

*Rick Van Schoik and Eric Lee\**

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## **North America next: a report to president Obama**

**SUMARIO:** I. Introduction. II. Our Approach. III. Recommendations.

*“The stakes could not be higher. It is time or us to recognize that the future security and prosperity of the United States is fundamentally tied to the future of the Americas...we can lead the hemisphere into the 21st century...It’s time for a new alliance of the Americas...So my policy towards the Americas will be guided by the simple principle that what’s good for the people of the Americas is good for the United States.”*

Barack Obama, May 23, 2008

### **I. Introduction**

This report’s premise is that the potential for a more cooperative North America, which would greatly benefit the United States, has not been realized by past administrations and Congresses. A renewed vision and commitment to trilateral relations would benefit the United States and also its immediate neighbors by pushing distractions to the background and recognizing and realizing the full benefits of coordination, cooperation and collaboration.

The three major nations that make up most of North America are unique in the world. They are each complex, robust democracies. They are each especially rich in natural, human, and financial capital. And despite a continental border

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security regime that has slowed commerce significantly, the three nations' proximity should equal long term productivity and prosperity.

For example, the United States gets most of its forms of energy from Canada and Mexico. Furthermore, the creation of complex supply chains in the 1990s and early 2000s helped to create an enormous amount of continental trade that did not exist before. Both of these facts are often obscured by difficult public debates in the United States that have the effect of undervaluing the reality and enormous promise of enhanced relations with Canada and Mexico.

We have an incomplete understanding of North America's possibilities following the first 15 years of the North American Free Trade Agreement. Indeed, NAFTA's genius and chief law was its limited nature. However, the United States and its neighbors failed to summon the collective political will to build the necessary north-south infrastructure to bolster internal efficiency. We also lacked the vision to ensure adequate multi-modal sea- and airports to export our products and to import our neighbors' products. In other words, we passed a trade treaty without passing complementary legislation to enable NAFTA to (literally) deliver on its promise—North American prosperity.

Our common economy and security only function as well as our borders function. The slowdown in trade at the borders in response to September 11 cost the United States dearly.

According to a Milken Institute report, "Metropolitan areas across the U.S. lost 1.6 million jobs in 2002. The metros most vulnerable to job losses are those that rely heavily on travel and tourism and businesses related to them." In response to this slowdown, a number of groups have been working diligently to unlock the pent-up potential of cross-border trade in North America. In particular, there have been a Lumber of reports on the economic effect of border wait times. To name but one example, a 2007 report by the San Diego Association of Governments states that "Inadequate infrastructure capacity at the border crossings between San Diego County and Baja California currently creates traffic congestion and delays for cross-border personal trips and freight movements that cost the U.S. and Mexican economies an estimated \$7.2 billion in foregone gross output and more than 62,000 jobs in 2007."

While this and similar reports differ in their approaches, the broad outline of what they are saying is clear: our borders offer complex economic benefits but are not currently functioning as well as they should. This reduced capacity operates to the detriment of border communities and the broader North American economy.

## II. Our Approach

The North American Center for Transborder Studies (NACTS)—hosted by Arizona State University— is a consortium of U.S., Canadian, and Mexican

universities that want to promote more productive and collaborative North American relations among its three major countries. Our vision is to make North America safer, more economically viable, and more prosperous.

NACTS, incorporating the inputs of private sector and government experts, works with the interconnected North America academic community to study, synthesize, understand, and communicate scenarios of the future, unintended consequences of well-intended policy, and more comprehensive solutions.

This report addresses the major issues of our time with respect to Canada and Mexico. It draws heavily from this broad process of engagement, makes a series of tangible recommendations to the Obama Administration, and outlines the returns expected if the recommendations are implemented and the consequences if they are not. This report is crafted as the launching of a process with practical, measurable steps set forth in a priority fashion. A broader, more collaborative strategy with Canada and Mexico will pay significant dividends for U.S. competitiveness, security and a more sustainable future.

### III. Recommendations

The North American Center for Transborder Studies—working closely together with numerous key partners throughout North America—developed a set of recommendations for the Obama Administration over the past year. They are arranged here under eight over-arching recommendations with additional, complementary recommendations. The eight top-level recommendations can be implemented in the near- and medium-term and will also encourage greater collaboration and progress in a number of key issue areas.

*1) Build upon and expand the Mérida Initiative in a way that maximizes bipartisan U.S. support and multi-partisan Mexican consensus and buy-in.*

Mexico currently faces its most significant security challenges in decades. These shared challenges threaten to complicate efforts to build a new more secure future for U.S. -Mexico border communities and North America more generally.

