>19</sup> For more information, see the Joint [BECC-NADBank] Status Report of September 30, 2005, and other information on the BECC-COCEF website [<http://www.cocef.org/ingles.php>].

<sup>20</sup> For more information, see the Joint Status Report cited above and other information on the NADBank website [<http://www.nadb.org/default.htm>].

**United States-Mexico Border Health Commission (USMBHC).**

Created as a binational health commission by an agreement in July 2000 by the ministers of health in each country, the commission members include the federal secretaries of health, the chief health officers of the six border states in Mexico and the four border states in the United States, and prominent health professionals from both countries. The Commission seeks to provide a mechanism for coordinated action to improve health and the quality of life at the border. The Commission receives funding from the United States and Mexico, with the U.S. contribution coming from appropriations for the Office of Global Health Affairs, Department of Health and Human Services. In March 2001, the Commission established a ten-year binational agenda of health promotion and disease prevention known as Healthy Border 2010 with 20 objectives in 11 focus areas. The 11 focus areas include seeking to improve access to health care and immunization, and seeking to reduce the incidence of cancer, diabetes, asthma, HIV/AIDS, and suicide.<sup>21</sup>

**U.S.-Mexico Border Environmental Program — Border 2012.**

Following up on the La Paz agreement in 1983, the Border XXI program in 1996, and the New Border Vision in 1997 and 1998, Border 2012 is a 10-year set of binational goals to protect and advance public health and environmental conditions in the U.S.-Mexico border region. It brings together EPA, HHS, Mexico's environment and health ministries, the U.S. border tribes, and the environmental agencies from each of the ten U.S.-Mexico border states. EPA takes the lead in Border 2012, but the initiative is said to emphasize a bottom-up approach, with four regionally focused workgroups to maximize the participation of local communities in efforts to reduce air, land, and water pollution.<sup>22</sup> Participants in Border 2012 efforts work closely with the International Boundary and Water Commission (IBWC), the North American Commission for Environmental Cooperation (CEC), the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADBank).<sup>23</sup>

**Mexico-U.S. Border Partnership.** The bilateral Border Partnership ("Smart Border") Agreement was launched in March 2002, with the stated goal of balancing security enhancement with transit enhancement. It sought to utilize advanced technology to strengthen screening infrastructure at the border in order to facilitate the transit of people and goods across the border. When Mexico's Secretary of Government Santiago Creel met with Secretary of Homeland Security Michael Chertoff in May 2005 to assess progress under the partnership, they focused on the six new Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) lanes for pre-screened, low-risk individuals, and the eight new Free and Secure Trade (FAST) lanes for pre-cleared cargo. They also focused on the coming repatriation of Mexican nationals in accordance with the 2004 U.S.-Mexico Action Plan for

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<sup>21</sup> For more information, see the USMBHC website [<http://www.borderhealth.org/programs.php>].

<sup>22</sup> For more information, see the EPA's Border 2012 website [<http://www.epa.gov/usmexicoborder/index.htm>].

<sup>23</sup> See the entries above for information on these institutions.

Cooperation and Border Safety and the joint 2004 Memorandum of Understanding on the secure, orderly, dignified, and humane repatriation of Mexican nationals.<sup>24</sup>

**Border Liaison Mechanisms (BLMs).** Developed in recent years, the BLMs are regularly scheduled meetings that are held in each of the ten clusters of “sister cities” along the Mexico-U.S. border, with chairmanship of the meeting alternating between the U.S. and Mexican Consul Generals. The purpose of the meetings is to exchange views and develop solutions to pressing border problems, including transportation, law enforcement, and public safety issues, with those attending the meetings including representatives from relevant federal, state, and local agencies from both countries. In August 2005, for example, U.S. officials met with Mexican officials in the BLM for the New Mexico-Chihuahua region.<sup>25</sup>

**Binational Group on Bridges and Border Crossings.** This binational group was created in 1983, but since 1989 it has often been held as part of the Binational Commission meetings. It is generally attended by representatives of the ministries responsible for foreign affairs, treasury, transportation, immigration, and security, including officials in charge of the bridges and border crossings. Interested citizens and businessmen often attend as well. The 35<sup>th</sup> meeting of the binational group met May 2-4, 2005, in Reynosa, Mexico, and agreed to advance cooperation to modernize the bridges and crossing points in that area in keeping with the Border Partnership announced by Presidents Fox and Bush in March 2002 and the commitments during the Binational Commission meetings in November 2004.<sup>26</sup>

**Border States Conferences.** Operating since 1980, the Border Governors Conference brings together on an annual basis the governors of the ten border states (six Mexican states and four U.S. states) to discuss the many issues affecting the border.<sup>27</sup> In addition to this comprehensive conference, there are direct state-to-state versions: (1) the Cuatro Caminos (Four Paths) Conference between Texas and neighboring states (Tamaulipas, Nuevo Leon, Coahuila and Chihuahua); (2) the Commission of the Californias (California and Baja California); (3) the Sonora-Arizona Commission; and (4) the Chihuahua-New Mexico Commission.

