

108TH CONGRESS
1ST SESSION

H. R. 254

To authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2003

Mr. BEREUTER (for himself, Mr. BONILLA, Mr. GONZALEZ, Mr. HINOJOSA, Mr. OSE, Mr. ROYCE, Mr. REYES, Mr. RODRIGUEZ, Mr. GRIJALVA, and Mr. ORTIZ) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. AUTHORITY TO AGREE TO CERTAIN AMEND-**
2 **MENTS TO THE BORDER ENVIRONMENT CO-**
3 **OPERATION AGREEMENT.**

4 (a) IN GENERAL.—Part 2 of subtitle D of title V of
5 Public Law 103–182 (22 U.S.C. 290m—290m–3) is
6 amended by adding at the end the following:

7 **“SEC. 545. AUTHORITY TO AGREE TO CERTAIN AMEND-**
8 **MENTS TO THE BORDER ENVIRONMENT CO-**
9 **OPERATION AGREEMENT.**

10 “The President may agree to amendments to the Co-
11 operation Agreement that—

12 “(1) enable the Bank to make grants and non-
13 market rate loans out of its paid-in capital resources
14 with the approval of its Board; and

15 “(2) amend the definition of ‘border region’ to
16 include the area in the United States that is within
17 100 kilometers of the international boundary be-
18 tween the United States and Mexico, and the area
19 in Mexico that is within 300 kilometers of the inter-
20 national boundary between the United States and
21 Mexico.”.

22 (b) CLERICAL AMENDMENT.—Section 1(b) of such
23 public law is amended in the table of contents by inserting
24 after the item relating to section 544 the following:

“Sec. 545. Authority to agree to certain amendments to the Border Environ-
ment Cooperation Agreement.”.

1 **SEC. 2. ANNUAL REPORT.**

2 The Secretary of the Treasury shall submit annually
3 to the Committee on Financial Services of the House of
4 Representatives and the Committee on Foreign Relations
5 of the Senate a written report on the North American De-
6 velopment Bank, which addresses the following issues:

7 (1) The number and description of the projects
8 that the North American Development Bank has ap-
9 proved. The description shall include the level of
10 market-rate loans, non-market-rate loans, and
11 grants used in an approved project, and a descrip-
12 tion of whether an approved project is located within
13 100 kilometers of the international boundary be-
14 tween the United States and Mexico or within 300
15 kilometers of the international boundary between the
16 United States and Mexico.

17 (2) The number and description of the ap-
18 proved projects in which money has been dispersed.

19 (3) The number and description of the projects
20 which have been certified by the Border Environ-
21 ment Cooperation Commission, but yet not financed
22 by the North American Development Bank, and the
23 reasons that the projects have not yet been financed.

24 (4) The total of the paid-in capital, callable cap-
25 ital, and retained earnings of the North American
26 Development Bank, and the uses of such amounts.

1 (5) A description of any efforts and discussions
2 between the United States and Mexican governments
3 to expand the type of projects which the North
4 American Development Bank finances beyond envi-
5 ronmental projects.

6 (6) A description of any efforts and discussions
7 between the United States and Mexican governments
8 to improve the effectiveness of the North American
9 Development Bank.

10 (7) The number and description of projects au-
11 thorized under the Water Conservation Investment
12 Fund of the North American Development Bank.

13 **SEC. 3. SENSE OF THE CONGRESS RELATING TO UNITED**
14 **STATES SUPPORT FOR NADBANK PROJECTS**
15 **WHICH FINANCE WATER CONSERVATION FOR**
16 **TEXAS IRRIGATORS AND AGRICULTURAL**
17 **PRODUCERS IN THE LOWER RIO GRANDE**
18 **RIVER VALLEY.**

19 (a) FINDINGS.—The Congress finds that—

20 (1) Texas irrigators and agricultural producers
21 are suffering enormous hardships in the lower Rio
22 Grande River valley because of Mexico's failure to
23 abide by the 1944 Water Treaty entered into by the
24 United States and Mexico;

1 (2) over the last 10 years, Mexico has accumu-
2 lated a 1,500,000-acre fee water debt to the United
3 States which has resulted in a very minimal and in-
4 adequate irrigation water supply in Texas;

5 (3) recent studies by Texas A&M University
6 show that water savings of 30 percent or more can
7 be achieved by improvements in irrigation system in-
8 frastructure such as canal lining and metering;

9 (4) on August 20, 2002, the Board of the
10 North American Development Bank agreed to the
11 creation in the Bank of a Water Conservation In-
12 vestment Fund, as required by Minute 308 to the
13 1944 Water Treaty, which was an agreement signed
14 by the United States and Mexico on June 28, 2002;
15 and

16 (5) the Water Conservation Investment Fund of
17 the North American Development Bank stated that
18 up to \$80,000,000 would be available for grant fi-
19 nancing of water conservation projects, which grant
20 funds would be divided equally between the United
21 States and Mexico.

