



# Mexico-U.S. Relations: Issues for Congress

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## Summary

The United States and Mexico have a close and complex bilateral relationship, with extensive economic linkages as neighbors and partners under the North American Free Trade Agreement (NAFTA). Since 1994, trade between the countries has more than quadrupled. Bilateral relations are close, and characterized by extensive commercial and cultural ties and cooperation on a range of bilateral and international issues. A current trade dispute with the United States involves the implementation of NAFTA trucking provisions. In March 2009, Congress terminated a pilot-project for Mexican-registered trucks to operate beyond the 25-mile border commercial zone with the United States, and Mexico responded by imposing import tariffs on over 90 U.S. agricultural and industrial products.

Drug trafficking issues are prominent in relations since Mexico is the leading transit country for cocaine, a leading supplier of methamphetamine and heroin, and the leading foreign supplier of marijuana. Shortly after taking office in December 2006, President Felipe Calderón launched operations against Mexican drug trafficking organizations. He has sent thousands of soldiers and federal police to drug trafficking “hot-spots,” and is contending with a significant escalation of drug violence, particularly in several border states and communities.

U.S.-Mexican cooperation on drug trafficking has intensified over the past several years, and both countries announced the Mérida Initiative in October 2007 to combat drug trafficking, gangs, and organized crime in Mexico and Central America. To date, Congress has appropriated a total of \$700 million for Mexico under the Mérida Initiative. In June 2008, Congress appropriated \$400 million for Mexico in P.L. 110-252, while in March 2009, Congress appropriated an additional \$300 million for Mexico under the Mérida Initiative in the FY2009 omnibus appropriations measure, P.L. 111-8. On April 9, 2009, the Obama Administration requested an additional \$66 million for Mexico under the Mérida Initiative in an FY2009 supplemental appropriations request.

Secretary of State Clinton traveled to Mexico in March 2009 to discuss a broad range of bilateral issues, including cooperation under the Mérida Initiative. This was followed in early April 2009 with visits by Secretary of Homeland Security Napolitano and Attorney General Holder, who emphasized new efforts by their agencies to combat Mexican drug trafficking operations. President Obama is scheduled to visit Mexico on April 16-17, 2009 to meet with President Calderón to discuss such issues as cooperation in the fight against drug-related violence and work toward comprehensive immigration reform. From there, the President will travel on to Trinidad and Tobago to attend the fifth Summit of the Americas.

The 111<sup>th</sup> Congress is maintaining an active interest in Mexico with myriad counternarcotics, border, and trade issues dominating the agenda. To date, there have already been a dozen hearings dealing with the increased violence in Mexico as well as U.S. foreign assistance and border security efforts. Comprehensive immigration reform efforts once again could be considered in the 111<sup>th</sup> Congress. Also see CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*; CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*; and CRS Report RL34742, *The Global Financial Crisis: Analysis and Policy Implications*.

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## Recent Developments

On April 16-17, 2009, President Barack Obama is scheduled to travel to Mexico to meet with President Calderón to discuss such issues as cooperation in the fight against drug-related violence and work toward comprehensive immigration reform.

On April 9, 2009, the Obama Administration submitted a FY2009 supplemental request that includes \$66 million in International Narcotics Control and Law Enforcement assistance for Mexico under the Mérida Initiative to fund the acquisition, spare parts, and support for three Blackhawk helicopters to help Mexico's Public Security Secretariat with air transport capacity. Another \$16 million in reprogrammed Mérida Initiative funds would be used fund the helicopters, bringing the total funding to \$82 million.

In early April 2009, Secretary of Homeland Security Janet Napolitano and Attorney General Eric Holder visited Mexico and attended an arms trafficking conference. Both officials emphasized new efforts by their agencies to combat the drug cartels, including the deployment of additional personnel and resources to support anti-gun trafficking and interdiction efforts and law enforcement cooperation.

On March 25-26, 2009, Secretary of State Hillary Rodham Clinton traveled to Mexico City and Monterrey, Mexico, to discuss a broad range of bilateral issues, including cooperation under the Mérida Initiative.

On March 16, 2009, in response to U.S. termination of a pilot program for Mexican trucks operating in the United States, Mexico retaliated by imposing import duties on U.S. exports for 90 agricultural and industrial products that accounts for some \$2-\$3 billion in trade.

On March 11, 2009, President Obama signed into law the Omnibus Appropriations Act, 2009 (P.L. 111-8, H.R. 1105) that provides a second installment of \$300 million for Mexico under the Mérida Initiative. The measure also prohibited funding for continuation of a pilot program granting Mexican trucks access to U.S. highways beyond the border commercial zone.

On December 3, 2008, the United States officially released \$197 million of the \$400 million in assistance that Congress appropriated under the Mérida Initiative in June 2008. The assistance is from the International Narcotics Control and Law Enforcement foreign aid funding account, and will fund equipment, technology, and training programs. (Embassy of the United States in Mexico, Press Release, "Mérida Initiative Monies Released; Letter of Agreement Signed," December 3, 2008.)

On November 15-16, 2008, President Calderón participated in the G-20 summit on the global financial crisis in Washington.

On November 4, 2008, Mexico's Interior Minister Juan Camilo Mourino, one of President Calderón's closest advisers, was killed in a plane crash in downtown Mexico City. Eight others aboard the business jet, including several Mexican government officials, were killed, as well as four people on the ground. Mexican officials maintained that there was no evidence of foul play, and subsequently determined that the pilot of the plane had flown too close to a jumbo jet and lost control because of turbulence created by the larger plane.

On October 28, 2008, Mexico's Chamber of Deputies overwhelmingly approved energy sector reform legislation intended to modernize the state-oil company, Petroleos Mexicanos (PEMEX), and boost declining production. The measure had been approved by the Mexican Senate on October 23. An earlier version proposed by President Calderón in April 2008 had met with significant opposition.

On October 15, 2008, the Mexican government agreed to provide back pay to thousands of former Mexican laborers, known as *braceros*, who worked in the United States from 1942 to 1946 and currently live in the United States. Under the labor program, a portion of the workers' pay was deducted and transferred to the Mexican government to be provided to the workers upon their return to Mexico, but many never received the money. The agreement was pursuant to a settlement for a lawsuit in Federal court in California. Under the settlement, each bracero or surviving heir would receive \$3,500.

On September 9, 2008, the House approved H.R. 6630, a bill that would terminate the one-year Department of Transportation pilot project for Mexican trucks operating in the United States beyond the border area, and would prohibit the Secretary of Transportation from granting authority for Mexican motor carriers to operate beyond U.S. municipalities and commercial zones on the U.S.-Mexico border unless expressly authorized by Congress. No Senate action was taken on the bill. In early August 2008, the Department of Transportation had extended the pilot project for two years.

On August 28, 2008, the Food and Drug Administration declared the end of a salmonella outbreak that caused 1,442 illnesses in 43 states, the District of Columbia, and Canada. After weeks of searching for the source of the outbreak, the FDA found a positive sample in jalapeño and serrano peppers grown in Mexico.

On August 5, 2008, José Ernesto Medellín, a Mexican national convicted of raping and murdering two teenage girls in Texas, was executed by lethal injection. In a 2004 ruling, the International Court of Justice (ICJ) determined that Medellín and 50 other Mexican nationals on death row in the United States were entitled to review of their cases due to violation of the Vienna Convention for failure to inform them of a right to consular access. President Bush subsequently ordered Texas to comply with the ICJ ruling, setting off a legal battle that culminated in a March 2008 ruling by the U.S. Supreme Court that ICJ rulings are not binding domestically.

On August 3, 2008, a U.S. Border Patrol agent was briefly held at gunpoint by members of the Mexican military in Arizona. The State Department described the incident as a "momentary misunderstanding," but maintained that there are liaison mechanisms in place to deal with incidents like this when they occur. (U.S. Department of State, Daily Press Briefing, August 6, 2008).

On July 1, 2008, the media's release of videos reportedly showing police from an elite squad in the city of León, Mexico, practicing torture techniques provoked strong expressions of concern by Mexican and international human rights organizations. An American instructor was seen in the videos. A spokesman for the U.S. Embassy in Mexico City maintained that the "U.S. government was not involved in the training in any way." (Alfredo Corchado, "U.S. Denies Involvement in Training Videos Showing Mexican Officers Using Torture," *Dallas Morning News*, July 3, 2008.) Subsequently, the police chief of León and the head of police training were fired.

On June 26, 2008, Congress completed action on the FY2008 Supplemental Appropriations Act, H.R. 2642 (P.L. 110-252, signed into law June 30, 2009), which provides \$400 million in FY2008 and FY2009 assistance for Mexico under the Mérida Initiative.

On June 17, 2008, President Calderón signed a judicial reform decree under which Mexico will have eight years to replace its trial procedures, moving from a closed door process based on written arguments to a public trial system with oral arguments and the presumption of innocence until proven guilty. Mexico's Chamber of Deputies approved the measure in February and the Senate approved it in March, while a majority of Mexico's states also approved the measure.

On June 10, 2008, the House Foreign Affairs Committee approved H.R. 6028, which would have authorized \$1.1 billion over three years, FY2008-FY2010, for Mexico under the Mérida Initiative. No Senate action was taken on the measure.

On February 27, 2008, the Bush Administration announced delays in Project 28, the first phase of a virtual fence along 28 miles of the U.S.-Mexico border. In April 2008, the Department of Homeland Security announced that most of Project 28 system will be replaced by new equipment because the original design was not compatible with Border Patrol needs.

On January 1, 2008, the full implementation of NAFTA began with the lifting of remaining tariff protections on various agricultural products, including beans, corn, sugar, and powdered milk, were lifted.

**Figure I. Map of Mexico, Including States and Border Cities**



Source: Map Resources, adapted by CRS.

## Background on Mexico

### Political Developments

Mexico has become increasingly democratic over the past decade and in 2000 effectively ended 71-years of one-party rule by the Institutional Revolutionary Party (PRI) when Vicente Fox of the conservative National Action Party (PAN) was elected President. PAN presidential candidate Felipe Calderón won the July 2006 presidential election in an extremely tight race, defeating Andrés López Obrador of the center-left Democratic Revolution Party (PRD) by less than 234,000 votes.<sup>1</sup> The presidential race was so close that final results were not announced until early September 2006, when the Federal Electoral Tribunal completed adjudication of all the challenges. Calderón was sworn in to six-year term on December 1, 2006 in an unusually brief inauguration ceremony due to fears that members of the PRD congressional delegation would interrupt the ceremony.

While the PAN made significant gains in the 2006 congressional elections and became the largest block in the 128-member Senate and 500-member Chamber of Deputies, it failed to win a majority in either house. The PRD also made significant gains and has the second-largest block of members in the Chamber of Deputies and third in the Senate. For the first time in history, the long-ruling PRI lost its plurality of seats in Congress, although it still remains a significant political force in the legislative branch, with the second-largest block in the Senate and the third-largest in Chamber of Deputies.

Because the PAN does not have a majority in Congress, President Calderón has often turned to the PRI for help to advance his legislative agenda. Since Calderón's election, however, the PRI has fared well in state and municipal elections around the country. It has been poised to do well in the upcoming July 5, 2009 elections for the Chamber of Deputies, in large part because of growing public concern about the economic downturn, although opinion polls are reported to be tightening between the PRI and PAN. If the PRI fares well and captures the largest bloc of seats in the Chamber, its willingness to work with President Calderón as it positions itself for the 2012 presidential election could be affected. The PRD, which has suffered from deep internal divisions since 2006, is expected to lose seats in the Chamber of Deputies. Elections for the Senate will not be held until 2012 so the PAN will continue to hold the largest bloc of seats in the Senate, although not a majority.

In his first two years in office, President Calderón was able to secure congressional approval of a number of reforms. In 2007, the government enacted long-awaited fiscal and pension reforms that had stalled under the previous Fox Administration. In June 2008, President Calderón signed a judicial reform decree after securing the approval of Congress and Mexico's states for an amendment to Mexico's Constitution. Under the reform, Mexico will have eight years to replace its trial procedures, moving from a closed door process based on written arguments to a public trial system with oral arguments and the presumption of innocence until proven guilty.

In late October 2008, the government secured approval of an energy sector reform intended to modernize the state-oil company, *Petroleos Mexicanos* (PEMEX), and boost declining

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<sup>1</sup> For more information, see CRS Report RS22462, *Mexico's 2006 Elections*, by Colleen W. Cook.

production. The enacted reform, which ultimately was supported by a wide majority in Congress, was a watered down version of a reform measure proposed by President Calderón in April 2008 that had met with significant opposition by PRD supporters of Andrés López Obrador. As approved, the reform measure strives to improve the transparency and management flexibility of PEMEX. Some critics maintain that it will not do enough to encourage new exploration to stem the country's decline in oil reserves.

President Calderón has made combating the DTOs and drug violence a top priority of his administration. He has called increasing drug violence in Mexico a threat to the Mexican state, and has sent thousands of soldiers and police to drug trafficking "hot-spots" throughout Mexico. In 2008, the government's crackdown and rivalries and turf wars among Mexico's DTOs fueled an escalation in violence throughout the country, including in northern Mexico near the U.S.-Mexico border. In an effort to control the most lucrative drug smuggling routes in Mexico, rival DTOs have been launching attacks on each other, as well as on Mexican military and police. The violence, as described in more detail below, has continued in 2009 and is posing a serious challenge for Mexico's security forces.

The growth and dramatic character of the violence has led some observers to question the strength of the Mexican government, even characterizing it as potentially a "failing" state. A report released in December 2008 by the U.S. Joint Forces Command argued that Mexico potentially could face rapid and sudden collapse in the future because the government, its politicians, police, and judicial infrastructure are under sustained assault by criminal gangs and drug cartels.<sup>2</sup> In late March 2009, however, U.S. Director of National Intelligence Dennis Blair asserted to reporters that "Mexico is no danger of becoming a failed state."<sup>3</sup> Moreover, during Secretary of State Hillary Clinton's trip to Mexico in March 2009, the Secretary said that the Mexican government was making "great progress" against the drug cartels, and asserted that she does not believe "that there are any ungovernable territories in Mexico."<sup>4</sup>

Mexican officials have strongly contested the claim that Mexico is a failed or failing state. Indeed, Mexican officials claim the heightened violence may be a sign that the cartels are losing ground and turning on each other as their markets shrink.<sup>5</sup> The Mexican government acknowledges that the country does face a significant challenge from well-financed criminal gangs through violence and corruption, but asserts that the description of Mexico as a failed or failing state "grossly distorts the facts on the ground." According to the government, "by all significant measure, Mexico has a functioning state," that provide education, health, and other government services to millions of people.<sup>6</sup>

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<sup>2</sup> United States Joint Forces Command, "The Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force," December 2008.

<sup>3</sup> Ken Ellingwood, "Clinton: U.S. Shares Blame for Mexico Ills," *Los Angeles Times*, March 26, 2009; and "Mexico Will Not Become 'Failed State': U.S. Spy Chief," *Agence France Presse*, March 26, 2009.

<sup>4</sup> U.S. Department of State, Secretary of State Hillary Rodham Clinton, "Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting," Mexico City, Mexico, March 25, 2009.

<sup>5</sup> "On the trail of the traffickers," *The Economist*, March 7, 2009.

<sup>6</sup> Embassy of Mexico, Washington, DC. "Mexico and the Fight Against Drug Trafficking and Organized Crime: Setting the Record Straight," March 2009.

## Economic Conditions and the Effects of the Global Financial Crisis<sup>7</sup>

Mexico, with a population of approximately 107 million people, is classified by the World Bank as an upper middle income developing country, with a per capita income level of \$8,340 (2007).<sup>8</sup> According to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), nearly 32% of Mexicans lived in poverty in 2006 and just under 9% of Mexicans lived in extreme poverty or indigence. This represents a significant improvement from 2000, when 41% of Mexicans lived in poverty and 15% were indigent.<sup>9</sup>

Mexico's main program to reduce the effects of poverty is the *Oportunidades* (Opportunities, formerly known as Progresa). The program began under President Ernest Zedillo (1994-2000) and expanded under President Vicente Fox (2000-2006) to benefit 5 million families throughout Mexico. The program seeks to not only alleviate the immediate effects of poverty through cash and in-kind transfers, but to break the cycle of poverty by improving nutrition and health standards among poor families and increasing educational attainment. This program provides cash transfers to families in poverty who demonstrate that they regularly attend medical appointments and can certify that children are attending school. The program also provides nutrition support to pregnant and nursing women and malnourished children.

Mexico's economy is strongly dependent on economic conditions in the United States because a majority of its exports are destined for the United States and the United States is the primary source for tourism and foreign investment. The economy grew 5.1% in 2006, the last year of Fox's presidency, which was the highest of his administration, while in 2007, the first year of the Calderón government, economic growth slowed to 3.3% in 2007.

