

The Coming Storm

by Peter Berle, Jon Plaut, and John Wirth

Towards the end of November, upwards of 100,000 protesters descended on the World Trade Organization summit in Seattle to declaim the WTO as a distant and unaccountable body of decision-makers hostile to environmental and labour concerns and indifferent to our treasured cultural identities. The gathering concocted an odd brew, blending isolationist Buchananites and consumer-minded Nardarites into the same pot, seasoned by a sprinkling of indigenous peoples, disgruntled farmers, property rights advocates and local officials. Somewhere in the crowd, environmentalists proposed a series of measures to make the WTO a more transparent and earth-loving body -- trade with a human face as President Clinton recently promised.

While environmentalists are right to focus attention on the environmental implications of free-trade, the WTO and its regional progeny (such as the NAFTA, FTAA, APEC, MERCOSUR and the EU) are merely symptoms of the great driving

force of globalization -- the post-Cold War era spread of open markets in the midst of a veritable revolution in communications and life sciences technologies. The powerful convergence of expanding world markets and the advanced technologies to locate, harvest and transform the renewable and non-renewable resources upon which trade is based do indeed create a host of new challenges and opportunities for environmental policy.



Jon Plaut, Chair of Joint Public Advisory Committee, and John Wirth, President of NAMI, at the historic site of the 1993 signing of the NAFTA treaty in San Antonio, Texas

One needs to look no further than your favorite seafood plate, swordfish, for a textbook example of how global markets and technology can deplete a resource in real time. Long-line trawlers employing satellite data and equipped with advanced sonar are guided to dwindling swordfish schools as they trail up to 150 miles of fishing line studded with hundreds of thousands of hooks. These vessels now rake the high seas, hauling in millions of tons of swordfish, along with tons of discarded by-catch that often includes rare seabirds and marine mammals.

No wonder the swordfish population has joined the depleted ranks of Cod, Atlantic Salmon and Halibut, plunging dramatically over the last two decades. And with a single, adult Bluefin Tuna ringing up \$40,000 before being whisked off to Japan in state-of-the-art airborne refrigeration units, one doesn't have to guess where that species is heading.

The real threat to our life support systems comes from our voracious appetite for consumption, without pause to consider the ecological cost of our preferences. And here there's hope. Sensing the power of markets, once moribund green labeling

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NAFTA trade corridors still a regional issue

By Glenn Pascall

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For the last eleven years, Dr. John Wirth has directed the Santa Fe-based North American Institute (NAMI) with the goal of encouraging people in Canada, Mexico and the United States "to think as citizens of North America." Recently, Wirth convened a gathering on trade corridors at the Plaza Hotel in San Antonio, where the NAFTA treaty was signed in 1992 by Presidents Bush and Salinas and Prime Minister Mulroney on behalf of the three nations.

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Please visit our website at <http://www.northamericaninstitute.org> for more information on the North American Institute and its programs.

Editorial

by Jerry Pacheco

I have often compared the ability of the Albuquerque International Sunport to reestablish direct flights to Mexico to that of a chicken and the egg scenario. In order for an airline to establish direct flights, it must be certain that sufficient Albuquerque to Mexico traffic exists so that the flight will be profitable. On the other hand, a direct flight to Mexico must be in place in order to build this sufficient traffic. So, which comes first?

The airport's direct flight efforts have been ongoing for the past couple of years. In conjunction with these efforts, the New Mexico Ski Partnership, a non-profit coalition of ski resorts, hotels, and various public officials from Albuquerque and other New Mexico ski towns, has been leading the charge to attract more Mexican skiers to the state. The partnership's efforts have included working with Mexico's largest tourism wholesaler to promote special New Mexico ski packages, as well as distributing brochures printed in Spanish throughout

Mexico.

Mexico, which has an avid ski sector, is a country without a single ski resort. Tourism studies have shown that Mexicans typically outspend on a daily basis many other international visitors to the U.S. Unfortunately for New Mexico, these high-spending Mexican skiers tend to bypass the state's ski resorts for destinations in Colorado such as Vail, Aspen, and Breckenridge.

The reason for this is, according to Tom McCampbell, executive director of Ski New Mexico, Inc., "Until the New Mexico Ski Partnership was formed last year, no concerted effort existed between the public and private sectors to target market the state's ski areas to the Mexicans." Taos, Red River, Angel Fire, Santa Fe, and other New Mexican ski areas lack name recognition in Mexico compared to their famous Colorado competitors.

A second problem is that Mexicana Airlines flies directly from Mexico City to Denver daily during the ski season. There are cur-

rently no direct flights into Albuquerque from Mexico. Mexicans will have to fly to a U.S. hub such as Houston, Dallas, Phoenix, or Los Angeles, board a connecting flight to Albuquerque, then rent a car and drive one to three more hours to the ski resort. Getting to the New Mexican slopes becomes a full day proposition, even though Albuquerque is closer to Mexico than Denver.

Finally, there is a disparity in the price of airline tickets offered by various airlines to fly into Denver or Albuquerque from Mexican cities such as Guadalajara and Mexico City. On average, a Mexican will pay \$200.00 more to fly to Albuquerque than to Denver. This makes attracting Mexican skiers even more difficult.

Stephen Plowden-Wardlaw, Managing Director of Quail Ridge Inn Resort in Taos, is all too familiar with these problems. For the past several years, he has helped sponsor a family ski event called the Copa de Mexico, specifically designed to attract Mexican skiers to his resort. According to

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initiatives are on the rebound, beckoning consumers to purchase certified sustainably harvested wood, organically grown produce and green electricity. Diving deeper towards the power source, a growing number of states are considering screening their huge pension and insurance fund portfolios for basic social and environmental criteria.

Ironically, the same technological forces that enable us to devastate a resource in record time, also hold the hope of taking some of the pressure off of our ecological systems. In our lifetime, hydrogen fuel cells could break our dependence on fossil fuels by powering our automobiles, industries and electricity generators; biotechnology could reduce waste by producing biodegradable plastics from organic matter; and our rapidly evolving communications technologies could establish a comprehensive global environmental monitoring and assessment network, enabling us to effectively monitor the vital signs of our planet.

But let's not forget about trade. Far from an international conspiracy, trade constitutes a basic human aspiration, an urge as primitive and enduring as human imagination itself. Environmental advocates would be well served to sharpen their blunt instrument, and demand that more attention be placed on the full assessment and monitoring of environmental impacts of free trade.

The North American Commission for Environmental Cooperation (NAFTA Environmental Side Agreement) recently published the first peer reviewed analytical framework for assessing the environmental impacts of liberalized trade, finding -- not surprisingly -- that both negative and positive impacts could flow from altered trade patterns. Importantly, the study pointed out that the regulatory framework and enforcement capacities of countries will be tested by increased trade, and it is there -- country-by-country, resource-by-resource -- that the cause of environmental protection and long term economic security will be won or lost.

Environmental advocates can help to educate the greater public about the environmental impacts of global markets, using our new communications technologies to create powerful transnational coalitions to monitor government and corporate conduct, promote consumer awareness and, yes, embarrass and harass outriders who seek to exploit and run for profit alone. New initiatives of environmental cooperation such as the NAFTA environmental accord have demonstrated the potential for advancing both trade and environmental goals -- the underpinnings of sustainable development.

At the same time, the more outspoken members of the pro-trade community should abandon their ostrich-like head-in-

the-sand denial of trade and environment linkages and agree to dedicate a fraction of the billions of dollars in trade benefits to fully assess trade impacts and shore up the regulatory capacities of the most vulnerable developing countries. Governments should accelerate the reduction of tariffs for "green" goods and services and agree to eliminate subsidies for environmentally harmful activities such as over fishing. Finally, where impacts are demonstrated, trade regimes must permit negatively impacted communities the flexibility to adopt non-discriminatory environmental measures without creating new barriers to trade.

The WTO plays a critical role and could stand to green up a fair measure. It must reinforce the appellate body's recent decision to recognize the legitimacy of non-discriminatory domestic legislation to protect natural resources, ensure that its panelists have environmental expertise where necessary, be more receptive to environmental interveners in its proceedings and enhance the overall transparency of the organization.

