

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is overlaid on the hourglass.

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Report RL32724

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

Mark P. Sullivan, Specialist in Latin American Affairs; June S. Beittel, Analyst in Latin American Affairs

December 18, 2008

**Abstract.** The 111th Congress will likely maintain an active interest in Mexico with myriad counternarcotics, migration, trade, and border issues dominating the agenda. Comprehensive immigration reform was debated early in the 110th Congress, but the issue was put aside following a failed cloture motion in the Senate on the Comprehensive Immigration Reform Act of 2007 (S. 1348). Immigration reform efforts once again could be considered in the 111th Congress.

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**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## 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 tripled. Bilateral relations are generally friendly, although the U.S. enactment of border fence legislation in 2006 caused some tension in the relationship. Under the Bush Administration, the United States launched initiatives to combat drug trafficking, augment border security, and combat human smuggling.

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 to the United States. In October 2007, the United States and Mexico proposed the Mérida Initiative to combat drug trafficking, gangs, and organized crime in Mexico and Central America. In legislative action in June 2008 on H.R. 2642 (P.L. 110-252), Congress appropriated \$400 million for Mexico—\$352 million in FY2008 supplemental assistance and \$48 million in FY2009 bridge fund supplemental assistance.

Shortly after taking office in December 2006, President Felipe Calderón launched operations against Mexican drug cartels. He has sent thousands of soldiers and federal police to drug trafficking “hot-spots,” and is contending with an escalation of drug violence throughout the country. Calderón has increased extraditions to the United States, and has demonstrated an unprecedented willingness to reach out for counternarcotics assistance from the United States while also calling for increased U.S. efforts on weapons trafficking to Mexico and a reduction in the U.S. demand for illicit drugs.

In his first two years in office, President Calderón secured approval of several major reforms, including fiscal and pension reforms in 2007, and judicial and energy reforms in 2008. An unexpected challenge for Calderón is the effect of the recent global financial crisis on the Mexican economy, which already has led to a decline in the stock market and the value of the peso.

The 111<sup>th</sup> Congress will likely maintain an active interest in Mexico with myriad counternarcotics, migration, trade, and border issues dominating the agenda. Comprehensive immigration reform was debated early in the 110<sup>th</sup> Congress, but the issue was put aside following a failed cloture motion in the Senate on the Comprehensive Immigration Reform Act of 2007 (S. 1348). Immigration reform efforts once again could be considered in the 111<sup>th</sup> Congress.

For additional information, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal; CRS Report RS22837, *Merida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Colleen W. Cook and Clare Ribando Seelke; and CRS Report RL34742, *The U.S. Financial Crisis: The Global Dimension with Implications for U.S. Policy*, coordinated by Dick K. Nanto.

# Contents

Recent Developments.....	1
Background on Mexico .....	3
Political Developments .....	3
Economic Conditions.....	5
Global Financial Crisis .....	6
Remittances.....	7
Foreign Policy Challenges .....	7
Mexican-U.S. Relations.....	8
U.S. Assistance to Mexico .....	9
Drug Trafficking Issues.....	10
Mérida Initiative .....	12
Migration.....	14
Border Issues.....	15
Human Smuggling .....	15
Border Security.....	16
Security and Prosperity Partnership.....	17
Weapons Trafficking .....	18
Trade Issues.....	19
Functioning of NAFTA Institutions .....	19
Recent Trade Disputes .....	19
Salmonella Outbreak.....	23
Political and Human Rights Issues.....	23
Concerns over Elections and Political Rights.....	23
Human Rights .....	24
Legislation and Legislative Initiatives in the 110 <sup>th</sup> Congress.....	26
Enacted Legislation and Approved Resolutions.....	26
Additional Legislative Initiatives .....	28
For Additional Reading .....	34
Mexico .....	34
Economic Issues.....	35
Immigration and Border Security.....	35
Drug Trafficking, Organized Crime, and Criminal Gangs .....	36

## Tables

Table 1. U.S. Assistance to Mexico FY2005-FY2009 .....	9
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## Contacts

Author Contact Information .....	36
Acknowledgments.....	36

## Recent Developments

On December 8, 2008, Mexico's Attorney General Eduardo Medina Mora announced that 5,376 people had been killed by drug violence in the first 11 months of 2008, more than double the number killed in the same period in 2007.

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 (INCLE) foreign aid funding account, and will fund equipment, technology, and training programs. More than \$136 million under the Mérida Initiative from the Foreign Military Financing (FMF) and Economic Support Funds (ESF) accounts was already being used to support the antidrug and anticrime program. (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. The crisis is having a significant effect on the Mexican economy, with a drop in the value of the peso and the Mexican stock market declining over 30%. The decline in oil prices is a major setback for Mexico, which has depended on oil proceeds for over one third of government revenue. The economic slowdown in the United States will affect U.S. demand for imports from Mexico, which is highly dependent on the United States as an export market. (See "Global Financial Crisis" below.)

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 Transformation 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 the 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.

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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.

## Background on Mexico

### Political Developments

Felipe Calderón of the conservative National Action Party (PAN) won the July 2006 presidential elections in an extremely tight race, defeating Andrés López Obrador of the center-left Democratic Revolution Party (PRD) by less than 1% of the vote. He succeeded Vicente Fox, also from the PAN, who in 2000 became the first opposition presidential candidate to defeat the long-ruling center-left Institutional Revolutionary Party (PRI). Calderón was sworn to a 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 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 to advance his legislative agenda, although that might prove more difficult in the lead up to mid-term congressional elections in July 2009. Since Calderón's election, the PRI has fared well in state and municipal elections around the country. Some observers view the next congressional elections as a contest between the PAN and the PRI to secure the largest number of seats in the Chamber of Deputies. Since the 2006 elections, the PRD has suffered from deep internal divisions that code erode its chances for support in the 2009 congressional elections.<sup>1</sup>

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 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

<sup>1</sup> "Mexico Politics: Outlook—Preparing for Mid-Congressional Election," *EIU ViewsWire*, November 10, 2008.

