

**TWENTIETH REGULAR SESSION OF THE COUNCIL
Commission for Environmental Cooperation (CEC)**

**10-11 July 2013
Los Cabos, BCS, Mexico**

SUMMARY RECORD

The Council held its Twentieth Regular Session on 10–11 July 2013, in Los Cabos, Baja California Sur, Mexico. Juan José Guerra, Secretary for Environment and Natural Resources (Semarnat), chaired the meeting. Dan McDougall, Canadian Ambassador for Climate Change, and Bob Perciasepe, Acting Administrator of the US Environmental Protection Agency (EPA) represented Canada and the United States, respectively. Irasema Coronado, CEC Executive Director, represented the Secretariat. Nathalie Daoust, Council Secretary, acted as secretary for the Session. Other [delegates](#) were also in attendance.

Item 1 Adoption of the agenda by Council

The chair welcomed participants and expressed his assurance that this meeting would be productive for the three countries. He then turned to his counterparts to seek the adoption of the [Session Agenda](#), which was then duly adopted by the Council as drafted.

Item 2 Update from the Executive Director

The chair asked the executive director to provide an update on project accomplishments under the Operational Plan 2011–2012 (as per Rule 5.3 of Council Rules of Procedure). (The presentation can be found [here](#).)

Following the presentation, the chair thanked the executive director for providing a complete report. He then turned to his counterparts for comments.

Bob Perciasepe expressed appreciation for the review and thanked the Secretariat staff for their fine work. He also mentioned the efforts carried out by the working groups and stressed how these are a reflection of the governments' ability to enhance the work of the Secretariat, thus participating in a truly collaborative process.

Dan McDougall indicated it was good to hear about the accomplishments. The Council being involved at the front end of the planning process, it always finds it rewarding to see the results. He indicated he looked forward to the results next year, given that some of the new projects are focusing on even more strategic areas.

In closing, Secretary Guerra also recognized the work of the executive director and the Secretariat's staff.

Item 3 Joint Council and JPAC meeting

The chair welcomed again the members of the Joint Public Advisory Committee (JPAC). He acknowledged the importance of the previous day's JPAC meeting on sustainable transportation and thanked them for that endeavor. He also expressed appreciation to the Mexican JPAC members for their dedication. He then invited David Angus, JPAC chair, to present the issues for discussion.

David Angus thanked the Council for the opportunity to meet with them. He indicated that reporting to the Council was always a very significant moment for JPAC. He emphasized that this also represented an opportunity to understand the Council's priorities and identify where JPAC could add value. The main objective for the coming year, he added, would be to establish a stronger relationship and operate as strong partners with the Council. He indicated that an important focus for JPAC would be to align the public dialogue on issues of interest and create a stronger public engagement. He also expressed appreciation for the early engagement of the JPAC in the development of the Operational Plan 2013–2014, and the opportunity to provide guidance. He also commended Irasema Coronado for her leadership and shared he had been very impressed with the quality of the work and passion of the Secretariat staff; stressing that JPAC feeds off that passion. The JPAC members believe in what they do and in the value of their work, he said.

He then conveyed that JPAC would like to raise the CEC budgetary issue, given the members' concern and surprise that the level of funding had not changed in 20 years. He mentioned that the CEC had done great work and JPAC was concerned about the recent budgetary decisions. It is important for the three countries to make a statement concerning the importance of this work, he added.

Mr. Angus also acknowledged there was still more work ahead to protect the environment and indicated that the JPAC members were ready to roll up their sleeves. He indicated that JPAC was enthusiastic about the 20-year review, as it would provide the opportunity to take stock of successes and identify what could be improved. Concerning the development of the next strategic plan (2015–2020), he indicated that the JPAC wished to play an active part, particularly in representing the voice of the North American public. And he emphasized the passion of JPAC members about their involvement and invited them to introduce themselves.

Following the introductions, David Angus reminded Canada and the United States of the four vacancies on JPAC (two US and two Canadian members). He pressed them to fill these vacancies at the earliest opportunity in order to ensure complete JPAC membership.

Item 3.1 JPAC Advice from Calgary Session

Geoffrey Garver presented the results of the forum on "[Greening North America's Energy Economy](#)," which had been held on 24–25 April in Calgary, Canada. He reported that JPAC was pleased with the quality and diversity of the presentations. He noted that the JPAC Advice to Council that followed the meeting highlighted the key points that emerged from the presentations and discussions in Calgary: First, the discussions made clear the extent to which all three countries still depend on fossil fuel energy but have not developed coherent strategies for a transition to a low-carbon economy. Also, the JPAC Advice noted the bilateral discussions that have taken place between the US and Mexico and the US and Canada. JPAC hopes the CEC can find a way to promote a trinational dialogue on these issues.

