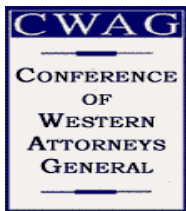


U.S. – MEXICO STATE ALLIANCE PARTNERSHIP



Report of Activities

January 1, 2010 – March 31, 2010
2nd Quarterly Report

U.S. – Mexico State Alliance Partnership

Quarterly Report

Second Quarter, January 1, 2010 – March 31, 2010

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ALLIANCE PARTNERSHIP BACKGROUND

On September 23, 2008, the Council of State Governments (CSG) and the United States Agency for International Development (USAID) entered into a three-year cooperative, jointly funded agreement to implement the U.S. – Mexico State Alliance Partnership. The cooperative agreement was subsequently modified to extend activities to five years, September 23, 2009 – September 30, 2013.

The U.S. – Mexico State Alliance Partnership is a collaborative, multi-branch alliance comprising the U.S. Agency for International Development (USAID), Council of State Governments (CSG) and its Western and Southern regional offices, Conference of Western Attorneys General (CWAG), National Association of Attorneys General (NAAG), National Association of State Treasurers (NAST), National Lieutenant Governors Association (NLGA) and other officials aimed at strengthening cooperation among state officials and institutions of the United States and Mexico. The Alliance Partnership promotes and convenes binational exchanges and workshops among border legislators, attorneys general and treasurers that enhance the role of state officials in addressing shared public policy concerns that transcend international borders.

The Alliance Partnership promotes the integration of activities and outreach with other binational mechanisms, as well as policy institutes and research universities, so that concrete policy objectives and reforms can be achieved through a strategic, multi-branch and multi-jurisdictional approach. The Alliance partners, their respective members, networks and linkages comprise a broad and influential coalition that can affect change. The Alliance Partnership is an innovative mechanism of cooperation that enables dynamic synergies and cross-jurisdictional cooperation.

REPORT OVERVIEW

This report highlights the activities of the second quarter for FY 2009-10 by CSG and the Alliance partners to promote and implement binational state exchanges as defined by the objectives of the U.S. – Mexico State Alliance Partnerships. The activities were carried out with the support of the USAID Mexico mission.

PROGRESS EVALUATION

The activities highlighted in this report illustrate CSG and its partner's continued effort to make significant progress in achieving the program's objectives, which are the following:

- Contribute to the objectives of the Merida Initiative related to continuing police education insofar as USAID has determined that "police" shall include state justice personnel;
- Strengthen and further expand binational exchanges and activities among state attorneys general of Mexico and the United States through the alliances established by CWAG, the National Association of Attorneys General (NAAG), and Mexico's National Conference of Attorneys General, particularly through investigative and prosecutorial capacity training seminars;

- Enhance the ability of U.S. and Mexico border state legislatures to identify and enact strategies aimed towards performing an expanded policy role in addressing common concerns along the 2,000 mile border region through the ongoing implementation of the Border Legislative Conference (BLC); and
- Establish binational economic development forums among state executive branch officials, including Lt. Governors, Treasurers and others aimed at exchanging “best practices” and linkages in public finance strategies, infrastructure planning, access to capital and tourism, among others.

BORDER LEGISLATIVE CONFERENCE

Canada Day Participation

On February 10, 2010, Senator Denise Moreno Ducheny, Chair of the BLC along with BLC program staff, attended the annual “Cinq à Sept”, a celebration of Canada Day in Sacramento, California. This year the event was sponsored by the Consulates General of Canada in San Francisco and Los Angeles, and the Governments of British Columbia and Alberta. Although this is an annual event to broadly raise the profile of Canada-U.S. and, more specifically, Canada-California relations in terms of commerce. The hosts tied it to the inauguration of the Vancouver 2010 Olympics. The Consulates General of Canada in San Francisco and Los Angeles expressed appreciation in having BLC Chair and program staff in attendance.