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 also has made combating drug cartels 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 drug cartels 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 drug cartels have been launching attacks on each other, as well as on Mexican military and police. This heightened violence is posing a serious challenge for Mexico's security forces. In the first 11 months of 2008, drug violence had claimed 5,376 lives, more than double the same period in 2007, according to Mexico's Attorney General Eduardo Medina Mora.<sup>2</sup> Police and military frequently are targeted by drug traffickers, with more than 500 security officials slain since Mexico began its crackdown in late 2006.<sup>3</sup>

Kidnapping for money has also increased significantly in Mexico. While official statistics show that about 72 people are kidnapped monthly, the actual figure is reportedly far higher, and some 60 kidnapping victims have been killed over the past two years.<sup>4</sup> 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>5</sup> In late October, a five-year-old boy, the son of a poor family, was kidnapped from a Mexico City market and then killed by injecting acid into his heart.<sup>6</sup> On December 10, 2008, an American anti-kidnapping negotiator, Felix Batista, was abducted in Saltillo, the capital of the border state of Coahuila.

President Calderón has proposed a number of measures to counter the wave of crime and kidnappings. These include separate prisons for kidnapers, anti-abduction squads, a reward system for the capture of criminals, and a national database for cellphones to track those used in crime.<sup>7</sup> In early August 2008, he urged Congress to pass a bill that would impose life sentences for kidnapers in certain cases.<sup>8</sup>

Instances of corruption of law enforcement and government officials have also been a significant problem that has made the campaign against drug cartels more difficult. In late October 2008, an elite unit within the federal Attorney General's office known as SIEDO was implicated in a

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<sup>2</sup> Sara Miller Llana, "Mexico's War on Drugs Leaving Many Dead," *Christian Science Monitor*, December 11, 2008; "Mexico Admits Murder Rate to Rise," *LatinNews Daily*, December 9, 2008.

<sup>3</sup> Ken Ellingwood, "Mexico Under Siege: Attacks on Police Continue Amid Crackdown on Drugs," *Los Angeles Times*, November 4, 2008.

<sup>4</sup> William Booth, "Mexico Kidnapping Death Stokes Outrage," *Washington Post*, December 14, 2008.

<sup>5</sup> Ken Ellingwood, "In Mexico, A Bounty on Every Head," *Los Angeles Times*, September 1, 2008.

<sup>6</sup> "Killing of 5-Year-Old Kidnapped from Market Shocks Mexico," *New York Times*, November 4, 2008.

<sup>7</sup> Jose de Cordoba and David Luhnnow, "Calderon Proposes Steps to Fight Mexico's Crime," *Wall Street Journal*, August 22, 2008.

<sup>8</sup> Laurence Iliff, "Mexican President Seeks Life for Some Kidnappers," *Dallas Morning News*, August 8, 2008.



scandal involving payoffs for sensitive information about antidrug activities, with at least 35 officials and agents fired or arrested.<sup>9</sup> In August 2008, six members of SIEDO had been arrested on suspicion of leaking information to drug traffickers. In November 2008, the former head of SIEDO, Noe Ramirez Mandujano, was arrested and accused of 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.

## Economic Conditions<sup>10</sup>

Mexico is a middle-income country of approximately 107 million people. 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>11</sup>

Mexico's main program to reduce the effects of poverty is the Opportunities program (Oportunidades, 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 is the second leading market for U.S. exports after Canada, and is the third most important source of U.S. imports after Canada and China. 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.

Mexico's economy is strongly affected by the U.S. business cycle. The economy grew 4.8% 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 3.2% in 2007. Slower growth of 2.3 % was already anticipated for 2008 due to declining demand in the United States, declining oil production, and slow growth in remittances sent by Mexicans abroad, but the global financial crisis further reduced the 2008 growth forecast to 1.8%.<sup>12</sup> After years of high growth, remittances only grew by 1% in 2007 to just under \$24 billion, possibly due to slower growth in the U.S. economy. In 2008, remittances declined in August and September, but

<sup>9</sup> Tracy Wilkinson, "Mexico Under Siege: Elite Police Tainted by Drug Gang," *Los Angeles Times*, October 28, 2008.

<sup>10</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.

<sup>11</sup> U.N. Economic Commission for Latin America and the Caribbean, *Social Panorama 2007*.

<sup>12</sup> Economist Intelligence Unit. "Country Report: Mexico," December 2008.

increased in October as Mexicans took advantage of the strengthening dollar to send more money to their relatives. For 2008 overall, the Inter-American Development Bank expects remittances to Mexico to decrease by 1% from 2007.<sup>13</sup>

## Global Financial Crisis

The global economic crisis is having a significant effect on the Mexican economy. 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% as of mid-November 2008. 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. The decline in U.S. demand for imports from Mexico resulting from the U.S. economic slowdown will have an impact on the Mexican economy because of its dependence on the United States as an export market. As noted above, economic growth already is slowing, and remittances from Mexicans living in the United States have declined. Unemployment is likely to increase, which could increase pressure for Mexicans to migrate. An economic slowdown in Mexico also might strain the government's progress in reducing poverty.

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 value of the Mexican peso has declined by about one-fifth since August 2008, although more recently has seen some improvement. 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. (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.) The government has 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>14</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>15</sup>

President Calderón participated in the G-20 summit on the financial crisis in Washington on November 15-16, 2008. Mexico joined Brazil and Argentina as the only Latin American countries to take part in the summit. President Calderón maintains that the global financial system should be reformed to give developing nations a greater role in the international financial institutions like the International Monetary Fund (IMF). According to Calderón, these institutions have been practically absent during the financial crisis, and should be more agile in their response.<sup>16</sup>

<sup>13</sup> Miriam Jordan, "World News: Remittances Abroad Hold Steady," *Wall Street Journal*, December 11, 2008.

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

<sup>15</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>16</sup> "Mexico's Pres: G20 Should Look to Reform Global Financial System," *Dow Jones International News*, November 13, 2008.

