

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5400

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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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2002

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

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## A BILL

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

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

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

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

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

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

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

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

22 **SEC. 2. ANNUAL REPORT.**

23 The Secretary of the Treasury shall submit annually  
24 to the Committee on Financial Services of the House of  
25 Representatives and the Committee on Foreign Relations

1 of the Senate a written report on the North American De-  
2 velopment Bank, which addresses the following issues:

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

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

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

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

23          (5) A description of any efforts and discussions  
24          between the United States and Mexican governments  
25          to expand the type of projects which the North

1 American Development Bank finances beyond envi-  
2 ronmental projects.

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

7 (7) The number and description of projects au-  
8 thorized under the Water Conservation Fund of the  
9 North American Development Bank.

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

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

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

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

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

5           (4) on August 20, 2002, the board of directors  
6 of the North American Development Bank agreed to  
7 the creation in the Bank of a Water Conservation  
8 Fund, as required by Minute 308 to the 1944 Water  
9 Treaty, which was an agreement signed by the  
10 United States and Mexico on June 28, 2002; and

11           (5) the Water Conservation Fund of the North  
12 American Development Bank stated that up to  
13 \$80,000,000 would be available for grant financing  
14 of water conservation projects, which grant funds  
15 would be divided equally between the United States  
16 and Mexico.

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

19           (1) water conservation projects are eligible for  
20 funding from the North American Development  
21 Bank under the Agreement Between the Govern-  
22 ment of the United States of America and the Gov-  
23 ernment of the United Mexican States Concerning  
24 the Establishment of a Border Environment Co-

1 operation Commission and a North American Devel-  
2 opment Bank; and

3 (2) the Board of Directors of the North Amer-  
4 ican Development Bank should support qualified  
5 water conservation projects which can assist Texas  
6 irrigators and agricultural producers in the lower  
7 Rio Grande River Valley.

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