With little else to strike at, the WTO has become a global bête noire of sorts, harboring the fears of the growing number of citizens uneasy with the unwritten rules of the new world order. Western leaders will ultimately emerge from Seattle renewing their commitment to free trade, even as the un-

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Redefining Identity: Regions, Nations, and Europe, 1999

By Sanford E. Gaines
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At 3:30 on a cold November Saturday, a bus with 40 Germans (and three interloping Americans) left Freiburg, in southeastern Germany, for a trip to the village of Zutzendorf, and then on to the hilltop town of Lichtenberg. Aboard the bus were 5 students of the music school in Freiburg who were to perform that evening in a concert at the Catholic church in Lichtenberg. A routine outing for music-loving Germans? Yes, but something more. The concert would be part of Lichtenberg's "Fête de la Solidarité." Why the French title? Because Lichtenberg (and Zutzendorf) are in France, in the lower Alsace. The Freiburgers were going there to join in the festivities because Lichtenberg and surrounding towns were for several centuries part of the domain of the von Gaylings, and the von Gaylings have resided at a small palace in Freiburg since they fled the guillotine during the French Revolution. Now in the 1990s, the von Gaylings are reestablishing connections with their French heritage, with eager encouragement from the French authorities. They bought an old schoolhouse in Zutzendorf and turned it into a museum of the pre-Revolutionary days. And they helped the church in Lichtenberg recover possession of a series of paintings of Stations of the Cross done by an Alsatian painter in the mid-19th century. It was in return for that favor that the Freiburgers were invited by the mayor of Lichtenberg to participate in the town's festival of solidarity. The obligatory speeches by local leaders before the concert made it clear that all concerned, French and German alike, took the idea of solidarity to include solidarity between Alsatian French and Baden-Württemberg Germans, who, along with the northern Swiss, share a common history and culture and Alleanish language that defines the upper Rhine region.

From the vantage-point of Freiburg, the signs of such regional solidarity in the emerging "borderless" Europe are everywhere. The local newspaper carries a supplement called "TriRhena," referring to the three countries on the upper Rhine that come together at the "Drei-eck" (three corners) on the outskirts of Basel, Switzerland. The region has its own international airport, situated near Mulhouse, France, where the traffic increased by 20% in the last year to 2.5

million passengers. German and Swiss firms are collaborating in the development of wind-generated electricity, and businesses from all three countries are linked in an emerging regional concentration of the biotechnology industry. Hourly bus service connects Freiburg with Colmar, France, and hourly train service runs to Basel. Border check points along the Rhine between France and Germany are mostly vacant, and immigration control between Germany and Switzerland (which is not part of the European Union) usually consists of a quick glance and a wave of the hand, if there is anyone on duty at all. Prices in supermarkets restaurants, and other businesses are now quoted in Euros as well as in the local denominations, foreshadowing the coming demise of Deutschmarks, French francs, and other national currencies. In recent local elections in Freiburg, resident foreign nationals from other EU countries were allowed to run for office and to vote.



The reinvigorated sense of transborder regional identity in the upper Rhine is part of pattern seen throughout Europe in which the commonality of being "European" is slowly supplanting national identity, and at the same time creating psychological space for transborder regionalism. Another example: Next summer, the "Oresund Fixed Link" bridge-tunnel will open, connecting Denmark and Sweden. The Swedes from the Malmo area have long quarreled with their brethren in distant Stockholm and feel an affinity with their Danish cousins across the water, so there are the ingredients for a binational Oresund region. The Danes are already building a new city at their end of the bridge with office space for multinational businesses. Newsweek magazine quotes a Swedish professor as saying, "Everyone is talking about this as a region where everything is possible."

On a larger scale, the recent rapprochement between Greece and Turkey is part of the same pattern. For many decades, Greece has thought of itself as isolated and impoverished on the margins of Europe. Now, with talk of extending the European Union eastward to include, eventually, Rumania and Bulgaria and perhaps, some day, the states of the former Yugoslavia, Greece is beginning to think of itself as the

centerpiece, economically and politically, of a revitalized southeastern Europe. Such a vision will only succeed, however, when Turkey is part of the EU, so Greece has recently announced its support for Turkey's admission. An appreciation of the enormous mutual benefits of cooperation are beginning to overcome the preceding centuries of bitter enmity. The efforts of Greek rescue workers in Turkey and the reciprocal dispatch of Turkish rescuers to Greece after the recent earthquakes give a modest but essential human face to this nascent political collaboration.

The transition to a borderless Europe is not always smooth. The recent attempt by the British-U.S. firm Vodaphone to take over the German company Mannesmann has called forth in Germany the predictable nationalistic handwringing over the possible submergence of a German industrial icon in the globalized market place. Similarly, Telecom Italia declined a generous takeover offer from Deutsche Telekom in favor of the offer from compatriot firm Olivetti. The British are EU members but have not yet signed up for the single currency, an ambivalent posture reflecting a long-running and heated internal debate between the pro-Europeans and the so-called Euro-skeptics. Norway voted to turn down altogether the recent invitation to join the EU. The Germans and the French continue their bans on British beef in spite of an EU decision that the beef now meets European standards, and the British public responds with a spontaneous consumer boycott of French goods. Border control along the Rhine may be lax, but the Germans stop every car coming in from Poland. Nationalistic parties that rail against foreigners in their midst have enjoyed considerable success in France and Germany, and such a party will now be part of the ruling coalition in Austria. As Mr. Von Gayling said to me, it is still considered "revanchiste" to talk out loud about the common heritage of the Alsace and southwestern Germany. For him, though, the trip from Freiburg to Lichtenberg was not only a trip into the past, but also a trip into the future.

The historic connections between the countries of Europe have much deeper historical roots than the transborder connections in North America. Many of the communities in the upper Rhine date back to Roman times. By the same token, the religious and national wars between these countries in the last centuries have been fierce, engendering bitter and still-lingering feelings of national hatred. Yet from the barren ashes of World War II Europe has

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happy denizens of the era of globalization are cursing from the shoreline. Let's hope that the new course our leaders chart brings us back to the deep, blue swordfish-rich waters from where we came.

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Radio network; JONATHAN PLAUT was Director of Environment for AlliedSignal Corp and is currently a Visiting Lecturer on Environment and Public Policy at Penn State; Prof. JOHN WIRTH is the current president of the North American Institute and is the Gildred Professor of History at Stanford University.

The three authors were appointed by President Clinton in 1995 to serve on the Joint

Public Advisory Committee of the North American Commission for Environmental Cooperation created by Canada, Mexico and the United States as the environmental side agreement to the North American Free Trade Act.

NAMI Developments

John Wirth has completed work on his latest book entitled "Smelter Smoke in North America: The Politics of Transborder Pollution." The book is now available through the University Press of Kansas at (785) 864-4154 or Fax (785) 864-4586, 2501 West 15th St, Lawrence, Kansas 66049-3905.

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I was invited to Wirth's conference thanks to my work on "Connecting the gateways and Trade Corridors," a cross-border transportation initiative of the Cascadia Project at Seattle-based Discovery Institute. Also present were Mike Harcourt and Charles Kelley of the Vancouver-based Cascadia Institute. Harcourt is a former premier of British Columbia and Kelley serves as NAMI's Canadian co-chair.

Residents of the Puget Sound region are naturally oriented toward Canada and, as a native of Southern California, I've always felt close to Mexico as well. Thus I unconsciously made an assumption that was put to the test by information provided at the conference.

The assumption is that NAFTA trade corridors mean Canada-to-Mexico routes, which traverse the entire north-south breadth of the United States. One logical outcome of this assumption is the belief that efforts to enhance the "Cascadia Corridor" from Vancouver, B.C. to Eugene, Ore., must ultimately connect with some route to Mexico.

At the conference, I was not alone in such thinking. An extensive presentation was offered by a "NAFTA superhighway coalition" on behalf of a corridor based on I-35 from Laredo, Texas, to International Falls, Minn. Members of the coalition pointed to huge NAFTA freight volumes from the border through San Antonio and Austin to Dallas.

Similarly, proponents of an I-15 corridor emphasize a route that runs from Alberta to the "Montana Transportation Hub" at the Butte (where I-90 meets I-15) and south through Salt Lake City (where San Fran-

cisco and Los Angeles eastbound routes meet) and Las Vegas (a growing center of warehousing and distribution) and thence to Mexico.

This all sounds fine and one is tempted to say, "Let the competition begin" with regard to the emergence of a premier "CanaMex" corridor. There's just one problem, which can be summed up in a statistic: U.S.-Mexico trade is \$175 billion a year, and Canada-Mexico trade is \$8 billion, \$7 billion of which is imports by Canada. This means there is not enough trade to support any three-nation corridor.

The I-35 coalition included in its corridor study a map developed by Dr. John McCray, professor of strategic management at the University of Texas. McCray is the reigning expert on NAFTA's impact on transportation and attended the conference, where he gave illuminating insights into several matters.

McCray's map shows the volume of NAFTA truck traffic in the U.S. The thicker the line, the more heavily a corridor is used. On the basis of this visual indicator, there appears to be at least one CanaMex corridor. It runs from Laredo to Dallas on I-35, heads northeast through Memphis and Nashville, and then north to Detroit and Windsor, Ontario.