## Remittances

Remittances are often discussed as a potential tool to combat poverty. Mexico is the third leading recipient of remittances after India and China, accounting for just over 11% of global remittance flows in 2007.<sup>17</sup> Its nationals received \$23 billion in 2006 and just under \$24 billion in 2007. While Mexico receives the largest amount of remittances in Latin America, it is a comparatively small share of Mexican national income, accounting for about 3% of Mexico's GDP in 2007.<sup>18</sup> As noted above, the rate of remittance growth slowed to just 1% in 2007, far less than average annual increase of 19% from 2003 through 2006, and is expected to decline 1% in 2008.

The pattern of remittance flows to Mexico suggests potential limitations to the use of remittances to reduce poverty and inequality. Mexican states receiving the most remittances are those with traditionally high rates of migration, which do not represent the poorest states in Mexico. In 2006, roughly 55% of remittances sent to Mexico went to 7 of Mexico's 32 states. These states are Michoacán, Guanajuato, Jalisco, Mexico, the Federal District, Veracruz, and Puebla. The impoverished states of Oaxaca, Guerrero, and Chiapas received less than 14% of remittances sent to Mexico in the first half of 2007.

The effect of remittances on poverty in Mexico remains unclear, though there is evidence to suggest that remittances improve household income. It is estimated that 80%-90% of remittances in Mexico are used to cover consumer needs, including food and utilities. Another 10% is spent on investment, most likely housing. Home town associations (HTAs) from the state of Zacatecas pioneered efforts to increase the development impact of remittances. Beginning in 1993, the state of Zacatecas and the Mexican federal government agreed to allocate one dollar for every dollar Zacatecan HTAs spend on local development programs. In 1999, municipal governments agreed to match donations dollar for dollar, making what is now known as the "3-for-1" program, which triples HTA donations. President Fox extended the program nationwide in 2002. Through 2005, HTAs, municipal, state, and federal governments spent \$230 million on 5,000 local development projects in partnership with HTAs.<sup>19</sup> While this is a significant amount of money, it amounts to just 1% of remittances sent to Mexico in 2006. U.S. assistance to improve Mexico's financial sector, administered by USAID, includes small grants to help microfinance institutions increase products and services, including remittance-related services.

## 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 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

<sup>17</sup> World Bank, *Migration and Remittances Factbook 2008*.

<sup>18</sup> Inter-American Development Bank, "Remittances in 2007, A Bend in the Road, or a New Direction?" March 2008.

<sup>19</sup> Richard Lapper, "Village Depends on its Migrants in California," *Financial Times*, May 9, 2007.

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>20</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 are the clearest indications of the close and increasing relationships between the countries.

President Fox (2000-2006) encouraged strong relations with the United States, and he called for greater cooperation under NAFTA and for a bilateral migration agreement that would regularize the status of undocumented Mexicans in the United States. 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. (See “Migration”/“Border Issues” below for more detail.)

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 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

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

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>21</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 \$1.1 billion U.S. assistance effort announced in October 2007 to combat drug trafficking and organized crime.

## 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 recently 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 \$65.4 million in FY2007 to an estimated \$402.6 million for FY2008.

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 (see **Table 1**). The FY2008 supplemental funding measure also provided \$48 million in FY2009 bridge fund supplemental assistance for Mexico. For FY2009, the Administration requested a total of \$501 million for Mexico, including \$450 million in funding for the Mérida Initiative. At the end of September 2008, Congress approved a continuing resolution (P.L. 110-329) providing FY2009 foreign aid funding through March 6, 2009 at FY2008 levels. Since the initial pot of Mérida Initiative funding in FY2008 was provided through a supplemental assistance measure rather than the regular FY2008 foreign aid funding measure, the continuing resolution does not fund the Mérida Initiative for FY2009. Rather, it funds only assistance programs that had been included in the regular FY2008 foreign aid funding measure. (Also see “Mérida Initiative” below).

**Table 1. U.S. Assistance to Mexico FY2005-FY2009**

Account	FY2005	FY2006	FY2007	FY2008 (Est.)	FY2008 Supp. (Est.) P.L. 110-252	FY2009 Suppl (Est.) P.L. 110-252	FY2009 (Req.)
<b>CSH</b>	3.23	3.99	3.72	2.68	—	—	2.50
<b>DA</b>	15.06	11.36	12.28	8.22	—	—	14.00
<b>ESF</b>	13.39	11.39	11.35	11.90	20.00	—	—
<b>FMF</b>	—	—	—	—	116.50	—	2.00
<b>IMET</b>	1.25	.01	.06	.37	—	—	.83

<sup>21</sup> “Bush Reassures Skeptical Mexico on Immigration,” *Reuters*, March 13, 2007.

Account	FY2005	FY2006	FY2007	FY2008 (Est.)	FY2008 Suppl. (Est.) P.L. 110-252	FY2009 Suppl (Est.) P.L 110-252	FY2009 (Req.)
<b>INCLE</b>	39.68	39.60	36.68	26.55	215.50	48.00	477.82
<b>NADR</b>	.29	.63	1.30	.92	—	—	3.85
<b>TOTAL</b>	<b>72.9</b>	<b>66.98</b>	<b>65.39</b>	<b>50.64</b>	<b>352.00</b>	<b>48.00</b>	<b>501.00</b>

**Sources:** U.S. Department of State, Congressional Budget Justification for Foreign Operations FY2007-FY2009; and U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic.

#### Accounts

<b>CSH</b>	Child Survival and Health
<b>DA</b>	Development Assistance
<b>ESF</b>	Economic Support Fund
<b>FMF</b>	Foreign Military Financing
<b>IMET</b>	International Military Education and Training
<b>INCLE</b>	International Narcotics Control and Law Enforcement
<b>NADR</b>	Non-proliferation, Anti-terrorism, Demining and Related Programs

## Drug Trafficking Issues

Mexico remains a major supplier of heroin, methamphetamine, and marijuana, as well as the major transit point for cocaine sold in the United States. Although U.S.-Mexico counternarcotics efforts have been marked by distrust at times in the past, 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, relations improved during the Fox administration (2000-2006), and cooperation has continued under President Calderón.