The global economic crisis and U.S. economic recession are having significant effects on the Mexican economy. Slower growth of 2.3 % was already anticipated for 2008 due to declining demand in the United States, declining Mexican oil production, and slow growth in remittances sent by Mexicans abroad, but the global financial crisis further reduced 2008 growth to just 1.4%. For 2009, the outlook is worse, with the economy forecast to contract 4.4% for the year.<sup>10</sup> Some of Mexico's largest companies were involved in the derivatives market and have taken big hits, with the Mexican stock market declining over 30% over the past several months. The rapid decline in the price of oil is also a major economic setback for Mexico, which depends on oil proceeds for over one third of government revenue. Prospects for recovery in 2010 are tied to conditions in the U.S. economy since Mexico economy is dependent on the United States as an export market.

Another aspect of the economic crisis is that remittances sent from Mexican living in the United States have begun to decline. After years of high growth, remittances only grew by 1% in 2007, possibly due to slower growth in the U.S. economy. In 2008, remittances to Mexico fell for the

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<sup>7</sup> For background on the Mexican economy and U.S.-Mexican economic relations, see CRS Report RL32934, *U.S. - Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal; for information on the effect of the financial crisis on Mexico, see CRS Report RL34742, *The Global Financial Crisis: Analysis and Policy Implications*, coordinated by Dick K. Nanto.

<sup>8</sup> World Bank, *World Development Report 2009*, November 2008.

<sup>9</sup> U.N. Economic Commission for Latin America and the Caribbean, *Statistical Yearbook for Latin America and the Caribbean 2008*.

<sup>10</sup> Economist Intelligence Unit. "Country Report: Mexico," April 2009.

first time in the 13 years that they have been tracked, and contracted 3.6% for the year to an estimated \$25 billion, the lowest level since 2005.<sup>11</sup> The Inter-American Development Bank forecast that overall remittances to Latin America could decline some 11-13% in 2009.<sup>12</sup>

The Calderón government has taken a number of measures to attempt to cushion the Mexican economy from the fallout of the global economic crisis and the onset of recession in the United States. The government has used billions in its international reserves to shore up the peso, and the Mexican central bank established a temporary reciprocal currency swap line with the U.S. Federal Reserve for up to \$30 billion. The government also announced that it has hedged its oil exports for 2009 at a price of \$70 a barrel in an effort to protect the economy from the decline in oil prices.<sup>13</sup> In an effort to jump-start the economy, in mid-November 2008, Mexico's Congress approved President Calderón's request to increase the 2009 budget by 13%. Spending in some areas was cut back, while funding for education, infrastructure, agriculture, and security was increased.<sup>14</sup>

In late October 2008, the IMF announced that it would be creating a short-term lending facility for emerging markets like Mexico that have a strong economic policy track record and need assistance from the fallout of the global economic crisis. In late March 2009, the officially created the Flexible Credit Line (FCL), and Mexico announced that it would seek as much as \$40 billion from the new fund in order to shore up its declining foreign reserves in order to stabilize the Mexican peso.<sup>15</sup>

As elsewhere in Latin America, there are concerns that the economic downturn in Mexico could affect the country's progress in poverty reduction over the past several years. In February 2009, the government of Mexico City opened its first soup kitchen in February 2009, and has plans to open 300 more.<sup>16</sup> On April 9, 2009, the World Bank approved a \$1.5 billion loan to Mexico to expand the anti-poverty *Oportunidades* program (described above) in an effort to support the government in its efforts to relieve the social impact of the economic downturn.

## Foreign Policy Challenges

President Calderón has sought to pursue an independent foreign policy with closer ties to Latin America. He has tried to mend relations with Cuba and Venezuela. Relations with both countries became tense under the administration of President Vicente Fox (2000-2006). In September 2007, Mexican and Venezuelan ambassadors presented credentials to the respective governments, restoring full relations for the first time since November 2005, when President Fox expelled Venezuela's ambassador to Mexico. A Cuban ambassador to Mexico also presented his credentials to President Calderón in September 2007. In May 2004, President Fox recalled

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<sup>11</sup> "Mexican Remittances Fall 3 Percent in February Amid Economic Downturn," AP Newswire, April 1, 2009; and "Country Report: Mexico," Economist Intelligence Unit, April 2009.

<sup>12</sup> "IDB Sees Remittances to Latin America, Caribbean Declining in 2009," *US Fed News*, March 19, 2009.

<sup>13</sup> David Luhnnow and Ann Davis, "Mexico Hedges All Oil Exports in '09 at \$70," *Wall Street Journal*, November 14, 2008.

<sup>14</sup> Alexandra Olson, "Mexican Congress Approves 13 Percent Spending Increase for 2009 in Bid to Spur Economy, Jobs," *Associated Press Newswires*, November 13, 2008.

<sup>15</sup> "Mexico to Take IMF Credit Line," *Wall Street Journal*, April 1, 2009; and "Mexico Seeks \$47 Billion Credit Line from IMF," *IMF Survey Magazine*, April 1, 2009.

<sup>16</sup> Deborah Bonello, "Mexico City Opens Soup Kitchens," *Los Angeles Times*, February 9, 2009.

Mexico's ambassador to Cuba; ambassadors were later restored, but relations between the two countries remained tense through the remainder of the Fox administration. Migration has become an issue in Mexico-Cuba relations, with Cubans increasingly preferring to emigrate to the United States via Mexico rather than by sea. A new Memorandum of Understanding on Migration Issues between Mexico and Cuba went into effect on November 20, 2008. The agreement is intended to help slow the trafficking of undocumented Cubans passing through Mexico to the United States.<sup>17</sup>

Under President Fox, Mexico pursued a more activist and diversified foreign policy, with greater involvement in UN activities, and stronger ties to Latin America and Europe. He promoted the so-called Puebla-Panama Plan, which promotes cooperative development efforts among the Central American countries and the southeastern states of Mexico. He attempted to revive the G-3 group trade preferences (Colombia, Venezuela, and Mexico); however, Venezuela formally withdrew from the group in November 2006 after joining the Common Market of the South (Mercosur). Fox also sought better ties with Mercosur countries in South America. He attempted to expand trade with the European Union under the EU-Mexico free trade agreement that went into effect in July 2000, and with Japan under the Mexico-Japan free trade agreement that entered into force in April 2005. 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.

## **Mexican-U.S. Relations**

Until the early 1980s, Mexico had a closed and statist economy and its independent foreign policy was often at odds with the United States. Beginning under President Miguel de la Madrid (1982-1988), and continuing more dramatically under President Carlos Salinas de Gortari (1988-1994) and President Ernesto Zedillo (1994-2000), Mexico adopted a series of economic, political, and foreign policy reforms. It opened its economy to trade and investment, adopted electoral reforms that leveled the playing field, and increased cooperation with the United States on drug control, border issues, and trade matters. Cooperation under the North American Free Trade Agreement (NAFTA) and the annual cabinet-level meetings of the Binational Commission reflected the close and increasing relationships between the countries.

President Fox (2000-2006) encouraged strong relations with the United States, and called for greater cooperation under NAFTA and for a bilateral migration agreement that would regularize the status of undocumented Mexicans in the United States. In the aftermath of the September 2001 terrorist attacks in the United States, the focus of relations shifted to border security issues as the United States became concerned about homeland security. Relations became strained during the debate on immigration reform in the United States. After President Bush approved the Secure Fence Act of 2006, Mexico, with the support of 27 other nations, denounced the proposed border fence at the Organization of American States.

Under the Calderón government, U.S.-Mexican relations have continued to be close, with drug trafficking and violence, border security, and immigration continuing to define the bilateral relationship. Felipe Calderón made his first official visit to the United States as President-elect in early November 2006, after first visiting Canada and several Latin American countries. During

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<sup>17</sup> "Cuban Envoy to Mexico Says Migration Agreement to Halt People Trafficking," *BBC Monitoring Americas*, November 20, 2008.

his visit, Calderón criticized the authorization of 700 miles of fencing along the U.S.-Mexico border and noted that it complicated U.S.-Mexico relations. He asserted that job-creation and increased investment in Mexico would be more effective in reducing illegal migration from Mexico than a border fence. Calderón signaled a shift in Mexican foreign policy when he noted that while immigration is an important issue in the bilateral relationship, it is not the only issue, as trade and economic development are also important.

President Calderón reiterated these concerns during President Bush's March 2007 visit to Mexico. During the visit, President Calderón also called for U.S. assistance in combating drug and weapons trafficking. Specifically, Calderón promised to continue his efforts to combat drug trafficking and called for U.S. efforts to reduce the demand for drugs, stating, "while there is no reduction for demand in your territory, it will be very difficult to reduce the supply in ours."<sup>18</sup> Calderón has displayed an unprecedented willingness to increase narcotics cooperation with the United States. This willingness led to the Mérida Initiative, a multi-year \$1.4 billion U.S. assistance effort announced in October 2007 to help Mexico and Central America combat drug trafficking and organized crime.

U.S.-Mexican relations have continued to be close under the Obama Administration, focusing on cooperation in combating organized crime and drug trafficking. In mid-January 2009, President Calderón visited then President-elect Obama in Washington in a traditional meeting that newly U.S. presidents have had in recent years to demonstrate strong relations with Mexico.

Secretary of State Hillary Clinton traveled to Mexico City and Monterrey, Mexico, on March 25-26, 2009, to discuss a broad range of bilateral issues, including cooperation under the Mérida Initiative. The Secretary asserted that the U.S. relationship with Mexico "is one of the most important relationships between any two countries in the world" and that both countries "need a strong and sustained partnership, one based on comprehensive engagement, greater balance, shared responsibility, and joint efforts to address hemispheric and global issues."<sup>19</sup> Perhaps most significantly during the trip, Secretary Clinton criticized the failure of U.S. antidrug policy and acknowledged that an "insatiable demand for illegal drugs" in the United States "fuels the drug trade."<sup>20</sup> With regard to the United States as a source of weapons arming the drug cartels, Clinton also acknowledged that "our inability to prevent weapons from being smuggled across the border to arm these criminals causes the deaths of police, soldiers and civilians."<sup>21</sup>

During her visit, Secretary Clinton and Mexican Foreign Minister Patricia Espinosa announced the creation of a new bilateral implementation office in Mexico where Mexican and U.S. officials will work together on efforts to combat drug traffickers and associated violence.

Secretary Clinton also announced that the Obama Administration intends to work with Congress to provide more than \$80 million in additional funding for Blackhawk helicopters for Mexican law enforcement. (Subsequently, on April 9, 2009, the Administration requested \$66 million in

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<sup>18</sup> "Bush Reassures Skeptical Mexico on Immigration," *Reuters*, March 13, 2007.

<sup>19</sup> U.S. Department of State, Secretary of State Hillary Rodham Clinton, "Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting," Mexico City, Mexico, March 25, 2009.

<sup>20</sup> Mary Beth Sheridan, "On Mexico Trip, Clinton Criticizes U.S. Drug Policy," *Washington Post*, March 26, 2009; and Mark Lander, "Clinton Says Demand for Illegal Drugs in the U.S. 'Fuels the Drug Trade' in Mexico," *New York Times*, March 26, 2009.

<sup>21</sup> *Ibid.*

FY2009 supplemental assistance for Mexico under the Mérida Initiative to acquire three Blackhawk helicopters. Another \$16 million in reprogrammed Mérida Initiative funds would be used fund the helicopters, bringing the total funding to \$82 million.)

Clinton's visit to Mexico was followed up in early April 2009 with trips by Secretary of Homeland Security Janet Napolitano and Attorney General Eric Holder where they met with Mexican officials and attended an arms trafficking conference. Both officials emphasized new efforts by their agencies to combat the drug cartels, including the deployment of additional personnel and resources to support anti-gun trafficking and interdiction efforts and law enforcement cooperation.

On April 16-17, 2009, President Barack Obama is scheduled to travel to Mexico to meet with President Calderón to discuss such issues as cooperation in the fight against drug-related violence and work toward comprehensive immigration reform. From there, the President will travel on to Trinidad and Tobago to attend the fifth Summit of the Americas.<sup>22</sup>

## U.S. Assistance to Mexico

Mexico, a middle income country, traditionally has not been a major recipient of U.S. foreign assistance, but this changed in FY2008 with congressional approval of the Administration's request for funding to support the Mérida Initiative aimed at helping Mexico combat drug trafficking and other criminal organizations. Because of the Mérida Initiative funding, assistance rose from \$65 million in FY2007 to almost \$403 million for FY2008. As shown in Table 1, the FY2008 assistance estimate includes \$50.6 million in regular foreign assistance funding and an additional \$352 million in FY2008 supplemental funding (P.L. 110-252) specifically for the Mérida Initiative.

For FY2009, Congress has already appropriated an estimated \$369 million for Mexico. This includes \$348 million provided for the Mérida Initiative, with \$48 million in FY2009 bridge fund supplemental assistance for Mexico provided in the FY2008 supplemental appropriations measure, P.L. 110-252, and \$300 million provided in the FY2009 omnibus appropriations measure, P.L. 111-8. The remainder is for additional development assistance and other projects outside of the Mérida Initiative. More definitive estimates for FY2009 assistance will be available when the State Department determines FY2009 country allocations. In addition, on April 9, 2009, the Obama Administration requested an additional \$66 million in FY2009 supplemental assistance for Mexico under the Mérida Initiative, which if approved, would bring total FY2009 assistance for Mexico to an estimated \$439 million. (See "Mérida Initiative" below for additional details on the assistance.)

## Drug Trafficking and Heightened Violence in Mexico

In the U.S. Justice Department's *National Drug Threat Assessment 2009* (published in December 2008), Mexican drug trafficking organizations (DTOs) were identified as the greatest drug trafficking threat to the United States worldwide. Today's situation arose with the closing of the Caribbean route through which drugs, and particularly cocaine from Colombia, was channeled to

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<sup>22</sup> For background on the Summit, see CRS Report R40074, *Fifth Summit of the Americas, Port of Spain, Trinidad and Tobago, April 2009: Background, Agenda, and Expectations*, by Peter J. Meyer.

the United States in an earlier era. With increased U.S. efforts to interdict narcotic smugglers in the Caribbean and Florida in the late 1980s and 1990s, the Colombian drug cartels began subcontracting with Mexican DTOs to smuggle cocaine into the United States across the Southwest border. By the late 1990s, Mexican DTOs had pushed aside the Colombians and gained greater control and market share of cocaine trafficking into the United States.

**Table I. U.S. Assistance to Mexico, FY2005-FY2009**

U.S. \$ millions

Account	FY2007	FY2008 (Est.)	FY2008 Supp. (Est.) P.L. 110-252	FY2009 Supp. (Est.) P.L. 110-252	FY2009 (Est.) P.L. 111-8*	FY2009 Supp. Request
<b>CSH</b>	3.72	2.68	—	—	2.50	—
<b>DA</b>	12.28	8.22	—	—	14.00	—
<b>ESF</b>	11.35	11.90	20.00	—	15.00	—
<b>FMF</b>	—	—	116.50	—	39.00	—
<b>IMET</b>	.06	.37	—	—	.83	—
<b>INCLE</b>	36.68	26.55	215.50	48.00	246.00	66.00
<b>NADR</b>	1.30	.92	—	—	3.85	—
<b>TOTAL</b>	<b>65.39</b>	<b>50.64</b>	<b>352.00</b>	<b>48.00</b>	<b>321.18</b>	<b>66.00</b>

\* The estimates of FY2009 assistance provided by P.L. 111-8 are preliminary. More definitive estimates for FY2009 assistance will be available when the State Department determines FY2009 country allocations.

**Source:** U.S. Department of State, Congressional Budget Justification for Foreign Operations FY2007-FY2009; U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic; Omnibus Appropriations Act, 2009 (P.L. 111-8, Division H and Joint Explanatory Statement); and FY2009 Supplemental Justification, Department of State & U.S. Agency for International Development.

**Notes:** CHS= Child Survival and Health; DA=Development Assistance; ESF=Economic Support Fund; FMF=Foreign Military Financing; IMET=International Military Education and Training; INCLE=International Narcotics Control and Law Enforcement; NADR=Non-proliferation, Anti-terrorism and Related Programs.

The Mexican DTOs, often referred to as “drug cartels,”<sup>23</sup> have become increasingly violent. The *National Drug Threat Assessment* states that Mexico’s DTOs now “control most of the U.S. drug market,” with distribution capabilities in 230 U.S. cities. Mexican President Felipe Calderón began his assault on organized crime shortly after he took office in December 2006 and made combating the DTOs a centerpiece of his policy. The Calderón government has devoted billions of dollars<sup>24</sup> to the offensive against Mexico’s entrenched drug trafficking organizations, and

<sup>23</sup> The term drug cartel remains the term used colloquially and in the press, but some experts disagree with this because “cartel” often refers to price-setting groups and it is not clear that Mexican drug cartels are setting illicit drug prices.

