

US embassy cable - 08CIUDADJUAREZ980

EPIDEMIC PREPAREDNESS: COOPERATION BETWEEN CHIHUAHUA, NEW MEXICO, AND TEXAS

Identifier: 08CIUDADJUAREZ980
Origin: Consulate Ciudad Juarez
Created: 2008-10-01 21:19:00
Classification:
Tags: KFLU PGOV MX

R 012119Z OCT 08
FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC 5647
INFO AMEMBASSY MEXICO
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000980

E.O. 12958: N/A
TAGS: KFLU, PGOV, MX
SUBJECT: EPIDEMIC PREPAREDNESS: COOPERATION BETWEEN CHIHUAHUA, NEW MEXICO, AND TEXAS

1. Summary: The state of Chihuahua has been working closely with Texas and New Mexico health departments for three years to coordinate preparations for a potential outbreak of a highly contagious influenza or similar illness. However, New Mexico and Texas state officials report that their work has been impeded by a lack of funding. The states have held joint conferences to inform local stakeholders of the status of emergency preparedness. At a meeting on July 30-31, 2008, officials urged participants to develop emergency plans for their own organizations. Based on past experience, medical experts from all three states and the CDC agreed that closing the border in the event of a flu outbreak would slow the spread of disease for no more than one month. After that, a closing of the border would serve no medical purpose. End Summary.

2. This year, more than 300 government officials from Texas, Chihuahua and New Mexico, along with representatives from NGOs and local businesses, have attended two conferences sponsored by New Mexico state authorities to discuss plans for responding to the potential outbreak of an epidemic respiratory disease. The most recent meeting was in late July, and speakers admitted that they could not say what a highly contagious strain of avian flu

might look like, how it would spread, and how to develop a vaccine for it. A Pan American Health Organization Medical Officer from El Paso later described any such predictions as futile "soap opera."

3. To the extent that medical experts were willing to make predictions, they were based on observations about how influenza behaves in an unvaccinated population. Based on this model, epidemiologists expected rapid transmission of the disease among integrated border populations. Pointing to the limited medical services available in many locations along the border under normal circumstances, medical experts said that communities could not count on hospitals to mount an effective response against the first wave of disease, and businesses and individuals should prepare their own action plans.

4. Cooperation between Chihuahua, Texas, and New Mexican health authorities has so far focused on developing common protocols for the identification of cases, and procedures for reporting them to the Centers for Disease Control and Prevention. Only Chihuahua has moved beyond these initial stages to run practice drills within its state health care system, leading U.S. officials to admit that, despite a late start in this tri-state effort, Chihuahua is now further ahead in its preparations. New Mexico and Texas officials bemoan the fact that they have not received enough funding to conduct even limited field tests. The three states are just beginning to address more advanced planning needs, such as identifying stockpiling sites and how to handle a surge in hospital caseloads. A table top exercise is in the planning stages, to fill the gap created by the lack of field testing.

Utility of Closing Ports of Entry

5. Based on modeling of the spread of influenza in a population without effective vaccination, medical experts predict that if a new disease were to first appear in the border region, it would be identified almost simultaneously on both sides. Since symptoms would take up to seven days to manifest themselves, contagion would by then be well underway and closing the border would do little to delay the spread of disease. By contrast, if the first cases were identified elsewhere, closing ports of entry quickly would be more effective since border residents would not yet have been exposed to the same degree. Still, the most that could be achieved would be to slow the rate of infection for a month. After that, contagion would be

widespread throughout the region, and keeping the border closed would serve no medical purpose.

6. Most governmental representatives at the July meeting believed the border would not be closed in the event of an epidemic because of provisions of the 2007 North American Plan for Avian and Pandemic Influenza. However, a senior New Mexican official thought the border would be closed early because closure is a critical element in slowing the spread of disease. He added that no matter what the North American Plan might say, "nationalism will win out. A country will always protect its own citizens first."

7. An official from U.S. Customs and Border Protection told a Consulate officer that together the Departments of Homeland Security, Transportation and Defense have reviewed emergency border crossing procedures in the event of a flu epidemic. He said that the smaller ports of entry in this district would close first in the event of a serious threat to U.S. public health. This action would channel traffic into the CDC's El Paso Quarantine Station. In view of anticipated staffing shortfalls due to illness, El Paso and Juarez officials would give priority to clearing shipments of critical supplies northward and southward.

Local and Regional Contacts

8. Key officials involved in these coordinated emergency preparations include:

Chihuahua:

- Dr. Luis Carlos Esquivel Ruiz, Medical Coordinator, Secretariat of Social Development
- Dr. Gumaro Barrios, State Epidemiologist, Chihuahua State Health Services;
- Dr. Jose Luis Mendoza, Deputy Director of Preventive Medicine, Chihuahua State Health Services

Mexican Federal Government:

- Dr. Gustavo Ramirez Rosales, Area Chief for Epidemiological Surveillance, Mexican Institute for Social Security (IMSS, which runs four major hospitals in Juarez)

Local U.S. Government Representative:

- Dr. Miguel Escobedo, Medical Officer, Centers for Disease Control and Prevention, El Paso Quarantine Station

New Mexico:

- Albert Sanchez, Border Health Emergency Health Preparedness Coordinator, Bureau of Emergency Management, New Mexico Department of Health
- Anne Pascarelli Barraza, Pandemic Planning and Performance Outcomes Manager, Bureau of Health Emergency Planning, Department of Health
- Paul Dulin, Director, Office of Border Health, Department of Health

Texas:

- Cynthia Morgan, Pandemic Influenza Program, Texas Department of State Health Services
- Flor Puentes, MPH, Early Warning Infectious Disease Surveillance Coordinator, Department of State Health Services, Region 9-10, El Paso

Others (not at the conferences):

U.S.-Mexico Border Health Commission:

- Dr. Elisa Aguilar, Regional Coordinator for Health Programs in Juarez
- Amb. Eleazar Ruiz y Avila, Executive Secretary for the Mexican Section, Mexico City

9. Comment: Emergency services experts from Chihuahua, New Mexico, and Texas have worked closely together for three years to coordinate their response to the onset of an epidemic in the border region. Due at least in part to a lack of funding, however, the three states are far from even addressing stockpiling of critical supplies, patient surges at hospitals, isolation and security requirements. State and local medical officials believe they are now well-equipped at major medical facilities to make a fast identification of a dangerous new disease, but they are no further along in actually mitigating the potential impact.

US embassy cable - 08CIUDADJUAREZ989

SECRETARY TELLEZ CALLS FOR FAST ACTION ON BORDER CROSSING PERMIT

Identifier: 08CIUDADJUAREZ989

Origin: Consulate Ciudad Juarez

Created: 2008-10-04 00:11:00

Classification:

Tags: BEXP ELTN PGOV MX

R 040011Z OCT 08

FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC 5657
INFO AMEMBASSY MEXICO
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000989

DEPARTMENT PLEASE PASS TO USDOT FOR SECRETARY PETERS

E.O. 12958: N/A

TAGS: BEXP, ELTN, PGOV, MX

SUBJECT: SECRETARY TELLEZ CALLS FOR FAST ACTION ON BORDER CROSSING
PERMIT

REF: CIUDAD JUAREZ 641

1. Summary: During a September 30 meeting organized by Governor Bill Richardson to discuss a proposed international railroad crossing at Santa Teresa, New Mexico, Mexican Secretary of Communications and Transportation Luis Tellez Kuenzler said he hoped a "conditional" presidential permit for the crossing would be issued by the U.S. Government before the end of the current administration. Tellez said the "project has to be approved and under construction next year; otherwise it is not viable." Tellez said the USG should issue a permit by January as a sign of good faith toward the Mexican government, and that he would take up the issue during the October 6 visit to Mexico City of Secretary of Transportation Mary Peters. Tellez committed Mexican federal government financial support for engineering, environmental and economic feasibility studies required as part of the permit process. The proposed port of entry and an associated rail bypass of Ciudad Juarez have the strong support of the mayors of Juarez and El Paso, and the governors of Chihuahua and New Mexico, and are components of President Calderon's national infrastructure plan. Support for the bypass and border crossing proposals by U.S. and Mexican railways, however, is lukewarm at best. End summary.

2. On September 30, Governor Bill Richardson of New Mexico hosted a meeting in Santa Teresa to discuss a timetable for the proposed Geronimo/Santa Teresa rail bypass and international border crossing. Among those in attendance were Luis Tellez Kuenzler, Mexico's Secretary of Communications and Transportation; Chihuahua Governor Jose Reyes Baeza Terrazas; Ciudad Juarez Mayor Jose Reyes Ferriz; El Paso Mayor John Cook; Greg Bloom, representing U.S. Senator Jeff Bingaman (NM); and

representatives from Ferrocarril Mexicano (Ferromex), Burlington Northern Santa Fe (BNSF) and Union Pacific.

PLAN OF ACTION

3. The roundtable discussion produced a four-point action plan for moving the project forward. These are: to obtain financial support for the project from federal, state and local governments on both sides, as well as the three major rail lines; to form a working group to spearhead the project; to pursue a presidential permit as soon as possible; and to jointly fund the environmental, engineering and economic feasibility studies that form part of the presidential permit process. Secretary Tellez committed the Mexican federal government to help fund these studies. Governor Richardson thought that federal funds from a border infrastructure program championed by Senators Bingaman and Domenici could be applied to the studies, and he extracted promises from BNSF and Union Pacific to help pay for the studies, as well.

