

COMMENTS ON KEY DEVELOPMENTS

- 1) BECC-NADBank Reform
- 2) Homeland Security
- 3) Border 2012
- 4) Environmental "Consejos"

1) BECC-NADBank Reform

The activities of both the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADBank) continued to receive attention from leaders at the highest levels of both nations last year. An extensive operational review by a binational working group, begun in 2001, came to a close in March 2002 in Monterrey, Mexico, where both Presidents had gathered for the U.N. Conference on Financing for Development. At Monterrey, Presidents Bush and Fox approved the working group's recommendations, which were developed after considerable input from stakeholders, including the Good Neighbor Environmental Board. To implement the recommended reforms, both governments sent legislation to their respective Congresses. This legislation called for incorporating the recommended reforms into the original binational agreement that established BECC and NADBank.

As the year drew to a close, neither the United States (U.S.) nor the Mexican Congresses had completed action on the reform package, due to the press of other business. The proposed legislation was scheduled for re-introduction before both Congresses early in 2003. Also, in an action not requiring implementing legislation, both governments developed Terms of Reference for a Business Process Review, which then were made available for a 45-day public comment period. BECC and NADBank were expected to solicit proposals for the Review early in 2003.

Even as this process was unfolding, BECC and NADBank continued to carry out their responsibilities. BECC, under its Technical Assistance Program, thus far has approved more than US\$28.17 million to assist 113 communities in the development of 196 infrastructure projects. In addition, since its inception, BECC has certified 70 environmental infrastructure projects, 41 in the U.S. and 29 in Mexico, which will cost an estimated US\$1.58 billion to build.

NADBank, for its part, approved US\$119.88 million in project financing during 2002, nearly twice the amount approved during the previous year, according to NADBank officials. To meet the need for water conservation in the border region, NADBank also established the Water Conservation Investment Fund (WCIF). This \$80 million fund, created out of the retained earnings of NADBank's capital, will be equally divided between the U.S. and Mexico and will be a grant funding mechanism solely devoted to improving water conservation infrastructure along the border region. Since its inception, say NADBank officials, NADBank has approved almost US\$476 million in loans and/or grants to partially finance 53 infrastructure projects along the U.S.-Mexico border estimated to cost a total of US\$1.35 billion.

Comment from the Good Neighbor Environmental Board:

In response to the Monterrey reforms for BECC and NADBank, the Board proposes that 1) all U.S. grant contributions to BECC and NADBank continue to remain within the 100-kilometer (km) original mandate; 2) the use of low-interest BECC and NADBank loans (as opposed to grants) in Mexico up to 300 km from the border be seen as acceptable; 3) border-region policy makers incorporate a broad, long-term watershed approach in all environmental infrastructure planning; 4) access be improved to project funding rates and terms; 5) the Board be involved in the design and execution of the Business Process Review; 6) given that the two boards will be merged, those responsible for the merger should remain aware of any negative effects and take corrective action if detected; and 7) with noted exceptions, private-sector projects should not be financed using grant funding (see Comment Letter in Business Report section for more details).

2) Homeland Security and the Border Environment

Security measures maintained their prominent position on the U.S. national agenda throughout 2002, as federal officials made preparations to create a new federal Department of Homeland Security. The tragic events of September 11, 2001, changed the world in ways that may not have been imaginable before. As local, state and federal governments all sought ways to protect our nation by eliminating real and present threats, much attention was understandably focused on the nation's northern and southern international borders.

The complex nature of the U.S.-Mexico border presents undeniable risks from a homeland-security perspective. With heightened awareness of the need to protect water supplies, eyes are quickly drawn to the important watercourses and reservoirs associated with the Rio Grande and the Colorado River. The need to protect food supplies takes on a new meaning with the awareness that vast amounts of produce pass through the ports of entry and are processed in U.S. border communities. Infrastructure such as pipelines, rail lines, dams, canal systems, and the like, may easily be viewed as targets by those with ill will. In addition, the heavily industrialized nature of some border communities raises concerns about the dangers posed by the transport and storage of hazardous materials. Governmental attention to these potential risks and others is prudent. So, too, is attention to the environmental consequences of security measures implemented to protect our country.