Second, he emphasized that JPAC had heard loud and clear from the public that if countries continue with business as usual in energy policies, we are headed for a 4 to 6 degree temperature rise in this century—a level of global warming that will likely make human adaptation impossible. For this reason, we need to start determining what amount of fossil fuel resources we can afford to burn without triggering catastrophic climate change—the "unburnable carbon" issue. He acknowledged that this is a global challenge and not just a North American one, but North America has the potential for leadership, and this needs to be an up-front determination, before decisions are made that will virtually lock in the extraction and burning of fossil fuels in a manner that risks catastrophic climate change. The participants from the oil and gas industry indicated they want certainty; therefore, they could accept this kind of a determination and work with it, he said.

Third, JPAC has heard strong support for putting a price on carbon. This being an enormous challenge, all three countries would need legislative changes that have been hard to achieve to date. Paired with this were calls for the elimination of fossil fuel subsidies and more support for renewables.

Fourth, Mr. Garver observed that many were inspired by the presentation on the Regional Greenhouse Gas Initiative (RGGI) and the Western Climate Initiative. JPAC has learned that many of the fears that these initiatives would create economic hardship have proven to be unfounded and in fact that early results are showing that they are causing shifts in the right direction in the energy sector. Among the lessons to be learned from these initiatives are that it is important to establish common goals, to build linkages among different jurisdictions and with private stakeholders, and to frame this work around a positive vision.

Fifth, it is widely accepted that the energy return on energy invested to extract and use fossil fuels is steadily decreasing, and JPAC heard from experts who assert that we are headed to a point where the net or surplus energy cannot support the physical and social infrastructure needed to support our modern society. We may be facing new kinds of economic disruptions due to this trend, and therefore we need to be creative and innovative in figuring out how to limit poverty and unemployment over the long term, Mr. Garver added. At some point, the usual ways of dealing with this issue may simply not work. Finally, JPAC had talked about the need to reduce demand, he reported, and energy conservation and efficiency become ever greater priorities as our energy situation becomes more challenging.

The JPAC Advice contains suggestions for the short and long term: in the short term, JPAC recommends that the CEC incorporate the information from the Calgary meeting in the implementation of the 2013–2014 Operational Plan, through the projects related to black carbon, the online platform on climate change, green building, and sustainable transportation. Over the long term, JPAC hopes the CEC would give greater emphasis to these issues in the 2015–2020 Strategic plan, for example, by fostering a broad and inclusive North American dialogue on the transition to a low-carbon economy, with a view to developing a comprehensive North American low-carbon and climate change strategy; helping to determine North America's fair share of global "burnable carbon"; and giving particular focus to energy conservation and energy efficiency and other measures that will reduce demand.

In closing, Mr. Garver expressed appreciation for the Council's prompt and positive response to the JPAC advice, and its openness to continue engaging with JPAC on these issues as the 2015–2020 Strategic Plan is being developed. He acknowledged that the JPAC members have a luxury that the

Council does not have, as they can think and dialogue about these issues without being constrained by having to deal with only the part of the energy situation that falls within one's mandate, and then have to make the hard decisions on what specifically can be done. Nor do JPAC members have to work with the legislatures, departments and ministries, as well as with state or provincial agencies, he said. In addition, these issues are linked to the international discussion on how to address climate change—a dialogue that has not yet yielded a comprehensive and effective strategy and plan of action. For these reasons, the JPAC members are grateful for the Council's willingness to step up and serve as leaders in facing the enormous challenges involved in shaping North America's energy future.

The chair thanked Mr. Garver and invited the other Council members to comment.

Bob Perciasepe agreed that the three countries may be in a good position to exert leadership in the region. He mentioned the Climate Change Action Plan announced by President Obama that will pressure EPA to work in this area. He noted that power plant emissions have been declining and that the US is on course to meet its goal of reducing its emissions by 17% by 2020 (based on the 2005 emissions level). Regarding the budget issues raised by the JPAC chair, Mr. Perciasepe agreed that the governments clearly need to support the CEC. Pointing out that countries find themselves in a time of global financial stress, he indicated there might be alternative ways to support the CEC, perhaps through the CEC facilitating the in-kind work undertaken by the Parties. He thanked again Mr. Garver for his presentation and indicated that it is aligned with US objectives.

Dan McDougall echoed the desire for a strong relationship with JPAC and indicated that Canada supports the direction JPAC wants to take. He indicated it would be beneficial that JPAC interact more regularly with the Alternate Representatives, as it would be a useful complement to JPAC's engagement with the Council. He shared that Canada is also very enthusiastic about the CEC and the cooperation amongst the three countries. He said that in his experience negotiating other trade agreements and building comprehensive agreements, the NAAEC is a gold standard, in terms of the measures put in place and the institutional arrangements. The last 20 years have proven that trade and environment can be mutually supportive. He noted that \$9 million is a significant budget if we compare with similar organizations around the world but he echoed Mr. Perciasepe's comments about these being challenging times. Regarding Mr. Garver's comment on the Operational Plan, he indicated that the proposed work plan for the CEC is the most innovative and comprehensive you can find anywhere, particularly tackling black carbon, carbon dioxide and other short-lived climate forcers, and having a project focused on three countries working together to meet these challenges. Another critical area is the identification of other sources for carbon sequestration. Having well-managed forests and coastlines to store carbon is important. The CEC's green and blue carbon projects address this issue. There are other very innovative elements at play within the Operational Plan, such as the important work that will take place regarding fossil fuels and energy. The dialogue JPAC is having on sustainable transportation include important considerations for the regulatory role of the countries and in ensuring comparability between them.