4. Governor Richardson, Secretary Tellez, Governor Baeza and other speakers stressed the importance of obtaining the necessary presidential permit as soon as possible. Secretary Tellez specifically asked if a conditional presidential permit could be obtained which would allow construction to begin while the "full" permit is being processed. Joseph de la Rossa of the New Mexico Department of Transportation responded that he had reviewed the information regarding presidential permits, and he thought that obtaining a conditional presidential permit was possible. (Note: in subsequent conversations with Consulate officers, WHA/MEX pointed out that all presidential permits are conditional as initially issued, and that any action on a permit application was dependent on the completion of at least an environmental assessment of the impact of the proposed border crossing.)

GOVERNMENTS HOT ON NEW CROSSING; RAILROADS LUKEWARM

5. Secretary Tellez, Governor Baeza and Ciudad Juarez Mayor Reyes Ferriz all reiterated their respective governments' support for the rail bypass project and border crossing. Governor Baeza said that, in a conversation two weeks earlier, President Calderon had reaffirmed his support for the project as part of his infrastructure program. Baeza further stated that Calderon said he did not support an alternate plan to upgrade existing rail lines through downtown Ciudad Juarez into El Paso.

This alternate plan would require construction of overpasses in Ciudad Juarez to accommodate additional rail traffic. El Paso Mayor Cook expressed his support for the new crossing. Cook said trains on the existing El Paso/Juarez route already disrupt emergency vehicle access to the city's border neighborhoods, especially when the trains are stopped for customs formalities, and he would not support any project that would result in even more rail traffic on the existing line.

6. Governor Richardson pushed hard for the railroad companies to commit funding for the rail bypass and international crossing. BNSF Vice President for Network Development Pete Rickershauser would not promise company support for a bypass and crossing until an economic feasibility study had been completed, but pledged to help pay for the study. Rickershauser said that in the nearer term, BNSF wanted to find a way to move more freight on the existing lines through Ciudad Juarez. He said the existing El Paso/Juarez corridor was BNSF's "most important international crossing." Union Pacific Senior Vice President of Corporate Relations Bob Turner said Union Pacific had already invested USD 300 million in the Santa Teresa region with construction of a new refueling facility in Strauss, New Mexico, and that further investment would depend on the results of the feasibility study. Turner said Union Pacific's current north/south traffic in the region is not a major source of revenue, and that the company made its money with its east/west routes. Ferromex Chief Operating Officer Lorenzo Reyes Retana presented his company's plan to invest USD 70 million in the Ciudad Juarez region, but did not indicate if the funding was specifically for the rail bypass or for upgrades to the existing lines through Ciudad Juarez. (Note: Ferromex is partially owned by Union Pacific, but BNSF is its largest customer in the region.)

7. Comment: Governor Richardson's personal involvement and that of Secretary Tellez improves the chances that the rail bypass and border crossing projects will move forward. Still, the meeting's participants had widely different estimates about timing and requirements for obtaining a presidential permit, and absent from the table were USG agencies that might have provided clarity, such as the General Services Administration and the Environmental Protection Agency. Jaime Campos, Executive Director of the New Mexico Border Authority, told a Consulate officer that the government of New Mexico thought that inviting those agencies would have been "premature." The result was a set of muddled expectations, to which USDOT Secretary Peters may have to respond during her visit to Mexico City on October 6.

US embassy cable - 08CIUDADJUAREZ1100

RAIL TRAFFIC DOWN, AND LINES OF POLITICAL SUPPORT FOR BYPASS SHIFT

Identifier: 08CIUDADJUAREZ1100

Origin: Consulate Ciudad Juarez

Created: 2008-12-09 23:17:00

Classification:

Tags: BEXP ELTN PGOV MX

P R 092317Z DEC 08

FM AMCONSUL CIUDAD JUAREZ

TO SECSTATE WASHDC PRIORITY 5764

INFO AMEMBASSY MEXICO

AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 001100

DEPARTMENT PLEASE PASS TO USDOT

E.O. 12958: N/A

TAGS: BEXP, ELTN, PGOV, MX

SUBJECT: RAIL TRAFFIC DOWN, AND LINES OF POLITICAL SUPPORT FOR BYPASS SHIFT

REF: a) CIUDAD JUAREZ 641; b) CIUDAD JUAREZ 989

1. Summary: In recent days, President Felipe Calderon surprised local officials on both sides of the U.S.-Mexico border by throwing his political weight behind a plan to build a series of underpasses to facilitate the flow of rail traffic through the center of Ciudad Juarez. Mayors John Cook and Jose Reyes Ferriz of El Paso and Juarez are unhappy with the proposal, which they believe will a) disrupt vehicular traffic in Juarez during several years of construction, b) lead to an increased flow of dangerous cargo through heavily populated neighborhoods, and c) undercut efforts to move cross-border rail traffic to a new port of entry at Santa Teresa, New Mexico. Governor Bill Richardson, a supporter of the Santa Teresa bypass, has not responded to this latest turn of events, but Chihuahua governor Jose Reyes Baeza Terrazas, who had also promoted the Santa Teresa route, appears to be capitulating to Mexico City's new plan. While safety concerns are high on the list of El Paso and Juarez city priorities, other political and economic factors appear to be at work in Mexico City. U.S. and Mexican railroads believe that with the underpasses in place, the Juarez city government will have to lift its night-only restrictions on rail traffic through the city. End summary.

2. Consulate officers continue to talk with railroad and government officials from both the United States and Mexico to track progress on a proposed new rail crossing at Santa Teresa, New Mexico. This project was raised by Mexico's Secretary of Communications and Transport Tellez with U.S. Secretary of Transportation Peters on October 6, 2008. This report provides information about the quantity and nature of materials transiting Ciudad Juarez and El Paso along the current downtown route.

WHAT'S SHIPPED THROUGH THE CORRIDOR

3. In recent conversations, Burlington Northern Santa Fe (BNSF) Assistant Vice President Richard Miller has told Consulate officers that most of the rail traffic flowing southbound through Juarez carries raw materials originating from southern California sea ports and grain coming from the U.S. west coast and Midwest. The primary destinations for these products are manufacturing plants in the cities of Chihuahua, Zacatecas and Guadalajara, rather than Juarez. Miller estimates that less than five percent of the rail traffic flowing through the corridor has the immediate border region as its final destination. Most products flowing northbound are finished goods from plants further south in Chihuahua and Guadalajara, and continue by train to distribution hubs in Chicago and Los Angeles. Javier Ortiz, a rail consultant to the New Mexico Border Authority, said that maquilas in the border region prefer to ship their raw materials via truck due to the lack of adequate rail facilities in Juarez. Maquilas on the border ship their finished goods across the border by truck to El Paso, where they remain on trucks for distribution or are put on trains to follow the same shipping routes as other finished goods from Mexico.

4. According to a September 2008 report from the Juarez Municipal Office of Civil Protection, rail lines carry significant quantities of at least 10 dangerous chemicals through the urban area. The most abundant chemical, according to the Atlas of Natural Risks of the Municipality of Juarez, is hydrofluoric acid (HF). HF is shipped into Juarez from El Paso at the rate of at least 2,100 tons per month. Its final destination is the multinational Solvay plant 15 miles south of the city. According to the U.S. Department of Health and Human Services, an accidental release of HF forms an aerosol acid cloud which can cause serious bone damage and death by burns to

the skin, tissue or lungs. Even minor exposure can cause skin burns and blindness. BNSF's Miller and Union Pacific (UP) Director of Public Affairs Luis Heredia both said their companies follow all USG regulations regarding the transportation and handling of HF and other hazardous materials through the corridor, regardless of whether the shipment originates in the United States or Mexico. Proponents of the rail bypass and the Santa Teresa border crossing often cite the dangers presented by HF and other chemicals as a primary reason for moving rail traffic out of Juarez and El Paso.

WHO SHIPS AND HOW MUCH

5. Miller and Heredia report that BNSF and UP hold roughly 65 percent and 35 percent shares of the U.S. cross-border traffic through this corridor, respectively. Ferrocarril Mexicano (Ferromex) is a monopoly and captures 100 percent of the market share on the Mexican side. Ferromex is partially owned by Union Pacific, but BNSF is its largest customer in the region. Miller and Heredia said that BNSF and UP ship roughly the same cargo. Miller said BNSF customers view rail service as a commodity and make their selection of rail company based on price and availability.

6. 2008 rail traffic through the Juarez/El Paso rail corridor is down 30 percent from 2007, according to unpublished reports provided to consular officers by BNSF, UP and Ferromex. In the period January to October 2007, total north and southbound traffic was 152,500 car loads. In the same period for 2008, traffic fell to just under 110,000 car loads. According to these reports, traffic had been increasing at an annual rate of roughly 15 percent dating back to 2002. BNSF's Miller says demand has been affected by the downturn in the U.S. economy, which has hit their manufacturing customers in southern Chihuahua especially hard. Miller also claimed, however, that BNSF is currently operating at capacity due to the limited time window in which its trains can transit Juarez. UP's Heredia said prices for raw materials used in manufacturing and grain had spiked, hurting demand in Mexico for southbound freight service. Heredia reiterated previous comments that Union Pacific's north/south traffic along this corridor was "a drop in the bucket" compared to east/west traffic transiting through El Paso on the U.S. side.

7. COMMENT: Proponents cite safety and social justice issues as primary reasons for a new Geronimo/Santa Teresa rail bypass and international border crossing. Less has been made of the economic justification for the project, which helps explain why the railroads have provided only lukewarm support and continue to push for detailed feasibility studies. Robert Andrade, Border Affairs Assistant in the El Paso Mayor's office, said President Calderon's support for the Santa Teresa bypass was based on the need for an outlet for goods shipped to and from the proposed seaport in Punta Colonet, Baja California. However, this justification has only been mentioned in passing by other representatives from governments on both sides, and with Calderon's most recent instructions, the stage is set for a confrontation between Mexico City and the railroads on the one hand, and the border cities on the other.