<sup>24</sup> It is unclear precisely how much the Calderón government is spending on security. Estimates of \$9 - \$11 billion have been reported. See “On the trail of the traffickers,” *The Economist*, March 7, 2009. The \$11 billion figure was provided in remarks of Manuel Suárez-Mier, Legal Attaché, Embassy of Mexico at “Transnational Criminal Organizations in the Americas: Responding to the Growing Threat,” A Colloquium at The George Washington University on January 29, 2009. Another article cites the Mexican government as its source for 2009 spending levels: “This year, the Mexican government will spend \$9.3 billion on national security, a 99 percent increase since Calderón took office.” See, Steve Fainaru and William Booth, “As Mexico Battles Cartels, The Army Becomes the Law,” *Washington Post*, April 2, 2009.

deployed 45,000 soldiers and thousands of federal police in nearly a dozen of Mexico's states in the fight.<sup>25</sup>

Today Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for cocaine sold in the United States. According to the Department of State's 2009 International Narcotics Control Strategy Report, as much as 90% of the cocaine entering the United States now transits through Mexico. A small number of Mexican DTOs control the most significant drug distribution operations along the Southwest border. The criminal activities of these Mexican DTOs reach well beyond the towns and cities of the border, extending along drug trafficking routes into cities across the United States.

Drug trafficking violence in Mexico has spiked in recent years as DTOs have competed for control of smuggling routes into the United States. In 2008, more than 5,600 people in Mexico were killed in drug trafficking violence, a 110% increase over 2007.<sup>26</sup> Among those murdered were 522 Mexican military and law enforcement officials according to recent testimony of the U.S. Department of State.<sup>27</sup> In the first two months of 2009, the violence grew with almost 1,000 drug-related killings in Mexico or 146% more than in the comparable period of 2008.<sup>28</sup>

The violence and brutality of the Mexican drug cartels has escalated as they battle over control of the multi-billion dollar narcotics markets. Since early 2008, there has been an increase in assassinations of high-level law enforcement officials, gruesome murders including beheadings, violent kidnappings, use of a growing and varied arsenal of high-powered weapons and the indiscriminate killing of civilians.<sup>29</sup>

Kidnapping for money has increased significantly in Mexico. In 2008, 1028 persons were kidnapped, with 31% concentrated in the Federal District and the state of Mexico, and reportedly at least 69 of those abducted were murdered.<sup>30</sup> The actual number of kidnappings is reportedly far higher, according to the State Department's human rights report on Mexico. In August 2008, the killing of a 14-year-old kidnap victim, Fernando Martí, the son of a wealthy businessman, resonated throughout Mexico and prompted demonstrations calling for the government to take action against the escalation in violence. Kidnapping victims have not only included the rich, but also working class Mexicans whose families have been asked to pay as little as \$500 in ransom.<sup>31</sup> In late October 2008, a five-year-old boy, the son of a poor family, was kidnapped from a Mexico

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<sup>25</sup> "Mexico: More Bloodshed," Economist Intelligence Unit - Business Latin America, January 12, 2009; Steve Fainarua and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

<sup>26</sup> "Mexico-U.S.: The Drugs War—Dissecting the threat perceived in Washington," *Latin American Security & Strategic Review*, January 2009.

<sup>27</sup> Testimony of David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, before the Subcommittee on State, Foreign Operations, Related Programs of House Committee on Appropriations, March 10, 2009.

<sup>28</sup> "Cartels add political dimension to 'drugs war'," *Latin American Security & Strategic Review*, February 2009.

<sup>29</sup> A grenade attack in Morelia, Michoacan, on September 15, 2008—a night when Mexicans were celebrating their independence—that took place in a public square and resulted in eight deaths and more than 100 injured suggests that the indiscriminate killing of civilians has become a new tactic of the Mexican DTOs. See Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*, December 11, 2008.

<sup>30</sup> Benito Jiménez y Verónica Sánchez, "Aumentan secuestros," *Reforma* (Mexico), April 5, 2009.

<sup>31</sup> Ken Ellingwood, "In Mexico, A Bounty on Every Head," *Los Angeles Times*, September 1, 2008.

City market and then killed by injecting acid into his heart.<sup>32</sup> In December 2008, an American anti-kidnapping negotiator, Felix Batista, was abducted in Saltillo, the capital of the border state of Coahuila.

The growth and dramatic character of the violence in Mexico has led some U.S. officials and observers to question the strength of the Mexican state.<sup>33</sup> Mexican officials strongly deny this claim and note the drug violence is concentrated in a few border cities and is not likely to cause Mexico to become a “failed state.” Indeed, Mexican officials claim the heightened violence may be a sign that the cartels are losing ground and turning on each other as their markets shrink.<sup>34</sup> On the other hand, some analysts see less encouraging trends. The willingness of DTO gunmen to take on the army rather than avoid confrontation has been a pattern in a string of recent encounters.<sup>35</sup> There have been reports that those employed by the major DTOs in Mexico may number up to 100,000 or more, coming close to parity with the Mexican armed forces.<sup>36</sup>

Several analysts have characterized 2008 as a year of flux and turmoil as the drug cartels battled for market dominance and responded violently to their government’s unprecedented campaign against them. In evaluating the progress of the government crackdown, one think tank’s annual assessment of Mexico’s drug war concludes: “The increased turbulence in inter-cartel relations has produced unprecedented levels in violence that shows no sign of abating.”<sup>37</sup> The realignment of Mexico’s drug syndicates in 2008 and their violent turf battles appear to be the result of a splintering of the so-called Sinaloa federation of DTOs, and the reemergence of DTOs once thought to be obsolete which are battling for control of national markets and transport routes.<sup>38</sup> The seven major cartels that once controlled Mexico have reconfigured. What was once a bi-polar competition between the powerful Gulf Cartel and the Sinaloa federation has been transformed by the government’s anti-crime initiatives into significant inter-cartel and intra-cartel violence to achieve dominance over certain trafficking routes, or “plazas,” into the United States.

As a result, cartel-related killings are highly concentrated in a few states. In 2008, more than 60% of the killings took place in Baja California, Sinaloa and Chihuahua and within those states killings were reportedly concentrated in three cities: Tijuana, Culiacán and Ciudad Juárez. In 2008, by far the greatest numbers of drug-related homicides took place in Chihuahua state where highly contested Ciudad Juárez is located just across the border from El Paso, Texas.<sup>39</sup> The violence in Juárez has continued in 2009. In February, the police chief resigned after cartel gunmen left written warnings on the bodies of a slain police officer and prison guard they had

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<sup>32</sup> “Killing of 5-Year-Old Kidnapped from Market Shocks Mexico,” *New York Times*, November 4, 2008.

<sup>33</sup> A number of official sources have put forward this argument including the Bush Administration’s National Security Advisor, Stephen Hadley, a report released in December 2008 by the US Joint Forces Command, and other Bush Administration spokespersons. See “Mexico-U.S.: The Drugs War—Dissecting the threat perceived in Washington.”

<sup>34</sup> “On the trail of the traffickers,” *The Economist*, March 7, 2009.

<sup>35</sup> “Cartels add political dimension to ‘drugs war’,” *Latin American Security & Strategic Review*, February 2009.

<sup>36</sup> Sara A. Carter, “100,000 foot soldiers in cartels; Numbers rival Mexican army,” *Washington Times*, March 3, 2009; Steve Fainarua and William Booth, “As Mexico Battles Cartels, The Army Becomes the Law,” *Washington Post*, April 2, 2009.

<sup>37</sup> Stratfor, Mexican Drug Cartels: Government Progress and Growing Violence, December 11, 2008.

<sup>38</sup> *Ibid.*

<sup>39</sup> The violence in Juárez this past year has been substantial with more than 1,500 homicides in 2008. In December, four policemen in Juárez were killed in a half hour period and one of them decapitated. See coverage in: Tom Miller, “Twilight Zone,” *Washington Post*, February 8, 2009.

killed that they would kill one officer every 48 hours until he left his post.<sup>40</sup> Three days after his resignation, a convoy of police vehicles escorting state governor José Reyes Baeza in Chihuahua city, was fired upon, allegedly by cartel gunmen.<sup>41</sup>

President Calderón's crackdown significantly disrupted the cartels' operations in 2008, and this has continued in 2009. In March 2009, in an effort to increase pressure on the drug cartels, the Mexican authorities set rewards for information leading to the capture of 24 of its top drug traffickers, with each reward was set at \$2 million.<sup>42</sup> Since the government's crackdown, large caches of weapons and drugs have been seized, key members of the cartels arrested, and a record number have been extradited to the United States. Yet, drug-related killings shot up in 2008 and the momentum of violence is continuing into 2009.<sup>43</sup> Notwithstanding this concentrated violence, Mexico has one of the lower homicide rates in the region. At 11 deaths per 100,000 according to the Mexican government, it is lower than those in Colombia, Guatemala, El Salvador and Brazil.<sup>44</sup>

Violence is a tool of the drug trafficking business and the objectives of the violence seem to vary. Much of the violence has been a result of conflict between the cartels for control of territory, to punish betrayals and obtain revenge against the government's successes. Violence is also used to intimidate government officials, the police and the general public. The cartels prefer to intimidate and subvert a government rather than to bring it down according to one analysis because it allows the drug cartels to continue to conduct their trade without being disturbed.<sup>45</sup> The cartels may also be using violence against the government to reestablish patterns of protection by corrupt officials that prevailed in much of Mexico for many years.<sup>46</sup>

Each year Mexican drug trafficking organizations repatriate huge sums of illicit revenues from drug sales in the United States.<sup>47</sup> This money is used to corrupt Mexican government officials to either ignore cartel activities or to actively support and protect them. Corruption of local, state and federal police has resulted in Calderón's reliance on the military to combat DTOs, and remains a major challenge for U.S.-Mexican law enforcement cooperation. Corruption of government officials has also been a significant problem that has made the campaign against DTOs more difficult. In late October 2008, an elite unit within the federal Attorney General's office known as SIEDO was implicated in a scandal involving payoffs for sensitive information about antidrug activities, with at least 35 officials and agents fired or arrested.<sup>48</sup> In November 2008, the former head of SIEDO, Noe Ramirez Mandujano, was arrested and accused of

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<sup>40</sup> David Luhnnow and José de Córdoba, "The Perilous State of Mexico," *Wall Street Journal*, February 21, 2009.

<sup>41</sup> "Cartels add political dimension to 'drugs war'," *Latin American Security & Strategic Review*, February 2009.

<sup>42</sup> Jose de Cordoba, "Drug Cartels Rise on U.S. Agenda -- As Clinton Plans Visit This Week, Mexico Offers Rewards for Capture of Traffickers," *Wall Street Journal*, March 24, 2009.

<sup>43</sup> According to *The Economist* analysis, "what was an oligopoly has splintered into warring factions." See: "On the trail of the traffickers," *The Economist*, March 7, 2009.

<sup>44</sup> Marc Lacey, "Killings in Drug War in Mexico Double in '08," *New York Times*, December 9, 2008. The article cites figures from Mexican Attorney General Eduardo Medina-Mora.

<sup>45</sup> Ray Walser, *Mexico, Drug Cartels, and the Mérida Initiative: A Fight We Cannot Afford to Lose*, Heritage Foundation, Executive Summary: Background No. 2163, Washington, DC, July 22, 2008.

<sup>46</sup> Francisco E. González, "Mexico's Drug Wars Get Brutal," *Current History*, February 2009.

<sup>47</sup> The volume of cash generated by the trade is hard to quantify precisely. Estimates range from \$15 to \$25 billion a year (*The United States and Mexico: Towards a Strategic Partnership*) to \$40 billion a year (Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*).

<sup>48</sup> Tracy Wilkinson, "Mexico Under Siege: Elite Police Tainted by Drug Gang," *Los Angeles Times*, October 28, 2008.

accepting bribes from a drug cartel. In early December 2008, President Calderón stated that some 11,500 public employees had been sanctioned for corruption in the two years since he took office.

## Bilateral Cooperation on Counternarcotics and Anticrime Efforts

In the 1980s and 1990s, U.S.-Mexico counternarcotics efforts were often marked by distrust, with criticisms mounting in March of each year when the President was required to certify that drug producing and drug transit countries were cooperating fully with the United States. Reforms to the U.S. drug certification process enacted in September 2002 (P.L. 107-228) essentially eliminated the annual drug certification requirement, and instead required the President to designate and withhold assistance from countries that had “failed demonstrably” to make substantial counternarcotics efforts.<sup>49</sup> In the aftermath of reforms to the U.S. drug certification process, U.S. bilateral cooperation with Mexico on counternarcotics efforts improved considerably during the Fox administration (2000-2006), and as described above, combating DTOs has become a priority of the current Calderón administration.

Until 2006, Mexico refused to extradite criminals facing the possibility of life without parole to the United States. However, two decisions by the Mexican Supreme Court facilitated extraditions to the United States. In November 2005, in a partial reversal of its October 2001 ruling, the Court found that life imprisonment without the possibility of parole is not cruel and unusual punishment. The Mexican Supreme Court ruled in January 2006 that U.S. extradition requests only need to meet the requirements of the 1978 bilateral extradition treaty, not Mexico’s general law on international extradition that was promulgated in 1975.<sup>50</sup> That decision made the extradition process easier. President Calderón has used extradition as a major tool to combat drug traffickers, and over the past several years Mexico has extradited an increasing number of alleged criminals to the United States. Extraditions from Mexico rose from 41 in 2005 to a record 95 in 2008.<sup>51</sup>

The State Department’s 2009 International Narcotics Control Strategy Report (INCSR) maintains that the degree of U.S.-Mexican cooperation on counternarcotics and law enforcement under the Calderón Administration is unprecedented, and characterizes President Calderón’s efforts to deal with increased violence stemming from the drug cartels as courageous. In 2008, Mexican law enforcement seized over 19 metric tons (mt) of cocaine, down from 48 mt in 2007, while seizures of cannabis, and heroin were also down significantly. The INCSR report maintained that U.S. law enforcement agencies attribute the reduction to better enforcement that has forced traffickers to seek alternative routes or alternative enterprises. The decline in methamphetamine seizures is attributed to the government’s actions to restrict the importation of precursor chemicals used for the production of the drug.

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<sup>49</sup> See CRS Report 98-174, *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2002*, by K. Larry Storrs.

<sup>50</sup> Jesus Aranda, “Allana la Corte el Camino para Extraditar a Connacionales a EU,” *La Jornada*, February 1, 2006; “Mexico: Court Clears Way for Faster Extraditions to U.S.,” *Latin American Weekly Report*, February 7, 2006; and, U.S. Department of State, *INCSR 2006*.

<sup>51</sup> U.S. Embassy, Mexico City, Mexico, “U.S.-Mexico At a Glance: Extraditions,” February 2009.

## **Mérida Initiative<sup>52</sup>**

The United States and Mexico issued a joint statement on October 22, 2007, announcing a multi-year plan for \$1.4 billion in U.S. assistance to Mexico and Central America to combat drug trafficking and other criminal organizations. The Mérida Initiative, named for the location of a March 2007 meeting between Presidents Bush and Calderón, expands bilateral and regional cooperation to combat organized crime, DTOs, and criminal gangs. In terms of actual appropriations for Mexico under the Mérida Initiative, the Bush Administration requested \$500 million for Mexico in a FY2008 supplemental appropriations request and another \$450 million for Mexico in the FY2009 regular foreign aid request, for a total request of \$950 million. Ultimately Congress has appropriated a total of \$700 million to date for Mexico under the Mérida Initiative: with \$352 million in FY2008 supplemental assistance and \$48 million in FY2009 bridge funds, both funded by P.L. 110-252, signed into law June 30, 2008; and \$300 million in regular FY2009 assistance funded in the Omnibus Appropriations Act, 2009 (P.L. 111-8), signed into law March 11, 2009.

The stated objective of the Mérida Initiative, according to the October 2007 joint statement, is to maximize the effectiveness of our efforts to fight criminal organizations—so as to disrupt drug-trafficking (including precursor chemicals), weapons trafficking, illicit financial activities, and currency smuggling, and human trafficking.<sup>53</sup> The joint statement highlighted efforts of both countries, including Mexico's 24% increase in security spending in 2007, and U.S. efforts to reduce weapons, human, and drug trafficking along the Mexican border. Although the statement did not announce additional funding for U.S. domestic efforts, it cited several examples of such efforts to combat drugs and crime that are already in place. Those examples included the 2007 Southwest Border Counternarcotics Strategy, the 2008 National Drug Control Strategy, and the 2007 U.S. Strategy for Combating Criminal Gangs from Central America and Mexico.

The Bush Administration had requested that all proposed funding for the Mérida Initiative be designated for the International Narcotics Control and Law Enforcement (INCLE) account, administered by the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL), but Congress ultimately appropriated the assistance within the INCLE, Foreign Military Financing (FMF), and Economic Support Fund (ESF) accounts (see Table 2). Congress also stipulated that none of the funds may be used for budget support or as cash payments to Mexico.

In June 2008 legislative action on the Mérida Initiative in P.L. 110-252, Congress provided \$400 million supplemental assistance in FY2008 and FY2009 for Mexico, with not less than \$73.5 million for judicial reform, institution-building, anti-corruption, and rule of law activities. The measure provides \$352 million in FY2008 supplemental assistance within the INCLE, FMF, and ESF accounts, and \$48 million in FY2009 supplemental assistance within the INCLE account. For FY2008, \$3 million from the INCLE account is to be used for technical and other assistance to enable the Mexican government to implement a unified national registry of federal, state, and municipal police officers.

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<sup>52</sup> For additional information, see CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*.