The appearance of a through-corridor carry-

ing steady volumes is deceptive. According to McCray, somewhere in Tennessee, the northward flow of Mexican imports and the southward flow of Canadian imports overlap and dwindle. In each case, more than one-third of the volume is auto parts for use in this low-cost manufacturing state.

The map is also telling with regard to the hopes of the I-35 corridor coalition. North of Dallas, NAFTA traffic falls off sharply and in the Kansas City region it is almost nonexistent.

Given the prospect of steady growth in NAFTA trade, a strategic shift in capital investment planning is required. It would concentrate effort on the high-volume segments in each corridor rather than on promoting border-to-border through routes.

At some point in the next century, one or more trans-U.S. corridors will become reality. The best way to advance your chances of being on such a route is to work for expedited cross-border clearance, adequate staffing and cooperation to mitigate environmental impacts, as well as enhanced infrastructure capacity. Real effort on the ground, not CanaMex booster rhetoric, is the way to end up a winner in the three-nation NAFTA sweepstakes.

GLENN PASCALL's column appears regularly in the Puget Sound Business Journal. He is a Seattle-based economic and public policy consultant, and a senior fellow at the Institute for Public Policy and Management at the University of Washington.

Note: McCray's "Rivers of Trade" maps are available on the NAMI website at: <http://www.northamericaninstitute.org>

Advancing the North American Community: The Role of Community Service and Volunteering

Conference Report and Proposal

By John D. Wirth

This meeting, held in El Paso, Texas on September 24-26, 1999 at the Hotel Camino Real, was co-sponsored by The North American Institute in Santa Fe, New Mexico and the Center for Inter-American and Border Studies at the University of Texas at El Paso.

Sponsorship:

Major funding was generously provided by the Ford Foundation, with assistance from the Fundación Margarita Miranda de Mascareñas, the El Paso Community Foundation, and the co-sponsors. Local arrangements were provided by the UTEP Center for Inter-American and Border Studies under Professor Jon Amastae, and the conference itself was organized by Steven R. Rivkin, a Washington attorney and long-time "namista," NAMI's Associate Director David Griscom, and myself.

Held in El Paso during the weekend of September 24-26, 1999, the symposium noted that community service is one of the deep-running forces for change in North America, and concluded that the timing is ripe to explore its potential in two areas that seem particularly well suited at this juncture to a trilateral approach: the environment and historic preservation. NAMI was asked to draft a proposal for discussion. In short, this symposium could well be the first step in the development of what might be called a "North American Volunteer Initiative," or a "North American Service Corps."

Why the environment? Bob Earle, formerly of USIA and a NAMI author and participant, said that "you need a core concept around which to build and the environment is such a concept. The environment unites people and everyone can be involved." He suggested that some type of Border Conservation Corps would be the way to go. I would add: perhaps this could be tied into local environmental projects already under way through the North American Fund for Environmental Cooperation (NAFEC), a program of the CEC.

Why historic preservation? Ed Crocker,

affiliated with the International Council on Monuments and Sites (ICOMOS) and speaking for the Santa-Fe based Cornerstones, Community Partnerships, said that "the building [being preserved] is the symbol of how well the community is doing" with respect to developing a sense of place while simultaneously accommodating to change. Historic preservation is made to order for youth service learning, for collaborative approaches and transborder affiliations, and for the organizing of people. And it links nicely with environmental conservation.

Conclusions:

Four concluding observations are well worth highlighting in conjunction with Steve Rivkin's summary remarks (see next page):

1. The overall objective, Margaret Sheraden advised, is "don't do too much. Take on one thing that draws on all three nations.
2. "The quality of the project manager, combined with a tight mission focus, is the key factor," Jack Hood Vaughn, former Director of the Peace Corps said during the conference. But beware the potential of an overwhelming problem like the drug trade to derail a cross-border initiative, he remarked in closing.
3. Historic preservation and the environment are the kind of activities that could be integrated with existing community service programs, Matthew Pearce of the Canada World Youth program observed.
4. And the Ford Foundation's Susan Stroud advised: find a specific focus and tie in the borders. It must be "unique, relevant and substantive."

Options:

- ◆ The North American Volunteer Initiative or the Youth Service Corps should be boldly conceived and well focused. To achieve both ends we probably need a mechanism that can go in two directions, i.e., to accommodate both historic preservation and environmental conservation projects.
- ◆ Two possible umbrella organizations with on-the-ground operating projects have been identified, NAFEC and ICOMOS. The nature and scope of an operating relationship, if any, with one or both of these organizations remains to be determined.

- ◆ The Canadian Youth Program is a possible operating model, and/or home, given experience with youth exchange work projects between Mexico and Canada. AmeriCorps may not be a player because of funding restrictions on cross-border projects. However, this should be investigated in light of Katimavik's prior relationship with the California Conservation Corps.

- ◆ With its trilateral experience, links to Cornerstones and location in Santa Fe, the NAMI Secretariat is well positioned to consider operating the program in collaboration or conjunction with one or more of the organizations mentioned above.

- ◆ A scoping paper should be prepared to explore these options and make recommendations for an eventual proposal.

Related Upcoming Events:

- ◆ The North American Youth Conference - Montreal, Spring 2000 is a Canadian initiative, supported in principle by the U.S. and Mexico, and funded trilaterally:

"The conference will bring together up to 20 young people (ages 25-30) from a variety of backgrounds... for a two-day conference to discuss emerging North American Issues. ... The objective is to help stimulate the development of a continent-wide network of individuals who can help to show leadership in advancing the cause of greater North American Cooperation. While a conference agenda has not yet been finalized, broad themes that could emerge include: building bridges between North American civil societies; affirming cultural distinctiveness; improving common environmental stewardship; and North America in the information age."

- ◆ In June 2000 the International Association of Youth Service will hold a conference in Jerusalem.

- ◆ In November 1997, the United Nations General Assembly proclaimed 2001 as the International Year of Volunteers. For a listing of volunteer events being planned for 2001, visit the United Nations International Year of the Volunteer website at <http://www.iyv2001.org>

Overview & Next Steps

By Steven R. Rivkin

A year ago, when John Wirth and I started discussing whether The North American Institute might host an inquiry into volunteer service, we had to consider how the topic fits the overall mission of "advancing the North American Community."

So different from many familiar political and economic issues, volunteer service intuitively seemed highly relevant to this mission. But it was unclear at first whether there is enough volunteering going on to support meaningful discussion and comparison and, especially, whether there is or could be cross-border activity that would contribute significantly to advancing North American identity and community.

The El Paso meeting resoundingly supported NAMI's decision to go forward. By gathering highly articulate and well-informed individuals across a full tableau of relevant perspectives, we've brought in a rich harvest of ideas for the prospect of what could now be called a "North American Volunteer Initiative."



Such an initiative would recognize that volunteering and community service are already successful and significant activities with deep roots in all three of our countries. These are phenomena that function independently and to some extent in spite of the political and economic stresses that sometimes divide our three nations. Even here on the border, for all its afflictions, there are self-healing trends -- much like *homeostasis* in biological organisms -- that are inherent in the three societies' individual and shared identities as democratic, market-oriented, federal nations.

So, much as the good doctor knows to respect natural processes, societal health too resides in recognizing spontaneous responses to crisis and opportunity -- to be encouraged and, wherever possible, accelerated in their impulse toward equilibrium. To frame these trends in a specifically North American context is to enable governments, NGO's, universities, foundations and individuals to capture what John Wirth referred to in his opening remarks as the "tremendous social energy that now exists on a regional basis."

We were fortunate to have Margaret Sheraden's first-hand, three-country appraisal of volunteer service in Mexico, the U.S., and Canada. Her presentation was factual, analytical, comparative, and comprehensive. For all the national differences, the histories are similar, volunteer service has linkages to both governments and the private sector, and there are tangible beginnings among the three countries of cross-border undertakings that might be made to flourish in the future.

Susan Stroud's round table discussion on national service pointed toward particular volunteer activities in each country that are already substantial and significant:

- ◆ In Mexico, Servicio Social's mandate for all graduates of higher education has become, most notably, the only mechanism that provides physicians to care for much of the poor and for rural communities.
- ◆ In Canada, despite only intermittent funding, Katimavik, as described by its founder Sen. Jacques Hebert, has pioneered in crafting values of nation-building and personal development, placing balanced teams of young volunteers in carefully chosen sites around the country.
- ◆ Facing stern budgetary limitations, the US Corporation for National Service has forged solid partnerships with local communities and private groups through diverse programs of service learning, senior volunteering, and its flagship program AmeriCorps (with its apt motto, "getting things done"), which recently has trained its 100,000th volunteer.