22 (b) SENSE OF THE CONGRESS.—It is the sense of
23 the Congress that—

24 (1) water conservation projects are eligible for
25 funding from the North American Development

1 Bank under the Agreement Between the Govern-
2 ment of the United States of America and the Gov-
3 ernment of the United Mexican States Concerning
4 the Establishment of a Border Environment Co-
5 operation Commission and a North American Devel-
6 opment Bank; and

7 (2) the Board of the North American Develop-
8 ment Bank should support qualified water conserva-
9 tion projects which can assist Texas irrigators and
10 agricultural producers in the lower Rio Grande River
11 Valley.

12 **SEC. 4. SENSE OF THE CONGRESS RELATING TO UNITED**
13 **STATES SUPPORT FOR NADBANK PROJECTS**
14 **WHICH FINANCE WATER CONSERVATION IN**
15 **THE SOUTHERN CALIFORNIA AREA.**

16 It is the sense of the Congress that the Board of the
17 North American Development Bank should support—

18 (1) the development of qualified water conserva-
19 tion projects in southern California and other eligi-
20 ble areas in the 4 United States border States, in-
21 cluding the conjunctive use and storage of surface
22 and ground water, delivery system conservation, the
23 re-regulation of reservoirs, improved irrigation prac-
24 tices, wastewater reclamation, regional water man-
25 agement modeling, operational and optimization

1 studies to improve water conservation, and cross-
2 border water exchanges consistent with treaties; and

3 (2) new water supply research and projects
4 along the Mexico border in southern California and
5 other eligible areas in the 4 United States border
6 States to desalinate ocean seawater and brackish
7 surface and groundwater, and dispose of or manage
8 the brines resulting from desalination.

9 **SEC. 5. SENSE OF THE CONGRESS RELATING TO UNITED**
10 **STATES SUPPORT FOR NADBANK PROJECTS**
11 **FOR WHICH FINANCE WATER CONSERVATION**
12 **FOR IRRIGATORS AND AGRICULTURAL PRO-**
13 **DUCERS IN THE SOUTHWEST UNITED**
14 **STATES.**

15 (a) FINDINGS.—The Congress finds as follows:

16 (1) Irrigators and agricultural producers are
17 suffering enormous hardships in the southwest
18 United States. The border States of California, Ari-
19 zona, New Mexico, and Texas are suffering from one
20 of the worst droughts in history. In Arizona, this is
21 the second driest period in recorded history and the
22 worst since 1904.

23 (2) In spite of decades of water conservation in
24 the southwest United States, irrigated agriculture

1 uses more than 60 percent of surface and ground
2 water.

3 (3) The most inadequate water supplies in the
4 United States are in the Southwest, including the
5 lower Colorado River basin and the Great Plains
6 River basins south of the Platte River. In these
7 areas, 70 percent of the water taken from the
8 stream is not returned.

9 (4) The amount of water being pumped out of
10 groundwater sources in many areas is greater than
11 the amount being replenished, thus depleting the
12 groundwater supply.

13 (5) On August 20, 2002, the Board of the
14 North American Development Bank agreed to the
15 creation in the bank of a Water Conservation Invest-
16 ment Fund.

17 (6) The Water Conservation Investment Fund
18 of the North American Development Bank stated
19 that up to \$80,000,000 would be available for grant
20 financing of water conservation projects, which grant
21 funds would be divided equally between the United
22 States and Mexico.

23 (b) SENSE OF THE CONGRESS.—It is the sense of
24 the Congress that—

1 (1) water conservation projects are eligible for
2 funding from the North American Development
3 Bank under the Agreement Between the Govern-
4 ment of the United States of America and the Gov-
5 ernment of the United Mexican States Concerning
6 the Establishment of a Border Environment Co-
7 operation Commission and a North American Devel-
8 opment Bank;

9 (2) the Board of the North American Develop-
10 ment Bank should support qualified water conserva-
11 tion projects that can assist irrigators and agricul-
12 tural producers; and

13 (3) the Board of the North American Develop-
14 ment Bank should take into consideration the needs
15 of all of the border states before approving funding
16 for water projects, and strive to fund water con-
17 servation projects in each of the border states.

18 **SEC. 6. ADDITIONAL SENSES OF THE CONGRESS.**

19 (a) It is the sense of the Congress that the Board
20 of the North American Development Bank should support
21 the financing of projects, on both sides of the international
22 boundary between the United States and Mexico, which
23 address coastal issues and the problem of pollution in both
24 countries having an environmental impact along the Pa-

1 cific Ocean and Gulf of Mexico shores of the United States
2 and Mexico.

3 (b) It is the sense of the Congress that the Board
4 of the North American Development Bank should support
5 the financing of projects, on both sides of the international
6 boundary between the United States and Mexico, which
7 address air pollution.

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