**Gulf of Mexico States Accord.** Established in 1995, this is an agreement among the eleven U.S. and Mexican states (six Mexican states and five U.S. states) bordering the Gulf of Mexico that is facilitating trade and cooperation between the

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<sup>24</sup> For more information, see “The Mexico-U.S. Border Partnership: Progress Report, 2002-2004,” January 17, 2005, on the DHS website [<http://www.dhs.gov/dhspublic/firstGovSearch>].

<sup>25</sup> See the press release on the meeting on the website of the U.S. Embassy in Mexico [<http://mexico.usembassy.gov/mexico/ep050824BLM.html>].

<sup>26</sup> See “The Mexico-United States Binational Group on Bridges and Border Crossings Met from May 2nd-4th for the 35<sup>th</sup> Time in Reynosa, Tamaulipas,” on the website of the Embassy of Mexico in the United States [<http://portal.sre.gob.mx/usa/index.php?option=news&task=viewarticle&sid=134>].

<sup>27</sup> For the Joint Declaration of the 23<sup>rd</sup> Border Governors Conference held on July 14-15, 2005, in Torreon, Coahuila, see the website of the Texas Secretary of State [<http://www.sos.state.tx.us/border/jdxxiii.shtml>].

two countries. This organization views the Gulf of Mexico as a “trade superhighway,” as a “border without bridges,” that promoted, for example, the shipment of Daimler-Chrysler vehicles manufactured in Mexico from Tampico, Mexico, to Tampa, Florida in less time than using land routes. Other initiatives include promoting environmental standards in the Gulf area, encouraging binational university exchanges, and advancing private sector cooperation under the Gulf of Mexico Partnership.<sup>28</sup>

### **Trilateral Meetings under the “Security and Prosperity Partnership (SPP) of North America”**

On March 23, 2005, President Bush hosted a meeting in Texas with President Fox and Prime Minister Martin, in which the leaders established the trilateral “Security and Prosperity Partnership (SPP) of North America.” The new partnership seeks to advance the security and prosperity of the countries, under a conception that is trilateral, but that will allow any two countries to move forward on an issue, and create a path for the third country to join later. The initiative is to complement, not replace, existing bilateral and trilateral fora. To implement this partnership the leaders established Ministerial-led working groups that were instructed to develop measurable and achievable goals to promote security and prosperity and to report back to the leaders within 90 days and semi-annually thereafter. For the United States, the Department of Homeland Security is the lead agency on the working group on security, and the Department of Commerce is the lead agency on the working group on prosperity, along with representation by the Department of State.<sup>29</sup>

On June 27, 2005, Secretary of Homeland Security Chertoff and Secretary of Commerce Gutierrez met with their Canadian and Mexican counterparts in Ottawa, Canada, and released a Report to Leaders with initial results and proposed initiatives for the future under the Security and Prosperity Partnership (SPP) of North America.<sup>30</sup>

In the security area, the report discussed efforts to establish common approaches to security to protect against external and internal threats and to further streamline legitimate trade and travel. Among these efforts, the countries would implement common border security and bioprotection strategies, enhance infrastructure protection and emergency response plans, improve aviation and maritime security and intelligence cooperation against transnational threats, and continue to facilitate the legitimate flow of people and cargo at the borders. In the press conference, the ministers highlighted the agreement to develop and implement common methods of screening individuals and cargo, development of a unified trusted traveler program

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<sup>28</sup> See the Gulf of Mexico States Accord website [<http://gomsa.org/>].

<sup>29</sup> See the Joint Press Conference, the Joint Statement and the Fact Sheet on the initiative on the White House website [<http://www.whitehouse.gov/news/releases/2005/03/20050323-5.html>].

<sup>30</sup> For more information on the initiative and the Report to Leaders, see the SPP website [<http://www.spp.gov/>].



to expand upon the SENTRI and FAST programs, and development of a collective approach to protecting infrastructure and responding to various incidents.

In the prosperity area, the report discussed efforts to enhance North American competitiveness and to improve the quality of life. To achieve this, the countries would improve productivity through regulatory cooperation and harmonization; enhance cross-border cooperation on health, food safety, and environmental protection projects; promote sectoral collaboration in energy, transportation, and financial services; and reduce the costs of trade by increasing the efficiency of the cross-border operations. In press statements, the ministers cited agreement on common principles for electronic commerce, liberalization of the rules of origin on household appliances and machinery, streamlining and harmonizing regulatory processes, and collaboration in the steel, automotive and energy sectors to enhance competitiveness.