Tres Californias Forum

On March 4-6, 2010 Senator Denise Moreno Ducheny, Chair of the BLC, along with BLC program staff, attended the 10th Annual Tres Californias Forum in Ensenada, Baja California. The three topics for this event were: Tourism, Water and Agriculture, and Environment: Disposition of Used Tires and Air Quality. Senator Ducheny made remarks throughout the forum about the similarities in issues and how they are approached through the BLC. Program staff made contact with various members of the Baja California legislature with the aim of having more members who are assigned to the BLC attend the meetings.

BLC Delegation to Mexico City

On March 15-17, 2009, a delegation of members of the Border Legislative Conference (BLC) traveled to Mexico City to conduct meetings with Mexico and U.S. federal officials. The visit was part of the BLC’s ongoing efforts to exchange information and strengthen state –federal collaboration on issues of mutual interest, such as border competitiveness, security, and the environment, among others. The delegation was led by Senator Denise Moreno Ducheny of California and Diputado Ramiro Flores Morales of Coahuila, chair and vice chair respectively of the BLC.

Participating border legislators met with the members of Mexico’s Senate Committee on Northern Border Affairs; the Office of the Attorney General; Foreign Relations Committee in the Chamber of Deputies; Mexico’s Ministry of Foreign Affairs; USAID/Mexico; and U.S. Ambassador to Mexico, Carlos Pascual.

The meetings were substantive and the members of the BLC had an opportunity to discuss their ongoing legislative agenda and present recommendations on topics that require federal intervention. The topic of security issue was of significant focus in most meetings, particularly due to evolving security situation in Cd. Juarez, Mexico.

Highlights:

- Senator Jaime Rafael Diaz Ochoa, Chair of the Senate Committee on Northern Border Affairs, hosted the members of the BLC to an open dialogue on current border concerns. As the new chair of this Committee, Senator Diaz Ochoa expressed his Committee's commitment to enhance state – federal legislative cooperation to address issues such as economic competitiveness and security. In a press conference conducted after the meeting, the BLC and the Senate Committee Northern Border Affairs expressed their strong interest in the harmonization of laws on issues of mutual interest, and the development of joint strategies on security matters.
- In a working meeting with Jorge Alberto Lara Rivera and Adrian Franco of Mexico's Attorney General's Office, legislators were able to discuss a wide-range of topics related to security as well as judicial reforms being implemented in Mexico. Among the issues expressed by participating legislators were the need to ensure that binational federal strategies, such as the Merida Initiative, incorporate resources and integration of states; the development of joint solutions such as binational drug courts; an enhanced focus and multi-jurisdictional coordination combat money laundering, trafficking of arms, and developing stronger asset forfeiture statutes at the state level;
- Participating border legislators met with several members of the Chamber of Deputies' Foreign Relations Committee. The meeting provided an opportunity for BLC members to brief the committee on recommendations it has identified requiring federal support. During the meeting, the Committee's chair, Dip. Munoz Ledo, informed the BLC delegation of its trip to Washington DC to meet this week with their federal counterparts.
- Undersecretary for North America of Mexico's Ministry of Foreign Affairs, Ambassador Julian Ventura, listened and exchanged information with BLC members on a range of border issues, including concerns over wait times, ongoing security worries along the border, greater coordination with other binational mechanisms.
- U.S. Ambassador to Mexico, Carlos Pascual informed the delegation of the upcoming visit to Mexico City by President Obama's Senior Security Team. This will include, Secretary of State Hillary Clinton, Secretary of Defense Robert Gates and others. Ambassador Pascual informed that the high-level visit will include the announcement of a new U.S. – Mexico security and economic strategy focused on four pillars. These pillars are the following:
 - Disruption and Dismantling of Drug Cartels
 - Institutional Rule of Law
 - Development of 21st Century Borders
 - Focus on Socio-Economic Factors

In addition to the Four Pillars, the Ambassador described the development of a strategy focused on renewable energy. He described recent discussions between California and Baja California officials on energy transmission and alternative sources of energy, including solar and wind.

Ongoing Outreach

BLC program staff has maintained ongoing communication with a wide range of individuals and cross border governmental and non-governmental organizations that focus on U.S.-Mexico relations in an effort to further promote cross-border collaboration.