Drawn from his own long experience, including service as the second director of the US Peace Corps, Jack Vaughn's two insights set the stage for looking to a future in which volunteering and community service might flourish in a specifically North American context: first, he spurns the notion that pilot projects work to open paths for larger initiatives. (His caution was specifically illustrated later by Elsa Saxod's able presentation on "the Border Volunteer Corps," a failed project of the U.S.-Mexico Border Progress Foundation that proved too over-extended geographically and unevenly led to meet its objectives or to serve as a model for further initiatives.) Vaughn prefers instead an inspirational "campaign...to really ignite public policies." In the same vein, Vaughn also emphasized the critical role of leadership -- the margin of success both in creating public support for policy initiatives and in carrying individual projects toward successful outcomes.

Several ongoing undertakings were presented in detail which could be replicated more widely in a specifically North American context:

- ◆ Dr. Diana Natalicio, President of the University of Texas at El Paso (host to the conference), ascribed UTEP's institutional flourishing to its conscious redefining of its educational mission to concentrate on serving the people of its environs -- specifically transcending the U.S.-Mexico Border. Carla Cardoza illustrated how UTEP's Institute for Community-Based Teaching & Learning empowers commuting students and faculty from Mexico to deliver social services in the adjacent community of Juarez, and Jose Manuel Mascareñas described the contributions of his family's foundation to improving lives on both sides of the Border. UTEP's engagement could serve as a model for many other educational institutions, not just those along national borders.
- ◆ Katimavik (meaning "meeting place" in Inuit), whose pioneering successes were mentioned above, was revealed by Sen. Hebert to have included US volunteers and to have carried out projects in the US in cooperation with the California Conservation Corps. Along with Canada World Youth (the volunteer service corps which pairs Canadians with overseas volunteers and projects), Canada's volunteer institutions could model projects for a specifically North American initiative, and even conceivably serve as cadre for future expansions to the U.S. and Mexico as well.
- ◆ Ed Crocker of Cornerstones Community Partnerships and Gary Williams of El Paso Community Foundation discussed their accomplishments in communities near and along the US-Mexican Border that enhance local identities through practical undertakings in historic preservation. Together with the emphasis on environmental concerns advocated by Jack Vaughn and Bob Earle, historic preservation represents a natural point of convergence for multi-nation, trans-border volunteer activity.

Against this background of plentiful activity and possibility, the prospects of moving forward now with a coordinated, three-country initiative appear well timed.

Elections in both Mexico and the US in

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2000 could reduce uncertainty and add definition to a specifically three-country undertaking. In the US, statutory "re-authorization" of the Corporation for National Service -- long postponed to avoid

political confrontation -- could be the occasion for moving ahead with the concept of a "North American Volunteer Corps."

Thereby, a three-country initiative could be ready to roll out in 2001, which the United

Nations has fortuitously proclaimed "the Year of the Volunteer."

STEVEN R. RIVKIN is a Washington D.C. attorney and Americorps parent.

TRADE CORRIDORS IN NORTH AMERICA

Symposium Report by John D. Wirth

This workshop, held at the Plaza San Antonio Hotel in San Antonio, Texas on October 1-3, 1999, was co-sponsored by The North American Institute (NAI), a trinational public affairs center based in Santa Fe, New Mexico, the Rio Grande Institute, and the Austin-San Antonio Corridor Council.

The multi-stakeholder meeting held in San Antonio to discuss Trade Corridors was stimulating and professionally rewarding. Hosted by the Plaza San Antonio Hotel, where the NAFTA agreement was signed in 1993, this symposium generated a great deal of information and analysis of the trade flows that are rapidly transforming North American landscapes. Much is happening on a corridor-by-corridor basis, and the changing structure of business competition is creating new opportunities for intermodal transportation hubs. New technologies are on the horizon which will speed border clearances and may ease concerns over congestion and air pollution, the unwelcome effects of rapid transportation growth. Yet the existing institutions dealing with border crossings are underperforming, and the institutions needed to coordinate trade flows in an overall transportation system are either rudimentary or, mostly, have yet to be created. Lacking is a trinational vision of the whole. Thus, the bold vision that created NAFTA five years ago needs to be rekindled and recreated with respect to trade corridors.

Sponsorship

The purpose of this meeting was to explore the trinational aspects of an emerging continental system. Transportation as an issue area fits nicely with the mission of the North American Institute (NAI), which is to analyze and advance the emerging North American community. The Rio Grande Institute, headed by Tyrus Fain, is particularly concerned with developing ways so that local people on the southern border can

respond effectively to these changes. And Ross Milloy, President of the Austin-San Antonio Corridor Council, is grappling with the regional implications of massive transportation flows on I-35. Professor Jack Kasarda, Director of the Kenan Institute of Private Enterprise at the University of North Carolina gave the luncheon address. Charles Kelly and Javier Beristain, heads of NAMI-Canada and NAMI-Mexico, respectively, also played key roles in this symposium.

Major funding for the conference was provided by the Ford Foundation, although all three of the sponsoring organizations contributed monetarily and with staff-time. HNTB Engineering kindly covered the conference dinner at El Mirador restaurant in San Antonio. The symposium was ably run by David Griscom, NAI's Associate Director.

Findings:

- ◆ The symposium cited the need to create an information clearinghouse so that the various trade corridor organizations, generally operating in isolation from each other, can be better informed about the specific problems and opportunities of one another.
- ◆ The concept of "cooperative competition" between cities, between producers, and between service providers within a trade corridor was much discussed. Can this ordering concept be extended to the system as a whole?
- ◆ The pace of growth is such that market forces, by themselves, cannot deal effectively with transportation as a system. Public-private partnerships are springing up, and government at all levels has an important role to play. Just what this role should be is still unclear, because the problems of rapid transportation growth are so multifaceted, complex and incompletely understood.
- ◆ Coordinated policies to address everything from the effects of changes in the quality of life of people living along these corridors to sustainability and

pollution abatement are in their infancy. These "social" aspects of transportation must be dealt with. If not, citizens in localities and regions may well block systemic planning in their efforts to protect local life-styles from the accelerating impact of transportation flows.

Observations:

- ◆ A welter of jurisdictions and private-public partnerships along the trade corridors are competing for TEA-21 money to address what are often the local aspects of a much larger system of transportation modes. This is a political-institutional problem that must be solved.
- ◆ It is clear that trade flows across borders into specific clusters, as for example auto parts coming north from Mexico and south from Canada to assembly plants in Tennessee. In fact, the automotive and electronic sectors lead the list of goods by value in the NAFTA trade. However, as Professor John McCray pointed out, transportation flows still follow a trans-border and inter-regional pattern, which creates regional clusters. There is not yet a truly trinational system moving North-South. Established routes, such as the east-west connections via Vancouver and Los Angeles, are not driven by the NAFTA trade.
- ◆ Truck traffic dominates--85 per cent on the Mexican border, 70 per cent on the Canadian border. However, intermodal transportation hubs with their ability to respond to rapid shifts in business strategy and customer demand are becoming increasingly important. As the Kenan Institute's Jack Kasarda pointed out, new logistical systems based on supply chain management demand new transportation clusters, which will be intermodal.
- ◆ Obstacles to an integrated system include the basic fact that the U.S. interstate highway system was created in

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the 1950s to link cities and military bases, not to promote trade. Segments of railroad trackage laid decades ago through the middle of towns and cities—as for example the Union Pacific's line running north through Central Texas from the border—are not well suited to the new trade flows. Canada's highway system is not yet well coordinated with the U.S. Lacking a network of East-West highways to accommodate flows between its northern industrial cities, Mexican goods move laterally on U.S. roads and a significant proportion of the Mexican highways linking north are poor or unacceptable. An estimated \$10+ billion are needed for truck upgrades and the purchase of new trucks in Mexico. Meanwhile, the immediate corridors serving major border crossing such as Detroit-Windsor and Laredo are threatened by gridlock and air pollution.

- ◆ U.S. policies aimed at the interdiction of drugs and undocumented workers, while popular with the electorate as a whole, work at cross-purposes from the more open borders that trade flows promote. Canada and Mexico are keeping a wary eye on nativist elements in the U.S. Congress who rush to equate trade partners with "foreigners" whose access to the U.S. should be tightened. If visas are required for Canadian visitors, Canada will follow suit and gridlock will ensue. Meanwhile, Mexico may soon require visas. The paradox of opening and tightening borders is a policy dilemma for all three nations. The conclusion must be that clearance and access problems on both borders need to be solved in a non-prejudicial manner.
- ◆ U.S. border clearance procedures are underfunded. Monies collected in duties are not plowed back into the Customs Service to improve the system. Special interests with a stake in the old system, such as customs brokers, unions and middle men, are still players in hindering the development of an integrated system. Meanwhile, Mexico needs more time to bring its transportation system into compliance with Canadian and U.S. norms.

Session Highlights:

1. Border Perspectives

In his introduction, Ty Fain remarked that who pays, who uses, and who benefits from these corridors are not necessarily the same, while data on the functioning of trade corri-

dors is not getting down to the local level.