The merits and effectiveness of specific homeland security measures implemented throughout the United States and abroad are subject to debate. But there is no question that some of those measures have had unintended adverse consequences for the environment along the U.S.-Mexico border. And although the effects are felt across the entire nation, it would be difficult to deny that they are especially strongly felt by U.S.-Mexico border communities.

Day-to-day liberties of crossing the border to visit family and friends, to work, and to shop became a much less pleasant experience as the security measures put into place at border crossings resulted in traffic waits of up to four hours at some ports of entry. These prolonged waits, in turn, compounded existing air-quality problems as emissions from idling vehicles increased, hampering compliance with federal air-quality standards and further raising concerns about potential effects on community residents' health.

The post-September 11 closing of several unofficial border-crossing points in small rural towns along the Texas-Mexico border has had profound effects. The neighboring towns of Paso Lajitas, Mexico, and Lajitas, Texas, provide one such example. Family members can no longer cross the river to visit each other and must travel four hours to get children to school and to access medical care, workers with permits must also travel four hours to the nearest official bridge crossing, the once-popular tourist sites

in Paso Lajitas have all closed, and businesses in Lajitas, Texas, are suffering from lack of customers.

To a much lesser extent, the increased resources targeted for homeland security resulted in what some viewed as isolated benefits. For instance, concern that hazardous-cargo shipments could be used for acts of terrorism accelerated efforts already underway to establish what are called "binational contingency and emergency preparedness" plans for the 14 sister-city pairs of communities along the border. In the Arizona/Sonora region, for instance, the completion of these plans for all four sister-city communities was accomplished. The final plan was signed in October 2002 between Cochise County, Arizona (which includes the community of Naco), and Naco, Sonora.

Economic, environmental and other impacts were quickly noted by representatives of border communities and the governors of the four U.S. border states. Even during the early months of the year, concern was mounting that the economies of the border communities would continue to deteriorate in the wake of security measures and other fallout from the tragic events of September 11, 2001. To bring these concerns to the attention of both federal governments, the U.S.-Mexico Border Governors Conference (BGC) released its "U.S.-Mexico Border States September 11 Impact Report" in February 2002. The report included recommendations such as: 1) that the U.S. sign a "Smart Border Declaration" with Mexico, in keeping with one signed with Canada in December 2001; 2) that the U.S. Congress pass and quickly implement an "Enhanced Border Security and Visa Entry Reform Act"; 3) that President Bush establish a Special Director for the Southwest Border within the Office of Homeland Security to manage relevant federal activities along the U.S.-Mexico border; 4) that the U.S. and Mexico improve trans-boundary tracking of hazardous waste by developing a unique database for all hazardous-waste shipments crossing the border; and 5) that the U.S. and Mexico create a grant fund for air-pollution projects related to traffic congestion in the border ports of entry.

The following month, in March, the White House issued the Administration's "Smart Border: 22 Point Agreement – U.S.-Mexico Border Partnership Action Plan." The agreement included points such as: 1) strategically plan for growing cross-border traffic; 2) develop a prioritized list of infrastructure projects, with immediate action to relieve bottlenecks; 3) revitalize existing bilateral coordination mechanisms at the local, state and federal levels with a specific focus on operations at border crossing points; and 4) continue to develop a joint in-transit shipment tracking mechanism.

Government agencies attempted to respond to both the need for increased security measures and the desire to keep commerce flowing steadily. For example, the U.S. Customs Service set up a new program beginning in April 2002 called the Customs-Trade Partnership Against Terrorism (C-THAT) program. This program incorporated many elements of the Service's existing Border

Release Advanced Screening and Selectivity (BRASS) process. Under BRASS, high-volume cargo from manufacturing companies in northern Mexico en-route to the U.S. is pre-screened and bar-coded, then given “fast-lane” treatment.