New BLC Website and Directory of Border Officials

One of the goals for the early part of this year, based on feedback from current and previous officers and members of the BLC, was to launch a new website for the program. One that was user-friendly, full of information, and aesthetically pleasing. With the tenacity of program staff and the assistance of two student interns in addition to the selection of a very talented design company, Dane Henas Design, we have a new website to share with members today.

Another goal was to update the Border Legislative Conference U.S.-Mexico Directory of State Officials, which is another project that has also been completed by program staff with the assistance of two student interns.

CONFERENCE OF WESTERN ATTORNEYS GENERAL

Programming Successes

Facilitation by CWAG Attorneys General and other Alliance Partnership members have allowed for the rapid escalation of institutional relationships and law enforcement trainings. Fifteen U.S. State Attorneys General and twenty Mexican Attorneys General and their staff have spent hundreds of hours in trainings and through personal and email communication sharing information and techniques which can address the illegal activities of criminals and cartel members in the United States and Mexico.

Personal meetings between individual Western Attorneys General and Attorney General Chavez, PGR Mexican State Attorneys General and members of Seguridad Publica allowed for relationships built on communication and trust to propel Alliance Partnership prosecutor, investigator, financial crimes and forensic trainings forward with amazing speed and expansive results.

Binational Exchange Program

CWAG's binational exchange program facilitated several international encounters this quarter. This policy-oriented discourse at the State AG-to-State AG level continued with Letters of Understanding being signed by Hawaii, Indiana and Baja California. These agreements connect

the states with a commitment to sharing training and information in support of the Rule of Law. Indiana and Hawaii Attorneys General Offices are providing Prosecutor and or Investigator Trainings to seven Mexican State AGO personnel in the coming months.

CWAG Attorneys General have become interregional presenters at conferences and meetings hosted by our counterparts in the Mexican States. Idaho Attorney General Lawrence Wasden and New Mexico Attorney Gary King spoke to a group of several hundred community members and civic leaders at a Justice Forum in Mexicali in January. Alliance Partnership staff also met with Attorneys General Moreno Manjarrez from Baja Norte and Attorney General from Higuera Bernal of Sinaloa at a symposium discussing the specialized training requests of Mexican states. As a result, the Alliance Partnership has developed several upcoming trainings focusing on first responder training to kidnappings, SWAT training and the development of Homicide Divisions and Internal Affairs Units. Both Baja Norte and Sinaloa Attorneys General also attended the February Phoenix training in order to observe the participation of members of their staff engaging in law enforcement and oral advocacy exercises.



Arizona Attorney General Terry Goddard spoke to the Mexican National Congress in February where he was heartily thanked for his financial money laundering interdiction efforts and for the significant impact his prosecutions of illegal funds transfers are having on cartels. Four border states (Arizona, New Mexico, Colorado and Texas) settled multi-million dollar litigation with Western Union which has created a \$55 million dollar law enforcement fund accessible to government agencies working on bi-national issues with Mexico.



CWAG been heartened by the fact that Mexican State Attorneys General are comfortable approaching the Alliance Partnership with specific training requests. Additionally, we are delighted that the relationship with the PGR has enabled officials to do the same. In December of 2009, Lic. Francisco Molina Ruiz, the PGR's Deputy Attorney General for Regional Control, Criminal Prosecutions and Appeals (Subprocurador de Control Regional, Procesos Penales y Amparo) asked for assistance as expediently as possible on providing law enforcement training and assistance in areas which would immediately impact the cartels ability to function in Mexico. We have responded by providing an intense two day issue-focused training on money laundering and asset forfeiture. CWAG was able to marshal support from DEA, USDOJ, Arizona AGO, Arizona Department of Public Safety and ATF.

Capacity Building for Mexican Justice Professionals

The state of the art bilingual Alliance Partnership Website www.CWAGWeb.Org/AP provides password-protected access to meeting, education and archived materials. It also serves as a figurative “411” and “911” of active and responsive Alliance Partners. The recent completion of the Forensic site allows both U.S. and Mexican law enforcement to retrieve and receive academic information in both basic and advanced forums.