Secretary Guerra invited Rodolfo Lacy to say a few remarks. Mr. Lacy pointed to President Peña Nieto's National Strategy for Climate Change and noted how this long-term strategy endeavors to involve local governments, civil society, and the private sector. It comprises two main aspects: adaptation and mitigation. Adaptation incorporates the concept of resilience [to climate change]. As for mitigation, Mexico will be working in the area of renewable energy and cleaner fossil fuels, as well as

focusing on short-lived climate forcers. Mr. Lacy also pointed to other cross-cutting strategies, such as the dissemination of information. He stressed that the science on climate change is changing, and this impacts many actions, including regulatory ones, undertaken by the government. He noted that it is important for Mexico that the regulations respond to social preoccupations around energy issues.

Item 3.2 Report on the JPAC roundtable discussions on transportation

The JPAC chair invited Jacques Gauthier to report on the outcome of the transportation roundtable discussions held the previous day in a very useful and instructive session. Mr. Gauthier explained that the discussions had focused on four main topics: 1) reducing greenhouse gases (GHGs) generated by the movement of goods and people; 2) transborder shipment of goods by both land and sea; 3) urban transportation challenges; and 4) innovation and technology (the agenda can be found [here](#)). The first recommendation from the session is the need to establish mechanisms to harmonize standards and regulate transportation in the three countries. Secondly, it was noted that we must deal with GHG emissions through regulations but also by tackling black carbon and diesel fuel combustion emissions. Other fuels, such as natural gas and low-sulfur fuels, need promotion. Mr. Gauthier also described other recommendations that were presented by panelists to reduce vehicle emissions, one of them being the need to examine emissions from used cars and establish satisfactory standards. Another is to create restricted low-emission urban areas, such as those found in England and Singapore. He also mentioned a proposal to enact fiscal measures to encourage recycling of polluting vehicles. Improving public transportation and creating bicycle-friendly infrastructure in urban areas was emphasized. Finally, there was a recommendation that more efficient transboundary transportation be achieved between our countries. In closing, he indicated that JPAC would be formulating an Advice to Council as a result of the meeting.

The chair invited the Council members to comment.

Bob Perciasepe thanked Mr. Gauthier for his presentation. He acknowledged that it is easy to agree that transportation systems can be improved. We need to work collectively to ensure transportation is optimized for the movement of goods across the country, he said. He indicated that this view was also shared by Canada and Mexico, particularly because transportation affects our communities and neighborhoods. Looking at sustainable transportation is also an important foundation for greater technology and the development of sulfur-in-fuel and GHG standards. In addition, manufacturers have brought about changes for their employees and in their supply chains with more robust and green approaches. He also emphasized the need to look at vehicle and fuel standards and promote the diversity of fuels.

Dan McDougall thanked Mr. Gauthier for the summary of the discussions. He noted that CEC is an organization made up of three countries, for each of whom transportation is an important topic. He pointed out efforts for the manufacturing sector to assist them in connecting with different levels of government. The intent is to integrate all the actors and reach out to citizens. He agreed this is a very complex issue and will require much effort from the governments.

Secretary Guerra said that without doubt this is one of the highest priorities for Mexico. He thanked JPAC for having held that discussion with the public, and for having reached important conclusions. He indicated that the transportation issue is not just an economic problem. At its basis are the main

promoters of cars that do not comply with standards. He added that according to the *Instituto Nacional de Ecología y Cambio Climático* (INECC) the flow of transportation is rising and that a 4.5% rise is estimated. As such, it is important for Mexico to focus on solutions. A recent ruling by Mexico's Supreme Court would require used cars to comply with emission standards. These are great advances, he said. He noted how the highest level of air pollution is found on the border between the US and Mexico because of the high number of used cars there that do not comply with standards.

He continued, pointing out that the Mexican government is investing to produce cleaner fuel. He also noted that there is an abundance of natural gas in Mexico and many believe the government should support its production and no longer subsidize the production of liquid fossil fuels. Also, liquid fossil fuels are more expensive to produce and are dirtier. Secretary Guerra compared the two types of fuel and stated that actions that allow us to increase the use of natural gas should be encouraged because, compared with other fossil fuels, it is cleaner.

Mr. Perciasepe added that another important factor is the urban design and how municipal development takes place, particularly in terms of transportation choices for the population.

Item 3.3 Discussion on 20th anniversary

Gustavo Alanis was invited to report on activities to be undertaken by JPAC for the 20th anniversary as well as the planned open public meeting in October 2013. He began by pointing out the initial fears voiced during the negotiations around NAFTA that free trade would bring about pollution havens and serious environmental impacts. After 20 years, it is clear that many successes have resulted from the environmental side agreement but also that some improvements may be warranted. There is also the potential to learn from the last 20 years and better define where we want to go, and what are the emerging issues and priorities? On the budget issue, Mr. Alanis noted that one of the questions warranting analysis is the level of CEC resources available and whether it is adequate to implement the desired quantity of work. Other questions to be discussed with the public include: Have the objectives of the NAAEC been fulfilled? How can we face important environmental challenges such as climate change and the loss of biodiversity?