US embassy cable - 09CIUDADJUAREZ21

NAFTA, ELECTORAL POLITICS AND ALLEGATIONS OF PROTECTIONISM: THE ELIMINATION OF USED CAR TARIFFS AND ITS IMPACT ON THE BORDER

Identifier: 09CIUDADJUAREZ21

Origin: Consulate Ciudad Juarez

Created: 2009-01-23 00:11:00

Classification:

Tags: ECON ETRD PGOV MX

P R 230011Z JAN 09
FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC 5807
AMEMBASSY MEXICO PRIORITY
INFO ALL US CONSULATES IN MEXICO COLLECTIVE
USDOC WASHDC 0003
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000021

DEPARTMENT FOR EEB:ANU PRATTIPATI;DEPARTMENT OF COMMERCE FOR DAVID OLSON;DEPARTMENT PLEASE PASS TO USTR JOHN MELLE

E.O. 12958: N/A

TAGS: ECON, ETRD, PGOV, MX

SUBJECT: NAFTA, ELECTORAL POLITICS AND ALLEGATIONS OF PROTECTIONISM: THE ELIMINATION OF USED CAR TARIFFS AND ITS IMPACT ON THE BORDER

1. Summary: On January 1, 2009, Mexico eliminated tariffs for imports of used cars ten years and older from the United States

and Canada. The implementation of the new tariff structure brings Mexico into technical compliance with North American Free Trade Agreement (NAFTA) rules that went into effect on that date. President Calderon's decision, however, to require that imported used vehicles obtain a certificate of origin, a document that manufacturers are reluctant to issue, has effectively blocked all used car imports at the border. Calderon's political opponents and used car dealers in Chihuahua claim that the President's motive for issuing this requirement is to protect Mexican automakers. They argue that the new measure will hurt the border economy and disrupt the fight against organized crime by impeding the process for citizens to legally register used vehicles. Despite the announcement on January 21 by the President of the Mexican Senate, Gustavo Madero Munoz, that the GoM will lower the reference prices on imported used vehicles by 50 percent, there is still no agreement on the certificate of origin requirement.

Background - Turmoil in the Auto Industry

2. The North American Free Trade Agreement (NAFTA) has changed the institutional framework of the Mexican economy and radically liberalized its highly protected domestic automotive market. Since NAFTA took effect in 1994, the Mexican auto industry has thrived, becoming a critical driver of economic growth and job creation in Mexico. For instance, in the first ten years of NAFTA, the Mexican auto industry created over 200,000 new jobs. Industry analysts estimate that the average salary associated with the new jobs created in this sector is 30 percent higher than the national average. This gap can largely be attributed to the higher skill premium required for workers in this sector, which has been supported by greater international competition and an infusion of auto-related foreign direct investment (FDI). Mexico's auto sector currently accounts for approximately 4 percent of Mexican GDP and around 20 percent of total manufacturing output.

3. The recent turmoil surrounding the global economic crisis has hit Mexican auto manufacturers hard. The industry, which exports over 70 percent of its total production to the United States, experienced significant declines in both overall production and domestic sales in 2008. According to the website for the Mexican Auto Industry Association (AMIA), sales of domestically produced automobiles fell 6.8 percent in 2008. Moreover, Mexico's National Institute for Statistics (INEGI) projects that production in the manufacturing sector, of which

the auto industry is an important component, will decline 3.6 percent in 2009. Other industry experts, such as Eduardo Solis, the President of AMIA, forecast worse domestic market conditions for the auto sector. He claims that domestic vehicle production could fall by 20 percent in 2009.

NAFTA Eliminates Tariffs on Used Car Imports

4. Beginning on January 1, 2009, NAFTA regulations require that Mexico begin a ten-year process of phasing out restrictions on used cars imported from Canada and the United States. The first phase, which will last until December 30, 2010, requires Mexico to eliminate all tariffs on used vehicles originating from a NAFTA country that are at least 10 years old.

5. In response to the tariff elimination requirements, the GoM has chosen to invoke Article 501 of NAFTA, which allows it to require that imported used vehicles obtain a certificate of origin from the manufacturer to claim preferential tariff treatment. According to USG sources close to the trade negotiation process with the GoM, "the USG tried to impress upon them the impossibility of producers providing a certificate of origin." The source explained that auto manufacturers are reluctant to provide certificates of origin to exporters of used vehicles largely due to the difficulty in verifying that the vehicles, after ten or more years of repair and maintenance, still meet the 62.5 percent rule of origin requirement stipulated by NAFTA.

Mexico's Decree on Used Car Imports

6. Under NAFTA, Annex 300-A-2, paragraph 24(a), Mexico may adopt or maintain prohibitions or restrictions on imports of used vehicles, unless otherwise stipulated in NAFTA text. As such, the GoM chose to issue a presidential decree to establish the conditions for the importation of used vehicles into Mexico. The new decree governs Mexico's auto imports from January 1, 2009 until December 31, 2010.

Salient Elements of the Auto Decree

7. The decree, inter alia, establishes Mexico's legal requirement for all imported used vehicles, ten years and older, to present the previously discussed certificate of origin. For vehicles that do not have a certificate of origin, the GoM will levy a 10 percent tariff, provided that the Vehicle

Identification Number (VIN) verifies that the vehicle was manufactured in the United States or Canada. However, if the vehicle lacks a certificate of origin and a valid VIN, the importer will be required to pay a 50 percent Most Favored Nation (MFN) duty.

8. The decree also abolishes President Vicente Fox's decree of August 22, 2005, and the subsequent injunction (amparo) from April 26, 2006, which provided the northern border region with a preferential import duty structure for used car imports. The Mexican Automotive Distributors Association (AMIA) contends that from January 2006 to March 2008 (and this figure is supported by U.S. Department of Commerce statistics), Mexico imported over 2.5 million used automobiles under this preferential agreement. Many of these vehicles were transported out of the border area and into other regions of Mexico where the preferential duty structure did not apply.

Charges of Protectionism

9. During periods of reduced economic growth, consumers tend to purchase cheaper, used vehicles rather than new, more expensive vehicles. Through government intervention, the GoM has distorted the market incentives for Mexican consumers. By requiring importers to obtain a certificate of origin that manufacturers are reluctant to issue, the GoM has imposed a new barrier on used vehicle imports. This barrier reduces the supply of imported vehicles, thus driving up the price for all used vehicles in Mexico. Consequently, the price difference between used and new vehicles will shrink, making Mexican-produced, new automobiles more competitive.

10. Among the most vocal opponents of the new decree include members of the used car industry, the National Chamber of Commerce (Canaco) and politicians from Mexico's PRI party. In a recent conversation with a Consulate officer, the Secretary of the City Council in Ciudad Juarez, Guillermo Dowell, a member of the PRI, commented that the decree issued under PAN leadership is undoubtedly designed to protect Mexico's automakers. Other groups, such as the American Salvage Pool Association (ASPA), an exporter of used vehicles to Mexico, agree. Representatives from ASPA contend that the decree is not an appropriate response to address the slowdown in the auto sector. In their estimate there is a positive correlation between used and new car sales. (Note: Other analysts respond that while a positive correlation may exist, the demand elasticity for new car sales is higher than used car sales.)

Environmental Argument

11. Despite legal requirements in previous decrees that used vehicle imports meet U.S. environmental standards, in practice, Mexico has minimal enforcement capacity at its ports of entry. Consequently, many proponents of the current auto decree argue that a large percentage of the 2.5 million used vehicles imported from 2006 to 2008 emit dangerous levels of contaminants. As previously mentioned, despite being required to remain in the border region to receive preferential treatment, many of these vehicles were transported to the interior of Mexico, leading to greater pollution in urban centers.

12. Article 5 of the current auto decree reiterates the emissions standards requirement. Nonetheless, the Mexican Customs Administrator at the Cordova International Bridge in Ciudad Juarez, Ricardo Hernandez, told a Consulate officer in early January that the Customs Administration currently has no mechanism to verify the compliance of environmental standards for used vehicle imports.

Decree's Impact on Chihuahua

13. On January 1, 2009, the Chihuahua state government implemented a "Zero Tolerance" program for unregistered vehicles operating without a license plate. The government will implement the new program within the framework of the Operacion Conjunta Chihuahua - a security program designed to combat organized crime. The "Zero Tolerance" program coincides with the State's triennial requirement for all vehicles to renew their license plates. The Secretary of the City Council in Ciudad Juarez, Dowell, explained that "the program seeks to address the security problem posed by the thousands of unregistered vehicles circulating in the streets of Chihuahua." Many of these unregistered vehicles, known locally as "carros chocolates," entered Mexico legally on temporary import permits - often with Texas license plates - and overstayed. Organized criminal organizations frequently use these vehicles to commit crimes, thus complicating Mexican law enforcement's efforts to identify and apprehend criminals.

14. According to Dowell, the new Certificate of Origin requirements work against the "Zero Tolerance" program by making it harder to register vehicles that were already imported but not yet registered. The President of the Juarez Customs Brokers

Association, Fernando Avila, says that the decree makes the cost of legally importing used vehicles prohibitive. He added that only three vehicles were registered for importation in Ciudad Juarez from January 1 to January 15 of this year. This compares with over 150 vehicles registered during this same period in 2007. If these conditions continue, Mr. Avila estimates that 20,000 - 30,000 jobs related to the used car industry in Ciudad Juarez will be at risk. Meanwhile, Dowell says that authorities will not impound unregistered vehicles until the import duty issue is resolved.