In October, the U.S. Environmental Protection Agency (EPA) released its own “Strategic Plan for Homeland Security.” The plan outlines four distinct mission areas: critical infrastructure protection; preparedness, response, and recovery; communication and information; and protection of EPA personnel and infrastructure. Under the preparedness, response and recovery mission are two goals on border-region security as it relates to environmental infrastructure: 1) EPA will support and develop the preparedness of state, local and tribal governments and of private industry to respond to, recover from, and continue operations after a terrorist attack; and 2) EPA will advance the state of knowledge in areas relevant to homeland security to provide the first responders and decision-makers with tools and the scientific and technical understanding they need to manage existing or potential threats to homeland security.

Comment from the Good Neighbor Environmental Board:

Good Neighbor recognizes the enhancement of homeland security measures along the border with Mexico. Although some of these measures have had beneficial effects for environmental protection, some have caused adverse environmental impacts. The Board believes that effective communication and coordination between those agencies that focus on security measures and those that focus on environmental protection are essential. Such coordination should take place at all levels of government so as to maximize scarce resources and to ensure that one type of goal is not achieved at the expense of the other.

To further progress already in hand, the Board advises that policymakers take additional steps to implement the recommendations contained in the Border Governors’ February 2002 report that can benefit the environment in the region, and that potential effects on tribes be factored into all policy decisions in this arena. It also advises that the pre-clearance system for goods implemented in the California-Baja California section of the border be replicated elsewhere along the border, with appropriate adaptations. Finally, the Board advises that the U.S. and Mexico continue to support the development of sister-city binational emergency-preparedness plans, including addressing communication needs and liability issues for equipment and personnel when responding to a binational emergency scenario.

3) Border 2012 Program

Border 2012, the next iteration of the Border XXI program, continued to take shape during 2002. As a U.S.-Mexico binational partnership involving federal, state, local and U.S. tribal governments, the program’s mission is to protect public health and the environment in the U.S.-Mexico border region,

consistent with the principles of sustainable development. Having received a commitment from both President Bush and President Fox late in 2001 to develop a new program that was more regionally focused, Border 2012 shapers spent much of 2002 embedding this principle into a draft framework for operation and getting feedback on the draft.

Border 2012 will operate as a regionally based border program working to achieve a specific set of environmental and human health objectives. A three-tiered level of organization, consisting of regional workgroups, local task forces and border-wide policy forums, will carry out the programmatic work.

Regional workgroups will convene in Baja California/California, Sonora/Arizona, Chihuahua/New Mexico/Texas, and Coahuila/Nuevo León/Tamaulipas/Texas to develop a mechanism that coordinates work along the border while maintaining regional focus. For instance, the effects of brick kiln operations are of special concern in the El Paso-Ciudad Juárez area, while overdraft and contamination of groundwater is a special concern in the San Pedro River watershed. Stakeholders representing diverse sectors will bring their perspectives to bear in the evaluation and support for projects proposed to address the environmental health priorities within each region. The stakeholders will represent local, state, tribal and federal governments, as well as communities, businesses, environmental organizations, academia and other interested entities. U.S. and Mexican federal agencies will participate in the four regional workgroups.

The regional workgroups will be informed by local task forces that will either continue ongoing work, as in the case of the Border XXI Hazardous Waste and Enforcement Sub Workgroups, or reconvene sub workgroups, such as Water, as local task forces. At the same time, U.S. and Mexican federal agencies will address issues that may be more effectively approached from a border-wide perspective in a series of policy forums. EPA, Mexico’s Secretariat of Environmental and Natural Resources (SEMARNAT), the ten border states, U.S. border tribes, and other federal and state agencies will lead this effort. These forums will be able to consider such broadly relevant topics as the integration of sustainable development principles into border programs. Funding for Border 2012 will include support for task forces, workgroups and policy forums. A competitive grant program will be open to locally supported project proposals.