<sup>53</sup> U.S. Department of State and Government of Mexico, "Joint Statement on the Merida Initiative," October 22, 2007.

The law has human rights conditions (described below) softer than compared to earlier House and Senate versions, in large part because of Mexico's objections that some of the conditions would violate its national sovereignty. As set forth in the legislation, the Secretary of State, after consultation with Mexican authorities, is required to submit a report on procedures in place to implement Section 620J of the Foreign Assistance Act (FAA) of 1961. That section of the FAA "prohibits assistance to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights." An exception to this prohibition is provided in Section 620J if the Secretary of State determines and reports to Congress that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice.

**Table 2. FY2008 and FY2009 Mérida Funding for Mexico by Aid Account**  
(\$ in millions)

Account	FY2008 Suppl. Funds (P.L. 110-252)	FY2009 Bridge Funds (P.L. 110-252)	FY2009 Omnibus (P.L. 111-8)	FY2009 Supplemental Request
ESF	20.0	0.0	15.0	0.0
INCLE	215.5	48.0	246.0	66.0
FMF	116.5	0.0	39.0	0.0
Total	352.0	48.0	300.0	66.0

**Source:** U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan; P.L. 111-8, Omnibus Appropriations Act 2009 (Division H and Joint Explanatory Statement, H.R. 1105); and FY2009 Supplemental Justification, Department of State & U.S. Agency for International Development.

In March 2009 legislative action on P.L. 111-8, Congress provided \$300 million for Mexico under the Mérida Initiative within the INCLE, ESF, and FMF accounts, with not less than \$75 million for judicial reform, institution building, anti-corruption, and rule of law activities. The measure has similar human rights conditions originally set forth in P.L. 110-252, and also has a provision requiring that prior for the procurement or lease of aircraft, that the Director of the Defense Security Cooperation Agency, in consultation with the Secretary of State, shall submit to the Committees on Appropriations an Analysis of Alternatives for the acquisition of all aircraft for the Mérida Initiative.

Both P.L. 110-252 and P.L. 111-8 have human rights conditions requiring that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports in writing that Mexico is taking action in four human rights areas:

- improving transparency and accountability of federal police forces;
- establishing a mechanism to conduct regular consultations among relevant Mexican government authorities, Mexican human rights organizations, and other relevant Mexican civil society organizations, to make consultations concerning implementation of the Mérida Initiative in accordance with Mexican and international law;
- ensuring that civilian prosecutors and judicial authorities are investigating and prosecuting, in accordance with Mexican and international law, members of the federal police and military forces who have been credibly alleged to have

committed violations of human rights, and the federal police and military forces are fully cooperating with the investigations; and

- enforcing the prohibition, in accordance with Mexican and international law, on the use of testimony obtained through torture or other ill-treatment.

According to the Department of the State,<sup>54</sup> which is leading Mérida Initiative implementation, the first pot of \$400 million for the foreign aid program provided in P.L. 110-252 includes funding for the following:

- helicopters (up to five Bell 412 helicopters) and surveillance aircraft (up to two CASA maritime patrol aircraft) to support interdiction and rapid response of Mexican law enforcement agencies;
- non-intrusive inspection equipment, ion scanners, and canine units for Mexican customs, the new Mexican federal police and the military to interdict trafficked drugs, arms, cash, and persons;
- technologies and secure communications to improve data collection and storage;
- and technical advice and training to strengthen the institutions of justice in order to improve vetting for the Mexican police force, to provide case management software to track investigations through the legal process, to support offices of citizen complain and professional responsibility, and to promote the establishment of witness protection programs.

On December 3, 2008, the United States and Mexico signed a Letter of Agreement, allowing \$197 million of the first pot of Mérida funds to be disbursed.<sup>55</sup> Later in December, the governments of Mexico and the United States met to coordinate implementation of the Mérida Initiative through a cabinet-level High Level group reflecting the urgency felt on both sides of the border to address the growing violence in Mexico. According to the State Department, a working-level meeting was held February 3, 2009, in Mexico City “with the aim of accelerating the implementation of the 48 projects through nine working groups for Mexico under the Initiative.” This meeting was followed by another on March 2, 2009.<sup>56</sup> Only the initial phases of implementation have begun. Although some programs will become operational starting in the spring through the end of 2009, others that fund military equipment have a longer procurement process. This is especially true for assistance in the Foreign Military Financing (FMF) account that provides for equipment such as Bell helicopters and CASA surveillance aircraft that may take from one to two years for delivery to Mexico.

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<sup>54</sup> U.S. Embassy, Mexico, “U.S.-Mexico At a Glance: The Mérida Initiative,” September 2008; U.S. Department of State, “FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic,” September 4, 2008.

<sup>55</sup> The \$197 million is from the International Narcotics Control and Law Enforcement (INCLE) foreign aid funding account, and will fund equipment, training, and technology programs. In addition, more than \$136 million under the Mérida Initiative from the Foreign Military Financing (FMF) and Economic Support Funds (ESF) accounts will be used to support antidrug and anticrime programs. See Embassy of the United States in Mexico, Press Release, “Mérida Initiative Monies Released; Letter of Agreement signed,” December 3, 2008.

<sup>56</sup> Testimony of David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, before the Subcommittee on State, Foreign Operations, Related Programs of House Committee on Appropriations, March 10, 2009.

On April 9, 2009, the Obama Administration submitted a FY2009 supplemental request that includes an additional \$66 million in INCLE assistance for Mexico under the Mérida Initiative. According to the request, the assistance would be used to acquire three Blackhawk helicopters for Mexico's civilian Public Security Secretariat to provide them urgently needed air transport capacity, and also to provide spare parts and support. Another \$16 million in reprogrammed Mérida Initiative funds already appropriated in P.L. 110-252 will also be used to fund the helicopters (including spare parts and support costs) bringing the total funding for the helicopters to \$82 million.

There has been increasing criticism from Mexican officials as well from Members of the U.S. Congress about the slowness of delivering promised assistance under the Mérida Initiative. According to press reports, just \$7 million of the initial \$400 million of assistance has been spent, while U.S. officials reportedly have attributed delays to cumbersome U.S. government contracting regulations, negotiations with Mexico about what equipment is actually needed, and the difficulty of delivering an aid package involves so many agencies and has some four dozen programs.<sup>57</sup>

Human rights organizations generally lauded the inclusion of human rights conditions (described above) in Mérida Initiative appropriations legislations. Some groups, however, have expressed concerns that Mexican authorities are not taking adequate measures to comply with the conditions. Some assert that the growing role of the Mexican military in public security tasks is resulting in increased human rights violations by the military.<sup>58</sup>

## **Beyond the Mérida Initiative**

Secretary of Homeland Security Janet Napolitano noted in March 2009 congressional testimony that the United States has a significant security stake in helping Mexico in its efforts against the drug cartels and organized crime, with three major roles to play: providing assistance to Mexico to defeat the cartels and suppress the flare-up of violence in Mexico; taking action on the U.S. side of the border to cripple smuggling enterprises; and guarding against and preparing for the possible spillover of violence into the United States. Secretary Napolitano noted that there already has been a limited increase in drug-related violence in the United States (such as a rise in kidnappings and weapons violations in cities close to the border such as Phoenix), but maintained that the increase is not the same kind or nearly the same scale as in Mexico.<sup>59</sup>

Beyond the various programs and projects under the Mérida Initiative, the United States is providing significant additional efforts through several agencies to combat Mexican drug cartels and bolster border security.

Components of the Department of Homeland Security are providing significant assistance. Immigration and Customs Enforcement (ICE) has created a dozen Border Enforcement Security

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<sup>57</sup> William Booth and Steve Fainaru, "U.S. Aid Delays in Drug War Criticized," *Washington Post*, April 5, 2009.

<sup>58</sup> See testimony by Joy Olson, Washington Office on Latin America, and Lisa Haugaard, Latin America Working Group, before the House Committee on Appropriations, Subcommittee on State, Foreign Operations, and Related Programs, hearing on the Mérida Initiative, March 10, 2009.

<sup>59</sup> Senate Committee on Homeland Security and Governmental Affairs, Testimony of Secretary of Homeland Security Janet Napolitano, hearing on "Southern Border Violence: Homeland Security Threats, Vulnerabilities, and Responsibilities," March 25, 2009.

Taskforces (BESTs) since 2006, including 8 on the U.S. southwest border. The taskforces serve as platforms for cooperation among local, state, and federal agencies as well as a point of cooperation with Mexico's Secretary of Public Security (SSP). ICE has also coordinated the establishment of Special Investigative Units in Mexico that work with ICE special agents assigned in Mexico on criminal investigations and prosecutions in such areas as money laundering and alien trafficking and smuggling. DHS components such as ICE, Customs and Border Protection (CBP), and the U.S. Coast Guard have long standing relationships with their Mexican counterparts to jointly disrupt the activities of drug trafficking organizations. As discussed below, various DHS components are involved in efforts to deter money laundering and bulk cash smuggling, weapons trafficking, and human smuggling.<sup>60</sup>

In late March 2009, the Department of Justice announced increased efforts to combat Mexican drug cartels in the United States and to help Mexican law enforcement battle the cartels in their own country. Deputy Attorney General David Ogden is leading a Mexican Cartel Strategy that uses federal prosecutor-led task forces that bring together all law enforcement components to identify and dismantle the cartels through investigation, prosecution, and extradition of their key leaders and facilitators. Department of Justice components involved in the increased efforts include the FBI, Drug Enforcement Administration (DEA), Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), U.S. Marshals Service (USM), and the Department's Criminal Division and the Office of Justice Programs.<sup>61</sup>

ATF has begun a new intelligence-driven effort known as Gunrunner Impact Teams (GRITs) and also is beefing up its Project Gunrunner program along with eTrace to stop the flow of guns to Mexico. (For more see "Weapons Trafficking" section below.)

DEA has worked with the Mexican government for decades and has 11 offices in the country. The agency is increasing its agents allocated to the Southwest border field divisions and is forming mobile teams to target Mexican methamphetamine trafficking operations. DEA's cooperation with Mexico has included Project Reckoning targeting the Gulf Cartel and Operation Xcellerator targeting the Sinaloa Cartel. DEA also is the lead agency at the El Paso Intelligence Center (EPIC), a national tactical intelligence center that emphasizes law enforcement efforts on the Southwest border.

## **Money Laundering and Bulk Cash Smuggling**

Interrupting the flow of money from drug sales in the United States to Mexico, estimated to range from \$15 billion to \$25 billion annually,<sup>62</sup> may be one of the most effective ways to disrupt the activities of the Mexican DTOs. A portion of this money is used to buy weapons in the United States to arm the DTOs and their drug enforcers. Other drug proceeds are used to corrupt law enforcement and public officials enabling the DTOs to continue to operate with impunity. Some

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<sup>60</sup> Ibid; and U.S. Department of Homeland Security, "Statement of Mark Koumans, Deputy Assistant Secretary, Office of International Affairs," before House Committee on Appropriations, Subcommittee on Homeland Security, March 10, 2009.

<sup>61</sup> U.S. Department of Justice, "Department of Justice Announces Resources for Fight against Mexican Drug Cartels," Fact Sheet, March 24, 2009; and "Fact Sheet: Department of Justice Efforts to Combat Mexican Drug Cartels," *US Fed News*, April 4, 2009.

<sup>62</sup> Woodrow Wilson International Center for Scholars Mexico Institute, *The United States and Mexico: Towards a Strategic Partnership*, January 2009.

analysts suggest that the U.S. Treasury is doing a good job of making it difficult to launder money within financial institutions. The preferred mode to transfer drug proceeds by the Mexican DTOs is through shipments of bulk cash.<sup>63</sup>

In order to address the problem of bulk cash smuggling, the DEA has carried out bulk cash seizures with the FBI, ICE, and Customs and Border Protection (CBP). In 2005, ICE and CBP launched a program known as “Operation Firewall,” which resulted in increased operations against bulk cash smuggling in the U.S.-Mexico border region. Many operations have been carried out in coordination with Mexican customs and the Mexican money laundering vetted unit. In 2008, ICE created a Trade Transparency Unit (TTU) in Mexico. Mexican TTU representatives are receiving training and technical support from ICE officials in how to identify cross-border trade anomalies that could be indicative of bulk cash smuggling.

### **Precursor Chemicals**

Reducing the trafficking of chemicals necessary for drug manufacture is addressed in the Mérida Initiative joint statement. The recent NDIC report of the U.S. Department of Justice credits Mexico’s recently established import restrictions on products containing methamphetamine precursors with reducing Mexican methamphetamine shipments to the United States in 2007 and 2008.<sup>64</sup> Strong bilateral cooperation between the United States and Mexico has resulted in large drug seizures including the shutting down of five “super” methamphetamine laboratories in Mexico in 2008 according to the Department of State’s 2009 International Narcotics Control Strategy Report released in February 2009. The report notes that there was a reduction in the number of labs destroyed from 2007 because of reduced availability of precursor chemicals due to regulatory controls put in place by the Mexican government and recent U.S. and Mexican law enforcement activities.

### **Weapons Trafficking**

The ATF estimates that 90% of the firearms recovered from crime scenes in Mexico originated in the United States.<sup>65</sup> According to ATF, while the greatest proportion of firearms trafficked to Mexico originate from U.S. states in the southwest, especially Texas, Arizona, and California, the problem of trafficking is national with guns originating as far east as Florida and as far north as Washington state.<sup>66</sup> Mexican drug cartels and enforcer gangs are relying on more powerful weapons, and reportedly are buying semiautomatic versions of the AK-47 and AR-15 style assault rifles, and other military-style firearms in the United States. The cartels often obtain their weapons through “straw purchases,” whereby people who are legally qualified buy the weapons from licensed gun dealers or at gun shows in border states and sell them to smugglers who take them across the border. In November 2008, the Mexican government made the largest seizure of drug-cartel weapons in Mexican history when it discovered a cache of 540 rifles, 15 grenades,

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<sup>63</sup> Testimony of Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center before the House Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform, March 12, 2009.

<sup>64</sup> National Drug Intelligence Center, *National Drug Threat Assessment 2009*, U.S. Department of Justice, Product 2008-Q0317-005, December 2008.

<sup>65</sup> U.S. Embassy, Mexico City, Mexico, “U.S.-Mexico at a Glance: Combating Illicit Firearms,” February 2009.

<sup>66</sup> ATF, “Statement of William Newell, Special Agent in Charge, Phoenix Field Division, ATF” before House Committee of Appropriations, Subcommittee on Commerce, Justice, Science and Related Agencies,” March 24, 2009.

500,000 rounds of ammunition, and 14 sticks of TNT at a house in the border town of Reynosa, Mexico.<sup>67</sup>

The ATF began a Southwest border initiative dubbed Project Gunrunner in FY2004 that aims to deny firearms to criminal organizations in Mexico, and to combat firearms-related violence affecting communities on both sides of the border.<sup>68</sup> The number of ATF personnel dedicated to Project Gunrunner has increased in recent years. In FY2006 and FY2007, around 100 special agents and 25 industry operations investigators were dedicated to Project Gunrunner, while by March 2009, the numbers had increased to 148 special agents and 59 industry operations investigators.<sup>69</sup> From FY2004 through mid-February 2009, ATF referred almost 800 cases for prosecution involving more than 1,600 defendants, including almost 400 cases for firearms trafficking involving more than 1,000 defendants and almost 13,000 guns.<sup>70</sup>

In addition to these efforts in the United States, under the Mérida Initiative, ATF received \$4.5 million for the deployment of eTrace firearms tracking technology to U.S. Consulates in Mexico to combat arms trafficking.<sup>71</sup> In FY2008, Mexico submitted more than 7,500 recovered guns for tracing, showing that most originated in Texas, Arizona, and California.<sup>72</sup>

The 111<sup>th</sup> Congress has approved legislation providing additional funding to support Project Gunrunner. In the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), signed into law February 17, 2009, Congress provided \$10 million for Project Gunrunner. According to the Department of Justice, the funding will allow for additional personnel, and allow ATF to establish three permanent field offices dedicated to firearms trafficking investigations in McAllen, Texas, El Centro, California, and Las Cruces, New Mexico. The Omnibus Appropriations Act, 2009 (P.L. 111-8), signed into law March 11, 2009, provides not less than \$5 million for Project Gunrunner and other firearms trafficking efforts targeting Mexico and the border region.

The Department of Homeland Security, especially Immigrations and Customs Enforcement (ICE) and Customs and Border Protection (CBP) are also involved in taking action to stop the southbound flow of weapons to Mexico. Both ICE and CBP have the authority to enforce export provisions of the Arms Exports Control Act. In collaboration with Mexican law enforcement authorities, ICE launched a new bilateral program against weapons smuggling in June 2008 known as Operation *Armas Cruzadas*. Among other activities, the program involves intelligence sharing and joint law enforcement efforts with vetted Mexican units. As DHS reported in March

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<sup>67</sup> "Mexico: Army Seizes Huge Weapons Cache," *Los Angeles Times*, November 8, 2008.

<sup>68</sup> For background on ATF funding and Project Gunrunner, see CRS Report RL34514, *The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF): Budget and Operations*, by William J. Krouse.