Reforms to the drug certification process enacted in September 2002 have helped improve bilateral relations on drug cooperation. The revised procedures require the President to make a report, not later than September 15 of each year, identifying the major drug transit or major illicit drug producing countries. At the same time, the President is required to designate any of the named countries that has “failed demonstrably,” during the previous 12 months, to make substantial efforts to adhere to international counter-narcotics agreements (defined in the legislation) and to take other counter-narcotics measures.<sup>22</sup>

<sup>22</sup> U.S. assistance would be withheld from any designated countries unless the President determines that the provision of assistance to that country is vital to the national interest of the United States or that the designated country subsequently made substantial counter-narcotics efforts. Notwithstanding the general suspension of the previous drug certification and sanctions procedures, subsection 706(5)(B) provides that the President may apply those procedures at his discretion. A transition rule provides that for FY2003, the required report was to be submitted at least 15 days before foreign assistance funds are obligated or expended.

In the late 1990s, Congress acted to strengthen Border Patrol and international interdiction efforts along the Southwest border, and it passed the Foreign Narcotics Kingpin Designation Act (P.L. 106-120), which strengthened the President's authority under the International Emergency Economic Powers Act (IEEPA) to block the assets in the United States of designated international drug traffickers.<sup>23</sup>

According to the State Department's March 2008 International Narcotics Control Strategy Report (INCSR), Mexico is a major foreign supplier of marijuana and methamphetamine to the United States, and although it accounts for only a small share of worldwide heroin production, it is a major supplier of heroin consumed in the United States. The State Department estimates that 90% of cocaine entering the United States transits Mexico. Despite Mexico's major role as a producing and transit country in 2007, the Calderón Administration was credited with carrying out unprecedented efforts to eradicate and seize illicit drugs. Mexican authorities seized more than twice the amount of cocaine in 2007 than it did in 2006 and over \$200 million in cash from a methamphetamine precursor operation. The report praised the Mexican government for its efforts to implement regulations that will ban the import of products containing methamphetamine precursors in 2008 and will ban the commercial sale of products containing methamphetamine precursors in 2009.<sup>24</sup>

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 have 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>25</sup> That decision made the extradition process easier. President Calderón has indicated that he will use extradition as a major tool to combat drug traffickers. In 2007, Mexico extradited a record 83 alleged criminals to the United States, including the alleged head of the Gulf Cartel, Osiel Cárdenas. These extraditions surpassed a record 63 extraditions in 2006. In the first 11 months of 2008, Mexico extradited about 70 suspects to the United States, while 51 more cases reportedly are awaiting approval by Mexican judges.<sup>26</sup>

Counternarcotics cooperation improved significantly during the Fox administration, and combating drug cartels has become a priority of the Calderón administration. In December 2007, President Calderón reorganized the two federal police agencies—the Federal Investigations Agency (AFI) and Federal Preventative Police (PFP)—by placing them under a single commander. Shortly after taking office, President Calderón launched offensives against drug cartels and drug violence in several states. Since December 2006, the Mexican government has thousands of soldiers and federal police to combat cartels in drug trafficking “hot-spots.” Soldiers

<sup>23</sup> See CRS Report 98-174, *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2002*, by K. Larry Storrs.

<sup>24</sup> Department of State Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 2008*, March 2008, hereafter INCSR 2008.

<sup>25</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>26</sup> Ken Ellingwood, “Mexico Under Siege; Drug Trafficking Suspects Extradited at Record Pace,” *Los Angeles Times*, November 30, 2008.

and law enforcement officials have been tasked with arresting traffickers, establishing check points, burning marijuana and opium plants, and interdicting drug shipments along the Mexican coast. Some have expressed concerns about the militarization of Mexican law enforcement. The Calderón Administration, however, maintains that it must use the military due to the corruption of state and local police by the cartels. Additionally, a high-ranking member of the Mexican armed forces has stated that the military has to be involved in fighting drug traffickers because the police force cannot compete with the type of heavy weaponry that the drug cartels are now using.<sup>27</sup>

### Mérida Initiative<sup>28</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, drug cartels, and criminal gangs. The Administration requested \$500 million for Mexico (and \$50 million for Central American countries) in a FY2008 supplemental appropriations request. In the FY2009 foreign aid request, the Administration requested another \$450 million for Mexico under the Mérida Initiative (and \$100 million for Central American countries).

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>29</sup> The joint statement highlights current 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.

All proposed funding for the Mérida Initiative was designated for the INCLE account, administered by the Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL). There were four categories of assistance in the Mérida Initiative request. The largest category for “Counternarcotics, Counterterrorism, and Border Security” would fund equipment and technology infrastructure improvements for the Mexican military and law enforcement agencies. The category of “Public Security and Law Enforcement” would fund such items as inspection scanners, x-ray ions, computer equipment, and security equipment. A third category would fund “Institution Building and Rule of Law” projects, while the final category of assistance would fund program support.

<sup>27</sup> U.S. Government Printing Office, “The Mérida Initiative: Guns, Drugs, and Friends,” Minority Staff Report to Senate Committee on Foreign Relations, United States Senate, December 21, 2007.

<sup>28</sup> For additional information, see CRS Report RS22837, *Merida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Colleen W. Cook and Clare Ribando Seelke. For more on the Central American components of the Mérida Initiative, see CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

<sup>29</sup> U.S. Department of State and Government of Mexico, “Joint Statement on the Merida Initiative,” October 22, 2007.



## Legislative Action

In late June 2008 legislative action on the Mérida Initiative in H.R. 2642 (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 (See **Table 1**). 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.

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. 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.

In P.L. 110-252, 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:

- improving transparency and accountability of federal police forces;
- establishing a mechanism for 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.

In other legislative action, on June 10, 2008, the House approved authorization legislation for the Mérida Initiative, H.R. 6028, that would authorize \$1.6 billion over three years, FY2008-FY2010, for both Mexico and Central America, \$200 million more than originally proposed by President Bush. Of that amount, \$1.1 billion would be authorized for Mexico, 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. Among the bill's various conditions on providing the assistance, the measure would require that vetting procedures were 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 Senate has not taken action on the measure.

## 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>30</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, estimated at \$24 billion in 2007.

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 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>31</sup>

In June 2007, the U.S. Senate voted against cloture on the Comprehensive Immigration Reform Act of 2007 (S. 1348). The measure has not been considered since 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 and is cautiously watching debate on this measure. Immigration reform legislation 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 have been introduced in the 110<sup>th</sup> Congress. (See ““Legislation and Legislative Initiatives in the 110<sup>th</sup> Congress” below for more detail.)