Next Steps

15. In mid-January, the Governor of Chihuahua, Jose Reyes Baeza Terrazas, and the Mayor of Ciudad Juarez, Jose Reyes Ferriz, both from the PRI, met separately with federal authorities in Mexico City to request changes to the auto decree. They requested a 50 percent reduction in the reference prices for imported vehicles, which they claim are inflated and arbitrarily determined by federal authorities. On January 21, the President of the Mexican Senate, Gustavo Madero Munoz, announced that Hacienda had agreed to lower the reference prices on imported used vehicles by 50 percent. However, there is still no agreement on the certificate of origin requirement. Guillermo Dowell claimed that if the federal government does not change its position, local authorities will file "amparos" - or injunctions - allowing importers to continue operations. Moreover, he said that the Mayor has not ruled out the possibility of filing a formal dispute against the Mexican Government in the NAFTA Disputes Resolution Forum.

16. Comment: Given the importance of Mexico's auto sector to the domestic economy, combined with the somber industrial production forecast for 2009, there is extensive pressure on Mexican politicians to protect the industry. Responding to this challenge has been complicated by election-year politics. (On July 5, Mexico will hold congressional elections, as well as gubernatorial elections for six states). In this recent debate, the PAN has supported the domestic auto manufacturers, while the PRI has rallied behind used car dealers, especially along the northern border. In Chihuahua, politicians from the PRI have tried to use the auto decree to portray President Calderon and the PAN as "out of touch" with the economic and security challenges along the border. Moreover, this plays into a narrative propagated by local PRI politicians that federal authorities are not effectively responding to the threat of

organized crime. If the local and federal authorities are unable to reach an agreement on the import requirements for used vehicles, used auto car unions, the National Chamber of Commerce, politicians, and others have vowed to protest, possibly blocking international commercial traffic from Ciudad Juarez into El Paso.

US embassy cable - 09CIUDADJUAREZ22

2008 - THE YEAR IN NUMBERS

Identifier: 09CIUDADJUAREZ22

Origin: Consulate Ciudad Juarez

Created: 2009-01-23 01:24:00

Classification:

Tags: ASEC PGOV CASC SNAR MX

P R 230124Z JAN 09
FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC PRIORITY 5810
AMEMBASSY MEXICO PRIORITY
INFO ALL US CONSULATES IN MEXICO COLLECTIVE
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000022

SENSITIVE

E.O. 12958: N/A

TAGS: ASEC, PGOV, CASC, SNAR, MX

SUBJECT: 2008 - THE YEAR IN NUMBERS

1. (SBU) Summary: The incidence of violent crime in Ciudad Juarez this past year was high by any standard. There were 1,633 murders in and around Juarez, a figure that represented more than one quarter of all homicides registered in Mexico during 2008, and five times the number recorded in the city in 2007. Police officers died at a rate that would be unacceptable most anywhere else; at least 71 peace officers were killed during the year. Simple car theft and carjacking, bank robbery, kidnapping and extortion numbers all hit levels that made comparison to earlier years all but meaningless. To the extent the Juarez city government attempted to use its own resources to stem the tide of violence, its efforts were futile. The Chihuahua state government's police and criminal justice structure also had little impact on the incidence of criminality, and despite the federal government's promise of action as represented by 'Joint Operation Chihuahua', the army

and federal police rarely engaged directly with the cartels and street gangs. Many people who exercise political and economic power in the city, including Mayor Jose Reyes Ferriz, have moved to El Paso. Amidst the breakdown in law and order, most Juarez residents continue to go about their normal business of work, school and homemaking as in the past, albeit while increasingly limiting their outdoor activities to daylight hours. Others, however, may be taking the law into their own hands. End Summary.

A STATISTICAL RECAP

2. (U) The following is a summary of the most notorious forms of criminality experienced by residents of Ciudad Juarez and its outlying towns in 2008.

Homicide

2008 - 1,633

2007 (for comparison) - 316

Bank robbery

2008 - 86

2007 - 6

Car theft

2008 - 16,929

2007 - 9,163 (For 2006, the figure was 5,804)

Carjacking (a subset of the car theft figure provided above)

2008 - 1,650

2007 - 327

Extortion

2008 - 563 (Note: see below)

Kidnapping

2008 - 41 (Note: see below)

Major arson

2008 - 22 (Note: see below)

Note: recorded incidents in these last three categories of crime were negligible in past years.

THE KINDS OF THINGS THAT MAKE LAW-ABIDING CITIZENS WORRY

3. (U) Residents of Ciudad Juarez, while deeply discouraged by circumstances in their city, recognize that most murder victims are either directly involved in the drug trade, or were with someone directly involved in the drug trade when that person was attacked. Indeed, one published figure suggests that more than 1,400 of the murders in and around Juarez this past year involved the specific targeting of people involved in narcotics trafficking. Juarez residents have sought to limit their potential exposure to this violence by "self-curfewing," limiting their outdoor activities at night and their patronage of restaurants, bars and nightclubs, but otherwise they continue to go about their normal daily activities.

4. (SBU) Perhaps more than a fear of being in the wrong place at the wrong time when cartel hit squads go after a target, Juarez residents are troubled by the increase in the levels of kidnapping and carjacking. Prior to mid-2008, kidnapping was rare in Ciudad Juarez. Around mid-year, reports of kidnappings of junkyard owners began to hit the news. While there was commotion in the press over this phenomenon, there was also a perception that cash-strapped, cartel-affiliated gangs were going after soft target individuals who were operating on the fringes of legality anyway. (Note: many of the junkyards are "chop shops" for cars stolen by the gangs themselves.) Ransoms also tended to be relatively low; families could often retrieve a loved one for 30,000 dollars or less. Over the past few months, however, as the twin crimes of extortion and kidnapping became more widespread, the level of concern has increased. The kidnapping on January 13 of a Lear Corporation manager, as he left a Juarez maquila plant at 7:00 a.m., and the subsequent reported demand for 1.5 million dollars in ransom, appears to have taken this crime to a new level. (Note: the Lear manager was reported rescued by Mexican army troops on January 19.)

5. (U) The other crime that most concerns law-abiding Juarez residents is carjacking. Figures for non-violent and violent (that is, carjacking) car theft over the past twelve months paint a troubling picture.

January

Non-violent car theft - 921

Violent car theft - 57

Total - 978

February (figures provided as described for January)
1,022 / 41 / 1,063

March
1,111 / 72 / 1,183

April
1,246 / 54 / 1,300

May
1,416 / 94 / 1,510

June
1,339 / 104 / 1,443

July
1,582 / 126 / 1,708

August
1,645 / 154 / 1,799

September
1,418 / 188 / 1,606

October
1,234 / 218 / 1,452

November
1,111 / 249 / 1,360

December
1,234 / 293 / 1,527

6. (U) What these published figures suggest is that while the total number of cars stolen in Juarez appears to have reached a plateau of 1,500 to 1,800 per month, the chances that a car thief will physically threaten the car's owner and demand the keys is now much higher than in the past. What is worse is that while being the victim of a carjacking would be traumatic at the best of times, Juarez residents' awareness that hundreds of hit men are abroad in the city means that when a group of gunmen surrounds a target in traffic, the target cannot know whether the team simply wants the car, or whether the team has come to kill the target.

WHAT ARE GOVERNMENT, BUSINESSES AND INDIVIDUALS DOING ABOUT IT?

7. (SBU) As previously reported by the Consulate, at the close of the first 100-plus murder month on record in Ciudad Juarez, in late March 2008 the three levels of Mexican government announced the start of 'Joint Operation Chihuahua'. To great fanfare, 2500 Mexican army soldiers and federal police officers flew into Juarez with the promise of ending the bloodshed. The homicide numbers dropped somewhat in April, while the cartels fighting for the Juarez "plaza" took measure of the army's tactics, and then the violence resumed and accelerated throughout the rest of the year. The view is widely held that the army is comfortable letting the Sinaloa and Juarez cartels diminish each other's strength as they fight for control of the "plaza" (with a corollary theory being that the army would like to see the Sinaloa cartel win).

8. (SBU) At the city government level, 400 police officers were fired after they failed background checks conducted by federal authorities. (Note: earlier in 2008, Mayor Reyes Ferriz told consulate officers that 100 percent of the municipal police force was corrupt to a greater or lesser extent. When the 400 were fired, there was some skepticism in the city that these were the worst of the lot.) The city police force of 1600 officers was further reduced by deaths and resignations. Mayor Reyes Ferriz says that he plans to rebuild the police force to a strength of 2200 officers by summer 2009.

9. (SBU) The mayor also wants to contract with a private security company to establish a 2000 member police auxiliary to guard banks, maquilas and other businesses. During the summer of 2008, convenience stores and other small private businesses hired off-duty police officers to guard their premises. The

police/security guards foiled several store robberies, including through the use of lethal force, and thereafter the level of this kind of crime dropped significantly. The mayor hopes to replicate this result, at a lower cost in salaries and benefits than represented by the use of plain-clothes regular police officers.

10. (SBU) Finally, on January 8 the city announced that its 392 transit police officers were once again authorized to carry weapons on duty. The transit police had been disarmed in April 2008 by federal authorities, reportedly due to the agency's failure to properly account for the officers' side arms.

(Comment: that it took nine months to resolve this issue on behalf of the transit officers is indicative of the lack of urgency with which city and federal officials have approached police officer safety.)

11. (SBU) Other businesses have taken a short-term approach to dealing with specific, short-term problems. For example, when extortionists targeted teachers in November and December in anticipation of the payment of the teachers' year-end bonuses (aguinaldos), many schools simply closed early for the year. One school that did so was the Colegio Iberamericano, which is attended by eight consulate children (six children of officers, two children of Locally Engaged Staff).

12. (SBU) Long before the January 13, 2009 kidnapping of the Lear Corporation manager, maquilas and their parent companies had taken steps to limit their vulnerability. Thanks in large part to a reduction in travel by trainers and corporate executives, Juarez occupancy rates have dropped more than ten percent, to less than 40 percent on average.