He continued, saying that JPAC will also return to issues current at the origin of the NAAEC and address the trade and environment relationship. Has the impact of trade on the environment been positive or negative? How successful has been the implementation of Articles 14 and 15? There are many lessons to be learned in those areas. There is also the Parties' stated commitment to transboundary environmental impact assessment that was never fulfilled, as well as Part V on Consultation and Resolution of Disputes. JPAC will also have the opportunity to assess what topics of interest have not yet been explored. Another issue is the relationship between the Secretariat, JPAC, and the Council. Finally, JPAC will examine how well it has engaged with citizens and whether the process can be more participatory. In closing, he said that the objective of the exercise is to learn from the last 20 years and engage in a substantial, meaningful process of evaluation. At the end of the exercise, the JPAC will prepare an advice to the Council, building on both the results of the public call for information and comments as well as the outcome of the October discussions in Washington, DC.

Following the intervention by Gustavo Alanis, David Angus thanked the Council for their input and the opportunity for dialogue. He assured the Council that JPAC is a solid team of citizens and

reiterated that the Committee looks forward to a continued positive relationship with the Council.

Bob Perciasepe thanked JPAC for its thorough work and commended them for hitting on very important topics. We are seeing evidence that we are behind in some areas, he said. There is an opportunity to demonstrate that these things are doable and that it is possible to achieve results, both economically and environmentally, he concluded.

Dan McDougall thanked the JPAC members for their presentation and agreed that the discussions on the 20-year anniversary are very timely. He also recalled the initial fears expressed by some parties around potentially very negative environmental impacts associated with the creation of NAFTA. The objective of the 20-year assessment is to examine the reality of what has happened. The outcome of this assessment will represent an important element for the next 20 years and the immediate future as we look to our upcoming work, he indicated. He suggested as a final comment that the Parties closely monitor developments, looking not only at the environmental aspects but also engage with trade colleagues who are also examining the 20 years of NAFTA.

Secretary Guerra offered final comments on this segment of the meeting. He mentioned that having taken office only in December 2012 and this being his first meeting, he had many expectations for the outcome of this session. He expressed satisfaction for how the organization has been able to consolidate issues and bring benefit to the three countries. He indicated that the topic of transportation is an important one for his government and stressed the importance of harmonizing standards, particularly as they relate to motor vehicles. Concluding his remarks, he suggested another area where he could envision the CEC playing a significant role, exploring ways to foster trilateral cooperation: municipal waste management.

The CEC in-camera session was adjourned and item 4 of the agenda was not discussed by the Council.

Item 5 2013–2014 Operational Plan

This portion of the meeting was held before the public. As chair and host of the meeting, Secretary Guerra welcomed the gathering and introduced the next item.

Item 5.1 Initiatives supporting strategic goals and addressing key environmental issues (through the 2013–2014 Operational Plan)

The chair invited Irasema Coronado to present the proposed 2013–2014 Operational Plan. Ms. Coronado presented the projects and main activities proposed under the new Operational Plan that have been designed to support the strategic goals of the CEC and address key environmental issues. (The full presentation may be found [here](#).)

At the conclusion of the presentation, Secretary Guerra turned to each of his counterparts for a few comments.

Bob Perciasepe commented that the Operational Plan hits all the key activities that are necessary to undertake in the three countries and those that need to be concluded. He added that in the context of the entire Agreement, this work plan provides an amazing array of initiatives focused on making progress

in all three priority areas. These initiatives will yield benefits to all populations, he said. Giving as an example the idle time at borders, he underlined how improvements in this area can yield major impact on communities and further improve the air quality. He then pointed to acid rain and mercury that are global issues. He shared his excitement at seeing successful programs being scaled up, as well as initiatives that support the climate change – low-carbon priority. He was also proud to report that President Obama has announced an aggressive climate action plan that will address GHG emissions. He explained that a main focus is on adaptation and looking at the ecological impacts of climate change. In this regard, the US is undertaking a leadership role globally. We cannot solve the problem just in the US, he added. However, it would be a powerful lever if we were to take leadership as a region, he added. The CEC projects are positioning the three countries to be able to take that leap. There are also vital links between projects and local people, and projects that are very continental in nature. It is also important to look at how we deal with trade and its environmental impacts, and how we can mitigate the effects in the different parts of our continent that are affected by drought, floods, fires, including many indigenous communities. Involving those communities should also be a vital part of the work, he said. In closing, he indicated that the US is very supportive of the proposed Operational Plan and the work of the three countries to make a difference collectively in the world.