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

<sup>30</sup> Pew Hispanic Center, *Trends in Undocumented Immigration: Undocumented Inflow Now Trails Legal Inflow*, by Jeffrey Passel and D’Vera Cohn, October 2, 2008. For more detail and comparisons with earlier years, see CRS Report RS21938, *Unauthorized Aliens in the United States: Estimates Since 1986*, by Ruth Ellen Wasem.

<sup>31</sup> “Mexico-U.S.: Migration and Border Security,” Embassy of Mexico, February 2006.

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>32</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. Both measures aimed to reduce the attractiveness of immigration by restricting the eligibility of aliens for federal programs.<sup>33</sup>

The 109<sup>th</sup> Congress had considered competing measures for comprehensive immigration reform and increased border security, including the enactment of the Secure Fence Act of 2006 which authorized construction of barriers along 700 miles of the U.S. border with Mexico. Mexico has stated that the border fence will cause difficulties in the bilateral relationship and goes against the trend of increased cooperation on border security matters. The 109<sup>th</sup> Congress did not enact comprehensive immigration reform because of disagreement over key provisions of House and Senate proposals.

## Border Issues

The United States has launched a number of initiatives in recent years to improve border security, combat human and weapons trafficking, and improve the economic competitiveness of NAFTA countries.

## Human Smuggling

The Operation Against Smuggling Initiative on Safety and Security (OASISS) is a bilateral effort to combat human smuggling established in August 2005. The program 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. From its inception through FY2007, OASISS has led to the prosecution of 660 individuals in Mexico on smuggling or trafficking charges. Over 300 individuals were presented for prosecution in Mexico during FY2007.<sup>34</sup>

In October 2007, U.S. Customs and Border Protection announced the creation of “Operation Lifeguard,” an extension of OASISS in the El Paso Border Patrol Sector. The objectives of the

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<sup>32</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>33</sup> See CRS Report 95-881, *Immigration Legislation in the 104<sup>th</sup> Congress*, by Joyce Vialet.

<sup>34</sup> U.S. Customs and Border Protection, “Securing America’s Borders: CBP 2007 Fiscal Year in Review,” November 6, 2007.

operation are to reduce migrant deaths and prosecute human smugglers. In FY2007, migrant deaths fell 24% in the El Paso sector, from 33 to 25.<sup>35</sup>

## Border Security

U.S. and Mexican authorities are also increasing joint efforts to combat crime and increase border security. In 2004, the two countries signed the U.S.-Mexico Action Plan for Cooperation and Border Safety, as well as a Memorandum of Understanding on the Safe, Orderly, Dignified and Humane Repatriation of Mexican Nationals. In April 2006, the U.S. Consul to Nuevo Laredo, Tamaulipas and the Mexican Consul to Laredo, Texas announced a joint-effort to increase cooperation among the police forces to more effectively combat crime in the Laredos. U.S. and Mexican border governors announced plans to share crime data in August 2006. The Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) program, first initiated in 1995, has expanded in recent years to include 16 lanes at the nine largest ports of entry along the U.S.-Mexico border.

In November 2005, Homeland Security Secretary Chertoff launched the Secure Border Initiative (SBI), a multi-year plan to secure U.S. borders, reduce illegal immigration, and work toward the implementation of a viable temporary worker program. The Department of Homeland Security planned to achieve these objectives through increased detention and removal, including an end to the "catch and release" of illegal immigrants; increased personnel at borders and ports of entry; increased enforcement of immigration laws in the U.S. interior, including worksite inspections; technological upgrades to assist in border enforcement; and improved infrastructure. DHS submitted its SBI strategic plan to Congress in November 2006, including estimates of the cost of the technology and infrastructure component referred to as SBInet. DHS indicated that SBInet will allow the Department to gain operational control of the U.S. southern border by 2011 and would cost an estimated \$7.6 billion.

Congress has been critical of the progress of the SBI program, and Project 28, a program to implement a virtual fence that would secure 28 miles of the U.S.-Mexico border in southern Arizona. Project 28 was due to be completed in mid-2007, but the \$20 million project faced technological setbacks. The GAO testified in an October 24, 2007 hearing before the House Homeland Security Committee that the camera technology was too sensitive and that it misinterpreted items such as moving shrubs as border crossers.<sup>36</sup> In February 2008, the Bush Administration announced further delays in Project 28. The design of the project reportedly was not compatible with Border Patrol needs, and in April 2008, Department of Homeland Security officials announced that a large amount of the P-28 system would be replaced by new equipment and software. This delayed progress of SBInet, which aimed to put a virtual fence along 100 miles of the U.S.-Mexico border by the end of 2008. In May 2008, a CBP spokesman said that the first phase of P-28 would be finalized with the installation of permanent surveillance towers, which would replace nine temporary towers.

Delays in Project 28 have prompted some Members to question the Department of Homeland Security's ability to secure some 670 miles of the Southwest border by December 2008.<sup>37</sup> As of

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<sup>35</sup> U.S. Customs and Border Protection, "U.S. Border Patrol Partners with Agencies to Unveil Operation Lifeguard," October 17, 2007.

<sup>36</sup> Elise Castelli, "Glitches Delay Virtual Fence on Border," *Federal Times*, October 29, 2007.

<sup>37</sup> Ibid; Spencer S. Hsu, "Virtual Fence Along Border to be Delayed," *Washington Post*, February 28, 2008; "Secure (continued...)"

October 2008, DHS had completed 216 miles of pedestrian fence and 154 miles along the Southwest border as part of SBI, short of the proposed plan to complete 370 miles of pedestrian fence and 300 miles of vehicle fence by the end of 2008. In September 2008, DHS officials asked for a reprogramming of \$400 million in FY2008 funds (initially allocated to the development and deployment of the virtual fence) to help spur construction of the 670 miles of pedestrian and vehicle fence. With the infusion of funding, DHS has moved quickly to make headway in completing the fence. As of December 18, 2008, 278 miles of pedestrian fence and 248 miles of vehicle fence were completed.<sup>38</sup> DHS Secretary Michael Chertoff says that a total of 600 miles should be completed by the time the Obama Administration takes office.<sup>39</sup>

### Security and Prosperity Partnership<sup>40</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 operationalize this partnership, 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>41</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.