Pre-NAFTA borders were policy orphans being driven by local issues, Charles Kelly, Chair of NAMI-Canada and President of the Cascadia Institute observed; a systematic approach is needed to deal with questions of growth management that have arisen since NAFTA, amidst a welter of jurisdictions and groups active in the trade corridor discussions. Needed is a process and a structure to deal with the long-range investments in infrastructure—the Cascadia Corridor alone needs \$9 billion. Meanwhile, cities and localities competing for funding threaten to fragment the impact of TEA-21. In sum, Kelly said, "there is an extreme lack of vision on where we are going as a continent; the investments we will need; and where we are going as a society." By contrast, Europe is far ahead. "We need to develop a North American way to address these issues, within a North American perspective."

Professor John McCray then presented a superb analysis of trade flows on the corridors, including excellent maps of what he called the "Rivers of Trade." These maps reveal a major confluence of trade flows between Detroit and Salt Lake City. Vancouver's flows are probably not NAFTA-related, but reflect the Asian trade; California supports a major East-West flow. As McCray pointed out, the Detroit-Windsor corridor serves a circular trade around an auto hub and the same pattern is now developing between Monterrey and South West Texas. Since profits along a corridor occur either by making a product or providing a service, the implication of his remarks is that certain regions are the clear winners, while others struggle or are left behind.

A vigorous discussion then ensued, and the environment was brought in by Jonathan Plaut. "What impact would the current controversy over genetically modified organisms have on trade flows in North America?" he asked. What influence would Kyoto targets to abate global warming have? And what of the push for developing green products?

2. Trade Corridors Panel Discussion

The panel discussion on trade corridors chaired by Jon Plaut was both information-specific and policy-relevant. The following points were made:

- ◆ Ross Milloy provided graphic details of the trade flow impacts on the I-35 corridor, including rail traffic through Texas towns and the possibility that relief routes into the hill country will bring unwelcome population flows and

more pressure on the fragile Edwards aquifer.

- ◆ Mike Harcourt reiterated "the same difficulties Ross talked about" in a region promoting itself as "clean, green and safe" that will double in population from 6 to 10-12 million in the next decade or so, while visitorship will rise from 15 million to 30 million. That only 5 per cent of the geography can support this growth (due to mountains, the sea etc.) underscores the compelling need for growth management and sustainability.
- ◆ Glenn Pascall of The Discovery Institute talked about the Cascadia Corridor as a regional gateway, and in his report cited the "connecting" investments that will be needed, the decision-making that needs to be developed in order to expedite freight mobility.
- ◆ Jim Phillips focused on the over-all trade flows between the U.S. and Canada, of which one third is auto-related. In fact 40 U.S. states trade more with Canada than any other foreign country. The mission of the Canadian American Trade alliance is to develop a consistent, border-wide approach to trade corridors and gateways, while promoting a Canadian national highway policy that is coordinated with the U.S.
- ◆ Jerry Nagel of the Red River Trade Council described an effort to get link development planning among the 5 states and 2 provinces that comprise "the great empty" agricultural heartland. Moreover, "we learned how to get the private sector talking together," Nagel related. Making "cooperative competition" work is a hallmark of this approach. However, this is a big region with significantly different kinds of issues than the ones raised so far. Here, the infrastructure is under utilized, and the need is to promote agricultural and manufacturing growth in a lagging region through linking transportation with economic development.

In the discussion, panelists noted how these corridors were all competing with each other for short resources. How could all these infrastructure needs be funded? And as Nagel observed: "There is no mechanism yet to bring this regional work [on specific trade corridors] together into a North American transportation strategy."

3. Luncheon address: "New Transportation Technologies For New Industrial Realities"

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Jack Kasarda's stimulating luncheon address was very well received. Highlights of his wide-ranging talk are offered on the website (www.northamericaninstitute.org). Suffice it to say here the driver in his view is changing marketing requirements. In the early 1990s, the concept of delivery speed and reliability adding value to a product became a differentiating factor in the overall business strategy. Then in the mid-1990s, market segmentation came in, bringing with it the requirement of reconfigurability and agility in reacting to customers' demands, in short, to an emphasis on supply chain management where the competing unit is the network. The development of inter-modal transportation networks is a response.

Given the specific backups and bottlenecks in the transportation system, the need is to increase reliability and speed, something the new ITS (for intelligent transportation systems) can do. Customs clearances can take place well inland from the borders. Advanced computer systems can identify and verify shipments of hazardous wastes, currently a major source of tie-ups on the Mexican border. Dr. Kasarda predicted that multi-modal hubs would be developed at strategic transportation points, with full logistics, transportation and customs services. The result would be "a North American regionally integrated and globally linked economy; a system responsive to time-based competition, delivering speed and agility; and able to support corporate environmental responsibility."

In short, he envisioned a system of seamless interconnectivity, based on multi-modalism and responsive as well to cultural forces.

4. Transportation Impacts I

The CEC's Nick Nikkila chaired the first afternoon session on transportation impacts, and Jeff Moseley, Executive Director of the Texas Department of Economic Development, chaired the second.

- ◆ Nikkila was struck by the fact that in such an interconnected subject as transportation, parochial projects and piecemeal approaches were still possible, and this included the environment as well.
- ◆ Steve Thompson of EPA's Region 6 then discussed environmental impacts on the southern border, especially air quality issues including the Juárez-El Paso metroplex. Some 75 million vehicles cross the border, of which 5 to 7

million are diesel trucks. A Joint Advisory Committee is looking into vehicle emissions problems on the borders. A recently completed study of visibility in Big Bend National Park indicates that what was once thought to be a point-source problem (from the Carbón plants) should include mobile sources. This focuses attention on air quality as a regional issue.

- ◆ Joe Guyton of HNTB Engineering discussed growth projections for truck traffic on I-35, which is expected to increase 85 per cent by 2025, and the need for truck relief routes in several cities. Cost-benefit studies on corridor improvements include long-range environmental remediation. What infrastructure will be needed to get a reasonable level of improvements? However, there are political problems in what the public perceives as "doing something special for truckers," such as building special truckways, particularly when truckers express discontent with the rough pavements in our deteriorating transportation system.
- ◆ Gustavo Vega of the Colégio de México and Duke's North American Studies Program then presented a Mexican perspective on the trucking dispute, which is driven by the U.S. insistence that Mexico conform to a standard for trucks. This was not the initial idea of NAFTA. How to deal with the fact that Mexico needs more time to comply? In the meantime, Mexico is taking the dispute settlement route under Chapter 20. Another issue for Mexico is the growth disparities driven by NAFTA: North and Western states benefit, but not the South. How to get investments in the South? Furthermore, dealing with trucking standards does not address the problem of promoting regional growth.
- ◆ Lorenzo Lazo, Planning Director for the State of Veracruz, then presented a profile of the Mexican Gulf region, with its maritime infrastructure centered on the privatized port of Veracruz. Canadian-Mexican trade is going up, too, including the Canadian National Railroad's link to New Orleans, and other rail links. The Gulf's potential as a trading partner should not be ignored in this discussion of trade corridors.

5. Transportation Impacts II

The discussion on remedies to trade impacts was initiated by Jeff Moseley, who asked the fundamental question: "We're talking

about a new generation of interstate highways, but do we have the political will to upgrade it?" The information revolution and these roads are spurring a migration of people from cities to rural areas, but what are the implications?

- ◆ Judge Mercurio Martinez, a prime mover in the trade corridor concept, led off with a presentation on trade benefits.
- ◆ Terry Duguid followed with a discussion of the "Green Trade Corridors" concept being developed for Canada's Department of Foreign Affairs and now being tried on a pilot project basis by the Mid Continent International Trade Corridor based in Winnipeg. Unlike most trade corridors, the environment is not treated as an afterthought, and the fact that Winnipeg meets the standards for DOE's Clean Cities Program is a marked advantage. This program also promotes the concept of city-to-city partnerships and cooperation in the overall economic zone, ITS, the sharing of best practices, and looking at the trade corridor as a conduit to promote environmental services.
- ◆ Claude Cortez, a Mexican transportation official studying border issues, followed with a penetrating analysis on the border clearance problem, due to the bunching of everything on the border, and the understaffing of customs on the U.S. side. Mexico does need more funds to build better facilities. However, the real solution is the virtual trade corridor using ITS.

6. Summary of Ideas

In their summary of main themes and trends, Wirth, Kelly and Beristain touched on some of the underlying structural issues.