Dan McDougall thanked Secretary Guerra as well as his staff and the community of Los Cabos for the wonderful hospitality at the Session. He indicated he was very pleased to have come to this beautiful part of the world. He also thanked the Secretariat and the JPAC for their support in the development of the Operational Plan. He indicated that Canada is excited and particularly happy with the array of projects related to climate change. We are dealing with topics that are at the forefront in tackling climate change, he said. Moreover, the three countries are also part of the Climate and Clean Air Coalition (CCAC). Under CCAC, one of the proposals supported by the three countries is to amend the Montreal Protocol to include hydrofluorocarbons (HFCs). This offers the opportunity to get ahead of the game and avoid having to mitigate the results later, he said. What we are doing is bringing this leadership to the North American context. Under the CEC, we are demonstrating how we can tackle climate change by dealing with black carbon, and beyond that, blue and green carbon. Blue carbon represents the cutting edge as it provides means to deal with climate change through the ocean environment where carbon has the ability to be naturally sequestered. We can demonstrate to the world that this can be done, he concluded.

He also commented on the very interesting roundtable discussions held during the JPAC meeting the day before. The issue of transportation is important to the three countries. Emissions from transportation represent 25% of the total emissions we deal with, he noted. Strong regulatory measures are important to tackle this issue and much remains to be done. We need to find innovative ways to ensure transportation is more sustainable. The matter of transportation is far reaching beyond the climate change issue given it has impact on human health and communities. It is thus important that the governments work better together to tackle this issue and better engage with citizens and communities, he commented. In closing, he indicated that the Operational Plan 2013–2014 goes a long way toward fulfilling Council’s request in New Orleans for better alignment of projects with the issues to be tackled.

Secretary Guerra took the opportunity to thank the Mayor of Los Cabos for his hospitality. He echoed the comments of the US and Canada in terms of recognizing the work of the CEC. He mentioned that when he was a member of President Peña Nieto’s transition team after the latter’s election, the CEC

presented him with a copy of the SLABs report. It highlighted how some companies in Mexico involved in recycling spent-lead acid batteries apply the highest emission and health standards while others do not. He reported that there is now new legislation forcing all recycling companies to respect the environment. He also pointed to a commitment from Mexico concerning climate change. Mexico is responsible for 1.4% of global emissions and the President has committed to reducing these emissions. One week ago, a climate change strategy was announced to reduce emissions and mitigate the consequences of climate change.

He then turned to his counterparts to seek their approval for the 2013–2014 Operational Plan. The Plan was then approved by the Council.

Item 5.2 Update on SEM modernization process (including unveiling of SEM portal)

The chair invited Rodrigo García Galindo, chair of the SEM Modernization Review Task Force, to report on progress of the Task Force. Mr. Galindo presented the efforts undertaken in the last year to implement Council’s direction to: 1) establish an online SEM portal that will make the SEM process more accessible, user-friendly; 2) develop and implement a SEM public outreach plan to increase awareness of the SEM process and assistance tools that are available, with a view to assessing the effectiveness of this plan at a later date; and 3) monitor and assess the implementation of the revised SEM guidelines to immediately start tracking compliance and mandatory target deadlines identified to work on establishing longer term assessment tools. (The full presentation can be found [here](#).)

Following the presentation, the chair invited his counterparts to comment.

Dan McDougall commented that last year had concluded a year’s work of updating the Guidelines for Submissions on Enforcement Matters, which is one of the critical features of the NAAEC. The governments are held accountable through transparency and SEM is an important process at the CEC and for our three countries. The results of this year take it to another level, he said. It brings even greater accessibility as the information is easily available to citizens. This is an important area and we are very supportive of the work. He indicated he viewed this as a continuing endeavor to ensure the SEM process is as robust and engaging as can be. In closing, he reiterated that this is a very good next step and that he is looking forward to seeing the SEM portal functional.

Bob Perciasepe agreed that this is an important step and commended the efforts and the ease of use of the portal. He expressed his appreciation for the work of the SEM modernization Task Force and underlined his belief that transparency is an important part of the undertaking.

On behalf of Mexico, Secretary Guerra thanked the SEM task force and commended their work. He said that since December he has been able to witness the results that can be achieved by the CEC. He expressed interest in being close to the CEC and JPAC.

The SEM portal was then officially launched by the Council.

Item 5.3 Launching Call for Proposals for the North American Partnership for Environmental Community Action (NAPECA) for 2013–2014

The chair invited Irasema Coronado to highlight some of the successful projects undertaken in 2011 and 2012 under NAPECA. Ms. Coronado presented the success stories of community projects, such as Depave Paradise, the Dolores Restoration Partnership, and the sustainable community project in Isla Magdalena. (The full presentation can be found [here](#).)

Dan McDougall commented that NAPECA has been a success story to date. We can see innovation “on the ground,” he said.

Secretary Guerra thanked the Executive Director for her presentation and on behalf of the Council he instructed the Secretariat to launch the 2013–2014 Call for Proposals for NAPECA.

Item 6 Council town hall

Secretary Guerra greeted participants and thanked people for their remote attendance at the Session via the hubs in Mexico and Canada. He gave the floor to David Angus, chair of the Joint Public Advisory Committee.

David Angus, provided an introduction on the conduct and format of the session and explained the rules for public participation through the hubs and Facebook and Twitter.

The session was then declared open.