VIGILANTISM

13. (SBU) In addition to the steps highlighted above, there have been indications that local businesses are taking a different approach to self-protection, that of vigilantism. In October, the press carried stories of business people forming paramilitary groups to protect themselves from extortionists and kidnapers. On November 28, seven men were shot dead outside a school a few blocks from the Consulate, and placards were hung over their bodies (a fact not reported to the public) claiming that the executions were carried out by the 'Yonkeros Unidos (United Junkyard Owners of Juarez)'. In another notorious incident, a burned body was left outside a Juarez police station with its amputated hands each holding a gas fire starter, and with a sign saying that this would be the penalty paid by arsonists. During the week of January 11 an email circulated through Juarez, claiming that a new locally funded group called the 'Comando Ciudadano por Juarez (Juarez Citizen Command, or CCJ)' was going to "clean (the) city of these criminals" and "end the life of a criminal every 24 hours."

14. (SBU) City and state government officials have argued that there exists no evidence of a vigilante movement in Ciudad Juarez, and that the messages by the CCJ are a hoax. A Consulate contact in the press, however, suggests that the CCJ

is a real self-defense group comprised of eight former 'Zetas' hired by four Juarez business owners (including 1998 PRI mayoral candidate Eleno Villalba). According to the contact, the former 'Zetas' paid a visit on local military commanders when they arrived in Juarez in September 2008, and purchased previously seized weapons from the army garrison. According to the contact, the former 'Zetas' pledged not to target the army, and made themselves available to the army for extrajudicial operations.

COMMENT

15. (SBU) In theory, the Mexican federal police should be taking the lead here in going after the cartels, and so create a security environment in which the city could work to prevent other forms of criminality, and in which the state government could investigate and prosecute those crimes committed outside the organized crime structure. The mayor's police hiring plans notwithstanding, to date not much has been accomplished along these lines. While Consulate officers have not yet been able to determine whether the 'Yonkeros Unidos' or the CCJ exist as new and independent organizations, it is the absence of effective law enforcement that creates an environment in which vigilantism could take root, along the lines seen in Colombia with the 'Pepes' in the early 1990s. In theory, a vigilante group comprised of or in league with Mexican army elements could resolve an ongoing frustration of the garrison, which is that while they can seize weapons and drugs, their lack of police authority and training has generally resulted in alleged criminals going free under orders from a court of law.

16. (SBU) With regard to violence between the cartels themselves, there was evidence of a temporary truce between the Juarez and Sinaloa Cartels that lasted from mid-December 2008 to mid-January 2009. That truce has now been broken. In the meantime, apart from bank robberies (which appear to be largely the work of small time criminals who settle for what they can get out of a counter cash drawer), the other types of crime are also often the work of the cartels and their affiliated street gangs. That the cartels are branching out into racketeering, kidnapping, arson and car theft appears not only to reflect their desire to intimidate their enemies, but also the need to meet payroll and other continuing expenses in the face of a more difficult smuggling environment. In this light, it is difficult to predict how long the extraordinary levels of violence and general criminality will continue, but no one is betting that crime will soon return to 2007 levels.

US embassy cable - 09CIUDADJUAREZ27
2009 CIUDAD JUAREZ OSAC CRIME AND SAFETY REPORT

Identifier: 09CIUDADJUAREZ27
Origin: Consulate Ciudad Juarez
Created: 2009-01-27 22:58:00
Classification:
Tags: ASEC CASC MX

P R 272258Z JAN 09
FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC PRIORITY 5817
INFO AMEMBASSY MEXICO
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000027

FOR DS/OSAC AND DS/IP/WHA

E.O. 12958: N/A
TAGS: ASEC, CASC, MX
SUBJECT: 2009 CIUDAD JUAREZ OSAC CRIME AND SAFETY REPORT

I. (U) Overall Crime and Safety Situation:

A. Crime Threats

The Department's Critical Crime Threat Level for this industrial border city of 1.6 million people does not convey the scope of the violence in Ciudad Juarez. Although Mexican media and government sources offer varying crime statistics for Ciudad Juarez, all sources indicate that there were at least 1600 murders committed in and around the city in 2008. More than 70 police officers and soldiers were killed in Ciudad Juarez during the year. Mexican cartels battling for control of regional drug trafficking routes caused widespread disruption in the functioning of city, state and federal government agencies. Cartel violence significantly undermined local confidence in the capacity of Mexican government institutions, including the army, to guarantee public security.

There were 55 known cases of kidnapping, and more than 300 known cases of sexual assault and rape, including child molestation, in the state of Chihuahua during 2008. Many crimes of this nature are not reported to the police for reasons described below in this report. Furthermore, there were approximately 86 bank robberies and 17,000 car thefts, including as many as 1,650 carjackings.

Violent crime is a fact of everyday life in Ciudad Juarez. No trends indicate that criminals in Juarez specifically target U.S. citizens. Instead, they select victims based on an appearance of vulnerability, prosperity or inattentiveness, particularly in the downtown bar area.

Americans in Juarez need to guard against robbery, theft, and burglary. Displays of cash, jewelry or other signs of wealth are magnets for armed street thieves and pickpockets, and items of minor value left in a car can trigger a break-in even when left for only a few minutes. Hotel guests should keep valuables in secure locations. Do not leave jewelry, money, identity documents, or other valuable items unattended in hotel rooms.

B. Personal Safety

1. Remain on constant alert for street crime (i.e. armed robbery, pocket-picking, purse-snatching, ATM robbery, etc.).
2. Maintain a low profile. Dress casually and keep valuables out of sight. Do not draw attention to yourself.
3. Vary your routine. Be unpredictable in your movements. Vary your routes and your departure and arrival times.
4. Be alert to surveillance. Note and avoid anyone who appears out of place along your routes to regularly scheduled activities. Avoid sitting outside at restaurants. Instead, try to find seats in areas not clearly visible from the street.
5. Stay informed. Be aware of popular scams and robbery tactics used to distract your attention.
6. Reduce the incentive for someone to rob you and minimize the possible loss. Do not carry valuables or large sums of money, avoid wearing jewelry, and carry your wallet in your front trouser pocket or front jacket pocket.
7. When hiring domestic help, check references and criminal history as thoroughly as possible and ensure that they are trained not to volunteer information to strangers or to allow access to workers without prior authorization.
8. Take normal tourist precautions when drinking water and eating fresh fruits, vegetables, and salads.

9. Do not buy prescription medications in Mexico unless you have a prescription from a Mexican doctor.

C. Driver Safety

Driving in Juarez requires vigilance and a defensive attitude. Local drivers are not uniformly well experienced, and often have poorly maintained cars. Road signs and traffic lights are not always clear. Drivers in Ciudad Juarez should give a wide berth to public buses, which are known for careless driving.

Road conditions are poor in most areas outside of downtown. Potholes and trenches can damage your car or cause drivers to swerve into your lane or brake unexpectedly. Manhole covers may be removed at any time, but more often when roads flood, in order to drain an area more quickly. Open manholes are hard to spot.

D. Protecting Your Vehicle

The head and taillights are held in place by easily accessible screws. Install grilles around the lights.

If your tire is mounted on the outside the vehicle, secure it in place with a chain and padlock or similar device.

Theft of a vehicle's operating computer is a common crime, as is theft of car sound systems. Car alarms are strongly recommended. Keep your vehicle free of anything of value, and store out of plain view anything that would entice a thief.

Replace one lug nut on each wheel with a specially keyed bolt that locks or can only be removed with a special attachment to the tire iron.

Avoid leaving your vehicle on the street. Park inside a residential compound, in a parking lot with an attendant, or within view of the location of your visit.

E. Public Transportation

Avoid public transportation. In addition to harboring potential pick-pockets, city buses are known for reckless driving. Taxis in Juarez are generally safer and more reliable. Taxis are required to be registered with the government, but they are

usually not metered and may overcharge. Taxis from the airport are paid in advance in the terminal and are well regulated.

II. (U) Political Violence

A. Civil Unrest

Northern Mexico is not historically anti-American, but rather, well-integrated by family and commercial ties with the U.S. border states. Anti-American sentiment is seldom expressed toward U.S. citizens in Ciudad Juarez. The infrequent occurrences in Juarez of trade- or foreign policy-related protest generally do not affect visitors and expatriates.

B. Demonstrations

Peaceful demonstrations against U.S. policies sometimes occur at the U.S. Consulate General and the border bridges. Avoid demonstrations because the potential for violence exists when there is a crowd in Juarez.

C. International Terrorism

International drug trafficking organizations are responsible for most of the homicides and other organized criminal activity in Ciudad Juarez and the State of Chihuahua. Although no trends indicate that US Citizens are specifically targeted for violence by these organizations, assassinations of police officers and other government officials, and other murders, often occur in public places and in traffic in Ciudad Juarez. Any public place at any time of day or night could turn into the wrong place at the wrong time.

Lax immigration controls, the ease with which fake Mexican travel documents can be obtained, and Mexico's geographic location make the country an attractive transit point for transnational terrorists.

III. (U) Post Specific Concerns

A. Murder

Drug related murders can occur anytime in any part of Ciudad Juarez, and ordinary residents can be caught in the crossfire. Remain alert for trouble at all times, and constantly review escape routes and potential safe-havens as you travel in the city.

B. Robbery

Commercial establishments and their patrons, such as stores and restaurants, are increasingly targeted for robbery.

C. Kidnapping

There are many forms of kidnapping in Mexico. For instance, "virtual kidnapping" is the term used when criminals falsely claim to have kidnapped a victim in order to quickly obtain a ransom, and those cases increased 500% in Ciudad Juarez in 2008 with more than 600 reported incidents. There have been incidents where US Citizens were kidnapped in or near Ciudad Juarez, but no trends indicate that US Citizens are being specifically targeted.