<sup>69</sup> U.S. Embassy, Mexico, "Border and Law Enforcement, Project Gunrunner," ATF Factsheet, available at [<http://www.usembassy-mexico.gov/eng/texts/et080116eTrace.html>]; and Department of Justice, Statement of William Hoover, Assistant Director for Field Operations, ATF, and Anthony P. Placido, Assistant Administrator for Intelligence Division, DEA, before Senate Committee on the Judiciary, Subcommittee on Crime and Drugs, March 17, 2009.

<sup>70</sup> ATF, "Statement of William Newell," op. cit.

<sup>71</sup> U.S. Department of Justice, "Statement of Joseph M. Arabit, Special Agent in Charge, El Paso Division, Drug Enforcement Administration, and William McMahan, Deputy Assistant Director, Field Operations, ATF," before the Senate Committee on Foreign Relations, March 30, 2009.

<sup>72</sup> U.S. Department of Justice, "Department of Justice Announces Resources for Fight against Mexican Drug Cartels," Fact Sheet, March 24, 2009.

2009, the operation has resulted in more than 100 criminal arrests, 42 convictions, and the seizure of more than 400 weapons.<sup>73</sup>

According to DHS, the Mexican government began a pilot program in February 2009 to screen incoming traffic to look for guns, bulk cash, and other contraband, and hopes to expand the program across the entire border by the fall of 2009.<sup>74</sup> In addition, under the Mérida Initiative, the United States will be providing non-intrusive inspection equipment that will assist Mexican officials to prevent arms and cash smuggling from the United States.<sup>75</sup>

In light of intensified U.S. efforts to curb the flow of weapons to Mexico, some policy advocates have called for the U.S. Senate to act on a pending treaty, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials.<sup>76</sup> According to the Department of State, the convention will help shut down the illicit transnational arms market that fuels the violence associated with drug trafficking, terrorism, and international organized crime. The treaty, which was signed by the United States in 1997 entered into force in July 1998, was submitted to the Senate for its advice and consent in June 1998.<sup>77</sup>

## Human Smuggling

The Operation Against Smuggling Initiative on Safety and Security (OASISS) is a bilateral effort begun in August 2005 to combat human smuggling. The program, spearheaded by ICE and several Mexican agencies, was initially limited to the area between San Diego, California and Yuma, Arizona, but was extended to El Paso, Texas in April 2006. In August 2007, the United States and Mexico agreed to extend the program to the Mexican state of Coahuila and the area between El Paso and Eagle Pass, Texas. The program assists both the Mexican and U.S. governments in the prosecution of alien smugglers and human traffickers along the southwest border. According to DHS, with funding from the Mérida Initiative, Mexico intends to implement the program across the entire United States-Mexico border.<sup>78</sup>

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<sup>73</sup> U.S. Department of Homeland Security, "Statement of Mark Koumans, Deputy Assistant Secretary, Office of International Affairs," before House Committee on Appropriations, Subcommittee on Homeland Security, March 10, 2009.

<sup>74</sup> Ibid.

<sup>75</sup> U.S. Department of State, "Statement of David T. Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs," before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, March 18, 2009.

<sup>76</sup> Peter DeShazo and Johnna Mendelson Forman, "A treaty that can help stem drug violence in Mexico," *Washington Times*, February 24, 2009.

<sup>77</sup> U.S. Department of State, "The Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials," Fact Sheet, March 25, 2009.

<sup>78</sup> House Committee on Appropriations, Subcommittee on Homeland Security, Statement of Mark Koumans, Deputy Assistant Secretary, Office of International Affairs, at hearing on "DHS Security Response to Violence on the Border with Mexico," March 10, 2009.

## Security and Prosperity Partnership<sup>79</sup>

On March 23, 2005, President Bush, Mexican President Vicente Fox, and Canadian Prime Minister Paul Martin established the trilateral Security and Prosperity Partnership (SPP) of North America. Through the SPP, which consists of expanded cooperation and harmonization of policies, the three nations have sought to advance the common security and prosperity of the countries. The SPP is not a treaty or agreement and is limited to the existing legal framework relating to the trilateral relationship. The SPP seeks to address security and commercial cooperation at the regulatory level. To make this partnership operational, the leaders established Ministerial-led working groups to develop measurable and achievable goals in the specified areas. In August 2006, the SPP working groups submitted their second report to SPP leaders outlining completed initiatives and proposing new initiatives to ensure common security and prosperity. The working groups established an Avian and Human Pandemic Influenza Coordinating Body and a North American Competitiveness Council.

Cooperation under the SPP has increased security cooperation on port security and border security. In April 2007, the United States and Mexico signed an agreement to detect and prevent the smuggling of nuclear and radioactive materials. Under the Megaports agreement, the U.S. Department of Energy's National Nuclear Security Administration and Mexican customs will install radiation detection devices at four Mexican seaports. These ports account for 90% of container traffic in Mexico. The three countries are also working to more efficiently determine the risk of cargo at seaports. Mexico has implemented the Sea Cargo Initiative which gathers data electronically before loading at a port of origin. Earlier completed initiatives included measures to facilitate trade, such as the signing of a Framework of Common Principles for Electronic Commerce,<sup>80</sup> and border security through, among other measures, an agreement between the U.S. and Mexico to create an Alien Smuggler Prosecution Program along the common border.

At an SPP leaders' meeting held in New Orleans, Louisiana in April 2008 President Bush, President Calderón, and Canadian Prime Minister Stephen Harper commended the success of NAFTA, which they say tripled trade between the three countries to a projected \$1 trillion in 2008. They also reevaluated the five priority areas that were identified in a ministerial meeting held in Los Cabos, Mexico in February 2008. The three leaders decided that their Ministers should renew and focus their work on 1) increasing the competitiveness of business and economies by making regulations between the countries more compatible and strengthening intellectual property strategies; 2) making the borders between the countries more secure by coordinating infrastructure plans, strengthening technological advancements, and investigating new customs procedures; 3) fortifying energy security and environmental protection initiatives by exchanging information and collaborating on new projects; 4) improving citizen access to safe food, and health and consumer products by deepening regulatory and inspection programs; and 5) improving response to emergencies by updating bilateral agreements.<sup>81</sup> The next SPP leaders' meeting is scheduled to be hosted in Mexico in 2009.

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<sup>79</sup> For more information, see CRS Report RS22701, *Security and Prosperity Partnership of North America: An Overview and Selected Issues*, by M. Angeles Villarreal and Jennifer E. Lake; also see the website of the SPP, available at: <http://www.spp.gov/>

<sup>80</sup> For more information, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

<sup>81</sup> "Joint Statement by President Bush, and President Calderón, and Prime Minister Harper" April 22, 2008.

## Human Rights Issues

According to the State Department's 2008 human rights report, issued in February 2009, the Mexican government generally respected human rights at the national level by investigating, prosecuting, and sentencing public officials and members of the security forces, but it noted a number of human rights problems were reported. These included unlawful killing by security forces; kidnappings; physical abuse; poor and overcrowded prison conditions; arbitrary arrests and detention; corruption, inefficiency and lack of transparency in the judicial system; confessions coerced through torture; criminal intimidation of journalists leading to self-censorship; impunity and corruption at all levels of government; domestic violence against women; trafficking in persons; social and economic discrimination against some members of the indigenous population; and child labor. (See the State Department report, available at: <http://www.state.gov/g/drl/rls/hrrpt/2008/wha/119166.htm>)

The State Department report maintained that the government or its forces did not commit any politically motivated killings, but that there were reports that security forces killed several people during the year in various cases. The report asserted that cruel treatment and physical abuse of security forces, especially at the state and local level, remained a serious problem. Corruption was reported to be a major problem, particularly at the state and local level, with police involved in kidnapping, extortion, or providing protection for organized crime and drug traffickers. Impunity was pervasive, according to the report, and was a reason that many victims were reluctant to file complaints.

In the case of the American journalist Bradley Will, shot and killed while covering a protest in Oaxaca in 2006, the State Department report noted that Mexico's National Human Rights Commission (CNDH) issued a report in September 2008 criticizing the federal and Oaxacan state investigations into the killing and implicating Oaxacan state officials. In October 2008, the government arrested three antigovernment protestors for the killing, maintaining that Will was shot at close range. Human rights groups and the CNDH maintain that Will was shot at a distance.<sup>82</sup>

The New York-based Human Rights Watch maintained in its 2009 human rights report (issued in January 2009) that Mexico's criminal justice system remained plagued with human rights problems; that persons under arrest face torture and ill-treatment; and that law enforcement officials often neglect to investigate and prosecute those responsible for human rights violations. On a more positive note, the report lauded the Mexican government's approval of justice reform legislation in 2008 that created the basis for an adversarial criminal justice system with oral trials and the presumption of innocence, although it raised concerns that individuals suspected of being involved in organized crime could be held for up to 80 days without being charged.<sup>83</sup> The Human Rights Watch report also lauded human rights conditions set forth in U.S. legislation providing funding for the Mérida Initiative as an opportunity to focus attention on the poor human rights record of Mexico's security forces.

During his administration, President Fox pledged to investigate and prosecute those responsible for human rights violations, including the "Dirty War" period from the 1960s to 1980s. The CNDH presented a report to President Fox in November 2001 that documented human rights

<sup>82</sup> Elisabeth Malkin, "Mexico Says U.S. Journalist Was Killed by a Protester," *New York Times*, October 18, 2008.

<sup>83</sup> Human Rights Watch, *World Report 2009*, January 2009, pp. 191-195.

abuses and disappearances of persons in the 1970s and early 1980s, and President Fox named legal scholar Ignacio Carrillo in January 2002 as a Special Prosecutor to investigate these and other cases. In November 2006, Ignacio Carrillo presented his final report on the repressive era from the late 1960s to 1982. The report found that the repression was a matter of state policy and led to the summary execution of over 700 Mexicans; torture; and the razing of villages.

The report was praised by some as an acknowledgment of state responsibility. Others remain critical since no one has been convicted of charges relating to these alleged crimes. Only one of the three presidents from this period, Luis Echeverria (1970-1976), is still alive. President Echeverria faced genocide charges for his role in the repression of a 1968 student protest that left dozens dead when he was interior minister. Echeverria tried to evade prosecution by claiming the 30-year statute of limitations had expired. A judge rejected this argument and reinstated the arrest order in November 2006 after he determined that the statute of limitations did not go into effect until Echeverria left public office in December 1976. In July 2007, the Criminal Tribunal absolved Echeverria of any responsibility for the 1968 killings. This ruling was upheld by a Mexican federal court in March 2009, and was criticized by human rights organizations. Amnesty International maintains that the Mexican government is effectively condoning the abuses of the past by not effectively prosecuting past human rights cases.<sup>84</sup>

## **Migration**

Widely cited demographers at the Pew Hispanic Center estimate that there were 7 million undocumented Mexican migrants residing in the United States as of March 2008, accounting for almost 59% of the total estimated illegal alien population of 11.9 million.<sup>85</sup> Mexico takes the view that the migrants are “undocumented workers,” making the point that since the U.S. market attracts and provides employment for the migrants, it bears some responsibility. Mexico regularly voices concern about alleged abuses suffered by Mexican workers in the United States, and for the loss of life and hardships suffered by Mexican migrants as they utilize increasingly dangerous routes and methods to circumvent tighter border controls. Mexico benefits from illegal migration in at least two ways: (1) it is a “safety valve” that dissipates the political discontent that could arise from higher unemployment in Mexico; and (2) it is a source of remittances by workers in the United States to families in Mexico.

In February 2006, the Mexican Congress approved a concurrent resolution on migration and border security in which Mexico acknowledges that Mexican workers will continue to emigrate until there are more opportunities in Mexico. Mexico also accepts the need to revisit its migration policies to consider enforcement of its northern and southern borders, enforcement of Mexican immigration laws that respects the human rights of migrants, and the need to combat human trafficking. Perhaps most significantly, the Mexican resolution states that the Mexican government does not promote illegal migration and calls for the development of a guest worker program in the United States under the principle of shared responsibility. The resolution commits Mexico to enforcing legal emigration “if a guest country offers a sufficient number of appropriate

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<sup>84</sup> “Mexico: Hopes of Justice Vanish,” Amnesty International, March 27, 2009.

<sup>85</sup> Pew Hispanic Center, *Trends in Undocumented Immigration: Undocumented Inflow Now Trails Legal Inflow*, by Jeffrey Passel and D’Vera Cohn, October 2, 2008.

visas to cover the biggest possible number of workers and their families, which, until now cross the border without documents because of the impossibility of obtaining them.”<sup>86</sup>

Congress last enacted major immigration reform in 1986 and 1996. Main provisions of the Immigration Reform and Control Act of 1986 (P.L. 99-603) included civil and criminal penalties for U.S. employers who knowingly hire undocumented workers; increased border control and enforcement measures; anti-discrimination safeguards; provision for legalization of illegal aliens who resided continuously in the United States before 1982; and a special legalization for farm workers previously employed on American farms. In 1996, two laws relating to immigration were enacted, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA, P.L. 104-208) and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The first measure sought to control illegal immigration by adding 1,000 Border Patrol agents per year for five years (FY1997-FY2001), along with additional personnel, equipment, and procedures. The IIRIRA increased penalties for unlawful presence and created the expedited removal program.<sup>87</sup> Individuals who depart the United States after more than 180 days of unlawful presence now face either a three or 10-year bar to admission to the United States, depending on the total period of unlawful presence.

In the 110<sup>th</sup> Congress, the U.S. Senate voted against cloture on the Comprehensive Immigration Reform Act of 2007 (S. 1348) in June 2007, and the measure was not considered after that vote. The bill would have improved border security, established a temporary worker program, and normalized the status of most illegal immigrants in the United States. Mexico has long lobbied for such reforms. Immigration reform legislation also was introduced in the House of Representatives in March 2007. The House measure, the Security Through Regularized Immigration and Vibrant Economy Act of 2007 (H.R. 1645), would have set border and document security benchmarks to be met before normalizing the status of illegal immigrant or the creation of a guest worker program. A variety of other migration-related legislative initiatives were introduced in the 110<sup>th</sup> Congress, but no action was taken. (See ““Legislation in the 110<sup>th</sup> Congress” below.)

It is unclear whether comprehensive immigration legislation will be considered in the 111<sup>th</sup> Congress. During Secretary of State Clinton’s March 2009 visit to Mexico, she maintained that “President Obama remains committed to comprehensive immigration reform” and that immigration reform “is and will be a high priority for him and his presidency.” The Secretary indicated that the Administration hopes to be able to pursue such reform in the coming months.<sup>88</sup>

On April 3, 2009, DHS Secretary Janet Napolitano and Mexican Foreign Secretary Patricia Espinosa announced agreement on formalized arrangements for the expedited and humane repatriations of Mexican nationals. The agreement consists of 30 Local Arrangements for the Repatriation of Mexican Nationals around the United States that formalize operational coordination between governments on repatriation.<sup>89</sup>

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<sup>86</sup> “Mexico-U.S.: Migration and Border Security,” Embassy of Mexico, February 2006.

<sup>87</sup> For more information on expedited removal, see CRS Report RL33109, *Immigration Policy on Expedited Removal of Aliens*, by Alison Siskin and Ruth Ellen Wasem.

<sup>88</sup> “Secretary of State Clinton Speaks with Mexican Foreign Secretary Espinosa After Their Meeting,” *US Fed News*, March 30, 2009.

<sup>89</sup> U.S. Department of Homeland Security, “Secretaries Nap

## **Trade Issues<sup>90</sup>**

Trade between Mexico and the United States has grown dramatically in recent years under the North American Free Trade Agreement (NAFTA) between the United States, Mexico, and Canada. Total U.S. trade with Mexico more than quadrupled from \$82 billion in 1993 to \$367 billion in 2008, but the balance of U.S. trade with Mexico has shifted from a surplus of \$1.3 billion in 1994 to a deficit of \$64.4 billion in 2008 (U.S. exports of \$151.5 billion; U.S. imports of \$215.9 billion). Despite the deficit, Mexico has been one of the fastest growing export markets for the United States in recent years. In 2008, Mexico remained the second largest U.S. export market in 2008 after Canada and ranked third in U.S imports after China and Canada.<sup>91</sup>

The United States is Mexico's most important customer by far, receiving about 80% of Mexico's exports, including petroleum, automobiles, auto parts, and winter vegetables, and providing about 50% of Mexico's imports. The United States is the source of over 60% of foreign investment in Mexico, and the primary source of important tourism earnings. Mexico is also the leading country in Latin America in terms of U.S. investment, with the total stock of U.S. investment being almost \$92 billion in 2007.

The NAFTA agreement was negotiated in 1991 and 1992, and side agreements on labor and environmental matters were completed in 1993. The agreements were approved by the respective legislatures in late 1993 and went into force on January 1, 1994. Under the agreements, trade and investment restrictions were eliminated over a 15-year period, with most restrictions eliminated in the early years of the agreement.