Katherine Blumberg, Program Director, International Council on Clean Transportation, gave thanks for the opportunity to pose a question to all three Council members on the regulation of fuels and their harmonization or equivalency to reduce vehicle emissions.

Secretary Guerra said the market is being standardized and acknowledged the relevance of harmonization. He made reference to Mexico’s new NOM 163 emissions standard, which is stricter than the other countries’ standards. If a vehicle does not meet other countries’ standards, it cannot enter Mexico.

Dan McDougall recognized the environmental and economic merit of harmonization, noting its importance for economic development. He mentioned that Canadian and US regulations are virtually identical. Lastly, he pointed to the health benefits obtained from harmonization.

Bob Perciasepe recognized improvements in fuels as the way forward in technology and described the importance of fuel quality. He noted the benefits of fuels and having equivalent regulations, such as economic benefits, cross-border trade, public health, technological development and cost reductions.

Speaking remotely from Mexico City, Luis Manuel Guerra, columnist from *La Cronica*, described the great effort it took to pass NOM-163 [on CO₂ emissions from 2014–2016 light-duty vehicles], and asked Secretary Guerra if he would be willing to use federal funds to foster the use of bicycles.

Secretary Guerra replied that Semarnat will do everything it can to protect the environment. Emission controls are under the sovereignty of local governments. The federal agency has approached local governments to generalize emission standards and testing. He mentioned the example of Querétaro,

where the governor adopted a plan to convert taxis and buses to natural gas, with Semarnat resources. He mentioned the revitalization of the Metropolitan Environmental Commission, including Mexico City, the State of Mexico, and Semarnat. There is currently an initiative to include other neighboring states that make up the metropolitan area.

With respect to transportation logistics, Alejandro Sosa, Director General, *Iniciativa GEMI*, asked the Council to work together to streamline transportation logistics and highways, and asked the Council what could be done to foster sustainable transportation?

Dan McDougall said that the private sector is largely overseeing transportation logistics but acknowledged that it is an area where much more can be done, such as the greening of border crossings.

Bob Perciasepe noted that some things are being done in the US, such as the development of tools and techniques that could be shared with Canada and Mexico. He spoke of the transportation infrastructure and the need to include local governments. He recognized that the issue is under the purview of other government agencies.

Secretary Guerra mentioned that, in Mexico, the Ministry of Communications and Transport (SCT) is responsible for transportation logistics and highways. Semarnat provides support to this Ministry in terms of environmental standards and monitoring.

A question was asked through Facebook as to whether the CEC has plans to address the issue of alternative fuels.

Secretary Guerra highlighted the commitment from Petróleos Mexicanos (Pemex) to invest in clean fuels, gasoline and diesel, and efforts to refocus public transport.

Bob Perciasepe talked about the biofuel commitment imposed by the US Congress. By law, the EPA is required to ensure the production of better fuels with less emissions, and adopt efficiency regulations.

Dan McDougall said that the situation in Canada is more or less the same as the United States, adding that there is a program to support research and development.

Speaking from the Montreal link to the Council Session, Mark Purdom, from the Department of International Development, London School of Economics and Political Science, asked about fuel regulations and how innovation can help in the development and production of better fuels in North America.

Bob Perciasepe spoke of the future vision for fuels and vehicles and how the challenge of the electrification of transportation is being handled. He noted the role of the EPA laboratory in analyzing motor vehicle fuel efficiency.

Secretary Guerra referred to significant Mexican investments in wind energy and Mexico's characteristics for solar energy.

Dan McDougall mentioned that various agencies are involved in this issue at different levels of government. He talked about existing regulations and those in development, noting the importance of private sector involvement.

Someone in the audience asked whether there were a willingness to commit resources for data and research.

Dan McDougall mentioned that the CEC's Operational Plan would be a specific recognition of the Parties' commitment to data analysis and research. However, he stressed that projects should strive to bring cost-effective results.

Secretary Guerra underlined the fact that state-of-the-art cars are not sold in Mexico due to the lack of diesel fuel. Pemexis already taking notice of this. Its idea is to offer this fuel in high-traffic corridors. He also spoke of tax incentives for scrap recycling and life cycle programs.

Bob Perciasepe said that the harmonization of standards and regulations will facilitate the Parties' work and spoke in favor of data [gathering and analysis] and information sharing. He mentioned the complexities involved in hydraulic fracturing and the intergovernmental strategy to reduce liberation of methane gas.

From the Vancouver Council Session link, Marion Town, Senior Regional Manager of the Greater Vancouver Sea-to-Sky and Fraser Valley, Fraser Basin Council, asked how the new Operational Plan was conceived.

Dan McDougall said that the Operational Plan is aligned with the 2010–2015 Strategic Plan of the CEC as well as with the direction received by Council in 2012. He spoke of the role of the General Standing Committee (GSC) and JPAC, and introduced the notion of projects being evaluated by the governments.

Secretary Guerra mentioned that Mexico proposed new topics to be integrated: automobile standard harmonization, mining, as well as municipal waste management. He also noted his interest in having the CEC deal with the monarch butterfly issue.