An announcement to expand and to deepen the Mérida Initiative would send a clear message of U.S. and Mexican resolve to deal with quite serious security issues in Mexico and challenges in the border region. President Calderon stated the equation in a straight forward manner when he met with then-President elect Obama in January 2009: "The more secure Mexico is, the more secure the U.S. will be." The United States therefore needs to expand its strategic and financial investment in the Mérida Initiative. The U.S. should also build on the foundation of current binational cooperation on security by implementing the recommendations of the 2008 Joint Declaration of the

Border Governors' Conference on border security, particularly regarding improved cooperation on tracking the cross border movement of fire arms and enhancing binational exchange of information on criminal activity on both sides of the border. And finally, it is also fundamental to understand that the success of the Mérida Initiative depends upon a successful process of consensus-building and binational cooperation on the Mérida Initiative within Mexico. NACTS could provide on going assessment and monitoring of these programs by bringing the expertise of the North American academic community— together with the experience of the private sector and former government officials—to bear on the issue in a coordinated manner. The assessment would focus on efforts to regulate the flow of fire arms southward to Mexico; progress in strengthening Mexican police and justice efforts to deal with criminal organizations, improved border control techniques, and other issues.

**Figure 1**  
**Expand the Mérida Initiative**

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- Enhance the U.S.' strategic and financial investment in the Mérida Initiative.
  - Adopt the Borger Governors' Conference recommendations on improving binational cooperation and exchange of information.
  - Engage civil society in assessing Mérida.
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*2) Energize and expand the North American Trilateral Leaders' Summit.*

The Summit is the highest profile example of North American cooperation and should continue with significantly increased participation from a number of key regional stakeholders.

There are abundant opportunities to draw upon the work of existing regional entities—governors, legislators, NGOs, academics, advocacy groups—for solutions to needs throughout North America. These include the private sector and public-private partnerships that would perhaps interact at pre-Summit meetings of NGOs, trade unions, academics, and think-tanks. Involving the three federal legislatures as well as state, county, tribal, and municipal governments within the Summit structure will deepen and strengthen collaboration between the United States, Mexico, and Canada. North American universities could function at the center of a reinvigorated crossborder network.

3) *Designate a North America /Borders authority to build and coordinate a more sustainable security.*

While we acknowledge a host of security challenges around the world and at our borders, a singular focus on security clearly does not address all the critical functions of the U.S.-Mexican and U.S.-Canadian borders or our numerous and highly complex interactions with Canada and Mexico. A senior-level deputy should be based at the National Security Council in order to deal with the competing, complementary, and overlapping border management, national security, law enforcement, commerce, transportation, environment, water, regional development, and other infrastructure and political issues that comprise today's border area realities. The deputy would also sit on the National Economic Council and the Homeland Security Council and would thus be very well-positioned to advise the President and the rest of the federal government on key trade-off s.

If and once comprehensive immigration reform is addressed by the Congress, the U.S. North American border authority may also be tasked with showing leadership from the U.S. federal government on creative solutions to issues of North American labor mobility and skill transfer, while again coordinating closely with federal, state and local governments on local impacts of labor mobility.

**Figure 2**  
**Selected North American Regional Organizations**

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- Arizona Mexico Commission
  - Border Governors' Conference
  - Border Legislative Conference
  - Border Policy Research Institute, Western Washington University
  - Border Trade Alliance
  - CANAMEX Corridor Coalition
  - Center for Dialogue and Analysis on North America, Tec de Monterrey
  - Center for North America Studies, American University
  - Center for Research on North America, UNAM
  - Commission for Environmental Cooperation
  - Conference of New England Governors and Eastern Canadian Premiers
  - Consortium for North American Higher Education Collaboration
  - Great Lakes Legislative Caucus
  - Institute for the Regional Studies of the Californias, San Diego State University

- Mexico Institute and Canada Institute, Woodrow Wilson Center
  - North American Center for Transborder Studies
  - North American Transportation Competitiveness Research Council
  - North American Development Bank
  - North American Forum on Integration
  - Pacific Northwest Economic Region
  - Robarts Centre for Canadian Studies, York University
  - Transborder Institute, University of San Diego
  - Western Canadian Premiers
  - Western Governors' Association
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#### *4) Expand joint risk assessment and preparedness with Canada and Mexico*

The U.S. security community is focused on the prevention of another terrorist attack. These critical efforts can be bolstered by engaging the our North American neighbors as true partners—not as buffers, origins of threats, or passive bystanders. Joint defense of the common, continental homeland begins with a shared assessment of the threats, vulnerabilities, and consequences of intentional, as well natural, events. This planning, preparation, and subsequent response and recovery (P2R2) starts with general contingency planning and emergency response planning for natural and other disasters.

The prevention or response to droughts and floods, epidemics and subsequent quarantines, hazardous material spills or emission, and train or aircraft accidents have similar elements. The inter-operability of plans ensures an adequate response to intentional acts of bioterrorism or other malicious attacks. Currently, risk assessment in North America is managed largely through a national, rather than a multi lateral lens. The United States has historically led the security agenda in North America with Distant Early Warning and NORAD and also in the post-9/11 era with the establishment of Northern Command and the Department of Homeland Security.