## **Functioning of NAFTA Institutions**

Several NAFTA institutions mandated by the agreements have been functioning since 1994. The tripartite Commission on Environmental Cooperation (CEC) was established in Montreal, Canada; and the Commission for Labor Cooperation (CLC) was established in Dallas, Texas. In addition, the bilateral Border Environment Cooperation Commission (BECC), located in Ciudad Juarez, Mexico; and the North American Development Bank (NADBank), headquartered in San Antonio, Texas, were created to promote and finance border environment projects along the U.S.-Mexico border. Following up on a March 2002 agreement by Presidents Bush and Fox in Monterrey, Mexico, to broaden the mandate of the NADBank, Congress agreed in March 2004 to permit the NADBank to make grants and nonmarket rate loans for environmental infrastructure along the border. The NAFTA institutions have operated to encourage cooperation on trade, environmental and labor issues, and to consider nongovernmental petitions under the labor and environmental side agreements.

## **Trade Disputes**

Trade disputes between the countries have involved the access of Mexican trucks to the United States, the access of Mexican sugar and tuna to the U.S. market, and the access of U.S. sweeteners to the Mexican market.

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<sup>90</sup> For more information, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

<sup>91</sup> U.S. Department of Commerce statistics, as presented by World Trade Atlas.

## Trucking

The implementation of NAFTA trucking provisions has been in dispute since 1995. U.S. congressional action in March 2009 (P.L. 111-8, Omnibus Appropriations Act, 2009) to terminate a pilot program for Mexican-registered trucks to operate beyond the 25-mile border commercial zone inside the United States prompted retaliation from Mexico, which argued that the U.S. action was protectionist. Mexico imposed tariffs on over 90 U.S. agricultural and industrial products. The goods accounted for a value of \$2.4 billion in U.S. exports to Mexico in 2007, and most will now face Mexican import duties of between 10-20% of their value, although in the case of fresh grapes, a 45% duty was imposed.<sup>92</sup>

Secretary of Transportation Ray LaHood reportedly has been working to devise a new program for Mexican truckers that would meet NAFTA requirements while also addressing congressional safety and environmental concerns.<sup>93</sup> During her visit to Mexico in March 2009, Secretary of State Clinton expressed confidence that the issue would be worked out with Mexico. She acknowledged that Mexico had the right to use remedies under NAFTA to impose tariffs on U.S. products, but maintained that neither the U.S. congressional action on Mexican trucking or Mexico's retaliation were in the best interests of the United States or Mexico at this time of economic challenge.<sup>94</sup>

**Background on the Issue.** In the 1990s, the Mexican government objected to the Clinton Administration's refusal, on safety grounds, to allow Mexican trucks to have access to U.S. highways under the terms of NAFTA. A NAFTA dispute resolution panel supported Mexico's position in February 2001. President George W. Bush indicated a willingness to implement the provision, but the U.S. Congress required additional safety provisions in the FY2002 Department of Transportation Appropriations Act (P.L. 107-87). On November 27, 2002, with safety inspectors and procedures in place, the Administration announced that it would begin the process that would open U.S. highways to Mexican truckers and buses, but environmental and labor groups went to court in early December to block the action. On January 16, 2003, the U.S. Court of Appeals for the Ninth Circuit ruled that full environmental impact statements were required before Mexican trucks would be allowed to operate on U.S. highways, but the U.S. Supreme Court reversed that decision on June 7, 2004.

On September 22, 2004, the House approved 339-70 an amendment to the Transportation-Treasury Appropriations (H.R. 5025) that would prohibit implementation of a rule giving Mexican and Canadian truck operators an additional two years to bring their trucks into compliance with U.S. safety provisions. This was eventually incorporated into the Consolidated Appropriations Act for FY2005 (H.R. 4818/P.L. 108-447) approved by Congress late 2004. In October 2006, officials from the Department of Transportation (DOT) indicated that the Department was prepared to ensure that Mexican trucks meet U.S. and Canadian safety provisions. The head of the Federal Motor Carrier Safety Administration, John Hill, indicated that a pilot project could be implemented to allow a limited number of Mexican companies access to

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<sup>92</sup> Christopher Conkey, Jose de Cordoba, and Jim Carlton, "Mexico Issues Tariff List in U.S. Trucking Dispute," *Wall Street Journal*, March 19, 2009.

<sup>93</sup> "LaHood Plans Truck Program Revival," *CQ Today*, March 25, 2009; Colby Itkowitz, *CQ Today*, March 17, 2009.

<sup>94</sup> U.S. Department of State, "Press Availability at TecMilenio University," March 26, 2009.

the United States at some point in the future, but noted that there are “no immediate plans” to open the border to Mexican trucks beyond the 20-mile commercial limit.<sup>95</sup>

In February 2007, the Administration announced a pilot project to grant Mexican trucks from 100 transportation companies full access to U.S. highways. The Administration announced a delay in the program in April 2007, likely in response to critics who contended that Mexican trucks do not meet U.S. standards. The Iraq War Supplemental (P.L. 110-28), enacted May 25, 2007, mandated that any pilot program to give Mexican trucks access beyond the border region could not begin until U.S. trucks had similar access to Mexico. Before a pilot project could begin, the DOT needed to meet certain reporting and public notice requirements. The DOT’s Inspector General needed to prepare a report to Congress to verify that the DOT had established mechanisms to ensure that Mexican truck comply with U.S. federal motor carrier safety laws. The report also needed to verify that Mexican trucks meet the safety provisions of P.L. 107-87, mentioned above.

By September 2007, the Department of Transportation launched the one-year pilot program to allow approved Mexican carriers beyond the 25-mile commercial zone, with a similar program allowing U.S. trucks to travel beyond Mexico’s commercial zone. As of early January 2008, 57 trucks from 10 Mexican companies had received permission to operate in the United States and 41 trucks from 4 U.S. companies received permission to operate in Mexico. Department of Transportation data reportedly shows that U.S. carriers have made twice as many trips to Mexico as Mexican carriers have to the United States from the time the program was launched until early January 2008.

In the FY2008 Consolidated Appropriations Act (P.L. 110-161), signed into law in December 2007, Congress included a provision prohibiting the use of FY2008 funding for the establishment of a pilot program. The Department of Transportation determined that it could continue with the pilot program because it had already been established. In February 2008, a coalition of unions and environmental groups filed suit in the 9<sup>th</sup> Circuit Court of Appeals to end the pilot program, but a decision is still pending.<sup>96</sup>

In March 2008, the DOT issued an interim report on the cross-border trucking demonstration project to the Senate Committee on Commerce, Science, and Transportation. The report made three key observations: 1) The Federal Motor Carrier Safety Administration (FMCSA) plans to check every participating truck each time it crosses the border to ensure that it meets safety standards; 2) There is less participation in the project than was expected; and 3) The FMCSA has implemented methods to assess possible adverse safety impacts of the project and to enforce and monitor safety guidelines.<sup>97</sup>

In early August 2008, the Department of Transportation announced that it would be extending the pilot program for an additional two years. On September 9, 2008, the House approved (by a vote of 396 to 128) H.R. 6630, a bill that would prohibit the Department of Transportation from granting Mexican trucks access to U.S. highways beyond the border and commercial zone. The

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<sup>95</sup> Angela Greiling Keane, “Cracking Open the Border,” *Journal of Commerce*, October 23, 2006.

<sup>96</sup> “9<sup>th</sup> Circuit Considers Injunction to Halt Mexican Truck Pilot Program,” *International Trade Daily*, February 13, 2008; Rosalind McLymont, “Long Haul Across the Border,” *Shipping Digest*, January 7, 2008; and “Hoffa Blasts Bush Administration’s Indifference to NAFTA Harm,” *PR Newswire*, March 10, 2008.

<sup>97</sup> Department of Transportation. “Cross-Border Trucking Demonstration Project,” March 11, 2008.

bill would also prohibit the Department of Transportation from renewing such a program unless expressly authorized by Congress. No action was taken by the Senate on the measure.

As noted above, the 111<sup>th</sup> Congress approved a provision in the Omnibus Appropriations Act, 2009 (P.L. 111-8, Division I, Section 136), signed into law March 11, 2009, that prohibits funds in the Act from being used for a pilot program granting certain Mexican trucks access to U.S. highways beyond the commercial zone.

### *Sugar and High Fructose Corn Syrup*

The United States and Mexico resolved a long standing trade dispute involving sugar and high fructose corn syrup in 2006. Mexico argued that the sugar side letter negotiated under NAFTA entitled it to ship net sugar surplus to the United States duty free under NAFTA, while the United States argued that the sugar side letter limited Mexican shipments of sugar. Mexico also complained that imports of high fructose corn syrup (HFCS) sweeteners from the United States constituted dumping, and it imposed anti-dumping duties for some time, until NAFTA and WTO dispute resolution panels upheld U.S. claims that the Mexican government colluded with the Mexican sugar and sweetener industries to restrict HFCS imports from the United States.

In late 2001, the Mexican Congress imposed a 20% tax on soft drinks made with corn syrup sweeteners to aid the ailing domestic cane sugar industry, and subsequently extended the tax annually despite U.S. objections. In 2004, USTR initiated WTO dispute settlement proceedings against Mexico's HFCS tax, and following interim decisions, the WTO panel issued a final decision on October 7, 2005, essentially supporting the U.S. position. Mexico appealed this decision, and in March 2006, the WTO Appellate Body upheld its October 2005 ruling. In July 2006 the United States and Mexico agreed that Mexico would eliminate its tax on soft drinks made with corn sweeteners no later than January 31, 2007. The tax was repealed, effective January 1, 2007.

The United States and Mexico reached a sweetener agreement in August 2006. Under the agreement, Mexico can export 500,000 metric tons of sugar duty free to the United States from October 1, 2006 to December 31, 2007. The United States can export the same amount of HFCS duty free to Mexico during that time. NAFTA provides for the free trade of sweeteners, which began January 1, 2008. The House and Senate sugar caucuses expressed objections to the agreement, questioning the Bush Administration's determination that Mexico is a net-surplus sugar producer to allow Mexican sugar duty free access to the U.S. market.<sup>98</sup>

### *Tuna*

On tuna issues, the Clinton Administration lifted the embargo on Mexican tuna in April 2000 under relaxed standards for a dolphin-safe label in accordance with internationally agreed procedures and U.S. legislation passed in 1997 that encouraged the unharmed release of dolphins from nets. However, a federal judge in San Francisco ruled that the standards of the law had not been met, and the Federal Appeals Court in San Francisco sustained the ruling in July 2001.

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<sup>98</sup> "Bush Administration Defends Sugar Deal to Congress," *Inside U.S. Trade*, November 3, 2006; "Grassley, U.S. Industry Welcome Agreement with Mexico on Sugar, HFCS," *International Trade Reporter*, August 3, 2006; and, "U.S., Mexico Reach Agreement on WTO Soft Drink Dispute Compliance Deadline," *International Trade Reporter*, July 13, 2006.

Under the Bush Administration, the Commerce Department ruled on December 31, 2002, that the dolphin-safe label may be applied if qualified observers certify that no dolphins were killed or seriously injured in the netting process, but Earth Island Institute and other environmental groups filed suit to block the modification. On April 10, 2003, the U.S. District Court for the Northern District of California enjoined the Commerce Department from modifying the standards for the dolphin-safe label. On August 9, 2004, the federal district court ruled against the Bush Administration's modification of the dolphin-safe standards, and reinstated the original standards in the 1990 Dolphin Protection Consumer Information Act. That decision was appealed to the U.S. Ninth Circuit Court of Appeals, which ruled against the Administration in April 2007, finding that the Department of Commerce did not base its determination on scientific studies of the effects of Mexican tuna fishing on dolphins.

In late October 2008, Mexico initiated World Trade Organization dispute proceedings against United States, maintaining that U.S. requirements for Mexican tuna exporters prevents them from using the U.S. "dolphin-safe" label for its products.<sup>99</sup>

### *Other Trade Disputes*

On other issues, in early October 2002, the U.S.-Mexico working group on agriculture dealt with major agricultural issues, including Mexico's recent anti-dumping decisions on apples, rice, swine, and beef, and safeguard actions on potatoes. In January 2003, the countries agreed to permit Mexican safeguard measures against U.S. imports of chicken legs and thighs, and in July 2003, these safeguard measures were extended until 2008, with tariffs declining each year. In September 2006, Mexico revoked anti-dumping duties imposed on U.S. rice imports in 2002 following rulings by the WTO and WTO Appellate Body in 2005 which found that the duties were contrary to WTO rules. Mexico banned beef imports from the United States in December 2003 following the discovery of one cow infected with mad cow disease in Washington state. Mexico resumed importation of boneless beef in early March 2004, and bone-in beef in February 2006 in response to improved beef cow screening.

## Legislation and Hearings in the 111<sup>th</sup> Congress

### Enacted Legislation

**P.L. 111-5 (H.R. 1), American Recovery and Reinvestment Act of 2009.** Signed into law February 17, 2009, the measure provides \$220 million for construction for the water quantity program of the International Boundary and Water Commission, United States and Mexico. The measure also provides \$40 million in Department of Justice state and local law enforcement assistance for competitive grants to provide assistance and equipment along the Southern border and in high-intensity drug trafficking areas to combat criminal narcotics activity stemming from the Southern border, of which \$10 is to be transferred to ATF for Project Gunrunner.

**P.L. 111-8 (H.R. 1105), Omnibus Appropriations Act, 2009.** Signed into law March 11, 2009. In Division H, the measure appropriates \$300 million for Mexico as a second installment under

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<sup>99</sup> "Mexico Initiates WTO Dispute Proceeding Against U.S. 'Dolphin-Safe' Label for Tuna," *International Trade Reporter*, October 30, 2008.

the Mérida Initiative. In Division I, Section 136, the measure prohibits funds in the Act from being used for a pilot program granting certain Mexican trucks access to U.S. highways beyond the commercial zone. In the joint explanatory statement for Division B, not less than \$5 million is provided for Project Gunrunner and other firearms trafficking efforts targeting Mexico and the border region. The statement stated that “Project Gunrunner” has been an effective tool in combating anti-smuggling efforts along the southwest border, and ATF is encouraged to make sure that sufficient resources are allocated to this important program.

## **Additional Legislative Initiatives**

**H.Res. 258 (Giffords)/S.Res. 72 (Menendez).** H.Res. 258 introduced March 18, 2009; referred to the Committee on Foreign Affairs. S.Res. 72 introduced March 10, 2009; referred to the Committee on Foreign Relations. The identical resolutions would express the full support of the House of Representatives for Mexico’s efforts to confront drug trafficking organizations, apprehend their members, and bring them to justice. The resolutions would also call on the Department of State to ensure the prompt delivery of Mérida Initiative equipment and training; to continue to support the Mexican government’s efforts to strengthen institutions and the rule of law, root out corruption, and protect human rights; and to ensure full accountability for all assistance and equipment provided by the United States to Mexico.

**H.R. 314 (Cuellar), Federal Criminal Immigration Courts Act of 2009.** Introduced February 9, 2009; referred to the House Judiciary Committee. The bill would increase Federal judgeships along the southwest border of the United States in Arizona, New Mexico, and Texas.

**H.R. 495 (Rodriguez)/S. 205 (Bingaman), Southwest Border Violence Reduction Act of 2009.** H.R. 495 introduced January 14, 2009; referred to the Committee on the Judiciary and the Committee on Foreign Affairs. S. 205 introduced January 12, 2009; referred to the Committee on the Judiciary. Both bills would direct the Attorney General to expand the resources provided for the Project Gunrunner initiative of the Bureau of Alcohol, Tobacco, Firearms, and Explosives to identify, investigate, and prosecute individuals involved in the trafficking of firearms across the international border between the United States and Mexico. The bills would authorize \$15 million for each of FY2010 and FY2011 for Project Gunrunner in the United States, and \$9.5 million for each of FY2010 and FY2011 for the Attorney General, in cooperation with the Secretary of State, to assign ATF agents to the U.S. mission in Mexico, provide equipment to support ATF efforts, and provide training for Mexican law enforcement.

**H.R. 937 (Filner), Visitors Interested in Strengthening America (VISA) Act of 2009.** Introduced March 16, 2009; referred to Committee on the Judiciary. The bill would waive certain entry documentary requirements for a non-immigrant child (unmarried and under the age of 16) who is a citizen or national of Mexico and accompanying parent or adult chaperone in instances of medical visits, student groups, and/or special community events.

**H.R. 1437 (Cuellar), Southern Border Security Task Force Act of 2009.** Introduced March 11, 2009; referred to Committees on Homeland Security and on the Judiciary. Would establish a task force to coordinate the efforts of federal, state, and local border law enforcement officials and task forces to protect U.S. border cities and communities from violence associated with drug trafficking, gunrunning, illegal alien smuggling, violence, and kidnapping along and across the international border between the United States and Mexico.