Judicial: CWAG is working with the National Judicial College in Reno to begin curriculum development for a Judicial Training Course to assist Mexican judges with courtroom management issues related to an oral advocacy system. We have contracted with a retired bilingual judge who is currently developing the calendar and personnel for the judicial component of our programming. The implementation of this program will take place in the third and fourth quarters of this year. This training for professionals working in the Mexican criminal justice system will support the efforts of the Mexican constitutional reform to an oral, adversarial system.

Prosecutors and Investigators: The Attorney General’s office of Arizona hosted a 60 person training during the quarter. Tools and techniques which support successful prosecutions in an adversarial justice system were discussed, modeled and practiced. Experienced U.S. law enforcement and prosecution officials shared information on a variety of topics. Investigators received lectures and practice on crime scene management, from responding to the initial call to writing case reports to presenting oral testimony in court. Prosecutors learned the basics of oral advocacy, and practiced handling a case from opening statements to closing

arguments, including direct and cross-examination of witnesses. Agendas from these trainings are attached to this report.

The support from CWAG member states and Attorneys General in this project allows for numerous partnerships with other law enforcement agencies. CWAG states collaborated with Arizona DPS, Tucson Police Department, U.S. Marshals Service and Oregon Department of Justice, as well as California agencies including CA Department of Justice Lab, Sacramento County Crime Lab and the Richmond Lab visited this quarter.



Forensics: The forensic training and technical assistance element of our forensic programming had a successful launch of both classes and the website this quarter. As a direct result of Nevada AG Catherine Masto's October visit with the PGR and with the directors of Mexico's National Association of Attorneys General (Conferencia Nacional de Procuración de Justicia, CNPJ), Dra. Erika Santoyo Morales y Lic. Moisés Bolaños Bonilla, and the PGR Coordinator of Forensic Services, Miguel Oscar Aguilar Ruiz, we enjoyed full participation by Mexican delegates in DNA and other forensic training this quarter. Fifty-five government scientists and law enforcement personnel from Mexico spent two weeks under the tutelage of Alliance Partnership Forensic Program Director Lance Gima. Lance has previously worked in several Latin American Countries and with the State of Chihuahua on the development of forensic labs and programs, which qualify for international forensic certification.

Additionally, the bilingual forensic training materials and website funded and developed by the Alliance Partnership is utilized by Mexican States to obtain education and certification-level studies in specialty forensic areas. The launch of this website allows for substantial academic opportunities accessible from any location at no-cost to Mexican law enforcement personnel. This website also provides an interactive laboratory, which builds on topics discussed at Alliance Partnership trainings.

This site is the premier Spanish-language resource for Mexican forensic scientists. Content includes translated online scientific content on DNA for Prosecutors, DNA for Investigators, Ballistics for Prosecutors and Ballistics for Investigators. This resource allows for widespread access to this valuable forensic information by essentially all Mexican state Attorney General's Office personnel. Other courses are also being considered for future offerings.



Future Partnerships and Programming

The third quarter will continue with 10 trainings in which at least 362 representatives from Mexican state Attorney General's Offices and the PGR will experience CWAG's programming. We will also continue to bring program efforts from this quarter to fruition, and lay plans for trainings throughout the fiscal year. Several exciting endeavors are being developed which enlist the expertise and resources of a variety of institutions and people. A schedule of planned and proposed trainings is attached; as this is a fluid process, please contact CWAG for the latest scheduling information at any time.

Outreach to potentially collaborative organizations has been a primary focus of CWAG Executive Director Karen White in this quarter. CWAG's discussions with fellow Alliance Partnership members such as the National Association of Attorneys General, the Woodrow Wilson Center, The Border Governors' Conference and its Border Security Work Table, along with the Council of State Governments, is opening doors and creating collaborative opportunities between these organizations. USAID's encouragement of this synergistic alliance is producing exponential results.