Congress has mandated that both North-Com's and DHS' strategies be risk-based, meaning that they balance resources in a multi -threat world by assessing and managing the risk. In practice this becomes problematic for a number of U.S. federal agencies, since the concept of a "one percent solution" was aimed at assuring "never again" for an event like 9/11 on U.S. soil. This mentality drives much of the U.S. security agenda and is responsible for its highly unilateral nature. Joint risk assessment and emergency response preparedness is one of the major arenas in which effective communication and a pre-arranged Joint response are critical. Indeed, continental disaster planning, preparedness, response, and recovery (P2R2) is a real opportunity in cross-border collaboration. One practitioner has described to the North American Center for Transborder Studies his department's goal as being interoperability, or "plug and play," as opposed to integration.

Cross-border emergency response networks have a critical need to be able to address catastrophes quickly and efficiently without being hindered by politics. On going efforts to achieve interoperability of such basic infrastructure as maps, radio frequencies, and weather warnings, as well as emergency procedures and resource sharing are critical. Indeed, multilateralism, cross-border cooperation, and shared responsibility and privilege distribute both accountability and benefits to all parties involved.

Additional recommendations on managing our borders and security with Canada and Mexico Adopt the recommendations on security of key regional groups such as Border Governors Conference, the Border Legislators Conference and others which have multi-partisan as well as trinational input and buy-in.

Regional understanding of crossborder issues has advanced significantly in recent years with valuable insights on crossborder policy, including governors, legislators, NGOs, academics, advocacy groups and others. Partnering effectively with these groups will build better policies for managing our borders and our sustainable security with Canada and Mexico.

Continue to move the internal borders away from the borders to the farm and factory by increasing investment in technology and streamlined processes to ease border flows. Ports of entry at borders have become thicker, stickier, and tenser. One way to ease the congestion at the U.S.-Canadian and U.S.-Mexican borders is to use technology and intelligence to allow packages, products, and produce to move securely from their points of origin to their destination points secure supply chains. Programs that seek a balance between security and competitiveness, such as FAST and CTPAT, should be encouraged, evaluated and expanded. North American ingenuity and innovation can bring more smart and modern alternatives to fences, walls, and antiquated ports of entry to better control illegal, dangerous and environmentally damaging entry into the United States. Technology could enable rapid assessment of all movements across the border—both at ports and away from them. Early assessment of risks that crossers pose enables Management of that risk and speeds overall processing of the majority of crossers, who are low-risk.

Technology does have a role in securing our nation's borders, although we need to think through its sustainable implementation. Satellites could ultimately protect the environment, facilitate trade, and engender better U.S.-Mexican relations and U.S.-Canadian relations. The potential successful use of satellites suggests that trade, security, and protection of the environment need not be seen as "pick one and delete the rest." Instead, security, environment and commerce can co-exist if co-developed together. The graphics to the Leith show an example of how green infrastructure, or natural capital (Figure 3a), can determine where human capital and economic infrastructure goes (Figure 3b). Borders and security infrastructure are often then imposed onto the landscape to protect national capital, but they need not destroy the environment or create unnecessary tension between nations. Figure 3c shows how in remote and

challenging terrain, such as terrain with steep hillsides and riparian habitat, security infrastructure such as satellite telemetry, unmanned aerial surveys, balloon-lofted radar and stand-off sensors can monitor activities and movements. In urban binational metroplexes, some fencing does make sense, if used intelligently with configurations such as trinational customs teams. In other areas, a combination of fences and satellites makes sense. This combination allows energy, legitimate vehicle, personnel, and product transfer across the border yet affords control of the border.

NACTS' unique amalgam of academe, private sector and former government officials is wellpositioned to make contributions to these efforts as well as to monitor, assess and evaluate them.

### Figures 3

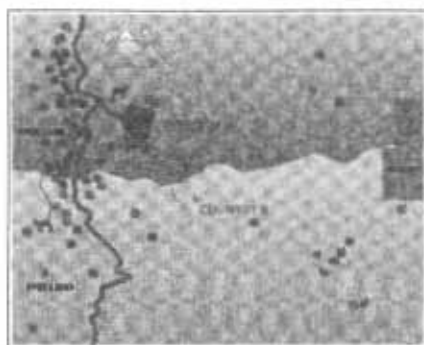


Figure 3a. Crossborder green infrastructure



Figure 3b. Human capital and economic infrastructure.

