

107TH CONGRESS
2D SESSION

H. R. 5400

AN ACT

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.

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AN ACT

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,*

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

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

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

12 “The President may agree to amendments to the Co-
13 operation Agreement that—

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

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

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

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

4 **SEC. 2. ANNUAL REPORT.**

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

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

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

22 (3) The number and description of the projects
23 which have been certified by the Border Environ-
24 ment Cooperation Commission, but yet not financed

1 by the North American Development Bank, and the
2 reasons that the projects have not yet been financed.

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

6 (5) A description of any efforts and discussions
7 between the United States and Mexican governments
8 to expand the type of projects which the North
9 American Development Bank finances beyond envi-
10 ronmental projects.

11 (6) A description of any efforts and discussions
12 between the United States and Mexican governments
13 to improve the effectiveness of the North American
14 Development Bank.

15 (7) The number and description of projects au-
16 thorized under the Water Conservation Investment
17 Fund of the North American Development Bank.

18 **SEC. 3. SENSE OF THE CONGRESS RELATING TO UNITED**
19 **STATES SUPPORT FOR NADBANK PROJECTS**
20 **WHICH FINANCE WATER CONSERVATION FOR**
21 **TEXAS IRRIGATORS AND AGRICULTURAL**
22 **PRODUCERS IN THE LOWER RIO GRANDE**
23 **RIVER VALLEY.**

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

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

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

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

14 (4) on August 20, 2002, the Board of the
15 North American Development Bank agreed to the
16 creation in the Bank of a Water Conservation In-
17 vestment Fund, as required by Minute 308 to the
18 1944 Water Treaty, which was an agreement signed
19 by the United States and Mexico on June 28, 2002;
20 and

21 (5) the Water Conservation Investment Fund of
22 the North American Development Bank stated that
23 up to \$80,000,000 would be available for grant fi-
24 nancing of water conservation projects, which grant

1 funds would be divided equally between the United
2 States and Mexico.

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

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

13 (2) the Board of the North American Develop-
14 ment Bank should support qualified water conserva-
15 tion projects which can assist Texas irrigators and
16 agricultural producers in the lower Rio Grande River
17 Valley.

18 **SEC. 4. SENSE OF THE CONGRESS RELATING TO UNITED**
19 **STATES SUPPORT FOR NADBANK PROJECTS**
20 **WHICH FINANCE WATER CONSERVATION IN**
21 **THE SOUTHERN CALIFORNIA AREA.**

22 It is the sense of the Congress that the Board of the
23 North American Development Bank should support—

24 (1) the development of qualified water conserva-
25 tion projects in southern California and other eligi-

1 ble areas in the 4 United States border States, in-
2 cluding the conjunctive use and storage of surface
3 and ground water, delivery system conservation, the
4 re-regulation of reservoirs, improved irrigation prac-
5 tices, wastewater reclamation, regional water man-
6 agement modeling, operational and optimization
7 studies to improve water conservation, and cross-
8 border water exchanges consistent with treaties; and

9 (2) new water supply research and projects
10 along the Mexico border in southern California and
11 other eligible areas in the 4 United States border
12 States to desalinate ocean seawater and brackish
13 surface and groundwater, and dispose of or manage
14 the brines resulting from desalination.

15 **SEC. 5. SENSE OF THE CONGRESS RELATING TO UNITED**
16 **STATES SUPPORT FOR NADBANK PROJECTS**
17 **FOR WHICH FINANCE WATER CONSERVATION**
18 **FOR IRRIGATORS AND AGRICULTURAL PRO-**
19 **DUCERS IN THE SOUTHWEST UNITED**
20 **STATES.**

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

22 (1) Irrigators and agricultural producers are
23 suffering enormous hardships in the southwest
24 United States. The border States of California, Ari-
25 zona, New Mexico, and Texas are suffering from one

1 of the worst droughts in history. In Arizona, this is
2 the second driest period in recorded history and the
3 worst since 1904.

4 (2) In spite of decades of water conservation in
5 the southwest United States, irrigated agriculture
6 uses more than 60 percent of surface and ground
7 water.

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

14 (4) The amount of water being pumped out of
15 groundwater sources in many areas is greater than
16 the amount being replenished, thus depleting the
17 groundwater supply.

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

22 (6) The Water Conservation Investment Fund
23 of the North American Development Bank stated
24 that up to \$80,000,000 would be available for grant
25 financing of water conservation projects, which grant

1 funds would be divided equally between the United
2 States and Mexico.

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

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

13 (2) the Board of the North American Develop-
14 ment Bank should support qualified water conserva-
15 tion projects that can assist irrigators and agricul-
16 tural producers; and

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

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

23 (a) It is the sense of the Congress that the Board
24 of the North American Development Bank should support
25 the financing of projects, on both sides of the international

1 boundary between the United States and Mexico, which
2 address coastal issues and the problem of pollution in both
3 countries having an environmental impact along the Pa-
4 cific Ocean and Gulf of Mexico shores of the United States
5 and Mexico.

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

Passed the House of Representatives October 10,
2002.

Attest:

Clerk.