- CWAG and the ABA Rule of Law Program are exchanging information. Alliance Partnership Administrative Director Susan Lustig will be attending a May training in Peru in order to exchange program materials and observe the established ABA curriculum.
- CWAG will be hosting an August 2010 training at Northwestern University, utilizing local legal professionals and facilities for a prosecutor training.
- CWAG has worked with Alliance Partnership member the Woodrow Wilson Center in Washington, D.C., where ten Attorneys General and Baja Norte Attorney General Moreno Manjarrez spoke to university students, members of the press, local academics and a variety of "think tank" personnel. The discussion centered on both policy and joint efforts of the Mexican and U.S. law enforcement.
- CWAG is meeting with the Border Governor's Security Roundtable to discuss law enforcement communication and collaboration opportunities.

With the support of USAID, CWAG has been able to cultivate a wide range of contacts interested in supporting justice reform efforts in Mexico. CWAG has tried to gather and share program information through the Alliance Partnership website, accessible at www.cwgaweb.org/ap. (Portions of the site are password-protected, due to security concerns. Access instructions are attached.)

CWAG continues to be a proud partner in this historic effort. Our interest lies in listening to the legal needs expressed by our counterparts in Mexico and connecting those requests with experts in the respective areas. CWAG is the grateful recipient of the abiding support of our member Attorneys General and the intelligent, passionate and committed CWAG Alliance Partnership staff.

NATIONAL LIUTENANT GOVERNORS ASSOCIATION

The National Lieutenant Governors Association (NLGA) is engaged in the US-Mexico State Alliance partnership to strengthen state legislative – executive branch and local capacities and roles in Mexico in the arena of economic prosperity. This is to be achieved through consideration of binational exchanges, establishment of new mechanisms of cooperation, possible forums, the promotion of mutually-beneficial dialogue, and by providing opportunities for on-going interaction. One focus will be renewable energy, with other areas such as tourism considered. The NLGA maintains this program with a \$25,000 per year subgrant.

Engagement

On January 25, 2010, the NLGA, represented by Nevada Lt. Governor Brian Krolicki, engaged with the State Alliance, US federal trade and energy officials, and Mexican counterparts in the forum "Public Policy Challenges and Opportunities: Creating a Regional Renewable Energy Market: Baja California and California" sponsored by the Mexico Institute of the Woodrow Wilson International Center for Scholars and The Council of State Governments (CSG). Attendees included a representative of the Baja California State Energy Commission, an energy advisor to the Quebec Premier, several US federal officials, and Lt. Governor Krolicki, the only US state government official.

During February and March, NLGA provided its staff, NLGA Assoc. Director Morgan Mundell, and resources to build the State Alliance Partnership web site per specifications.

On March 17, 2010, in what state and federal public and private sector attendees called “an outstanding conversation,” NLGA hosted the Ambassadors of Mexico and Canada at the NLGA Federal-State Relations meeting. Twenty of the nation’s lieutenant governors engaged in an interactive conversation on North American trade and transit. Many remarks were focused on the need of the North American countries to work more seamlessly to remain collectively competitive in a global economy.

Research

Erik Lee of Arizona State University provided results of anecdotal research on state level energy laws in Mexico – few to none were found. He did provide sixty (60) citations of federal Mexican law relating to renewable energy, energy efficiency, and more (*eight on renewable energy, seventeen on energy efficiency, ten on greenhouse gas emissions and energy reporting,*

twenty-one on emissions, and four on the clean development mechanism). A research project to telephone each Mexican state to compile a list of state-level renewable energy laws is beyond the scope of current funding to the NLGA subgrant.

Planning

NLGA staff participated in an alliance partnership planning call, invited USAID representation to the March NLGA meeting, pursued a possible timeline on a first mission visit, and spent several dozen hours in research. NLGA is tentatively exploring the possibility of an exchange by mid-year, most likely to Mexico City. Based on ideas gained from engagement in the Americas 2020 meeting, the NLGA gained confirmations from the Ambassadors from both Mexico and Canada to the United States to appear together with all U.S. lieutenant governors.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

The Woodrow Wilson Center Mexico Institute is a member of the U.S.-Mexico State Alliance Partnership, which is coordinated by the Council of State Governments-West. During the current reporting period, January 1 through March 31, 2010, the Wilson Center Mexico Institute performed various activities related to its membership in the Partnership. Below is a breakdown of these activities:

JANUARY 2010

Prepared for and held the private meeting “Public Policy Opportunities and Challenges: Creating a Regional Renewable Energy Market in California and Baja California,” on January 25 at the Woodrow Wilson Center in Washington. The meeting, convened with the U.S. Embassy in Mexico, gathered state and federal officials from both countries, as well as representatives from the business sector, to discuss the creation of a cross-border renewable energy market. The meeting included the participation of U.S. Ambassador to Mexico, Carlos Pascual, other representatives from the U.S. Embassy, and U.S. federal officials from the Department of Energy, the Environmental Protection Agency, the Department of Commerce, and other agencies closely involved in border energy policy. Additionally, state-level officials also attended, including Hon. Brian Krolicki, lieutenant governor of Nevada, a member of Alliance partner National Lieutenant Governors Association; and David Munoz Andrade, Secretary of Energy, Baja California.

FEBRUARY 2010

Made preparations to host a delegation from the Conference of Western Attorneys General (CWAG) for a March 3 visit to Washington, D.C. Preparations included planning for a private meeting between attorneys general and Department of Justice and/or Department of Homeland Security representatives at the Woodrow Wilson Center, as well as a public conference on border security.

MARCH 2010

Hosted a delegation of attorneys general from the Conference of Western Attorneys General (CWAG) at the Woodrow Wilson Center on March 3. The visit by the attorneys general included a private meeting with then-Commissioner-designate Alan Bersin of Customs and Border

Protection, who discussed U.S. border security policy going forward and the importance of U.S.-Mexico cooperation on border issue. Three attorneys general also participated in a public conference titled “State Perspectives on Drug Trafficking Violence at the U.S.-Mexico Border,” also held at the Wilson Center. Those attorneys general were: Rommel Moreno Manjarrez of Baja California, Gary King of New Mexico, and CWAG Chair John Suthers of Colorado. Attendance for the public conference numbered approximately 80 persons mainly from the fields of policy analysis, government, and academia.

During the reporting period, the Wilson Center Mexico Institute also conducted normal administrative and follow-up tasks related to its membership in the Partnership. These tasks included a grant extension of its agreement with CSG-West as a member of the U.S.-Mexico State Alliance Partnership. Additionally, the Mexico Institute published and posted to its website event summaries, presentations, and other materials related to the January and March Alliance Partnership events discussed above.

The Mexico Institute will participate in Alliance Partnership activities going forward. In the upcoming quarter, April 1-June 30, 2010, these activities, among others, are expected to include a role in an event on renewable energy in California, scheduled for May.

NORTH AMERICAN CENTER FOR TRANSBORDER STUDIES, ARIZONA STATE UNIVERSITY

Ongoing January-March:

- Coordination with BLC and additional key partners on implementation phase for *Strategic Guidelines for the Competitive and Sustainable Development of the U.S.-Mexico Transborder Region* for the Border Governors Conference.

January 2010

- January 7: Discussed Phase II proposal with Martha Castaneda as well as timeline of upcoming program events.
- Produced NACTS Policy Analysis Review 5 and drafted Quick Guide for a simplified review report on each border state’s scrap tire management legislation.
- Produced literature review on the possible short-term and long-term environmental effects of rubberized-asphalt for Representative Russell Jones, Arizona State Legislature in regard to Arizona House Bill 2290 (available upon request).
- Updated the border states matrix on scrap tire management legislation in each state.

February 2010

- Followed Arizona House Bill 2290 through house and senate committees and continued to analyze the bill.
- Drafted memorandum on all pending and proposed scrap tire management legislation in each U.S. border states (available upon request).