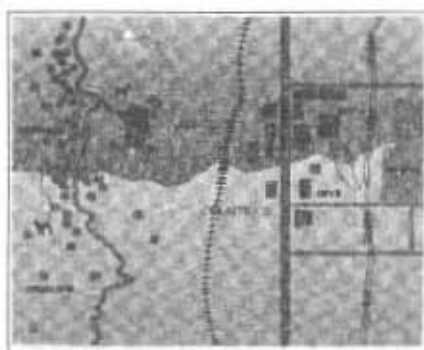


Figure 3c. Smart border infrastructure.

Provide funding to staff key ports of entry 24/7/365. Port of entry infrastructure and staffing has not kept up with demand. The Department of Homeland Security must adequately staff key ports of entry to better facilitate the flow of



legitimate North American commerce, shopping, tourism, and education, particularly where a clear case can be made by local and regional stakeholders for increased staffing.

Create a common border crossing permit, “single window” electronic filing, joint customs teams, and common booths for all relevant agencies. Currently a truck that is crossing the U.S.-Mexican or U.S.-Canadian border may have to file the same or similar information several times on each side of the border. Filing all the required information—once, electronically—to a CyberPort that all three nations are able to view can enable seamless processing and in some cases single-stop crossing.

Inspectors for agriculture, hazardous material, and other things must be able to review paperwork ahead of arrival.

Joint customs teams can expedite processing for initial crossing, the return trip, and subsequent trips. The U.S. and Canadian Chambers of Commerce are strong advocates of electronic submission through a single window. Figure 4 describes the CyberPort concept.

Establish a North American Advisory Council. To guide the new President and his Departments in implementing the next North America, a critical component is an independent, transparent (and both inside and outside the beltway) North American Advisory Council, which would include both an economic and a scientific panel.

Provide firm, constant and creative leadership on immigration issues that respects basic human rights and needs, local and state concerns, and North American human security. President Obama, together with President Calderón and Prime Minister Harper should form a North American partnership to explore and consider a broader set of concerns that affect immigration, including development, climate change and human security. This work should have the express goals of reducing the wage differential between the United States and Mexico, reducing deaths at the U.S.-Mexico border to zero, and creating a safe and orderly mobility of laborers, shoppers, students and tourists that is worthy of these neighboring democracies.

In addition, President Obama should urge the Congress to pass a humane and just comprehensive immigration reform with a workable system of notification/consultation from states on labor shortages, surpluses, and local impacts of immigration. An overly narrow focus on immigration and traditional border security should be avoided.

Any immigration reform needs to provide a sustained consultative mechanism (with broad public participation) with Canada and Mexico on enhancing continental development, human rights, and human security.

Above all, the United States, Canada and Mexico must provide for secure and sustainable lives for their citizens. “Sustainable” social and economic environments permit parents to feed families and to provide for the education of their children.

Insecurity of life perspectives and non-sustainability of family economies brings mass migration.

People as entrepreneurs of their own lives try to make the most of chances they presume to exist in other countries. Hard work is what they expect, better lives for their children is what they aim for.

The better their lives are secured "at home" the less pressure to strike out and cross borders.

#### Figure 4 CyberPort Guiding Principles

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- Binational, interagency and public-private cooperation
  - Integrated and harmonized procedures and systems
  - Incentives for pre-clearance, pre-inspection, and compliance programs
  - Risk identification and management
  - Safety, security and efficiency through infrastructure
  - Secured shared information
  - New technology
  - Maximizing transparency and visibility of shipments
  - Performance standards and systems for measurement
- 

Source: Nogales CyberPort Project Comprehensive Report, University of Arizona, Office of Economic Development, 2003.

*5) Create an effective North American trade and transportation plan with Canada and Mexico.*

Because of the significant congestion, bottle necks, and infrastructure deficits throughout North America which create enormous inefficiency in the U.S. economy and the broader North American economy, there needs to be a significant movement towards an integrated, multi modal transportation plan and a North American infrastructure plan.

In a recent NACTS transportation issues paper, author David Randolph advises that "the first step is long-term planning at the trinational level" followed by a "multi-year authorization bill for border stations" and, in situations where it makes sense and advances milestones, "public-private partnerships where some costs can be borne by private entities." State and local governments are often actively planning for infrastructure improvements. Arizona and Sonora have an infrastructure plan; this state-to-state coordination is a good model for a North American infrastructure plan. The California border plan has an innovative partnership for construction of a