(...continued)

Border Initiative to Adjust—Not Terminate,” *Penton Business Media*, May 1, 2008; and Congressional Testimony of John P. Hutton, US Government Accountability Office, before the House Committee on Homeland Security, May 8, 2008.

<sup>38</sup> U.S. Department of Homeland Security, “Southwest Border Fence,” December 18, 2008, available at [<http://www.dhs.gov/xprevprot/programs/border-fence-southwest.shtm>]

<sup>39</sup> “U.S. Mexican Border Fence Hits 500-Mile Mark,” *Associated Press Newswires*, December 16, 2008

<sup>40</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.

<sup>41</sup> For more information, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

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>42</sup> The next SPP leaders' meeting is scheduled to be hosted in Mexico in 2009.

## Weapons Trafficking

The Bureau of Alcohol, Tobacco, and Firearms (ATF) began a program in FY2006 dubbed Project Gunrunner to increase its resources at the Southwest border with Mexico. The initiative has the goals of denying firearms to criminal organizations in Mexico and along the border, and combating firearms-related violence affecting communities on both sides of the border. As part of the initiative, ATF has dedicated some 100 special agents and 25 industry operations investigators to the Southwest border, and has deployed eTrace firearms tracking technology to U.S. Consulates in Mexico.<sup>43</sup>

U.S. officials maintain that 90%-95% of the guns used in Mexico's drug violence have been traced to the United States.<sup>44</sup> In early November 2008, the Mexican government announced that it made the largest seizure of drug-cartel weapons in Mexican history when it discovered a cache of 540 rifles, 165 grenades, 500,000 rounds of ammunition, and 14 sticks of TNT at a house in the city of Reynosa, Mexico, across the border from McAllen, Texas.<sup>45</sup>

President Calderón and other Mexican officials have been vocal about pressing the United States to do more to curb the flow of guns into Mexico. In June 2008, the House approved legislation authorizing assistance for the Mérida Initiative (discussed above) that would include \$73.5 million for ATF activities from FY2008 through FY2010 to reduce the flow of illegal weapons from the United States to Mexico. No action was taken on the measure by the Senate.<sup>46</sup>

<sup>42</sup> "Joint Statement by President Bush, and President Calderón, and Prime Minister Harper" April 22, 2008.

<sup>43</sup> U.S. Embassy, Mexico, "Border and Law Enforcement, Project Gunrunner," ATF Factsheet, available at [<http://www.usembassy-mexico.gov/eng/texts/et080116eTrace.html>]

<sup>44</sup> "Washington Watch," *LatinNews Daily*, August 14, 2008; and Randal C. Archibold, "2-Nation Border Conference Discusses Gun Trafficking," *New York Times*, August 16, 2008.

<sup>45</sup> "Mexico: Army Seizes Huge Weapons Cache," *Los Angeles Times*, November 8, 2008.

<sup>46</sup> For information 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.

## Trade Issues<sup>47</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 tripled from \$82 billion in 1993 to a high of \$347 billion in 2007, but the balance of U.S. trade with Mexico has shifted from a surplus of \$1.3 billion in 1994 to a generally growing deficit of \$74.3 billion in 2007 (exports of \$136.5 billion; imports of \$210.8 billion). High oil prices and growth in the factory sector explain much of the increase in the trade deficit. This change in the trade balance caused some Members of Congress to question the benefits of NAFTA. Despite the deficit, Mexico is one of the fastest growing export markets for the United States in recent years, and it became the second most important trading partner after Canada in 1999.

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 are being eliminated over a 15-year period, with most restrictions eliminated in the early years of the agreement. Over the years, spokesmen from the Clinton and Bush Administrations have argued that NAFTA has been successful in increasing U.S. exports to Mexico, particularly in heavily protected areas such as agricultural products, and in promoting job creation and investment in both countries.

### 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, and the measure (H.R. 254) was signed into law (P.L. 108-215) on April 5, 2004. 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.

### Recent 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>47</sup> For more information, see CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

## Trucking

With respect to trucking issues, 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 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 will 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 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>48</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 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.

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<sup>48</sup> Angela Greiling Keane, "Cracking Open the Border," *Journal of Commerce*, October 23, 2006.



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>49</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>50</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 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.

### ***Sugar and High Fructose Corn Syrup***

The United States and Mexico recently resolved a long standing trade dispute involving sugar and high fructose corn syrup. 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.

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<sup>49</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>50</sup> Department of Transportation. "Cross-Border Trucking Demonstration Project," March 11, 2008.

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>51</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.

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>52</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

<sup>51</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.

<sup>52</sup> "Mexico Initiates WTO Dispute Proceeding Against U.S. 'Dolphin-Safe' Label for Tuna," *International Trade Reporter*, October 30, 2008.

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.

## Salmonella Outbreak

From April to July 2008, the United States experienced a four-month salmonella outbreak that sickened more than 1,400 people in 43 states and the District of Columbia and was ultimately determined to have originated in a farm in northeastern Mexico. For months, the U.S. Food and Drug Administration focused on tomatoes as the potential source of the outbreak, costing the industry as much as \$100 million since the outbreak began. The FDA ultimately traced the salmonella strain to jalapeño and serrano peppers. Health authorities declared the end of the outbreak in August. The agriculture industry is estimated to have lost between \$130 million and \$250 million.<sup>53</sup> The outbreak led to increased interest in food safety, especially related to on-farm practices. (For additional information, see CRS Report RL34612, *Food Safety on the Farm: Federal Programs and Selected Proposals*, by Geoffrey S. Becker.

## Political and Human Rights Issues

### Concerns over Elections and Political Rights

Mexico has become increasingly democratic, and effectively ended 71-years of one party rule by the Institutional Revolutionary Party (PRI) in 2000 when Vicente Fox of the conservative National Action Party (PAN) was elected President. Mexico has concentrated on developing its political institutions and election agency. The Federal Election Institute (IFE) and Federal Electoral Tribunal (TEPJF) were well-regarded going into the 2006 presidential and congressional elections.