- ◆ John Wirth highlighted such themes as the winners and losers among regions and the importance of what had been referred to in discussion as "cooperative competition" for funds within trade corridors. Successful public-private partnerships are well informed and deal with these dynamics. Thinking of the system as a whole, the need is to coordinate infrastructure funding among corridors. He then suggested a perspective that seems latent in our discussions: the possible limits of technology with respect to diesel motor particulates, and the possible limits of nature on the

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unplanned movement of populations into environmentally sensitive rural areas. He observed that we seem to be operating on different time lines, with the political system telling us to go slow, while accelerating trade flows propel us to integration. He then cautioned against underestimating the political will of those with a stake in perpetuating the old ways of managing the borders. Not to be gainsaid as well is the anger of local residents who, if ignored, will use the courts to seek piecemeal redress for transportation problems that should be looked at systematically and continentally.

- ◆ Javier Beristain analyzed the process of "creative destruction" Mexico is now undergoing. Politically, economically and demographically, the country is undergoing rapid changes that present opportunities as well as problems. For example, the demographic profile is now quite favorable. Starting with the GATT, and accelerated by NAFTA, the share of exports and imports in Mexico's economy is now 60 per cent, and Mexico is considerably more open than the U.S. Mexico-DF used to be 35-40 per cent of the economy, but with the new growth poles and corridors responding to NAFTA this is no longer the case. Moreover, regional disparities are increasing because Northern Mexico now moves in rhythm with the U.S. economy, and tensions are created by the new structure of winners and losers in Mexico. This gives rise to talk of the need for some compensating mechanism to deal with this. Furthermore, Mexico's economic policy is no longer autonomous now that U.S. banks, fund managers and agents are players in the Mexican economy. How this will play out in politics in the next few months is unknown. However, in this matter left and right touch, both wanting a more protected, less capitalist economy.

With respect to the research agenda, Javier called for giving more attention to issues beyond trade, things about people with respect to migration, labor, and immigration. Groups imposing economic barriers to trade are important, from the old customs brokers and insurance agents to the Teamsters, and the role of national pride and language must not be discounted. We need to do a better job of managing externalities on a three-country basis, such as the pollution created by transportation. What levels of governments, and which governments will take responsi-

bility for transportation? For example, should the U.S. government be responsible for building highways in Mexico? We need supranational authorities to manage these externalities. Finally, real change will require the coordination of macroeconomic policy between the three countries, including currencies--all of which would mean restraints on U.S. policy autonomy.

- ◆ Charles Kelly, in reviewing the meeting, said we have learned to think as North Americans at these NAMI meetings. So it comes a shock to realize the level of public dissatisfaction with NAFTA and its perceived effects. Thus we need to have a reality check on what has really happened because of NAFTA. This discussion hasn't happened and we need to have it, otherwise the major disconnect that now exists between the perceived changes and the future we should be planning will continue.

With respect to corridors, those of us working on them find that our political leaders are out of touch, continuing to think in bi-national contexts instead of trinationally. Today, London-Windsor, and Austin-San Antonio along I-35 are the two crisis points, becoming known as our "highways of death." Another disconnect is the fact that the people who cause the problems of I-35 live elsewhere, in Chicago, Boston and New York. TEA-21 provides an opportunity to cooperate and to support a coordinated lobbying effort to find the massive infrastructure funding that will be needed in the next 20 years. Needed is a coalition of interests to advocate this. In short, we haven't yet addressed the institutional challenges to fund, build, and manage this infrastructure. What kind of institutions do we need?

In conclusion, Kelly observed that the purpose of NAMI's Alliance for Higher Education and Enterprise is to deal with capacity issues in North America from the point of view of education. In this respect, we are gaining experience in the creation of a new trinational institution.

In the ensuing discussion, Jack Kasarda called for the development of a new paradigm based on the idea of cooperative competition in one, integrating system. With respect to the highly complex issue of where population should be, he thought that fuel cell technology will soon support a much lower population density if this is what we want. Yet, as Mike Harcourt

pointed out, the electronic revolution could lead to more sprawl and unsustainable cities. Why not reintegrate the core city, an example being downtown Houston's recovery?

For his part, Jon Plaut remarked that issues of liveability, quality of life, and the environment have to be built into the infrastructure. And with respect to funding this infrastructure, Javier Beristain commented that the U.S. had the right policy instrument if it would only use it: the gasoline tax. With a higher U.S. gas tax, Mexico would follow suit and this would provide the money.

7. Synthesis Map

In his summary remarks, Dr. Robert Harris made the following recommendations:

- ◆ There should be a catalogue or summary of best practices on the state and local levels. To date, there has been too little sharing of best practices, especially on the local and regional scales, which is the dimension that people see--within 100 km. This will lead to the most progress in the short run.
- ◆ Focus on border regions, because where you have sharp financial and social gradients is where you have the creative chaos to innovate and find innovative solutions.
- ◆ Promote tools to provide more integrative thinking. We have lost faith in prediction, but we have gained confidence in adaptive management, agility, and flexibility. We need tools and frameworks that work, especially at the community level. Examples are GIS and financial mechanisms.
- ◆ Link communities to regions and resources through "cooperative competition," a powerful device much discussed at this meeting.
- ◆ Don't become overly focused on short-term problems, ones we can do little about. Instead, promote knowledge to find creative solutions to emerging issues rather than to problems of the past.

"We are now limiting prediction in my field of atmospheric science, while emphasizing the use of tools, methods and frameworks that are integrative in nature. At the community scale, the move must be from prediction to adaptive management with its focus on visioning and anticipating out-

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comes. These tools are just beginning to appear."

Examples at the conference include the Cascadia Project, which is integrative and imbeds all dynamics in a framework, so we can anticipate outcomes and vision what we want and need. Kasarda's global transportation park is inspirational and includes the possibility that, at the local level, you can plan for sustainability. The Red River 'visioning' experiment is based on the goal of where they want to end up 50 years from now, without trying to specify the actual end point.

Harris then said that scaling is very important for integrating locally and regionally, and then for linking globally. Develop positive approaches to crisis prevention, and anticipate problems rather than being reactive. This again focuses on the need to catalogue and compare best practices. "One thing that come through is the need to promote adaptive management through experimentation," Harris concluded, "because we do not know what the best solutions are."

Dr. Arthur Few then drew our attention to the role that systems thinking could play in making sense of the complex corridor issues. Fundamentally, it is a bifocal way of thinking, a way to see both the forest and the trees. Systems thinking focuses on the ground between the specific and the cosmic, and is thus well suited to deal with corridors and regions.

- ◆ Systems thinking is a way of dealing with the fact that exponential growth stops at some point, and that linear thinking based on the expectation of steady increase is inadequate to explain what is happening on the border corridors. An S-shaped growth model points the way to get sustainability, avoiding the alternative, which is overshoot and collapse patterns. Water shortages, political unrest, disease, the decline of natural resources--all will be factors in collapse at some point.

In conclusion, it is well to remember that "the Interstate system was developed 50 years ago to serve cities and connect military bases. What do we build for the next 50 years?" We so often get locked into fine

tuning what we have now. Systems thinking helps us to jump back and forth from innovation to results. Systems thinking lets us see how the whole picture fits together, socially, economically and environmentally. Local managers need to be brought into looking at all these areas through an integrative framework. In the near term this conference has shown the value and the need to publicize the best tools we have available today.

Website

This report, as well as copies of slides from some of the talks at the symposium, is also available on NAMI's website: <http://www.northamericaninstitute.org>

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Plowden-Wardlaw, "Large Mexican families tend to come to our events. When the \$200.00 cost disparity is applied to a family of five, they are looking at an extra \$1000.00 to visit Taos rather than a Colorado resort." This cost disparity can sometimes equal the cost of lodging for the entire family during their vacation.

He has even tried flying skiers into Denver to save on the flight costs and then having them take a five-hour drive down to Taos. This has proven infeasible. "It is hard to convince prospective Mexican visitors that the Colorado resorts are more expensive than ours when you factor in the cost of the flight," says Plowden-Wardlaw.

To attack this problem, the Ski New Mexico Partnership has been lobbying Continental Airlines, whose hub in Houston, Texas, is a major connecting point for Mexicans flying north. Last week, Mr. Pete Garcia, Continental's vice president of sales and marketing for Latin America, came to Albuquerque at the invitation of the partnership to discuss the ticket cost disparity and to gauge the state's ability to attract more Mexican tourists.

Currently, Continental has 450 flights per day out of Houston. Within the next year, the airline will increase this to 550 per day.

Continental is presently serving 17 Mexican cities, with recently established flights to Chihuahua City, Torreon, and Tampico. Flights to Mazatlan and Hermosillo are planned in the near future, and by the end of next year, the airline hopes to be flying to 24 different Mexican cities.

Its overall Latin American business has increased by 450 percent in the last four years. According to Garcia, "We are seeing a large increase of Latin Americans flying Continental routes, directly attributable to strategic alliances we have with Latin American airline companies."