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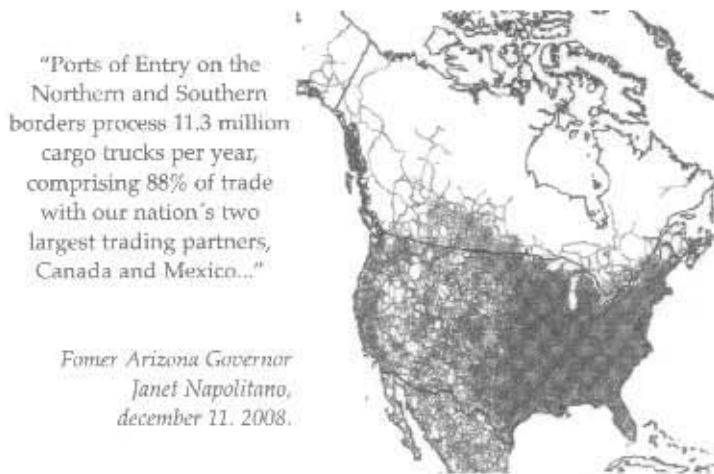
new port of entry, toll roads, conduits to and from the port of entry, and corridor highways along the border. Some local border communities are suggesting collecting fees for frequent crossers as a mechanism to finance additional lanes and staff to speed those frequent crossers. The federal government (specifically, the Government Services Administration and the Department of Homeland Security) should continue to partner with these local initiatives and continue to actively seek community input in the design, construction and operation of the facilities.

Potential organizers for this enhanced system face an uphill battle, however. The infrastructure deficit in the U.S. is \$1.6 trillion, according to the American Society of Civil Engineers. And NACTS' meta-estimate of North America's infrastructure need is alarming, but illuminating. Indeed, NACTS commissioned a number of needs studies recently to coincide with the new administration in Mexico, cyclic deadlines in Canada and the United States and new inquiries by governmental and non-governmental groups. The somewhat staggering results of this North American Transportation Infrastructure Needs Assessment (TINA) for the U.S.-Canadian and U.S.-Mexican borders appears in figure 6, above. In short, NACTS believes that North America needs to invest \$2.6 trillion over 10 years to see an enhanced North American transportation system through to fruition. And infrastructure investment creates jobs; transportation experts generally agree that approximately 35,000 jobs are created per billion dollars invested in infrastructure. As former Arizona Governor Janet Napolitano mentioned to then President-elect Obama in a December 11 letter, "...Immediately creating quality, good-paying jobs while laying the foundation for long-term economic growth is one of the best investments the Federal government can make in this troubled economy."

We must emphasize that the large numbers above are tempered by the significant return on the investment. President Eisenhower's Federal Highway Aid Act of 1956, which created the highway system of the United States, provides a tangible example of the type of return on investment that can be achieved through the creation of such a highway system. Partly because of the Highway Aid Act, the U.S. economy is the most productive and envied in the world. In recent years, however, insufficient investment in the U.S. highway system has cost the country dearly. According to the Texas Transportation Institute, "Congestion on roads costs \$78 billion annually in the form of 4.2 billion lost hours and 2.9 billion gallons of wasted petrol." There is even less invested in transborder roads and transportation systems, which arguably costs all three nations even more annually. According to the Department of State, NAFTA or North American transboundary commerce is estimated at \$1.7M per minute, \$2.4B per day, or \$876B per year and expected to grow. Not investing the \$2.6 trillion jeopardizes NAFTA trade and the jobs that depend on this trade. The return on the investment is significant—between 3:1 and 50:1, according to NACTS' calculations — and would significantly stimulate demand and help to jump-start the U.S. and North American economies.

Moreover, investment improves quality of life in the most basic way—it saves lives. According to a 2006 report by American Association of State Highway and Transportation Officials (AASHTO), “Today’s [U.S.] highway death toll of over 43,000 annually can be cut in half through a series of safety action investments.”

**Figure 5**  
**North American Surface Transportation System**



**Figure 6**  
**Compiled Transportation Infrastructure Needs Assessment (TINA)**

Nation	TINA	Type	Source
Canada	\$300M/yr \$9.78B/yr	Gateways and Corridors Planned National Transportation Need	Gateway Connects 2007 Council of Federation 2005
U.S.	\$225B/yr \$10.6-15.3B	National Transportation Need Border Ports Needs	NSTP Trans for Tomorrow “Bottlenecks” CalTrans
Mexico	\$5.2B/yr \$.86-\$1.07B	Investment Need Border Ports Needs	Blank et al, 2007 “Bottlenecks” CalTrans
Totals	\$239.98B/yr \$16.96B	National Transportation Needs Border Ports Needs **	
10-Year Total	\$2.57T	Ports and Corridors	

*Direct parallels are not possible but an exhaustive review of 12 Canadian, U.S., and Mexican assessments (Stanley, 2007) begins to make illustrative comparisons.*

\*\* Ten year and median sum.

And finally, a more subtle but equally important feature of infrastructure is its ability to attract foreign direct investment (FDI). “Experts are increasingly pointing to investment in trade-related infrastructure as essential to competitiveness and attracting FDI,” according to Canada’s 2006 Gateway and Corridors Initiative.