Bob Perciasepe said that the topics being addressed in the CEC's Operational Plan were robust, noting the involvement of the public, the Secretariat and JPAC in its development.

Gustavo Alanis passed along a question from Twitter on the possibility of granting tax incentives to citizens who chose home officing over using a car.

Secretary Guerra said he had not thought of that and wondered how it could operate. He talked about the existence of subsidies, and a tax and energy reform. One goal is to get rid of crossed subsidies, but he indicated he sees it particularly complicated for Mexico.

Bob Perciasepe acknowledged that home officing is not subsidized in the US, but there is a telecommuting policy. This is an executive order that the EPA supports, he indicated. He agreed that technology drives new human resources policies.

Dan McDougall said it is the same in Canada as in the United States.

Someone in the audience spoke of the negative impacts of ports, the need to foster the reduction of maritime freight, and to look at maritime freight logistics.

Bob Perciasepe responded that when looking at ports you have to look at it as a system. These are not isolated docks, he added. He reported on some interagency work on goods movement, and the fostering of low sulfur fuel for ships. He acknowledged, however, that a lot of work could be done and offered to share US information on this issue.

Secretary Guerra replied that the responsibility of freight transportation in Mexico lies with the *Secretaría de Comunicaciones y Transportes* (SCT). The Mexican government supports the construction of major merchandise centers for many reasons. Almost all of it is interstate transportation, with some assistance from railroads. These are high weights and volumes, for example, the transportation of soft drinks, beer, and cement. SCT authorization is required. Mobility is clearly a priority.

Dan McDougall indicated that this file rests with Transport Canada. He agreed that more ministries need to be involved, given this is an international issue, not just a national matter. A joint approach is what will yield results.

A question was asked from the Washington (DC) Council Session link as to the coordination of transportation infrastructure and fuel policies among the Parties.

Dan McDougall noted that the issue has not been addressed but surely it would be if this is the appropriate forum for doing so.

Secretary Guerra said that investment is being made in highway and hydraulic infrastructure. Private investment is also being sought.

Bob Perciasepe conveyed that this issue had not been on the agenda, although the greening of transportation has been addressed.

In closing, Dan McDougall mentioned that the Strategic Plan for the next span of years (2015–2020) will eventually be in development and, speaking of climate change, said the country plans to address this important matter by 2020. He stressed the issue of transportation and its linkage with trade.

Bob Perciasepe noted the trend of sustainability creeping into all issues and into the private sector. He referred to chemicals and trade, and economic flows among the three countries.

Secretary Guerra mentioned climate change and how to address it. He said that Mexico is a small emitter, but is making an effort to reduce its emissions. What can we do so that unilateral efforts ensure a commitment of all countries in the world? He stressed that even if Mexico has many valuable resources, poverty levels are very high—possibly due to the rapid growth of the country's population. To overcome this condition, the challenge is to promote sustainable economic growth.

David Angus concluded this segment of the meeting and thanked the Council members and all participants for attending the town hall.

Item 7 Signing of Council Resolution and Ministerial Statement

The chair invited his counterparts to join him in signing Council Resolution 13-02, establishing funding for the CEC for 2014, as well as the Ministerial Statement.

Secretary Guerra proceeded to read excerpts from the following Ministerial Statement:

Commission for Environmental Cooperation (CEC) Ministerial Statement

Twentieth Regular Session of the CEC Council

Los Cabos, Mexico, 11 July 2013—North America’s major environmental challenges—including air pollution from transportation, climate change, and the movement of hazardous waste—require joint, coordinated action in the context of the region’s shared borders and closely linked economies.

During our meeting today as the Council of the Commission for Environmental Cooperation (CEC), we agreed to a new Operational Plan for 2013–2014 that focuses on collaborative actions in three strategic areas to maximize our impact: greening transportation, tackling climate change while improving air quality, and addressing waste in trade.

We support continuing CEC efforts aimed at enhancing the alignment of environmental standards across North America, including in the transportation sector, in accordance with our legal frameworks and national circumstances.

Participants at our town hall meeting on transportation and the environment, as well as our Joint Public Advisory Committee members during their round table on sustainable transportation yesterday, called for action to reduce the environmental impact from our transportation networks that serve as vital links between our countries. To this end, we are announcing new initiatives to reduce emissions from trucks and buses, as well as from maritime transportation, especially at our borders and along our coasts.

We have also decided to bolster our joint efforts to combat climate change as well as harmful air pollutants that threaten the health of our communities and our economies. These efforts are intended to focus on reducing carbon in the atmosphere through protecting coastal and forest ecosystems, avoiding black carbon emissions, collecting and disseminating reliable and comparable data on greenhouse gas emissions and other pollutants, and promoting green building construction.

The management of hazardous wastes in trade, including electronic wastes and spent lead-acid batteries (SLABs), requires particular attention from our governments. The CEC Secretariat’s recent *Hazardous Trade?* report on SLABs made specific recommendations that we have considered in developing a North American response, through our enforcement and regulatory officials, to ensure that these wastes are properly managed to avoid harming the environment and the health of our communities.