The July 2, 2006, presidential race was extremely close and final results were not announced until September 5 when the TEPJF completed adjudication of all the challenges. According to the final vote count, Calderón won just under 36% of the vote, defeating PRD candidate Andrés Manuel López Obrador by less than 234,000 votes. Voter turnout was 59%.<sup>54</sup>

After the vote, Andrés Manuel López Obrador led a campaign of civil disobedience, including the blockade of Mexico City's principal avenue, Paseo de la Reforma, until mid-September 2006. On September 1, 2006, PRD members of the Mexican Congress prevented President Fox from delivering the state of the union address at the actual Congress. López Obrador rejected the election tribunal's ruling, and was named the "legitimate president" of Mexico at a democratic convention of his supporters held on September 16, 2006, at the Zocalo, Mexico City's main square. He swore himself in as the "legitimate president" on November 20, 2006, a symbolic action that had little political effect. In mid-September 2006, PRD founder Cuahtémoc Cárdenas criticized López Obrador's tactics as undemocratic, and criticized him for surrounding himself

<sup>53</sup> Tiffany Hsu, "Salmonella Outbreak Ends But Issues Linger," *Los Angeles Times*, August 29, 2008.

<sup>54</sup> For more information, see CRS Report RS22462, *Mexico's 2006 Elections*, by Colleen W. Cook.

with advisors who helped to orchestrate what many believe to be Carlos Salinas de Gortari's fraudulent defeat of Cuauhtémoc Cárdenas in the 1988 elections.<sup>55</sup>

## Human Rights

According to the State Department's 2007 human rights report, issued in early March 2008, the Mexican government generally respected human rights during 2007, but many problems remained. It recognized the Mexican government's efforts to reform and professionalize the police force, although it highlighted that corruption and impunity, particularly at the state and local levels, remain endemic problems. The conduct of state law enforcement officials in response to protests in Oaxaca and Michoacán was of particular concern in 2006, but these situations stabilized in 2007. However, no progress was made during 2007 concerning the allegations of state abuses and killings during these 2006 protests. Additionally, during 2007, there were reports of the police sometimes torturing suspects to force confessions, which were sometimes used in prosecution despite a constitutional prohibition. While the government took action against some improper behavior by law enforcement personnel, including firing some 250 federal police commanders and 34 regional police coordinators, many officers committed crimes with impunity and without fear of prosecution.

Violence among drug cartels was of particular concern during 2007. According to the State Department's human rights report, approximately 2,470 people were killed by drug cartels, including some 300 police officers and 27 soldiers. Narcotics-related killings and violence increased, and there were credible reports that some individual local, state, and federal police, immigration, and customs officials were involved in facilitating drug trafficking, according to the human rights report. Despite various judicial reforms, lengthy pretrial detentions, lack of due process, and judicial inefficiency and corruption persisted.

Human rights conditions in Oaxaca were of concern in 2006, due to significant political unrest from May to December 2006. The unrest was initially due to the violent repression of a peaceful teachers union strike, but expanded to include other parties and broader political interests. A central goal of the protesters was the removal of Oaxacan governor Ulises Ruiz of the Institutional Revolutionary Party (PRI). The protests, led by the Popular Assembly of the People of Oaxaca (APPO), resulted in what amounted to a blockade of the historic city center, with millions of dollars in lost tourist revenue. At least nine people were killed in the violence, including American independent journalist Bradley Will. The Mexican Congress has the power to remove the governor, but did not. Ruiz remains in his post.

On December 11, 2006, thousands of protesters demanded Governor Ruiz's resignation and the withdrawal of federal police from the city. Federal troops withdrew from Oaxaca on December 16, and the city has been relatively calm since then. Human rights activists criticized the arrest of over 100 protesters in November and December 2006. Many were released toward the end of the year, but APPO leader Flavio Sosa remains in custody in a high security prison outside Mexico City. APPO insists that the conflict is not over and has protests planned for January 2007 and is considering a march on January 27 calling for the Oaxacan governor's resignation. On January 4, Oaxacan officials confirmed that the federal prosecutor is investigating the deaths of APPO supporters. In May 2007, Mexico's National Human Rights Commission determined that federal

<sup>55</sup> "Mexico: López Obrador Declared 'Legitimate President,'" *LatinNews Daily*, September 18, 2006; and "Critica CCS intolerancia perredista," *La Reforma*, September 14, 2006.

authorities were responsible for the abuse and torture of some protestors. The Commission also determined that federal police were responsible for the killing of at least one protestor.<sup>56</sup>

Former President Fox pledged to investigate and prosecute those responsible for human rights violations, including the “Dirty War” period from the 1960s to 1980s. Human rights activists are critical of what they view as lukewarm efforts by his administration to improve human rights in Mexico and to address past violations. The National Commission on Human Rights presented a report to President Fox, on November 27, 2001, that documented human rights abuses and disappearances of persons in the 1970s and early 1980s, and President Fox named legal scholar Ignacio Carrillo as a Special Prosecutor to investigate these and other cases on January 4, 2002. In April 2006, the Fox administration announced that the special prosecutor’s office would be disbanded. 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 for the repression that can be used to prosecute those responsible for human rights violations. Others remain critical, as no one has been convicted of charges relating to these alleged crimes. Only one of the three presidents from this period, Luis Echeverría (1970-1976), is still alive. President Echeverría faced genocide charges for his role in the repression of a 1968 student protest that left dozens dead when he was interior minister. Echeverría 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 Echeverría left public office in December 1976. In July 2007, the Criminal Tribunal absolved Echeverría of any responsibility for the 1968 killings.

The unsolved murders of over 400 women killed and disappeared in Ciudad Juárez and other parts of the northern state of Chihuahua since 1993 remain a concern to human rights activists who maintain that the lack of prosecutions and inadequate investigations demonstrate the level of impunity in Mexico and a lack of official accountability to Mexican citizens. In February 2006, the Fox administration closed the special prosecutors office charged with coordinating federal and state investigations into the murders and folded it into an office responsible for crimes against women throughout Mexico. The Mexican government also announced in February 2006 that it found no evidence of serial killings in Ciudad Juárez. Nineteen women were reportedly murdered in Ciudad Juárez in 2007, and nine suspects were arrested and four are under investigation.

