

Energy and Trade:

Understanding the impact 20 years of NAFTA has had on North America's energy and environmental sectors



Los Tres Amigos/as

Are we there yet?

Where are we going?

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Expectations of NAFTA in the 1990s

- Increased trade – economic growth
- Promote direct foreign investment in Mexico
- Mexico would export goods not people (Carlos Salinas)
- Continental integration
- Propel economic growth in North America
- Lead to economic convergence
- Labor and environmental issues were a concern



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NAFTA Controversy

- Economic benefit
- Winners
- Losers
- Sovereignty
- Cultural
- History
- Bilateral relationships
- Freer trade – freer politics
- Democracy
- Jobs
- Rights of workers
- Alignment in foreign policy
- Security
- Cooperation
- Migration
- ENVIRONMENT



Environmental Issues

- Led to the creation of the North American Agreement on Environmental Cooperation
- Border Environmental Cooperation Commission
- North American Development Bank
- Commission for Environmental Cooperation



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20th Anniversary Reunion of Activists

- Yes, we support the environmental accords but wish they were stronger
- Institutions with flaws, no real teeth
- We see the limitations and the constraints
- NAAEC – way to pass NAFTA through the U.S. Congress



Observations

- Blecker and Esquivel: “...NAFTA failed to fulfill the promise of closing the development gap in Mexico”
- Huffbauer and Schott: Econometric projects - societal benefits of NAFTA
- Clarkson: “Does North America Exist?” NAFTA was reshaping internal working of the 3 parties and called for a modified, low-key North American Agenda
- Staudt and Coronado- North American Union



Nature of Relationship between Canada, Mexico and United States

- Interdependent
- Dependent
- Intermestic - International and Domestic
- Challenges for productive engagement
- Variables that lead to cooperation

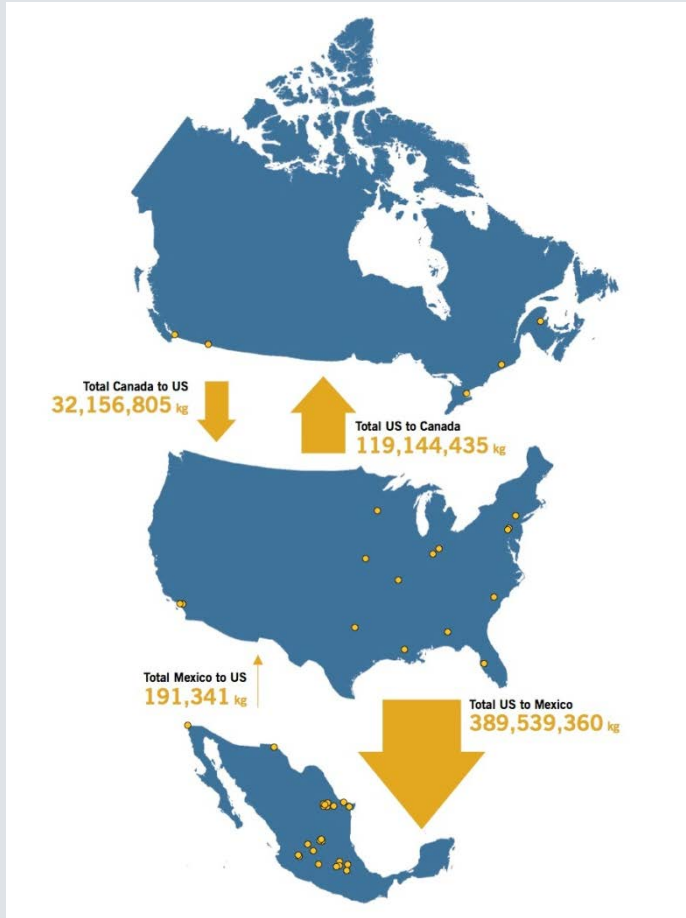


Challenges

- Policy Processes
- Policy Content
- Optimal Outcomes - Best Practices - Models
- Low-Hanging Fruit – Lowest Common Denominator form of compromise
- Timing of elections and political appointments



North American Agenda



- Who's at the top?
- Who's at the bottom?
- Who's in the middle?
- Unilateralism
- Tactical balancing
- Multilateral cooperation