D. Floods

Avoid driving during and after rainstorms because improper drainage creates street flooding, submerged potholes and open manholes.

IV. (U) Police Response

A. Crime Victim Assistance

The Mexican police emergency telephone number is 066, but authorities may not respond to a call in a timely fashion, if at all.

The Juarez city police force is undersized and underfunded. Police training does not meet U.S. standards. At least 400 officers, one quarter of the police force, were fired in 2008 for gross (drug cartel-related) corruption. Reporting a crime is an archaic, exhausting process in Mexico, and is widely perceived by Mexicans to be a waste of time except for the most serious incidents or where a police report is required for insurance purposes. A general perception is that most victims do not report crimes against them due to the fear of reprisals by the criminals, the belief that police are corrupt, or the feeling that nothing would come from such reports. However, victims should still report crimes.

The police may require accident or crime victims to accompany them to a police station in order to make a report, but bear in

mind that criminals have impersonated Juarez police officers. The police will charge a nominal fee if a police report is required for an insurance claim or other purposes.

The American Citizen Services unit of the Consulate General (numbers listed below) is available to assist victims.

B. Detention by Police

Before you begin driving in Juarez on a regular basis, photocopy the following documents for the vehicle, driver, and each passenger:

- U.S. Passport ID page
- Mexican Visa
- U.S. Driver's License
- Vehicle Registration (Tarjeta de Circulacion)
- Proof of Insurance
- Temporary or Free Entry Permit

If you are stopped by police authorities and do not believe that you have done anything wrong, it may be better to give the police officer the photocopies rather than your actual documents.

If the officer continues to question you or if Spanish language issues make it hard to communicate, then give the following statement to the officer:

"No hablo ni entiendo bien el español. Si usted considera que he cometido una infracción de tránsito, expida el recibo de multa que la ampara. Si existe algún otro problema, por favor solicite la presencia de un elemento de policía que hable inglés. Gracias."

This translates as:

"I do not speak or understand Spanish. If you believe I have committed a traffic violation, then give me a ticket. If there is some other problem, please request the assistance of another policeman who can speak English. Thank you."

This suggested course of action is not intended to avoid responsibility for legitimate traffic violations or infractions of Mexican law.

Do not offer "tips" or bribes in any form to police officers after a traffic stop. In the event that the officer should suggest anything other than a normal resolution to a traffic violation, note the officer's badge number, name tag, or police vehicle number, and provide it to the American Citizen Services section of the U.S. Consulate General Ciudad Juarez (numbers listed below) as soon as possible.

V. (U) Medical Emergencies

Call 066 in the event of a medical emergency. Information on medical emergencies abroad, including overseas insurance programs, is provided on the Department of State's Bureau of Consular Affairs Medical Information for Americans Abroad webpage:

http://travel.state.gov/travel/tips/brochures/brochures_1215.html.

A. Health Concerns

Ciudad Juarez presents some health concerns regarding food, and some travelers have adverse reactions to the pollution and dusty environment. Therefore, health insurance is an important consideration while in Mexico. Though increasing numbers of

Americans obtain health care in Mexico, elective surgery facilities may lack access to sufficient emergency support.

B. Local Health Care Providers

The Consulate does not recommend any particular health provider but lists the following for informational purposes only:

Hospital Los Angeles
Campos Eliseos 9371
Fracc. Campos Eliseos
Cd. Juarez
Telephone - (656) 625-0611

Centro Medico de Especialidades
Av. de las Americas 201 Norte
Col. Margaritas
Cd. Juarez
Telephone - (656) 686-0400
Hospital Poliplaza Medica
Pedro Rosales de Leon 7510

Cd. Juarez
Telephone - (656) 617-3200, 617-0465

Hospital Star Medica
Paseo de la Victoria No 4370
Fracc. Partido Iglesias
Cd. Juarez
Telephone - (656) 227-5700

More information is listed on the website for the American Citizen Services section of the U.S. Consulate:
<http://ciudadjuarez.usconsulate.gov/www/hacs.html>.

C. Air Ambulance Services

For medical transportation to the U.S., you may contact Air Ambulance Professionals at. Other companies are listed on the Department of State's Bureau of Consular Affairs Medical Information for Americans Abroad webpage:
http://travel.state.gov/travel/tips/brochures/brochures_1215.html.

VI. (U) Travel Precautions

A. Preparing Your Vehicle for Long Trips

Prior to road travel, ensure that your vehicle is in good operating condition. Pay particular attention to the engine, tires, brakes, head- and taillights, spare tire, jack, horn, and fluid levels. Particularly on long trips to remote areas, try to travel in tandem with other vehicles and advise someone of your travel plans, including anticipated arrival and departure times and contact numbers.

Take the following items on long road trips: (1) cellular telephone with charger (although some areas between cities lack coverage); (2) an extra spare tire; (3) portable gas can with funnel; (4) potable water; (5) non-perishable food items; (6) first aid kit; (7) blankets; and (8) fire extinguisher. You will also need an emergency tool kit with the following items: (1) flashlight and additional batteries; (2) battery-operated radio; (3) extra fan belt/drive belt; (4) extra fuses, spark plugs, and light bulbs; (5) duplicate ignition key; (6) screwdrivers (regular and Phillips head); (7) socket wrench set; (8) pliers; (9) Electrical tape; (10) Jumper cables; (11) compressed air tire pump; (12) flares/reflectors; and (13) a collapsible shovel.

B. Highway Driving

Highway driving can be precarious, especially at night. Avoid travel after dark, and use inter-city toll highways whenever possible. Toll roads are called cuotas in Mexico and are indicated by the capital letter "D" printed below the highway route number on area maps. Plan your route ahead of time.

C. Firearms

U.S. citizens must leave all weapons in the U.S. Bringing any firearm or ammunition into Mexico is an offense punishable by jail time, and small weapons such as pocketknives can result in concealed weapons charges if you are detained by the police.

US embassy cable - 09CIUDADJUAREZ228 BIOGRAPHIC REPORTING: FRANCISCO BARRIO TERRAZAS - MEXICO'S NEW AMBASSADOR TO CANADA

Identifier: 09CIUDADJUAREZ228
Origin: Consulate Ciudad Juarez
Created: 2009-05-22 23:08:00
Classification:
Tags: PGOV PINR MX CA

R 222308Z MAY 09
FM AMCONSUL CIUDAD JUAREZ
TO SECSTATE WASHDC 6001
INFO AMEMBASSY MEXICO
AMEMBASSY OTTAWA
AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000228

E.O. 12958: N/A
TAGS: PGOV, PINR, MX, CA
SUBJECT: BIOGRAPHIC REPORTING: FRANCISCO BARRIO TERRAZAS - MEXICO'S
NEW AMBASSADOR TO CANADA

REF: 08 CIUDAD JUAREZ 1021 (NOTAL)

Controversy Greet Mexico's New Ambassador to Canada

1. On February 26, 2009, Francisco Barrio Terrazas presented his credentials in Ottawa as Mexico's new Ambassador to Canada. Barrio's appointment has resulted in protests and calls for his resignation from Mexican and Canadian women's groups and human rights organizations. The groups assert that while Governor of Chihuahua from 1992 to 1998, Barrio was negligent in pursuing the killers of an estimated 500 women and so responsible for allowing the wave of gender-based violence to grow. However, Barrio also has a strong record of promoting economic and social development, and he can be expected to seek greater Canadian involvement in Mexico's manufacturing sector.

2. The following is a biographical report on Mexico's new Ambassador to Canada.

PAN No Longer the "Loyal Opposition;" Barrio's Early Political Career

3. Francisco Barrio Terrazas was born on November 25, 1950 in the southern Chihuahua town of Satevo. He received a bachelor's degree in accounting and an MBA from the Autonomous University of Chihuahua. After working as a consultant in the private sector, Barrio entered politics in the early 1980s. Like many businesspeople from northern Mexico, Barrio was responding to what he considered to be the declining legitimacy of the Institutional Revolutionary Party (PRI). In this view, the populist policies of Presidents Echeverria and Lopez Portillo represented the end of a long-standing, informal coalition between the PRI and PAN-leaning business owners. The business community also attributed the balance of payments crises of 1976 and 1982 to these populist policies. The tipping point occurred when Lopez Portillo nationalized the banking system in 1982. As a result of this action, Mexican government institutions could no longer be trusted to protect property rights. At this point, many businesspeople, such as Barrio, left the private sector and used their financial and political capital to embark on political careers. Barrio became the first PAN Mayor of Ciudad Juarez in 1983.

4. Barrio gained national and international attention in 1986 when he ran for Governor of Chihuahua and lost to the PRI candidate, Fernando Baeza Melendez. Members of the PAN and international press alleged that the PRI committed electoral fraud in denying Barrio the governorship, thus further eroding the party's legitimacy. The alleged fraud fueled public support for a nascent PAN opposition group known as the "Neo-Panistas"

or "Barbaros del Norte," which played an important role in Mexico's democratic alternation of power. In addition to Barrio, several prominent political figures emerged from this movement, including Vicente Fox and 1988 PAN presidential candidate, Manuel Clouthier.

Governor of Chihuahua

5. In 1992, Barrio ran again for Governor of Chihuahua and won, becoming one of three PAN Governors that the business-friendly President Salinas allegedly allowed to reach power. As the first PAN Governor in Chihuahua's history, Barrio entered office facing high expectations, and his results were mixed. He presided over a period during which Chihuahua's manufacturing industry became one of the leading sources of foreign exchange for Mexico. Moreover, Barrio and state business leaders founded the Fundacion del Empresariado Chihuahuense (FECHAC), which is still one of Mexico's most effective civic organizations for delivering development assistance (see refTel). At the same time, human rights organizations criticized Barrio, both domestically and abroad, for his inability to arrest and prosecute those responsible for the Juarez femicides. The human rights groups accused Barrio of indifference and insensitivity. They allege that Barrio said that the victims brought the crimes upon themselves by "walking in dark places and dressing provocatively," an allegation that Barrio denies.