During the fall of 2002, public meetings took place all along the U.S.-Mexico border to elicit public comment on the draft framework. Meetings were held from Tijuana/San Diego to Ambos Nogales to Ciudad Juárez/El Paso and Matamoros/Brownsville. The framework also was available for review on the EPA website, and hundreds of copies were mailed out to policy makers and interested members of the public.

Attendance at these public meetings ranged from 20 to more than 100 people. On the U.S. side, citizens expressed a range of

concerns including water quality and quantity, wastewater, power plants, unpaved roads, wood burning, exposure to pesticides and toxic metals, used-tire piles, and hazardous-materials transportation through populated areas. They called for air basin and watershed approaches to problems. Programatically, they supported the proposal for regional task forces but expressed concern about sufficient funding. Tribal participation, industry involvement, participation of natural resources agencies, and environmental education also were named as priorities. After revising the border plan to reflect stakeholder input, the draft plan was finalized for distribution early in 2003 in preparation for a signing ceremony.

Comment from the Good Neighbor Environmental Board:

The Board applauds the commitment of the U.S. and Mexican federal governments to allow significant devolution of border environmental planning and priority-setting to the regional level, and to provide the support needed to let local stakeholders solve their problems. As mentioned in its Comment Letter on the Border 2012 draft framework, early and ongoing support on a community level is essential for capacity-building to enable communities to fully engage in the new, more regionally focused program and to maximize the opportunities for success.

4) Environmental Consejos: Good Neighbor's Mexican Counterparts

Since 1997, the Good Neighbor Environmental Board has taken steps to stay in close touch with counterpart advisory groups in Mexico. This two-way communication has ranged from a formal binational session in 1999 to more informal dialogue during and after the last change of Mexican Administration, when these advisory organizations were being reconstituted.

Advisory groups established by the Mexican federal government (often referred to as Consejos, meaning advisors) are charged with formulating advice on improving environmental conditions and submitting it to SEMARNAT. Collectively, they advise on sustainable development throughout Mexico and, individually, each has responsibility for a particular region. Currently, the six Mexican states that form that nation's northern border are covered by two Consejos, the northeastern and the northwestern groups. Their full names are Consejos Consultivos Regionales de Desarrollo Sustentable del Noreste y Noroeste (Regional Advisory Boards for the Sustainable Development of the Northeast and the Northwest). The groups work on both border issues and issues affecting the interior of their Mexican states.

During 2002, the Board maintained dialogue with border specialists from both of these groups. Consejo representatives attended the Good Neighbor Environmental Board's meeting in

El Paso in June as well as its final meeting of the year in Nogales, Arizona, and Board members attended several Consejo meetings during the year.

A significant development took place toward the end of the year, when the Director of Border Affairs at SEMARNAT's Office of International Activities contacted Good Neighbor's Chair to convey that a decision had been reached to establish a Technical Committee for Border Issues. This Committee, it was said, would be composed of representatives from both the northeastern and northwestern Consejos, and would focus strictly on border issues.

Comment from the Good Neighbor Environmental Board:

The Board continues to value its dialogue with the northeastern and northwestern Consejos and looks forward to targeted dialogue with the Technical Committee for Border Issues once it is in operation. Much is to be gained by exchanging information with its Mexican advisory counterparts. Sharing information with Consejos on border-region environmental issues can strengthen the spirit of increased binational cooperation being called for from many quarters in both countries. Although some conditions within the two national regions may differ, and although Good Neighbor and the Consejos submit their advice to their own national entities, there is much in common and therefore much to be shared.

During its last meeting of 2002, the Board decided to plan a special joint session with its Consejo counterparts during the Board's last meeting of 2003. The meeting is scheduled for October 22 and 23 in San Diego, California.