*6) Create a joint revolving fund for infrastructure investments in North America together with Canada and Mexico.*

Infrastructure in the United States, Canada and Mexico is rapidly deteriorating and in urgent need of broad and deep investment. A growing number of academic, policy, government and private sector voices concur that there are a large number of specific ways in which the three federal governments’ investment could greatly increase efficiency, which taken together, would generate significant gains for the economy as a whole.

By pooling resources, the three countries can maximize the competitive benefit vis-à-vis Asia and Europe and jump-start our collective economic engine. The Federal government should also consider funding infrastructure improvements through a joint trust. Robert Pastor of American University has proposed a North American investment fund of \$20 billion per year for 10 years. The North American Development Bank, restricted by its mandate to funding infrastructure projects along the U.S.-Mexico border, is a highly worthwhile model that could be expanded to help build and improve trade corridors and roads that go from northern Canada to southern Mexico.

Additional recommendations on enhancing competitiveness with Canada and Mexico Increase support for innovative infrastructure financing. Borders and corridors should again be included in the U.S. Department of Transportation’s budget, along with a provision for multi-year funding.

Sustained investments in border transportation infrastructure and our trade corridors that link us to Canada and Mexico is an investment that will generate significant rewards (see figure 7).

Streamline the presidential permitting process for development of border infrastructure. The current seven-year-long process to approve new border crossings or major construction at existing border crossings is simply too long and puts the U.S. economy at a competitive disadvantage. Harmonize freight transportation standards. Currently, 64 different jurisdictions in North America set weight and length regulations for trucks. Certainly, standardized rules can ease the movement of a truck from one area to the next and help build the North American competitive advantage in this area.

Ease cabotage on short sea shipping and by trucks. Past concerns about cabotage are no longer warranted. Sovereignty rights and private company fears about international competition drove what are now outdated rules. Transportation fuel costs, environmental issues, efficiency concerns and other issues make it urgent that Mexican and Canadian truckers be able to pick up

loads within the United States when returning to their countries of origin. In addition, the federal government (as part of a comprehensive, North American transportation plan) should encourage the expansion of rail (through measures such as preferential easements and assistance with permitting).

Figure 7  
CANAMEX Trade Corridor

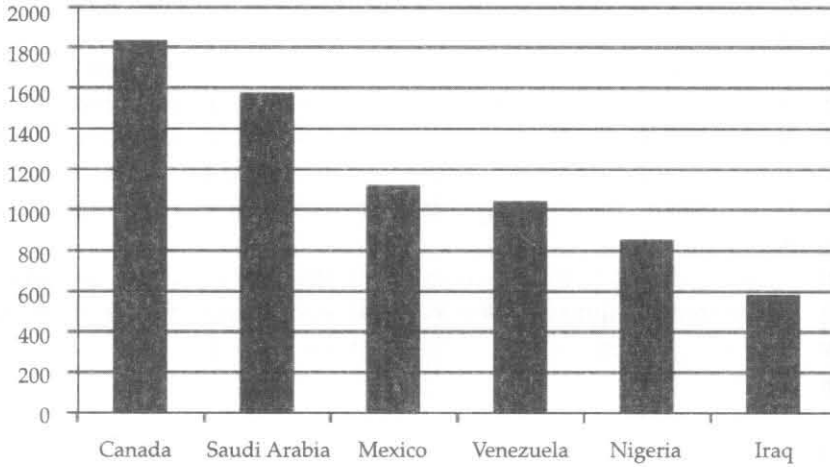


Permit complete NAFTA truck access. Mexican trucks still cannot access U.S. and Canadian locations, and their ability to do so has been delayed by unwarranted labor, safety, and environmental concerns for the last eight years. The new president has an opportunity to work with Congress to move on this NAFTA promise.

The productivity that will be created by allowing Mexican trucks to do this is equal to adding dozens of new lanes at ports of entry across the U.S.-Mexican border.

Establish a trucker visa and international rail crew process. Mutual and reciprocal recognition of a single North American border crossing permit for freight transportation professionals would eliminate yet another stop between nations.

**Figure 8**  
**Top Suppliers of U.S. Oil Imports**  
 (Thousands of barrels for day)



Source: Whashington Post/U.S. Energy Information Administration

### 7) Implement a North American Greenhouse Gas Exchange Strategy.

A North American greenhouse gas exchange strategy (NAGES, modeled on the Clean Development Mechanism to create a North American clean energy fund) could ensure the U.S. continues to have priority access to Canada's wealth of hydroelectricity, natural gas, light petroleum and uranium in exchange for off sets for the greenhouse gases created by their development. Mexico, as the seller of the off sets, could then develop the infrastructure to clean its energy, transportation, housing and industrial sectors. This arrangement would improve U.S. energy interdependence and continental climate security.