Over 90 Members of Congress signed a letter from Representative Hilda Solis to President Felipe Calderón in August 2007. The letter commends the Calderón Administration for enacting a federal ban on violence against women, and calls on the Mexican federal government to encourage states to enact similar legislation. The letter also suggests that Mexico reform its penal codes to increase penalties for violence against women. The Members also expressed concern that Mexico’s 14-year statute of limitations meant that the families of women killed in 1993 will no longer have legal options to seek justice in their daughters’ deaths. The letter requested that

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<sup>56</sup> “Mexico Rights Panel: Feds Committed Acts of Torture in Oaxaca,” EFE News Service, May 24, 2007; Gerardo Soriano and Paulina I. Valencia, “Investiga PGR Crímenes Cometidos durante Conflicto en Oaxaca,” *Notimex*, January 4, 2007; Gerardo Soriano and Paulina I. Valencia, “Asegura APPO que Conflicto en Oaxaca no Ha Terminado,” *Notimex*, January 4, 2007; and “Calderón Opts for Ruiz,” *Latin American Regional Report - Mexico and NAFTA*, January 2007.

President Calderón encourage state and local authorities to prioritize cases that are about to expire under the statute of limitations.

Drug violence contributed to a hostile environment for journalists in 2007. Two journalists and three media assistants were killed and three disappeared, reportedly due to their reporting on drug trafficking and organized crime. Self-censorship among journalists who fear reprisals for their work is reported to be common in Mexico. According to the Committee to Protect Journalists (CPJ), Mexico is the fourth most dangerous country for journalists—tied with Colombia, Pakistan, and Russia. In 2006, CPJ reports that two journalists were killed as a result of their work, including American Bradley Will, who was killed during civil unrest in Oaxaca. The Deputy Attorney General for Organized Crime is responsible for crimes against journalists committed by drug traffickers, terrorists, and human traffickers.

## Legislation and Legislative Initiatives 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.

## For Additional Reading

### Mexico

CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

CRS Report RS22837, *Merida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Colleen W. Cook and Clare Ribando Seelke.

CRS Report RS22462, *Mexico's 2006 Elections*, by Colleen W. Cook.

CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

CRS Report RL34733, *NAFTA and the Mexican Economy*, by M. Angeles Villarreal and Marisabel Cid.

## **Economic Issues**

CRS Report RL34742, *The U.S. Financial Crisis: The Global Dimension with Implications for U.S. Policy*, coordinated by Dick K. Nanto,.

CRS Report RS22701, *Security and Prosperity Partnership of North America: An Overview and Selected Issues*, by M. Angeles Villarreal and Jennifer E. Lake.

CRS Report 98-253, *U.S. Agricultural Trade: Trends, Composition, Direction, and Policy*, by Charles E. Hanrahan, Beverly A. Banks, and Carol Canada.

CRS Report RL33577, *U.S. International Trade: Trends and Forecasts*, by Dick K. Nanto, Shayerah Ilias, and J. Michael Donnelly.

CRS Report RL31356, *Free Trade Agreements: Impact on U.S. Trade and Implications for U.S. Trade Policy*, by William H. Cooper.

## **Immigration and Border Security**

CRS Report RS22802, *Passports: Current Regulations*, by Susan B. Epstein.

CRS Report RL34007, *Immigration Fraud: Policies, Investigations, and Issues*, by Ruth Ellen Wasem.

CRS Report RL32270, *Enforcing Immigration Law: The Role of State and Local Law Enforcement*, by Blas Nuñez-Neto, Michael John Garcia, and Karma Ester.

CRS Report RL32657, *Immigration-Related Document Fraud: Overview of Civil, Criminal, and Immigration Consequences*, by Yule Kim and Michael John Garcia.

CRS Report RL32235, *U.S. Immigration Policy on Permanent Admissions*, by Ruth Ellen Wasem.

CRS Report RL31381, *U.S. Immigration Policy on Temporary Admissions*, by Chad C. Haddal and Ruth Ellen Wasem.

CRS Report RS22574, *Immigration Reform: Brief Synthesis of Issue*, by Ruth Ellen Wasem.

CRS Report RL32044, *Immigration: Policy Considerations Related to Guest Worker Programs*, by Andorra Bruno.

CRS Report RL32004, *Social Security Benefits for Noncitizens: Current Policy and Legislation*, by Dawn Nuschler and Alison Siskin.

CRS Report RL33896, *Unaccompanied Alien Children: Policies and Issues*, by Chad C. Haddal.

CRS Report RL34739, *Temporary Farm Labor: The H-2A Program and the U.S. Department of Labor's Proposed Changes in the Adverse Effect Wage Rate (AEWR)*, by Gerald Mayer.

CRS Report RL30395, *Farm Labor Shortages and Immigration Policy*, by Linda Levine.

CRS Report RL33659, *Border Security: Barriers Along the U.S. International Border*, by Blas Nuñez-Neto and Yule Kim.

## Drug Trafficking, Organized Crime, and Criminal Gangs

CRS Report RL34514, *The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF): Budget and Operations*, by William J. Krouse.

CRS Report RL32352, *War on Drugs: Reauthorization and Oversight of the Office of National Drug Control Policy*, by Mark Eddy.

CRS Report 98-958, *Extradition To and From the United States: Overview of the Law and Recent Treaties*, by Charles Doyle.

CRS Report RS22325, *Methamphetamine: Legislation and Issues in the 110<sup>th</sup> Congress*, by Celinda Franco.

CRS Report RL34317, *Trafficking in Persons: U.S. Policy and Issues for Congress*, by Clare Ribando Seelke and Alison Siskin.

CRS Report RL34233, *The MS-13 and 18<sup>th</sup> Street Gangs: Emerging Transnational Gang Threats?*, by Celinda Franco.

CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

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<http://wikileaks.org/wiki/CRS-RL32724>