- February 17: Sent updated scrap tire legislation report and related documents, including executive summaries, policy analysis reviews, and appendices containing various scrap tire management state programs, state legislation, media sources, and industry updates.
- February 23: Participated in roundtable on U.S.-Mexico binational renewable energy issues at the Mexico Institute, Woodrow Wilson International Center for Scholars

March 2010

- March 5: Participated in Tres Californias Legislative Forum, Ensenada, Baja California.
- March 12: ASU activation of NACTS/BLC Phase 2 partnership complete.
- March 12: Organized event at ASU on “Ourborder: Online Border Civic Network” with the U.S. Department of Homeland Security White House Liaison Jake Braun.
- March 12: Held the “Managing Undocumented Migration in North America Policy Seminar” at ASU with the International Metropolis Project.
- March 13: Organized trip to Nogales area with the International Metropolis Project with the Mexican Consulate, CBP, and the Nogales, Sonora Mayor Jose Angel Hernandez
- Worked with BLC and Rubber Pavements Association to set up RPA’s April 16 presentation to BLC membership.
- Worked with BLC and Mexican Consulate General in Phoenix for participation in the April 16-17 BLC meeting in Tempe.
- March 15-17: Participated in CSG-WEST/BLC Mexico City Outreach Trip with members of Border Legislative Conference. Met with Mexican Senate Commission for Border Affairs, Chamber of Deputies Commission for International Affairs, Foreign Ministry’s North American Affairs Directorate, U.S. Ambassador to Mexico Carlos Pascual and USAID Mexico Mission Director Roger Garner.
- Discussed possible scenarios for implementation of new U.S.-Mexico border conference series with CSG-WEST.
- Revised full report of scrap tire management in the ten border states with suggestions from the U.S. EPA Office of Solid Waste.
- Drafted overview on latest viable scrap tire user industries and products (available upon request).
- Consolidated Border Research Consortium, consisting of El Colegio de la Frontera Norte, NACTS, and the Mexico Institute, Woodrow Wilson International Center for Scholars.

NATIONAL ASSOCIATION OF STATE TREASURERS

The National Association of State Treasurers (NAST) and CSG are working on an updated subaward agreement under the U.S. – Mexico State Alliance Partnership. The subaward agreement will provide an opportunity to maintain and expand binational exchanges among U.S. and Mexico state treasurers. It is envisioned that a new subaward agreement will be finalized by middle of May 2010.

Addendum Information from First Quarter

The NAST Issues Conference, November 30 – December 2, was attended by Javier Perez, Director General of INDECTEC; Alberto Angulo, Revenue Director, Government of Michoacán; Alfredo Arzamendi, Banamex; and Rodrigo Llano. At the conference a special dinner was held

for the Mexican guests. Also in attendance were Treasurers Jeb Spaulding (VT and NAST President), James Lewis (NM and NAST Senior Vice President), Dan Ebersole (GA), and Janet Cowell (NC). Jon Lawniczak, the Executive Director of NAST, was also in attendance.

On-going Development

A discussion was held at dinner to discuss how to strengthen and improve the relationship for 2010. It was agreed that a meeting would be held in Mexico in January or February with an American delegation discussing the following topics:

- Types of state taxes levied in the USA;
- Federal transfers to state and local governments;
- Experiences with “Performance-based Management”;
- State level public expenditure on education and health services;
- State level public debt in the USA
- State actions adopted regarding public finances to face financial crisis.

EL PASO DEL NORTE GROUP

During the Second Quarter, in consultation with USAID and Senator Eliot Shapleigh, chair of the BLC Economic Development Committee, CSG commenced a dialogue with the El Paso del Norte Group, a non-profit organization comprised of business and community stakeholders that works to promote economic development and sustainability in the El Paso – Cd. Juarez – New Mexico region. The consultations focused on a possible partnership between CSG and PDN, within the framework of the U.S. – Mexico State Alliance Partnership, aimed at facilitating exchanges among stakeholders of the El Paso – Cd. Juarez region.

The purpose of the local/regional efforts, which is envisioned to be replicated in other border communities along the border, are to promote a bottom-up approach in developing local/regional solutions and recommendations that will be strategically integrated to state and federal binational policy mechanisms and key decision-makers in the U.S. – Mexico. Moreover, through the evolution of a robust dialogue it is the intent that these efforts will lead to multi-year projects and priorities with the intent of developing strong, resilient border communities.

It is anticipated that CSG-PDN subaward will be developed and finalized within the first weeks of May 2010.