President Fox's Corruption Czar

6. When President Fox took office on December 1, 2000, he appointed Barrio to be the architect of his flagship anti-corruption campaign. As Secretary of the Comptroller, Barrio promised to punish the "big fish" of previous PRI administrations. During his three years in office, however, there was a broad public perception that Barrio failed to prosecute high profile corruption cases. Most notably, he was unable to prosecute PEMEX union leader Carlos Romero Deschamps for reportedly providing union funds to finance campaign spots for the 2000 presidential campaign of Francisco Labastida (PRI).

7. In 2003, Barrio left the Secretariat of the Comptroller and won a seat in Mexico's lower house of Congress on the PAN's plurinominal list. Barrio then served as the legislative coordinator for the PAN in the House of Deputies. Political observers at the time interpreted this series of events as a sign that Barrio had fallen out of President Fox's inner circle,

and had lost clout within the PAN. In 2005, Barrio announced his interest in his party's nomination for the 2006 presidential election, only to pull out shortly thereafter, citing funding shortages after he failed to win President Fox's endorsement. Barrio completed his term in Congress in 2006 and returned to the private sector, where he remained until his appointment as Mexico's Ambassador to Canada.

8. Comment. Barrio's political career has been characterized by his groundbreaking role in Mexico's democratic transition. He is considered by many to be a shrewd politician who helped lead PAN's transition to a viable opposition and then governing party. Despite these accomplishments, his ambitious policy pronouncements and high public expectations for his ability to effect change often collided with the realities of Mexican politics. After falling out of Fox's inner-circle, Barrio's ambassadorial appointment is widely viewed as a consolation prize for his years of service. The appointment also signals that his career in elected office has likely peaked. With this in mind, Barrio will likely try to parlay his trade and investment promotion efforts in Canada to benefit his future aspirations in the private sector.

US embassy cable - 09CIUDADJUAREZ516

FRAUD SUMMARY - CIUDAD JUAREZ - MARCH THROUGH AUGUST 2009

Identifier: 09CIUDADJUAREZ516
Origin: Consulate Ciudad Juarez
Created: 2009-10-01 15:15:00
Classification:
Tags: KFRD CVIS CPAS CMGT ASEC MX

VZCZCXRO9225

RR RUEHGD RUEHHO RUEHMC RUEHNG RUEHNL RUEHRD RUEHRS RUEHTM
DE RUEHCD #0516/01 2741515

ZNR UUUUU ZZH

R 011515Z OCT 09

FM AMCONSUL CIUDAD JUAREZ

TO RUEHC/SECSTATE WASHDC 6202

RUEHPNH/NVC PORTSMOUTH NH

INFO RUEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC

RHMFUU/DEPT OF JUSTICE WASHINGTON DC

RUEHME/AMEMBASSY MEXICO 4285

RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE

RUEHCD/AMCONSUL CIUDAD JUAREZ 2518

UNCLAS SECTION 01 OF 06 CIUDAD JUAREZ 000516

SIPDIS

DEPT FOR CA/FPP, DEPT FOR KCC WILLIAMSBURG KY, DHS FOR CIS/FDNS

E.O. 12958: N/A

TAGS: KFRD, CVIS, CPAS, CMGT, ASEC, MX

SUBJECT: FRAUD SUMMARY - CIUDAD JUAREZ - MARCH THROUGH AUGUST 2009

REF: (A) MEXICO 2519 (B) MEXICO 2038 (C) MEXICO 1669

CIUDAD JUA 00000516 001.2 OF 006

CIUDAD JUAREZ CONDITIONS

1. (U) Ciudad Juarez, located in the state of Chihuahua, Mexico, forms the larger half of the Ciudad Juarez/El Paso metropolitan area with the largest population center on any international border in the world. The Ciudad Juarez/El Paso area is one contiguous community separated by a visible line of demarcation. The region is connected by nine international ports-of-entry, which daily facilitate crossing for more than 60,000 people, making it a major port of entry and transportation hub for all of north central Mexico. Juarez residents commute daily to El Paso to work, attend school, and conduct trade and tourism. For residents of Juarez, travel to El Paso has traditionally been a routine activity, reinforced by lower housing costs in Juarez, and access to higher quality and lower cost consumer goods from El Paso. These economic factors have created a large community of U.S. citizens and Legally Permanent Residents (LPRs) inside the Consular District.
2. (U) Chihuahua's export-oriented, manufacturing industry is a key component of the economy. Manufactured goods account for 98.7% of total state exports, with over 95% of exports sold to the United States. Goods produced in this sector represent an integral part of the U.S. manufacturing supply-chain. The state's manufacturing center is in Ciudad Juarez, which has the highest concentration of maquila activity in Mexico. Employment opportunities in both the maquila and construction industries have attracted thousands of migrants from other regions of Mexico to Juarez during the past twenty years. Until the recent economic downturn, Juarez residents enjoyed one of the highest per capita income levels in the country.

3. (U) The global economic downturn is hurting Chihuahua's manufacturing sector because of reduced demand for consumer and industrial goods produced by the maquila industry. Hardest hit in particular were production lines that supplied components for the auto industry. However, there are some signs suggesting the worst is over. After shedding 80,000 formal sector jobs since economic troubles began in 2007, there was a modest increase of 2,500 formal sector jobs in July 2009 -- the first monthly increase since the economic downturn. Foreign direct investment (FDI) to Chihuahua increased by 9% in the second quarter of 2009 (Q1: \$149 million, Q2: \$163 million), but Q2 FDI for 2009 is still 60% less than Q2 FDI for 2008. (Ref A, B, and C) While applicants from lower socioeconomic status groups have previously been good candidates for B1/B2/BBCC visas in Ciudad Juarez, the current economic trend and fluid employment situation require new vigilance on the part of NIV officers in evaluating claims of viable employment. Refusal rate for B1/B2/BCCC visas increased to 24% during this reporting period from 20% during the previous reporting period.

4. (SBU) Ciudad Juarez continues to cope with challenges to its social fabric as a result of the violence perpetrated by organized crime. More than 1,600 people were killed in and around the city of 1.7 million in 2008. Fighting between Mexican cartels competing for drug transport routes through this regional crossroad continued unabated in 2009, with current YTD murders slightly exceeding the number of murders for the entire year in 2008. Some 5,000 Mexican Army troops and 2,500 federal police have taken charge of daily police patrols and inspections in Ciudad Juarez. Residents lack confidence in local, state, and federal police forces, and in the locally-deployed elements of the Mexican army, to combat the drug violence in any meaningful way. The raging violence compels people to seek ways to escape from the area, leading to a detectable increase in the number and types of fraud schemes that have developed in and around the Consular District.

5. (U) Ciudad Juarez is considered a high fraud post due to elevated volumes of IV and ACS applications submitted with suspect U.S. birth records, or based upon suspect relationships, and NIV applications containing fraudulent identity and/or employment documents.

NIV FRAUD

6. (SBU) Significant changes in the application process have required FPU to create new ways to detect and prevent fraud. In January 2009, Post initiated a paperless application and pass-back process utilizing the DS-160 NIV application. Then in April 2009, Post began collecting electronic fingerprints and photographs for NIV applications at an offsite data collection facility known as the Applicant Service Center (ASC). These changes have translated into significant prescreening benefits because applicants visit the ASC at least one day prior to their

CIUDAD JUA 00000516 002.2 OF 006

interview at the consulate. This 24-hour margin gives Fraud Investigators time to prescreen and analyze applications before the applicant arrives at the consulate. To this end, one of the most useful databases available to FPU tracks the phone numbers and email addresses used to schedule appointments at the offsite data collection facility. Investigators have developed skill in selecting data that can be exploited through the use of detection tools like Text Search in Consular Consolidated Database (CCD). As a result, 70% of applications investigated after being prescreened through automated tools were found to contain fraud. Prior to the collection of data offsite, investigators prescreened the actual documents of applicants waiting to be interviewed, which yielded a 30% rate of fraud established in applications subsequently investigated in FPU. In addition to the applications that are identified through prescreening, FPU continues to investigate cases referred by line officers.

7. (U) FPU Investigators conducted 1,118 minor investigations mostly involving questionable employment documents, of which 284 (25 percent) were confirmed as fraud. In 236 cases, adjudicating officers suspected the supporting documents to be fraudulent and denied the applications 214b without referring the applications to FPU. Through the use of Internet Protocol (IP) addresses which are recorded by the DS-160, automated prescreening methods discussed above and consular officer vigilance, FPU identified five new document vendors. In addition, a validation study of all visa referrals revealed that out of 283 referrals for FY08, fraud was indicated in four referrals (1 percent). In each of these four cases the referral ended their employment with the Mexican government agency for which they were working shortly before being interviewed.

All four could not be located in Mexico and are presumed to be living illegally in the U.S.

8. (U) FPU investigators carried out complex investigations on 123 cases which included indentifying document vendors, complete document packages, and the verification of L, E, H, and TN visas. Of the total number of complex investigations, 33 (27 percent) were found to be fraudulent. The insecurity bred by the surge in violence perpetrated by organized crime, and the preexisting unstable economy, has increasingly motivated a desperate population to turn to fraud. This is evident in the growing number of fraudulent applications in visa categories outside B1/B2/BBBCC, such as student and work visas. For example, investigators have seen an increase in applications involving virtual companies in which applicants document elaborate plans for expanding claimed businesses in the U.S.; however, they are unable to support their claims with any credible evidence of related business transactions.