Mexico can grasp the opportunity to leverage the off set revenues to create and fund at a significant level President Calderón's Green Fund. This will not only reverse the deforestation that has occurred in Mexico but will also reestablish Mexico as one of the richest biodiversity "hot spots" in the world. The combination of carbon trading, capture and off sets has great potential to positively impact current climate change trends.

Moving to a carbon neutral society (as part of NAGES) is not only a win for all three countries but an opportunity to lead the world in the creation of green jobs designing, manufacturing, installing and operating renewable energy farms and capturing and sequestering carbon. The fast-depleting Burgos basin in Mexico and other transborder basins are some of the best locations to store

carbon dioxide. The existing interconnections among the North American pipeline system make them logical destinations for greenhouse gases, but the border could interfere with such efficiencies.

The U.S. federal government should also expand the role of the North American Energy Working Group (NAEWG) in all U.S. energy policy development.

Power and pipeline routes, renewable energy, emission reduction credit trading and greenhouse gas accounting can be achieved more efficiently through the NAEWG. North America next: a report to president obama 21 Additional recommendations on achieving sustainability with Canada and Mexico Jointly “green” the trade corridors of North America through a number of key initiatives.

Congestion has two primary costs—lost efficiency and air pollution. At border ports of entry, heightened security and safety concerns are oft enblamed for post-9/11 congestion. In this context, three objectives for improvement emerge:

- the hard cash advantage of facilitated cross border trade;
- the green light of expedited security and safety inspection processing; and
- the greening from environmental quality enhancements.

Conceptually, all are made possible with a solution that encompasses transportation engineering, economics, security, urban planning, binational policy and other academic disciplines. The solution is to reduce waits and stops in the transborder supply chain from origin to destination by expediting all border processing. This can be accomplished by having:

- pre-certified carriers and crew;
- pre-cleared cargo; and
- continuing to push forward with environmentally efficient truck engines, fuels and routes.

These three components can be combined to create dedicated Green3 (Green Cubed) lanes at the U.S.-Mexico and U.S.-Canada ports of entry. North American governments can provide incentives to trucking companies and private vehicles to modernize and retrofit their fleets, fuels, and routes. In essence, NACTS proposes moving the U.S.-Mexican and U.S.-Canadian borders (and their processing costs) away from the (actual) borders to the factories and farms from which trade goods originate.

Conduct transborder environmental impact assessments (*TEIAs*). Currently, nations plan, finance, and complete projects that have consequences across their borders. Therefore, the funding, authority, and visibility of the Commission for Environmental Cooperation (CEC) and its Transborder Environmental Impact

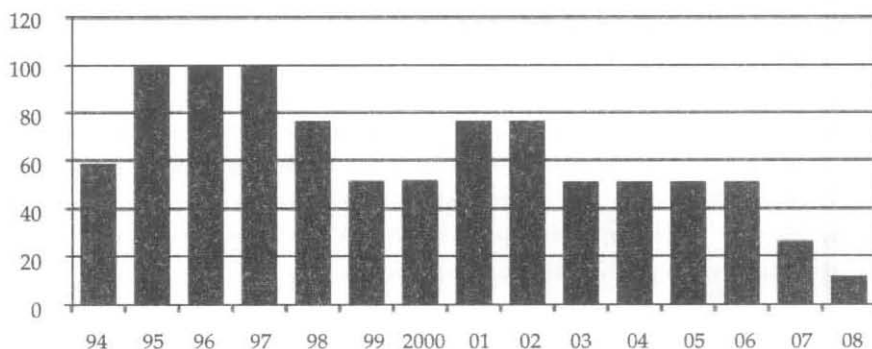


Assessment capacity need to be boosted. This will require nations to notify each other and then to monitor, minimize and mitigate some transboundary impacts.

Create a Trilateral Environmental Research Institute (TERI) focused on sustainable freight transport in North America.

The TERI should be linked to the university community and receive multi-year funding for demonstration projects. TERI should research and develop engine and related technology to improve fuel efficiency and reduce greenhouse gas emissions by mobile sources. The institute should also research and develop alternative fuels for mobile sources.

**Figure 9**  
**U.S. Appropriations to U.S.-Mexico Border Environmental Program**  
(U.S. \$ Millions)



\* FY2007 and FY2008 reflect proposed budget amounts.

Source: *United States-Mexico Border Program: An Analysis of Program Impacts and Pending Needs*. Border Environmental Cooperation Commission, April 2007.

**Build transborder environmental infrastructure** When NAFTA passed, it was with an understanding, some say a promise, that the border environmental infrastructure deficit would be addressed by annual contributions from both the United States and Mexico. At the United States' urging, the Border Environmental Infrastructure Fund, or BEIF, has dwindled to as little as \$20 million. Funding to restore the fund to \$100 million annually is essential for human health, animal and crop safety and economic prosperity for the region.