Continental's Latin presence makes it a key element in the state's ability to attract more Mexican skiers, but only if parity can be established in ticket prices to New Mexico. Realizing this fact, the members of the New Mexico Ski Partnership rolled out the red carpet for Mr. Garcia during his visit. The goal was to make him aware of New Mexico's attractions, while demonstrating to him that the various factions in the public and private sectors are working together to attract more tourists from south of the border.

According to Art Bouffard, executive vice president of the New Mexico Hotel/Motel Association, "All we are asking for is parity in ticket prices between Denver and Albu-

querque for Continental's flights. We need to show Continental that if they can make New Mexico more attractive cost-wise, we will all work together to help fill their planes."

According to Garcia, "Continental's message to New Mexico is that we need your support as much as you need ours. We all have to work together to increase our Latin American business." Upon his return to Houston, Garcia has committed to studying the ticket price disparity issue with his price analysts.

Until an airline is persuaded to establish direct flights to Mexico, it is essential that Mexican skiers wanting to come to New Mexico instead of Colorado not be penalized by higher airline tickets. Through the Partnership's persuasive efforts and Continental's cooperation, we might be hearing more Spanish being spoken on our slopes in the near future, along with the pleasant jingle of cash registers ringing.

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NAFTA and Environment

Written by Stephen P. Mumme, edited by Martha Honey and Tom Barry

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Key Points

- ◆ Free trade poses formidable challenges to the North American environment that require careful monitoring and regulation.
- ◆ NAFTA's environmental institutions are performing valuable functions but are insufficient to arrest pressures on the environment arising from increased trade.
- ◆ NAFTA's environmental protections should be strengthened if it is to serve as a model for future trade accords.

The North American Free Trade Agreement's impact on the trinational environment remains controversial. Since entering into force in 1994, NAFTA has significantly boosted regional trade. Environmental conditions in the North American region are stressed, and these trends are particularly evident along the U.S.-Mexico border, which figured prominently in the political debate leading to NAFTA's adoption. Yet assessments of NAFTA's environmental effects remain sharply divided. Public Citizen's trenchant 1996 critique of NAFTA as a "betrayal" of environmental promises still has bite. Other groups, such as the Environmental Defense Fund, argue that NAFTA's presumed short-term environmental effects may be more properly attributed to macroeconomic and social trends evident in 1994, that regional trade integration would have intensified with or without the agreement, and that NAFTA strengthened governmental support for environmental protection within the North American region that would otherwise have been unattainable.

Environmental concerns were afterthoughts to NAFTA, forced on the governments by environmental and labor groups. In response, the three governments wrote sustainable development into NAFTA's preamble, strengthened sanitary and phytosanitary (plant health) trade requirements, and vowed that NAFTA would not drive down the region's environmental standards. NAFTA's critics also gained new institutions and programs, including side agreements on North American environmental cooperation and infrastructure development along the U.S.-Mexico border. Linking trade to sustainable development for the

first time in a multilateral trade agreement, NAFTA set an important precedent, challenging Free Trade Agreement of the Americas negotiators and the World Trade Organization to write environmental protection directly into future trade accords. Such measures are vital if sustainable development is to be given meaning at the global level.

Taken as a precedent, however, NAFTA and its environmental side agreements have their flaws. Intended to promote intraregional economic integration, NAFTA privileges trade and investment over the environment, its preambular rhetoric of sustainable development notwithstanding. National environmental regulations are thus suspect and must prove they are not cleverly disguised barriers to trade if they are to be enforced. Trade competition and the harmonization of trade and investment practices in North America may boost production, physical infrastructure, and environmental values while accelerating trends that degrade the environment. Tariff elimination, for example, may hasten the decline of traditional farming in Mexico, with adverse conservation and biogenetic effects. Mitigating NAFTA's environmental effects thus requires careful monitoring and regulation, as well as a critical fine tuning of its implementing instruments.

The new environmental institutions and programs spawned by the NAFTA debate also warrant scrutiny. On the positive side, the Commission for Environmental Cooperation (CEC), a trinational body based in Montreal, provides a mechanism both for investigating allegations of nonenforcement of national environmental laws and for monitoring the adverse environmental impacts of the NAFTA trade system. The CEC has emerged as a useful monitor of environmental trends in the region and an important advocate of trinational environmental solutions that advance regional sustainable development. A 1999 CEC report, for example, shows industrial emissions in Canada and the U.S. modestly declining since 1995—an incentive to both governments to maintain emissions regulations currently in place. The CEC is also working on a trinational agreement regarding transboundary environmental impact assessment that will be a milestone in regional environmental cooperation.

On the U.S.-Mexico border, the Border Environment Cooperation Commission (BECC) and its sister institution, the North American Development Bank (NADBank), have infused much-needed resources for environmental infrastructure into cash-strapped border communities, promoting sustainable development and public partici-

pation in environmental decisionmaking. The Border XXI Program, a complex of national and binational initiatives aimed at environmental improvements in the border area, has strengthened binational cooperation regarding environmental enforcement and devised key environmental indicators for sustainable development mutually acceptable to both countries.

Yet, NAFTA's environmental agencies and programs are institutionally weak and deficient in government support. These problems should be corrected to protect the North American environment and to refine NAFTA as a model for future trade negotiations.

Problems With Current U.S. Policy

Key Problems

- ◆ NAFTA's trade protections are liable to abuse, threatening deterioration of environmental standards within the region.
- ◆ Flaws in procedures and programs also impair NAFTA's environmental institutions.
- ◆ NAFTA's environmental institutions are poorly funded by the three governments.

The post-NAFTA environmental regime's capacity to cope with trade-related challenges suffers from fundamental impediments. Under NAFTA, for example, domestic environmental laws should not discriminate against trade; thus various of NAFTA's dispute settlement provisions allow firms to challenge environmental regulations. Such mechanisms are liable to abuse, as seen recently in the case of NAFTA's Chapter 11.B rules for investor protection. These rules obligate governments to compensate investors for regulations that expropriate an investor's future property. Fearing such penalties, states and provinces may retreat from imposing tough environmental regulations.

Flaws in procedures and programs also impair NAFTA's environmental institutions. Restrictions on CEC's autonomy and problems its citizen submission and government-to-government dispute resolution processes are hindrances to its effectiveness. At least one government, Mexico, has withheld its support for CEC programs contingent on external approval of the commission's projects, a significant limitation on CEC's ability to discharge its mandate in a professional and unbiased manner.

The citizen submission process—a procedure under NAAEC's (North American

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Agreement on Environmental Cooperation) Articles 14 and 15 designed to trigger investigations of alleged nonenforcement of domestic environmental laws—may be faulted for its complex requirements and lack of transparency. Citizen-initiated complaints face numerous procedural hurdles and may be terminated with cause by the commission or withdrawn by the submitters. Transparency questions also persist—the CEC may still refuse to publish a factual record. A recent and largely governmental initiative to modify these procedural rules would have imposed even more procedures and requirements on the secretariat, further limiting its autonomy. Fortunately, concerted lobbying by environmental groups led the CEC to reject most of these proposals.

In addition to citizen submission problems, rules of procedure have not yet been established for resolving government-to-government disputes under NAAEC's Chapter V—a process that could actually result in penalties—rendering this highly publicized provision virtually toothless. At the program level, the CEC (by its own admission) has been slow to engage in constructive dialogue on environmental assessment and priority setting with NAFTA's Free Trade Commission and other NAFTA-linked institutions and has neglected exploring areas of interagency cooperation.

Along the U.S.-Mexico border, where the symbiotic BECC and NADBank institutions have been justly praised for injecting sorely needed resources for new environmental infrastructure, there is also room for improvement. Political pragmatism has narrowed BECC's policy scope to water supply and wastewater treatment issues, slighting other environmental infrastructure needs. And an admirable record of institutional transparency, public access, and public participation is still marred by limited Mexican participation in BECC's decisions. Moreover, NADBank is still closed to public input in its internal deliberations.

The Border XXI Program, which shoulders the burden of border area environmental management, has generated numerous (some useful) initiatives, with 127 projects currently on its docket. Yet Border XXI remains a congeries of programs dominated by federal agencies on each side of the border, with little systematic programming of long-term commitments by the two governments. One core strategy, promoting decentralization of environmental programs and building local capacity for environmental improvement, has scarcely been addressed. Other projects are moving in haphazard fashion and are contingent on available

funds, threatening long-term performance. Border XXI's much-touted environmental assessment program, for instance, is largely composed of "indicators in progress" not yet available for actual assessment.