Finally, as part of the new Operational Plan, we intend to continue our collaboration on key North American initiatives tracking pollutants, protecting shared ecosystems, reducing risks from chemicals, and coordinating environmental enforcement.

Taking action through community partnerships

Communities across North America are tackling environmental challenges head on with exciting and successful community-led projects that are restoring ecosystems altered by invasive species, improving the quality of life for the communities through sustainable building techniques in coastal communities devastated by hurricanes, and restoring natural diversity while beautifying neighborhoods by removing concrete and asphalt. These are just a few of the projects with direct and positive impacts on their communities and the environment that we are proud to support through our North American Partnership for Environmental Community Action (NAPECA).

Today we are again calling on community leaders to propose hands-on projects that demonstrate innovative approaches to addressing community, indigenous, local and regional environmental issues by promoting partnerships and delivering clear and tangible results that can be shared with communities across North America. Building on the many success stories generated through this grant program we have dedicated \$1.2 million to support these new projects over the coming two years. Proposals can be submitted until 10 September 2013, and we look forward to announcing grant recipients early next year.

New online tools for the Submissions on Enforcement Matters process

We are committed to ensuring that the Submissions on Enforcement Matters (SEM) process continues to be an efficient and valuable public participation mechanism, promoting the effective enforcement of environmental law in our three countries. Last year we adopted significant revisions to the *Guidelines on Submissions on Enforcement Matters under Articles 14 and 15 of the North American Agreement on Environmental Cooperation (NAAEC)*, in order to ensure that the process is more timely, accessible, and transparent.

Today we are pleased to announce two new tools designed to make the SEM process more accessible to the North American public. First, a new online portal, designed to provide members of the public with a user-friendly resource for filing submissions. Second, in support of Council's overall objectives to promote transparency and accountability, an online SEM "tracker" that will allow interested parties to easily monitor compliance with the mandatory and target SEM process deadlines set forth in the Agreement and the SEM Guidelines.

In the year ahead, our officials plan to work with the Secretariat and the Joint Public Advisory Committee to ensure effective SEM process monitoring and assessment and to begin implementation of a SEM outreach strategy.

Twenty years of successful environmental cooperation

We look forward to meeting in Canada in 2014, where we plan to celebrate the 20th anniversary of the North American Agreement on Environmental Cooperation, an agreement of historic significance borne out of trade agreement negotiations, which has enabled our three countries to work together on issues affecting our shared environment. From tracking pollutants and protecting migratory species that cross our borders to greening our economies by reducing risks from chemicals and making our industrial supply chains more sustainable, we have achieved significant results together. We intend to continue and strengthen these joint efforts over the years to come, particularly as we begin work on the CEC's 2015–2020 Strategic Plan.

Item 8 Closing Remarks by EPA Acting Administrator

Bob Perciasepe thanked everyone for their participation and contributions. He particularly thanked Mexico and the community of Los Cabos for having been such gracious hosts. He commented that over the last several days a lot had been accomplished, yet there is still much to do. He also thanked Irasema Coronado for all her hard work and thanked the dedicated staff of the Secretariat for helping to pull this meeting together. It is a combined effort that makes it work, he said. He pointed out he had been involved with the original NAFTA agreement and that many had worked hard to make sure there was an environmental side agreement. He acknowledged that what he sees now after 19 years is really remarkable and that the CEC represents a great forum for the three countries to work together. We are stewards of this continent working together, he stressed. The challenges we face are daunting but each represents an opportunity for working together. None of us can solve these issues alone, he emphasized. The US is aware that the issues don't stop at the border. As such, the US is deeply committed to the CEC. The public involvement is also an important component; before the meeting and during the meeting. Such a trilateral arrangement is unprecedented, he said. You, the public, need to keep pushing and we will become greater and greater allies, he concluded.

Item 9 Concluding remarks and Passing the Torch by Secretary Guerra

Secretary Guerra announced that Mexico was officially handing over the chairmanship of the Council to Canada. He thanked everyone for their participation at the meeting. He was now assured that Canada and the US had sufficient commitment to achieve regionally what is needed. He agreed that what is needed is a real leadership. He conveyed that the response from his counterparts has been extremely favorable and positive. Although today there are many economic differences, something common to everyone is the environment. Through the CEC, we find this common ground, he said. He then turned to Dan McDougall to offer him a decorative dish made by the communal farmers of Playón de la Gloria. He suggested that this dish symbolize chairmanship of the CEC and be passed on to future Council chairs.

Item 10 New Council chair and Announcement of 2014 Council Session by Dan McDougall

Dan McDougall thanked Secretary Guerra for hosting this meeting. He also thanked Irasema Coronado and the Secretariat staff. He also expressed heartfelt thanks to the staff of the three governmental organizations.

He said in closing that Canada is honored to accept chairmanship of the CEC and that next year's Council session will take place in Canada. This will be an opportunity to celebrate the 20th anniversary of the NAAEC and to further the discussions begun in Los Cabos. This has been a wonderful session, he concluded.

Secretary Guerra then officially adjourned the Twentieth Regular Session of the Council of the Commission for Environmental Cooperation.