**Develop the Arctic responsibly.** Instead of competing with Canada for Arctic resources, the U.S. could enhance its security by promoting Canadian sovereignty there. Ever increasing Canadian presence in the Arctic confirms North American security. While U.S. security concerns may center on homeland

defense, Canadian and North American security rests with Canada continuing to claim its sovereign access and presence in the Arctic.

8) *Establish joint and practical assessments of North American policy effectiveness.*

We are in great need of practical and meaningful ways to guide and track progress on a number of key North American issues. Such an effort should include tools such as a Cross-Border Collaboration Scorecard and an annual State of North America Report (SoNAR) to be developed by the North American university community. The scorecard and report would inform the annual Trilateral Leaders' summit.

The border must be viewed as a system of systems—human interaction at all levels. These systems include transborder industry and commerce, trade and transportation, ecology and environment, hydrology and atmospheric emissions. As such, border management cannot be measured by a single indicator or even a set of security or trade indicators. The number of captured irregular migrants and wait times do not communicate the true value of the system. Additionally, while CBP and DHS have several effective measures of law enforcement and a few that indicate operational control of the border, they have none that move towards sensing sustainable security or multi lateral progress on border operations and security.

The two Secure and Smart Border Accords with Canada and Mexico have not yet been evaluated. If the United States truly wants to extend security and make the border "thinner," then we must start working in earnest on serious joint assessment with our immediate neighbors.

**Figure 10**  
**Key Border Management Data and Assessments Needs**

Available Data	Data Needed	Value
Wait times at ports of entry—vehicle and pedestrian crossings	Standardized protocols	Rigorous planning tools for crossers and manager
Miles of fence, arrests, pounds of contraband	Relative level of effort or investment per data point, push/pull and transactional cost (i.e. coyote costs) other covariates	Effectiveness of program, activity and investment
Environmental impact	Mitigation needs	Stewardship and conservation
Virtual fence alarms	Actual positive anomalies	Operational control of borderlands
Pre-cleared travelers and shippers enrolled	Violations encountered	Actual risk

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On the other hand, cross-border cooperation (versus competition in a zero-sum game) maximizes mutual benefit – the size of the pie. Metrics for trilateral sustainable security or even just crossborder cooperation will be difficult to determine and measure but NACTS and key partners are already involved in the process and willing to elicit participation from Mexico and Canada. The guidelines for the most effective indicators are those that are derived from readily and permanently available data, are easily understood by the public, and measure progress of the government program as well as the fundamental, broader value: human security.

### *The Importance of Presidential Leadership On North American Issues*

The key challenge for the new President will be establishing leadership in the public discussion on trade and how the United States can most effectively and intelligently interact with other nations. Establishing a reinvigorated and more collaborative relationship with its immediate neighbors would constitute the first “passing grade” (domestically and internationally) in this area.

The core message of the new President with respect to North America should be the following:

- NAFTA had a limited vision that led to a dramatic expansion of trade and investment among Canada, Mexico and the United States and growing integration of the three economies. Yet precisely because of our limited vision of how to best relate to Canada and Mexico, the benefits of that agreement were not shared equitably nor were they as significant as they could have been.
- Problems that have grown worse as a result of uneven integration are better addressed by a more collaborative approach together with key domestic stakeholders (academic and public policy organizations, citizen’s groups, the private sector) and international partners (Canada and Mexico).

### *Expected Benefits*

Appointing a North America/borders authority to coordinate enhanced security, competitiveness and sustainability initiatives should energize collaboration within the U.S. federal government on North American initiatives. This will make trade more efficient and will help to undo much of the “thickening” of our strategic border regions.

Working with Congressional leaders and regional organizations to fund and implement the revitalization of the nation’s infrastructure—as part of a broader

North American strategy to enhance competitiveness—will help stimulate demand in a difficult economic context. Directing the relevant federal agencies to conduct expanded, more collaborative assessment of multi-faceted risk and program effectiveness in closer partnership with North American universities will create a more fertile environment to implement policy and enhance our common security.

*Invest in collaboration*

During the summer of 2008, two simultaneous events epitomized the need for a shared, common region. In early August, monsoon rains pelted the twin cities of Nogales, Arizona and Nogales, Sonora, and because a border fence prevented proper flood control systems, parts of Nogales, Sonora were left eight to 10 feet under water. Also during this summer, California experienced the worst wildfires in its history—and both

Canadian and Mexican firefighters were on the front lines of the fires, working to put out the flames. The planning and relationships that enabled such productive crossborder collaboration had been worked out in the fire off-seasons.

These two examples illustrate both the challenges but also the benefits of better collaboration with Canada and Mexico. The North American Center for Transborder Studies urges the new Administration to adopt these recommendations at this critical moment for the nation. A broader, more collaborative strategy with Canada and Mexico will pay significant dividends for U.S. competitiveness, security and a more sustainable future.