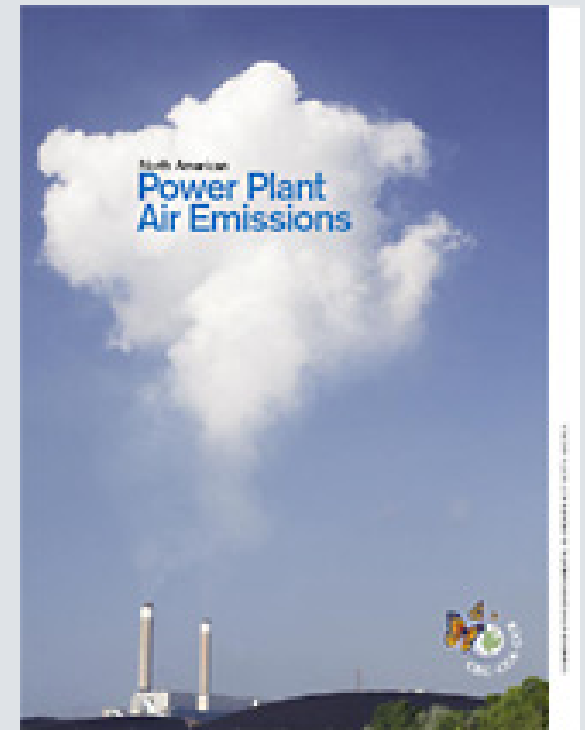
North American Agenda

- How do the three countries see each other?
- How do they understand the world order?
- What importance do they attach to the “relationship?”
- What do they want from each other and why?



Future Deepening of NAFTA

- More Regional Integration
- Revisiting NAFTA to include:
ENERGY
- Migration, infrastructure, supranational institutions, common currency, regional security, etc. (Castaneda and Camin)



Mumme and Sanchez

- Many Challenges
- Environmental Protection
- Natural Resource Management
- Climate Change
- Energy
- Positive Assessment of BECC, NADBANK and CEC
- CEC Biodiversity work and Big Bend/Río Bravo Project.....however,



Mumme and Sanchez

- More needs to be done
- Current institutions were not designed to address the multiscaled complexity and multidimensional problems of the 21st century
- Trilateral initiatives need to become better integrated and better supported by the governments
- Conservation and biodiversity



Mumme and Sanchez

- Address rivalry among local, state, provincial, federal institutions
- Parks Canada, Environment Canada, USEPA, Department of Interior, SEMARNAT and CONAFOR
- Revisit institutions CEC, BECC and NADBANK



Positive Outcomes

- “ The automobile industry is almost seamlessly integrated between the three countries....” (Selee and Diaz-Cayeros)



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Recommendations

Handshake – Embrace - Kiss

Greet the neighbor but we have not invited them over for dinner

Historical Distrust

Promote the notion of Shared Responsibility

Deeper forms of regional integration (social)

Citizen-to-Citizen Diplomacy JPAC



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Environmental Institutions

- The three countries should not rest on their laurels....
- Continue working on:
 - Energy
 - Water
 - Groundwater
 - Imaginative and realistic policy recommendations



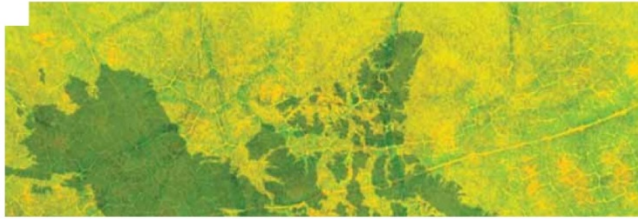
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- Work within the three priorities
- Clusters – cross-cutting priorities
- Working Groups
- Cooperation
- The art of the possible
- Hopefully laying the groundwork to tackle the more difficult challenges such as:



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THREE COUNTRIES. ONE ENVIRONMENT.



Commission for Environmental Cooperation

- Energy
- E-Waste
- Environmental Degradation
- Emissions
- Environmental Protection
- Environmental Health



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For your consideration

- Keystone Pipeline?
- Pemex?
- Fracking?
- Meeting with trade representatives from the three countries?



Be realistic, demand the impossible!

- Questions
- Comments
- Thank you, Merci Beaucoup, Muchas gracias



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