**H.R. 1448 (Rodriguez), Border Reinforcement and Violence Reduction Act of 2009.**

Introduced March 11, 2009; referred to Committees on the Judiciary, Homeland Security, and Foreign Affairs. The bill would authorize the Secretary of Homeland Security and the Attorney General to increase resources to identify and eliminate illicit sources of firearms smuggled into Mexico for use by violent drug trafficking organizations and for other unlawful activities by providing for border security grants to local law enforcement agencies and reinforcing Federal resources on the border. It would authorize: \$150 million for FY2010 and each succeeding fiscal year to the Secretary of Homeland Security for a border relief grant program; \$9.5 million for each of FY2010 and FY2011 for Project Gunrunner (an ATF program) and \$15 million for each of FY2010 and FY2011 for Operation Armas Cruzadas (an ICE program) to deter the trafficking of firearms across the international border between the United States and Mexico.

**H.R. 1611 (Flake).** Introduced March 19, 2009; referred to Committee on Transportation and Infrastructure. The bill would repeal a provision in the Omnibus Appropriations Act, 2009 (P.L. 111-8, Division I, Section 136) that prohibits the use of funds for a cross-border motor carrier demonstration program to allow Mexican-domiciled motor carriers to operate beyond the commercial zones along the international border between the United States and Mexico.

**S. 91 (Vitter).** Introduced January 6, 2009; referred to Committee on Foreign Relations. The bill would reduce the amount of financial assistance provided to the government of Mexico in response to the illegal border crossing from Mexico into the United States.

**S. 339 (Bingaman), Border Law Enforcement Relief Act of 2009.** Introduced January 28, 2009; referred to Committee on the Judiciary. The bill would provide financial aid to local law enforcement officials along the nation's borders. It would authorize \$100 million for each of FY2010 through FY2014 for a border relief grant program run by the Attorney General.

## Hearings

This compilation of selected hearings, prepared by Julissa Gomez-Granger, Information Research Specialist with the Knowledge Services Group of CRS, It focuses increasing violence in Mexico as well as U.S. foreign assistance and border security programs.

## House

U.S. Congress. House. Committee on Homeland Security. Subcommittee on Emergency Communications, Preparedness and Response. *Examining Preparedness and Coordination Efforts of First Responders Along the Southwest Border.* Hearing held March 31, 2009.

Witnesses: Richard Barth, Acting Assistant Secretary, Office of Policy, DHS; Janice Ayala, Deputy Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement, DHS; Maj. Gen. Peter Aylward, Director, Joint Staff, National Guard Bureau; Sigifredo Gonzalez Jr., Sheriff, Zapata County, Texas; Larry Dever, Sheriff, Cochise County, Arizona

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congression/111/congressionaltranscripts111-000003091913.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=0&seqNum=23#speakers>

U.S. Congress. House. Committee on Appropriations. Subcommittee on Commerce, Justice, Science and Related Agencies. *Drug Enforcement Administration*. Hearing held March 26, 2009.

Witness: Michelle M. Leonhart, Acting Administrator, Drug Enforcement Administration

Available at: [http://appropriations.house.gov/Subcommittees/sub\\_cjs.shtml](http://appropriations.house.gov/Subcommittees/sub_cjs.shtml)

U.S. Congress. House. Committee on Appropriations. Subcommittee on Commerce, Justice, Science and Related Agencies. *Federal Law Enforcement Response to US-Mexico Border Violence*. Hearing held March 24, 2009.

Witnesses: Bill Newell, Special Agent in Charge, ATF Phoenix Division; Joseph Arabit, Special Agent in Charge, Drug Enforcement Administration, El Paso, TX; Phil Gordon, Mayor, City of Phoenix ; David Shirk, Assistant Professor and Director of the Trans-Border Institute

Available at: [http://appropriations.house.gov/Subcommittees/sub\\_cjs.shtml](http://appropriations.house.gov/Subcommittees/sub_cjs.shtml)

U.S. Congress. House. Committee on Foreign Affairs. Subcommittee on the Western Hemisphere. *Guns, Drugs and Violence: The Merida Initiative and the Challenge in Mexico*. Hearing held March 18, 2009.

Witnesses: David Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State; Roberta S. Jacobson, Deputy Assistant Secretary of State, Bureau of Western Hemisphere Affairs, U.S. Department of State; M. Kristen Rand, Legislative Director, Violence Policy Center; Andrew Selee, Ph.D., Director, Mexico Institute, Woodrow Wilson International Center for Scholars; Michael A. Braun, Managing Partner, Spectre Group International, LLC

Available at: [http://foreignaffairs.house.gov/hearing\\_notice.asp?id=1055](http://foreignaffairs.house.gov/hearing_notice.asp?id=1055)

U.S. Congress. House. Committee on Oversight and Government Reform. Subcommittee on National Security and Foreign Affairs. *Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S.-Mexico Border?* Hearing held March 12, 2009.

Witnesses: Andrew Selee, Director, Woodrow Wilson Center Mexico Institute; Michael Braun, Former DEA Assistant Administrator; Tom Diaz, Senior Policy Analyst, Violence Policy Center; Jonathan Paton, Arizona State Senate

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003074885.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=2&seqNum=109#speakers>

U.S. Congress. House. Committee on Homeland Security. Subcommittee on Maritime and Global Counterterrorism. *Border Violence: An Examination of DHS Strategies and Resources*. Hearing held March 12, 2009.

Witnesses: Roger T. Rufe, Jr., Director, Office of Operations Coordination, DHS; Alonzo, Pena, Attache, U.S. Embassy, Mexico City, DHS; John, Leech, Acting Director, Office of Counternarcotics Enforcement, DHS; Salvador, Nieto, Deputy Assistant Commissioner, Intelligence and Operations Coordination, Customs and Border Protection; Kumar, Kibble, Deputy Director, Office of Investigations, Immigration and Customs Enforcement

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003074816.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=2&seqNum=110#speakers>

U.S. Congress. House. Committee on Appropriations. Subcommittee on Homeland Security. *Department of Homeland Security Response to Violence on the Border with Mexico*. Hearing held March 10, 2009.

Witnesses: Mark Koumans, Deputy Assistant Secretary of Homeland Security for International Affairs; Jayson Ahern, Acting Commissioner, Customs and Border Protection, DHS; Marcy Forman, Director, Office on Investigations, Immigration and Customs Enforcement, DHS; David Aguilar, Chief, U.S. Border Patrol

Available at: [http://appropriations.house.gov/Subcommittees/sub\\_dhs.shtml](http://appropriations.house.gov/Subcommittees/sub_dhs.shtml)

U.S. Congress. House. Committee on Appropriations. Subcommittee on Homeland Security. *Secure Border Initiative and Control of the Land Border*. Hearing held March 10, 2009.

Witnesses: Jayson Ahern, Acting Commissioner, Customs and Border Protection, DHS; David Aguilar, Chief, U.S. Border Patrol; Mark Borkowski, Executive Director, Secure Border Initiative

Available at: [http://appropriations.house.gov/Subcommittees/sub\\_dhs.shtml](http://appropriations.house.gov/Subcommittees/sub_dhs.shtml)

U.S. Congress. House. Committee on Appropriations. Subcommittee on State, Foreign Operations, and Related Programs. *Merida Initiative*. Hearing held March 10, 2009.

Witnesses: Thomas Shannon, Assistant Secretary of State for Western Hemisphere Affairs; David Johnson, Assistant Secretary of State for International Narcotics Control and Law Enforcement; Rodger Garner, Mission Director for Mexico, Agency for International Development; Lisa Haugaard, Executive Director, Latin American Working Group; Joy

Olson, Director, Washington Office on Latin America; Ana Paula Hernandez, General Director, Colectivo por una Politica Integral hacia las Drogas

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or at: [http://appropriations.house.gov/Subcommittees/sub\\_sfo.shtml](http://appropriations.house.gov/Subcommittees/sub_sfo.shtml)

## Senate

U.S. Congress. Senate. Committee on Foreign Relations. *U.S.-Mexico Border Violence*. Field hearing held March 30, 2009. El Paso, Texas.

Witnesses: Jamie Esparza, District Attorney, El Paso, TX; William McMahon, Deputy Assistant Director, US Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC; Joseph Arabit, Special Agent in charge, Drug Enforcement Administration, El Paso, TX; Ricardo Garcia Carriles, Former Police Chief of Ciudad Juarez, El Paso, TX ; The Honorable Harriet C. Babbitt, Former Ambassador to Organization of American States, Washington, DC; Howard Campbell, Professor, University of Texas at El Paso

Available at: <http://foreign.senate.gov/hearings/2009/hrg090330a.html>

U.S. Congress. Senate. Committee on Homeland Security and Governmental Affairs. *Southern Border Violence*. Hearing held March 25, 2009.

Witnesses: Janet Napolitano, Secretary of Homeland Security; James B. Steinberg, Deputy Secretary of State; David W. Ogden, Deputy Attorney General, Department of Justice

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003084334.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=7&seqNum=7#speakers>

U.S. Congress. Senate. Senate Judiciary Committee. Subcommittee on Crime and Drugs; with the Senate Caucus on International Narcotics Control. *Law Enforcement Responses to Mexican Drug Cartels*. Joint hearing held March 17, 2009.

Witnesses: Terry Goddard, Attorney General, State of Arizona, Phoenix, AZ; William Hoover, Assistant Director for Field Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives; Anthony P. Placido, Assistant Administrator and Chief of Intelligence, Drug Enforcement Administration; Kumar Kibble, Deputy Director, Office of Investigations, Immigration and Customs Enforcement, DHS; Denise Eugenia Dresser Guerra, Professor, Department of Political Science, Instituto Tecnologico Autonomo de Mexico, Mexico City, Mexico; Jorge Luis Aguirre, Journalist, El Paso, Texas

Available at: <http://judiciary.senate.gov/hearings/hearing.cfm?id=3718>

or at:

<http://www.cq.com/display.do?dockkey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003078495.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=9&seqNum=2#speakers>

## Legislation in the 110<sup>th</sup> Congress

### Enacted Legislation and Approved Resolutions

**P.L. 110-432 (H.R. 2095), Railroad Safety Enhancement Act of 2008.** Signed into law on October 16, 2008. Section 416, related to safety inspections in Mexico, provides that mechanical and brake inspections of rail cars performed in Mexico shall not be treated as satisfying U.S. rail safety laws or regulations until the Secretary of Transportation certifies that certain conditions are met.

**P.L. 110-329 (H.R. 2638), FY2009 Consolidated Security, Disaster Assistance, and Continuing Appropriations Act.** Signed into law September 30, 2008, the bill provides an additional \$37.5 million for the “International Boundary and Water Commission, United States and Mexico” for construction of the water quantity program to meet immediate repair and rehabilitation requirements.

**P.L. 110-252 (H.R. 2642), Supplemental Appropriations Act of 2008.** Originally introduced June 11, 2007 as the FY2008 Military Construction and Veterans Affairs Appropriations Act, this bill subsequently became the vehicle for the second FY2008 supplemental appropriations measure, which was signed into law on June 30, 2008. As amended by the House on May 15, 2008, the bill would provide \$400 million for Mexico for funding the Administration’s proposed Mérida Initiative. Instead of restricting Mérida Initiative funding to the INCLE account, as proposed by the Administration, the House version would provide funding under the INCLE, ESF, and FMF accounts. The Senate version of H.R. 2642, as amended on May 22, 2008, would have provided \$450 million for the Mérida Initiative, with \$350 million for Mexico under the INCLE account.

In the final version of the bill, approved by the House on June 19, 2008 and by the Senate on June 26, 2008, Congress provided \$400 million supplemental assistance in FY2008 and FY2009 for Mexico, with not less than \$73.5 million for judicial reform, institution-building, anti-corruption, and rule of law activities. The measure provides \$352 million in FY2008 supplemental assistance for Mexico within the INCLE, FMF, and ESF accounts, and \$48 million in FY2009 supplemental assistance within the INCLE account. The measure has human rights conditions softer than compared to earlier House and Senate versions, in large part because of Mexico’s objections that some of the conditions would violate its national sovereignty. In the final version, human rights conditions require that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports in writing that Mexico is taking action in four human rights areas. The Secretary of

State, after consultation with Mexican authorities, is required to submit a report on procedures in place to implement Section 620J of the Foreign Assistance Act of 1961 related to the prohibition against providing assistance to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights.

**P.L. 110-181 (H.R. 4986), FY2008 National Defense Authorization Act.** This bill, signed into law on January 28, 2008, contains a provision in Title X, Section 1022, that allows for the Department of Defense to provide support for counter-drug activities to Mexico.

**P.L. 110-161 (H.R. 2764), Consolidated Appropriations Act of 2008.** The Consolidated Appropriations Act, signed into law on December 26, 2007, includes several FY2008 appropriations measures. It includes several provisions related to Mexico.

In Division, K, Title I, Section 136 prohibits funding for the establishment of a Department of Transportation (DOT) NAFTA trucking pilot program, under which a limited number of Mexican cargo trucks can deliver goods within the United States.

Division E, Title VI, incorporates the Border Infrastructure and Technology Act of 2007, which includes a provision in Section 606 authorizing funds as needed (from FY2009 to FY2013) for the implementation of projects described in the Declaration on Embracing Technology and Cooperation to Promote the Secure and Efficient Flow of People and Commerce across our Shared Border between the United States and Mexico, agreed to March 22, 2002, Monterrey, Mexico (commonly known as the Border Partnership Action Plan).

In Division G, Title V, Section 526 provides that no funds appropriated by this act may be used by the Commissioner of Social Security or the Social Security Administration to pay the compensation of employees of the Social Security Administration to administer Social Security benefit payments, under any agreement between the United States and Mexico establishing totalization arrangements between the social security system established by Title II of the Social Security Act and the social security system of Mexico, which would not otherwise be payable but for such agreement.

The joint explanatory statement also noted the Administration's request for \$500 million in the FY2008 Supplemental Appropriations request to fund the proposed Mérida Initiative, but stated that the Department of State failed to adequately consult with Congress prior to submitting the budget amendment.

**P.L. 110-53 (H.R. 1), Implementing the 9/11 Commission Recommendations Act of 2007.** Section 701 of P.L. 110-53, signed into law August 3, 2007, requires that the Secretaries of State and Homeland Security, with the Director of National Intelligence, and heads of other relevant agencies, submit a report to Congress, no later than 270 days after the bill's enactment, on the status of U.S. efforts to collaborate with allies and international partners to improve border security, global document security, and to exchange terrorist information. Section 511 of the measure calls for the Secretary of Homeland Security to make it a priority to assign personnel from U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), and the U.S. Coast Guard to regional, state, and local intelligence fusion centers in order to enhance land and maritime border security and to improve dissemination of information amongst the myriad of jurisdictions in border areas.

**P.L. 110-28 (H.R. 2206), U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007.** The bill was signed into law on May 25, 2007. Section 6901 mandates that a pilot program to give Mexican trucks access beyond the border region cannot begin until U.S. trucks have similar access to Mexico. Before a pilot project can begin, the Department of Treasury must meet certain reporting and public notice requirements. The Transportation Department's Inspector General must prepare a report to Congress to verify that the Department of Transportation has established mechanisms to ensure that Mexican trucks comply with U.S. federal motor carrier safety laws. The report must also verify that Mexican trucks meet the safety provisions of P.L. 107-87. The Department of Transportation must also publish a Federal Register notice and allow for public comment on pre-audit inspection data and plans to protect the health and safety of Americans.

**H.Res. 642 (Solis).** The resolution expresses sympathy and support for the people and governments of Central America, the Caribbean, and Mexico for the damage from Hurricanes Felix, Dean, and Henriette. Introduced September 7, 2007. House approved (418-0) September 25, 2007.

**H.Res. 812 (Sanchez, Linda).** The resolution expresses sympathy and pledges the urgent support of the House of Representatives and the people of the United States for the victims of the devastating flooding in southern Mexico. Introduced November 8, 2007. House approved (421-0) November 14, 2007.

## **Additional Legislative Initiatives**

**H.Con.Res. 22 (Goode).** Introduced January 10, 2007, the resolution would express the sense of Congress that the United States should withdraw from NAFTA due to increased trade deficits, and potential health and security risks of permitting Mexican trucks to transport goods throughout the United States.

**H.Con.Res. 40 (Goode).** Introduced January 22, 2007, the resolution would express the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

**H.Con.Res. 119 (Goode).** Introduced April 18, 2007, the resolution would express the sense of the Congress that the President should immediately and unequivocally call for the enforcement of existing immigration laws in order to reduce the threat of a terrorist attack and to reduce the massive influx of illegal aliens into the United States.

**H.Con.Res. 146 (Goode).** Introduced May 9, 2007, the resolution would express the sense of Congress that the Secretary of Transportation may not grant authority to Mexico-domiciled motor carriers to operate beyond the commercial zones of the United States-Mexico border.

**H.Con.Res. 218 (Gresham).** Introduced September 24, 2007, the resolution would express the sense of Congress regarding U.S. immigration and border security laws.

**H.Con.Res. 304 (Barrow).** Introduced February 27, 2008, the resolution would express the sense of Congress that allowing motor carriers domiciled in Mexico to operate in the United States without adequate regulation jeopardizes the safety and security of U.S. citizens.

**H.Res. 18 (Goode) and H.Res. 22 (King, Steve).** H.Res. 18 and H.Res. 22, introduced January 4, 2007 and January 11, 2007, respectively, would express the disapproval of the House of Representatives of the Social Security Totalization Agreement signed by Mexico and the United States in 2004.