All these post-NAFTA initiatives suffer from governmental neglect. None have been adequately funded. The CEC has limped along on \$9 million annually, down from the \$15 million originally promised. CEC's U.S. staffing component is the most inadequate of the three governments. Lack of funding is implicated in both the slow pace of processing citizen submissions and the tardiness in implementing CEC's important NAFTA Environmental Effects study. And BECC's operating fund has been in jeopardy from the start. Financing for its certified projects through the U.S. Environmental Protection Agency (EPA) and NADBank is also threatened. In August 1999, a U.S. House Appropriations Subcommittee voted to cut EPA's Border Infrastructure Fund—a vital financial resource for BECC-certified projects—by half, from \$100 million to \$50 million.

Toward a New Foreign Policy

Key Recommendations

- ◆ The CEC should strengthen its ties with NAFTA's Free Trade Commission and other NAFTA-linked institutions.
- ◆ BECC and NADBank must refine their citizen access and transparency procedures. The Border XXI Program should move beyond federal initiatives to strengthen local environmental capacity on the U.S.-Mexico border.
- ◆ NAFTA's environmental protections should be strengthened, better funded, and built into future trade accords.

Five years and counting since the NAFTA accords took effect, there is much to be done to realize its promise of supporting sustainable development. It is now plain that NAFTA's rules protecting trade and investment in the trinational region are an invitation to the private sector to challenge environmental regulations. These rules and their implementation procedures must be shored up if a gradual erosion of state and provincial standards is to be avoided. At minimum, NAFTA's trade officials should be required to consult with the CEC and national environmental ministries in dealing with environment-related trade disputes. In the matter of NAFTA Chapter 11 challenges to environmental rules, the CEC has already proffered its advisory services to the Free Trade Commission, an offer the FTC should accept.

NAFTA's most constructive policy contribution has been the development of new international institutions and initiatives for environmental protection in the trinational region. Operating with very limited resources, these institutions have performed judiciously and shown their value. Thus far, however, the three governments have not allowed these auxiliary bodies to function to their potential. Neither the CEC, BECC, nor NADBank have been adequately funded, resulting in staff shortages, fewer programs, and less efficient performance of mandated functions. The federal governments should augment budgetary support for these institutions and allow them to respond more effectively to public concerns.

Additional refinement at the level of operating procedures and organizational practices is also necessary. The CEC should strengthen its ties to NAFTA's economic institutions and deepen its consultative relationship with other NAFTA environmental bodies and programs. CEC's council should move quickly to develop the necessary procedures to implement its Chapter V dispute resolution process. The CEC secretariat must continue to monitor and assess its citizen submission process, taking care, on the one hand, to support and improve citizen access to these procedures and, on the other, to preserve and strengthen its reputation as an independent and fair-handed body. At the program level, if the CEC is to emerge as the leading independent body for assessing NAFTA's impact on the North American environment, then it must move quickly to refine its evaluation framework and to apply it broadly to the analysis of sectoral trade and environmental issues. The CEC should also hasten to conclude a trinational agreement on transboundary environmental impact assessment.

Along the U.S.-Mexico border, after a slow start, both BECC and NADBank have made headway in certifying and funding projects for needy communities. BECC is unquestionably an institutional model of transparency and public participation in developing water and wastewater projects that serve both environmental and social aims of sustainable development. BECC should, however, show that it is willing to consider meritorious projects not specifically tied to urban water provision and wastewater treatment. It should also be encouraged to make better use of its advisory board and to take every opportunity to ensure that the Mexican public is participating in decisions that affect Mexican communities. Notwithstanding its recent efforts to better utilize BECC as a platform for soliciting public input in funding decisions, NADBank is

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still too insular and should open its doors to greater public scrutiny. Together, these linked institutions must strive to improve public access and input opportunities and must insure that interested parties and stakeholders are better informed.

The Border XXI Program also needs attention. Its current menu of federal, nation-to-nation projects is not enough. The two governments should give greater attention to the practical matter of bolstering the capacity of state and local regulatory bodies, NGOs, and the social sector. In this regard, the governments should lend their support to such innovative grassroots initiatives as the El Paso-Ciudad Juárez binational air shed task force, an outstanding model for involving local actors in long-term cross-national efforts to mitigate pollution and improve public health. At the program

level, leading initiatives should be clearly prioritized, consistently funded, and better coordinated amongst participating agencies. For instance, Border XXI's national coordinators should hasten to apply and refine its new environmental indicators so that accurate appraisals of environmental conditions can guide public policy improvements.

In sum, NAFTA is a first step in the direction of bridging the policy gap between trade and environment. NAFTA's various environmental initiatives should be supported and strengthened, and, at minimum, incorporated into future trade agreements. At the global level, NAFTA's shortcomings indicate what should be done to strengthen the prospects for sustainable development in future accords. First and foremost, environmental machinery, now largely relegated to secondary or sideline status, should be built into trade agreements along with ac-

tion-forcing compliance mechanisms. Environmental ministers should be able to vet and veto environment-degrading trade initiatives. Environment secretariats should be strengthened and made more autonomous, with independent investigative abilities. Trade and investment panels should coordinate their work with the environmental secretariats to insure consideration of environmental values. Second, participating governments must pay greater attention to implementing details. They must follow through with procedural rules and practices that give substance to formal mandates. Third, governments must invest additional resources in the institutions charged with monitoring and enforcing these agreements. Sustainable development requires no less.

Upcoming Events:

NAMI is working with Diane Lindquist from the San Diego Union Tribune to organize the second in a series of three workshops on Media coverage of North American issues. This will take place in Monterrey, Mexico, the weekend of February 26-27. Additionally, NAMI-Canada is organizing a forum to be held in Montreal sometime next year on the European Union/ NAFTA interface. This forum will discuss such topics as the use and practicality of a common currency, the addition of European countries into the NAFTA, and environmental issues that the two trade areas are addressing.

Obituary

Mr. Richard Estrada, a long-time friend of The North American Institute and an outspoken "North Americanist," passed away on October 29. Mr. Estrada published a chapter in the Stanford Press book *Identities in North America: The Search for Community*, edited by Earle and Wirth, entitled "The Dynamics of Assimilation in the United States," and participated in several NAMI events as well as the 10th Annual Anniversary Forum, where he served as a panelist. Mr. Estrada was well respected in the North American community.

Following is an obituary from The Dallas Morning News:

Rites Wednesday for Richard Estrada, columnist, editor for Morning News



L to R: Senator Jack Austin (British Columbia), John Wirth, Governor Gary Johnston (New Mexico), and Richard Estrada at NAMI's 10th Anniversary Forum in 1998.

11/02/99

Services for Richard Estrada, an associate editor of The Dallas Morning News' editorial page, will be at 10 a.m. Wednesday at St. Joseph Catholic Church, 416 E. Second St., Lordsburg, N.M. Mr. Estrada, 49, died of a rare liver disease Friday in his Irving apartment.

Mr. Estrada joined The News in 1988. His weekly column - which examined issues related to the U.S.-Mexico border, population change, ethnic politics, labor, water and the environment, bilingual education and Latin America - ran in 25 papers nationwide, from The Washington Post to the El Paso Times.

Mr. Estrada, the grandson of Mexican immigrants, was born in Lordsburg. His father worked as a service-station attendant and copper miner and was the first member of his family to graduate from college.

Richard Estrada is survived by his mother, Rita Estrada of El Paso; four brothers, Lawrence Estrada of El Paso and Patrick Estrada, Robert Estrada and Steven Estrada, all of Washington, D.C.; and a sister, Mary Ann Estrada of Washington, D.C.

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carefully and steadily nurtured and invested enormous energy and capital in the idea of a peaceful and largely borderless Europe. The United States, Canada, and Mexico have had their historical frictions, including armed conflict, but they also have much in common as cultures rooted in the pioneering and rebellious spirit of European immigrants. Perhaps the three countries in North America are each too large, too self-

sufficient, to relent from their nationalism in favor of continental harmony. But should they ever decide to cultivate the vision of shared continental identity, which allows at the same time the flowering of regional identities, the Europeans have shown how to bring such visions to reality.

In the last ten years, the United States has fortified its frontier with Mexico with walls, fences, and armed guards. Ten years ago,

the fortified and guarded walls and fences separating East from West in Germany came down. Which vision of the future shall we choose? From my current vantage point along the Rhine, the spirit of international solidarity, as celebrated by a couple of hundred French and Germans (and three Americans) at the Fête de la Solidarité in the village of Lichtenberg, is the only sensible choice.

NAMINEWS is published by The North American Institute, a trilateral public affairs organization providing a forum for the cooperative development of ideas for managing the emerging North American Community. The purpose of NAMINEWS is to monitor and disseminate information about events, publications, and research with potential policy implications for Canada, Mexico, and the United States.

Readers are invited to send articles, notices, and comments to: The North American Institute, 708 Paseo de Peralta, Santa Fe, New Mexico 87501 USA Tel: (505) 982-3657 Fax: (505) 983-5840; Email: nami@northamericaninstitute.org

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