**H.Res. 499 (Smith, Lamar) and S.Res. 239 (Sessions).** Introduced June 19, 2007, both resolutions would express the sense of Congress that the Administration should rigorously enforce the laws of the United States to substantially reduce the illegal immigration and greatly improve border security.

**H.Res. 545 (Chabot).** Introduced July 13, 2007, the resolution would express the sense of the House of Representatives regarding the border fence dispute with Mexico.

**H.Res. 696 (Costa).** Introduced October 1, 2007, the resolution would express gratitude for the foreign guest laborers known as Braceros who worked in the United States from 1942 to 1964.

**H.Res. 1087 (Kaptur).** Introduced April 8, 2008, this resolution would express the sense of Congress that NAFTA must be renegotiated to foster fair trade that truly benefits all Canadian, Mexican, and U.S. citizens.

**H.R. 98 (Dreier), Illegal Immigration Enforcement and Social Security Protection Act of 2007.** Introduced January 4, 2007, the bill would seek to curtail the hiring of unauthorized workers by modifying social security cards to include a machine readable strip and the creation of an employment eligibility database by the Department of Homeland Security. Employers would be required to verify potential employee's eligibility to work in the United States before allowing the individual to commence employment. The bill was referred to the House Committees on Judiciary, Homeland Security, Education and Labor, and Ways and Means.

**H.R. 133 (Gallegly), Citizenship Reform Act of 2007.** Introduced January 4, 2007, the bill would deny citizenship to children born in the United States whose parents are not U.S. citizens or permanent residents. This measure would apply to all nationalities, including children born to Mexicans in the United States who are not citizens or permanent residents.

**H.R. 305 (Pearce).** Introduced January 5, 2007, the bill would amend the Immigration and Nationality Act to prohibit the parole into the United States of aliens who become ill at a port of entry or who seek emergency medical assistance from a Department of Homeland Security agent at, or near, the border.

**H.R. 371 (Berman), AgJOBS Act of 2007.** Introduced January 10, 2007, the bill would reform the H-2A, temporary agricultural worker provisions of the Immigration and Nationality Act and create a temporary agricultural worker program, called "blue card," that includes derivative status for spouses and children and allows for eligible blue card holders to adjust status to permanent residents within seven years of the legislation's enactment. While not specific to Mexico, Mexican agricultural workers could potentially benefit from the proposed program.

**H.R. 502 (Cuellar), Prosperous and Secure Neighbor Alliance Act of 2007.** Introduced January 17, 2007, the bill would amend the Foreign Assistance Act of 1961 to provide assistance to improve security and economic development in Mexico by professionalizing its law enforcement personnel, providing personnel with technology, strengthening the judicial branch, supporting anti-corruption programs, and reducing poverty through targeted funding.

**H.R. 1645 (Gutierrez), Security Through Regularized Immigration and a Vibrant Economy Act of 2007.** Introduced March 22, 2007, the bill would normalize the status of eligible illegal immigrants and establish a guest worker program. These programs would not be created until certain border and document security requirements were met and the implementation of the first phase of an employment verification system.

**H.R. 1756 (Hunter), NAFTA Trucking Safety Act of 2007.** Introduced March 29, 2007, the bill would prohibit Mexico-domiciled motor carriers from operating beyond United States municipalities and commercial zones on the United States-Mexico border until certain conditions are met to ensure the safety of such operations. Also see P.L. 110-161 above and H.R. 1773 and H.R. 6630 below.

**H.R. 1773 (Boyda), Safe American Roads Act of 2007.** Introduced March 29, 2007; reported by the House Committee on Transportation May 14, 2007 (H.Rept. 110-47). House passed (411-0) May 15, 2007. The bill would limit the authority of the Secretary of Transportation to grant authority to motor carriers domiciled in Mexico to operate beyond United States municipalities and commercial zones on the United States-Mexico border, except as provided in a three-year pilot program authorized in the bill that may operate under certain conditions. No action was taken by the Senate on this bill. For additional action, see P.L. 110-161 above and H.R. 6630 below.

**H.R. 3270 (Filner), Visitors Interested in Strengthening America (VISA) Act of 2007.** Introduced August 1, 2007, the bill would waive certain entry documentary requirements for a non-immigrant child (unmarried and under the age of 16) who is a citizen or national of Mexico and accompanying parent or adult chaperone in instances of medical visits, student groups, and/or special community events.

**H.R. 3531 (Brown-Waite), Accountability in Enforcing Immigration Laws Act of 2007.** Introduced September 14, 2007, the bill would make illegal immigration a felony as opposed to a violation of administrative law. It would also require select airport security screeners to undergo immigration status checks. It also addresses local and state authority issues, including the reimbursement of state and local jurisdictions for any detention costs of illegal aliens who are apprehended by state or local law enforcement officers, upholding authority of state and local law enforcement personnel to assist in immigration enforcement while carrying out their routine duties, establishing an immigration-related training manual for state and local law enforcement personnel, and providing financial assistance to state and local law enforcement agencies for immigration enforcement assistance. Section 106 would express condemnation of rapes by smugglers along the international land border of the United States and strongly advocates that the Government of Mexico work in coordination with United States Customs and Border Protection to take immediate action to prevent such incidents from occurring. This measure would affect all illegal immigrants present within the United States, including Mexicans.

**H.R. 4065 (Sensenbrenner), Border Enforcement, Employment Verification, and Illegal Immigration Control Act of 2007.** Introduced November 1, 2007, the bill would amend the Immigration and Nationality Act to strengthen enforcement of the immigration laws and enhance border security. It would provide mandatory minimum sentences on smuggling convictions and for aliens convicted of reentry after removal, make illegal U.S. presence a crime, and increase penalties for improper U.S. entry and marriage fraud. It would also revise passport, visa, and immigration fraud provisions and expand the institutional removal program (IRP) to all states. The bill would require the mandatory detention of illegal aliens apprehended along the borders,

create a National Crime Information Center database to list immigration violators, and makes an unlawful alien deportable for driving while intoxicated.

**H.R. 4088 (Shuler), SAVE Act of 2007.** Introduced November 6, 2007, the bill would provide immigration reform by securing America's borders, clarifying and enforcing existing laws, and enabling a practical employer verification program. The bill sets forth provisions for increasing border patrol, recruiting former military personnel, using Department of Defense equipment along the border, aerial surveillance, and mandatory use of the E-verify system.

**H.R. 4192 (Tancredo), Optimizing Visa Entry Rules and Demanding Uniform Enforcement Immigration Reform Act of 2007.** Introduced November 15, 2007, the bill would establish new terms of birth right citizenship to make it unlawful to obtain citizenship or nationality for a person born in the United States unless one parent is a U.S. citizen or a lawful permanent resident. It also provides criminal penalties for unlawful presence in the United States; document, benefit, or citizenship fraud; and for employer hiring violations. Electronic fingerprinting for U.S. passports and electronic birth and death registration systems would also be established. The bill would also address local and state authority issues, which would allow local and state law enforcement personnel to have the inherent authority to apprehend, arrest, detain, or transfer aliens in the United States to federal custody. Most significantly, the bill would eliminate federal reimbursement of emergency health services provided to undocumented aliens after FY2007 and coverage of Mexicans with border crossing cards.

**H.R. 4329 (Kaptur), NAFTA Accountability Act of 2007.** Introduced December 6, 2007, the bill would provide that, unless the specified conditions set forth in the bill are met, Congress would withdraw its approval of the North American Free Trade Agreement (NAFTA) effective October 1, 2009 and that the President, not later than April 1, 2009, would provide written notice of withdrawal to the governments of Canada and Mexico. It also would express the sense of Congress that the President should not engage in negotiations to expand NAFTA to include other countries and that trade promotion authority should not be renewed with respect to the approval of any such NAFTA expansion.

**H.R. 4987 (Jones, Walter B. Jr.), Fence By Certain Date Act of 2008.** Introduced November 16, 2007, the bill would require construction of fencing and security improvements in the border area from the Pacific Ocean to the Gulf of Mexico, which would include the U.S.-Mexican border area. Specifically, it would ensure construction of at least 2 layers of reinforced fencing, and the installation of additional physical barriers, roads, lighting, cameras, and sensors to be completed by May 2008.

**H.R. 5124 (Hunter), Reinstatement of the Secure Fence Act of 2008.** Introduced January 23, 2008, the bill would provide for two-layered 14-foot reinforced fencing along the southwest border.

**H.R. 5568 (Graves), Start Building a Real Fence Act of 2008.** Introduced March 18, 2008, the bill would clarify the requirements for building a physical fence along the southwest border.

**H.R. 5728 (Capito), Border Fence Trust Fund Act of 2008.** Introduced April 8, 2008, the bill would amend the Internal Revenue Code of 1986 to allow individual taxpayers to designate a portion of income taxes to fund the improvement of barriers at the United States border.

**H.R. 5863 (Cuellar); H.R. 5869 (Rodriguez); S. 2867 (Bingaman), Southwest Border Violence Reduction Act of 2008.** H.R. 5863 and H.R. 5869, introduced April 22, 2007, and S. 2867, introduced April 15, 2007, would authorize additional resources to identify and eliminate illicit sources of firearms smuggled into Mexico for use by violent drug trafficking organizations. The bill also would expand the resources provided for the Project Gunrunner initiative of the Bureau of Alcohol, Tobacco, Firearms, and Explosives to identify, investigate, and prosecute individuals involved in the trafficking of firearms across the international border between the United States and Mexico.

**H.R. 6028 (Berman), Merida Initiative to Combat Illicit Narcotics and Reduce Organized Crime Authorization Act of 2008.** Introduced May 13, 2008, the bill would authorize \$1.6 billion over three years, FY2008-FY2010, for both Mexico and Central America, to combat drug trafficking and organized crime. Of that amount, \$1.1 billion would be authorized for Mexico, \$405 million for Central America, and \$73.5 million for activities of the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to reduce the flow of illegal weapons from the United States to Mexico. The measure requires that vetting procedures are in place to ensure that members or units of military or law enforcement agencies that may receive assistance have not been involved in human rights violations. The House approved the bill on June 10, 2008, by a vote of 311 to 106. No Senate action was taken on the bill.

**H.R. 6630 (DeFazio).** Introduced July 29, 2008; reported by the House Committee on Transportation September 9, 2008 (H.Rept. 110-833). The House approved the bill on September 9, 2008 (by a vote of 395 to 18). The bill would prohibit the Department of Transportation from continuing a pilot program granting certain Mexican trucks access to U.S. highways beyond the commercial zone, and would prohibit the Department of Transportation from renewing such a program unless expressly authorized by Congress. No Senate action was taken on the bill.

**S. 9 (Reid), Comprehensive Immigration Reform Act of 2007.** Introduced January 4, 2007, S. 9 would express the sense of Congress that both the House and Senate should pass immigration reform that acknowledges the United States' immigrant heritage, creates more effective border enforcement, prevents illegal immigration, and reforms the legal immigration process.

**S. 132 (Allard), Methamphetamine Trafficking Enforcement Act of 2007.** Introduced January 4, 2007, S. 132 would express the sense of Congress that efforts to reduce the trafficking of methamphetamine and its precursor chemicals should be included in all bilateral and multilateral negotiations of the U.S. Trade Representative, the Secretary of State, the Secretary of Homeland Security, and the Attorney General. Section Four also would express the sense of Congress that the Drug Enforcement Administration should collaborate with law enforcement officials from countries that are known to traffic in methamphetamine and its precursor chemicals and calls for education, training, and information sharing on the international trafficking and use of methamphetamine. Mexico is a leading foreign source of methamphetamine.

**S. 193 (Lugar), Energy Diplomacy and Security Act of 2007.** Introduced January 4, 2007, and reported by the Senate Foreign Relations Committee April 12, 2007 (S.Rept. 110-54), the bill would increase cooperation on energy issues between the U.S. government and foreign governments. This would include a Hemispheric Energy Cooperation Forum to enhance cooperation among major producers and consumers in the hemisphere, including Mexico.

**S. 575 (Domenici) / H.R. 2431 (Cuellar), Border Infrastructure and Technology Modernization Act of 2007.** S. 575 was introduced February 13, 2007, while H.R. 2431 was

introduced May 22, 2007. Each bill includes a provision that would permit funds authorized in the act to be used for the implementation of projects described in the Declaration on Embracing Technology and Cooperation to Promote the Secure and Efficient Flow of People and Commerce across our Shared Border between the United States and Mexico, agreed to March 22, 2002, Monterrey, Mexico (commonly known as the Border Partnership Action Plan). Similar language was incorporated in P.L. 110-161 listed above.

**S. 844 (Feinstein) Unaccompanied Alien Child Protection Act of 2007.** Introduced March 12, 2007, S. 844 would address the care and custody of unaccompanied alien children and directs immigration officers who find such children at U.S. land borders or ports of entry to permit them to withdraw their applications for admission and return to their country of nationality or last habitual residence. In the majority of cases, it gives the Office of Refugee Resettlement at the Department of Health and Human Services (HHS) jurisdiction over the care and custody of those unaccompanied alien children under the age of 18 who have not committed a federal crime or pose a threat to national security.

**S. 1007 (Lugar), United States-Brazil Energy Cooperation Pact of 2007.** Introduced March 28, 2007, and reported by the Senate Foreign Relations Committee September 23, 2008 (without written report), S. 1007 would establish a Western Hemisphere Energy Cooperation Forum to strengthen relationships between the United States and Western Hemisphere countries, particularly the countries of Brazil, Canada, Mexico, and Venezuela, through cooperation on energy issues. Regarding Mexico, the bill would direct the Secretary of Energy to work with Mexico to conduct a technical analysis of the Mexican oil and gas production status, future technological and investment needs, and recommendations for maintaining and increasing hydrocarbon production.

**S. 1216 (Domenici), Laser Visa Extension Act of 2007.** Introduced April 25, 2007, the bill would permit a national of Mexico to travel up to 100 miles from the international border between Mexico and New Mexico if the person possesses a valid machine-readable biometric border crossing identification card issued by a Department of State consular officer, enters New Mexico through a port of entry where such card is processed using a machine reader, has successfully completed any required background check, and is admitted into the United States as a nonimmigrant tourist or business visitor.

**S. 1269 (Inhofe), Engaging the Nation to Fight for Our Right to Control Entry Act of 2007.** Introduced May 2, 2007, the bill would direct the Commissioner of the United States Customs and Border Protection (USCBP) to establish a National Border Neighborhood Watch Program to allow retired law enforcement officers and civilian volunteers to assist in carrying out such a program and establish a Border Regiment Assisting in Valuable Enforcement Force (BRAVE Force), which would consist of retired law enforcement officers, who would be employed to carry out the Program.

**S. 1348 (Reid), Comprehensive Immigration Reform Act of 2007.** Introduced May 4, 2007, the bill would significantly reform the U.S. immigration system. The measure would establish a temporary worker program; normalize the status of illegal immigrants; reduce the backlog of pending family- and employment-based immigration petitions; enhance border security; and introduce a point-based immigration system to replace the current emphasis on family reunification. It would call for increased cooperation between the United States, Canada, and Mexico to improve security in North America. It would require annual reports to Congress on the status of information sharing between the United States, Mexico, and Canada in areas such as

security clearances and document integrity; visa policy; terror watch lists; and money laundering. It would seek to improve the security of Mexico's southern border through a review of assistance needed to secure the borders of Guatemala and Belize. The bill also would call for improved coordination between the United States and Mexico to improve border security and to reduce: drug trafficking, human trafficking, gang membership, domestic violence, and crime. A provision in the bill would improve circular migration between Mexico and the United States; this could include development assistance to create employment opportunities in Mexico. In June 2007, the U.S. Senate voted against cloture on S. 1348. The measure was not considered after that vote.

**S. 2348 (Cornyn), Emergency Border Security Funding Act of 2007.** Introduced November 13, 2007, the bill would direct the President, no later than two years after enactment of the bill, to ensure that operational control of the U.S.-Mexico border will be met, the Border Patrol will have 23,000 full-time agents, specified barriers will be installed along such border, and specified detention capacities will be met.

**S. 2712 (DeMint), Complete the Fence Act.** Introduced March 5, 2008, the bill would require the Secretary of Homeland Security to complete at least 700 miles of reinforce fencing along the southwest border by December 31, 2010.

**S. 3235 (Vitter).** Introduced July 9, 2008, the bill would reduce the amount of financial assistance provided to the government of Mexico in response to the illegal border crossing from Mexico into the United States.

**S. 3288 (Leahy), FY2009 State Department, Foreign Operations, and Related Programs Appropriations Act.** Introduced and reported by the Senate Appropriations Committee (S.Rept. 110-425) July 18, 2008. The bill would provide not more than \$300 million in INCLE and ESF assistance for Mexico only to combat drug trafficking and related violence and organized crime, and for judicial reform, institution building, anti-corruption, and rule of law activities, of which not less than \$35,000,000 shall be for judicial reform, institution building, anti-corruption, and rule of law activities. The bill would provide conditions on the assistance as set forth in P.L. 110-252 that funded the first year of the Mérida Initiative.

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