9. (U) Post noticed an increased number of unqualified TN (NAFTA Professional) visa applicants. During this reporting period TN/TD applications increased by 10 percent. Refusal rate for TN/TD applications increased to 32 percent (versus a 16 percent refusal rate from the previous reporting period). Also, Post noticed an increase in F1 (student) applications made by upper class professionals wishing to study English at the community college in El Paso. FPU believes these increases are as a result of wealthy Juarenses attempting flee Ciudad Juarez to escape the high levels of violence.

IV FRAUD

10. (U) Post processes all immigrant visas for Mexico, and given the 2,000-mile border Mexico shares with the U.S., certain fraud schemes are endemic. Central to these schemes is an irregular U.S. birth record that involves a suspect birth attendant, birth at home, or delayed registration. Because this fraud is pervasive, FPU investigates all IV applications supported by an irregular U.S. birth record. While the majority of the fraudulent U.S. birth records are associated with suspect birth attendants, a secondary source involves grandparents or other relatives who document non-biological children as their own.

11. (U) FPU completed 943 IV investigations during the reporting period. 597 were initiated and closed within the reporting period. The remaining 346 were opened prior to the March 2009, but closed during this reporting period. Fraud was established in 172 cases (18 percent), consistent with historical trends. Another 158 cases (17 percent) were resolved as inconclusive yet presumed fraudulent due to lack of cooperation from the petitioner and/or beneficiary, or the existence of common fraud indicators. The vast majority of these inconclusive cases involved petitioners and/or beneficiaries who failed to return for their scheduled follow-up interviews, but will be referred to FPU to continue the investigation if they return. Fraud was not indicated in the remaining 613 cases that were closed during the reporting period.

CIUDAD JUA 00000516 003.2 OF 006

12. (U) Of the 172 cases that were found to be fraudulent, 49 (28 percent) yielded fraudulent U.S. birth records. Blood relationship fraud accounted for another 47 cases (27 percent). Although DNA testing helped to establish fraud in some of these cases, skillful interviewing by adjudicating officers and fraud investigators resolved the greater part.

13. (U) During the reporting period, FPU investigated a total of 456 immigrant visa cases related to suspect petitioner birth records from the United States. Due to the complexity of the investigations and to the fact that events involving the births occurred as long as 30 to 40 years ago, FPU scrutinized the evidence submitted, interviewed the birth mother whenever possible, and collected existing information through vital statistics and civil registries. Through this method, FPU uncovered 49 fraudulently filed U.S. records, while identifying two suspect midwives whose names were added to the CA/FPP Suspect Birth Attendants (SBA) list. Also, FPU compared the CA/FPP SBA list with internal files and found two doctors and one midwife who had previously filed fraudulent birth records that were not included on the SBA list. This information, along with the supporting documentation outlining the fraud, was forwarded to CA/FPP who updated the SBA list.

14. (U) Interviews involving suspect marriage cases increased during the reporting period. FPU investigated 60 such cases. Fraud was found in 14 (23 percent) while 6 cases (10 percent) were closed as inconclusive and 40 cases were closed after fraud was not indicated. Half of the cases where fraud was found

involved engaged (K1) or recently married (K3/CR1) couples.

DV FRAUD

15. (U) Mexico is not eligible for the Diversity Visa Program. Nevertheless, Post received four third-country national DV cases for interview during the reporting period, representing a total of eight applicants. No fraud was found in any of these four DV cases.

ACS AND U.S. PASSPORTS

16. (U) Demand for U.S. Passports surged as the Western Hemisphere Travel Initiative (WHTI) came into effect during the reporting period. At the height of the surge, weekly passport applications increased 800 percent above pre-WHTI levels. FPU completed 194 ACS investigations during the reporting period; an increase of 250 percent compared to the last reporting period. To meet this demand, FPU detailed two investigators to the ACS section to work full time. Previously, one investigator handled ACS cases on a part time, as needed, basis. 177 investigations were initiated and closed during the reporting period. Fraud was established in 27 cases (14 percent), consisted with historical trends and consistent with IV fraud levels. Another 30 cases were resolved as inconclusive yet presumed fraudulent, due to the lack of cooperation or response from parties to the application and/or the existence of common fraud indicators.

17. (U) Of the 194 ACS investigations, 132 were related to U.S. Passport applications and 62 were related to CRBA applications. Fraud was discovered in 20 U.S. Passport applications (15 percent) and 7 CRBA applications (11 percent). DNA testing resolved questions around blood relationships in 7 U.S. Passport applications and 12 CRBA applications. One of the DNA exams demonstrated fraud in a CRBA application, three of these DNA cases were closed as inconclusive because the applicants did not appear for their scheduled DNA test, and DNA proved the blood relationship in the remaining 15 cases.

ADOPTION FRAUD

18. (U) Twenty suspect adoption cases, all related to immigrant visa petitions, were referred to FPU. The number of suspect adoption cases has increased for each of the past four reporting periods despite a drop in the number of adoption cases handled at Post. Eleven were confirmed as fraudulent. Seven of these

adoption cases were fraudulent because the adoption was not irrevocable and therefore not valid for immigration purposes. In one case, the petitioner had apparently been defrauded by a Mexican lawyer who claimed to have arranged the adoption but had provided fraudulent adoption paperwork not filed with any Mexican family court. After an investigation that involved Mexican DIF (the equivalent to child protective services), the child was returned to the adoptive parents to formally complete the adoption in Mexico.

19. (U) Two of the fraudulent adoption cases were particularly

CIUDAD JUA 00000516 004.2 OF 006

egregious. The adoption documents in both cases were completely counterfeit, and in one case the "adoptive parents" admitted to purchasing the child for \$2,000. Mexican DIF took the two adoptive children into protective custody, where they remain. In one case the counterfeit adoption paperwork was being used to traffic the "adoptive child" to California to reunite with her biological mother who is living illegally. Also, FPU made progress but has not closed an investigation involving a Mexican child trafficked to the U.S. and adopted in Arizona. FPU strongly suspects that the "biological mother" who gave the child up for adoption is not the true biological mother based on an interview with the "biological mother's" mother (the child's apparent grandparent). The adoptive parents claim they cannot locate the "biological mother." The Consular Chief has recommended to the adoptive parent's attorney DNA testing to demonstrate that the woman who gave the child up for adoption is truly the biological mother. FPU continues to search for evidence that would prove there is no blood relationship between the purported "biological mother" and the child that was adopted after being trafficked to Arizona.

DNA TESTING

20. (U) While blood relationships can often be substantiated through robust documentary evidence, Post policy recommends DNA testing to applicants as an expedient choice when there are lingering doubts regarding the legitimacy of a claim. DNA testing is of particular value in cases where grandparents or other close relatives have registered or raised children as their own biological offspring, a common cultural practice in Mexico. In these cases, because a close genetic match is expected, Post requests the presence of both alleged biological

parents, in order to better discriminate among some of the genetic markers shared among familial and ethnic groups. This will be the last reporting period where DNA testing occurs through the Panel Physician clinics, as new guidance for DNA testing procedures was recently shortly after this reporting period.

21. (U) Nineteen ACS and 158 IV applicants opted to participate in DNA testing after their documentary evidence proved insufficient to resolve their cases. 23 of the cases (13 percent) involved applicants who never appeared for their designated appointment. Of the remaining 154 DNA cases, DNA results refuted the claimed blood relationship in 13 IV cases and one ACS case (9 percent). All other DNA cases verified the blood relationship, to a degree of certainty greater than or equal to 99.5 percent, in accordance with 9 FAM 42.41.

ASYLUM AND OTHER DHS BENEFITS

22. (U) There is an active USCIS contingent at Post, which accepts and adjudicates a substantial number of applications for waiver of grounds of inadmissibility (I-601). USCIS at Post also processes a smaller number of immigrant-based petitions for persons resident in the consular district. During the reporting period, USCIS received over 9,100 waiver applications, and USCIS detected no fraud in any applications for DHS benefits. However, any waiver applications that cannot be adjudicated because of questionable qualification must be referred to a domestic DHS office where they are more thoroughly reviewed.

ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME, TERRORIST TRAVEL

23. (U) As open source and unclassified reports have previously concluded, drug smuggling and associated violence, human trafficking, and alien smuggling continue to threaten the security of the U.S. border with Mexico. Given Mexico's status as a transit point for both lawful and unlawful entry into the U.S., Post continues to investigate all leads that may indicate large-scale fraudulent document and/or alien smuggling rings. Recent investigations reinforce that high-quality forged or counterfeit documents are readily available, with fraudulent birth records or fraudulently-filed genuine birth records being the most prevalent. In turn, the quality of fraudulent breeder documents has enabled applicants to obtain authentic Mexican identity documents, including passports and voter identification cards (the Mexican identity equivalent of a U.S. driver's

license). While many suspicious document cases can be handled with a 214(b) refusal, Post encourages officers to refer any suspicious high-quality documents for investigation.

DS CRIMINAL FRAUD INVESTIGATIONS

24. (SBU) Unfortunately, FPU's ARSO-I departed post after concluding his assignment in Ciudad Juarez. However, one new ARSO-I arrived shortly after the reporting period concluded and

CIUDAD JUA 00000516 005.2 OF 006

has opened several investigations within his first two weeks at Post. Another ARSO-I is scheduled to arrive in 2010.

MEXICO IDENTITY DOCUMENTS AND CIVIL REGISTRY

25. (U) 109 Mexican passports were returned to the local Mexican passport agency administered by the Secretary of Foreign Relations (SRE). The majority of these passports were returned because an FPU investigation determined the bearer was unlawfully registered with fraudulent information or documentation. Some passports were returned because they were lost at the Consulate and the holder could not be located. When the passport was returned to the SRE because of a fraudulent registration within Post's consular district, a corresponding birth record was sent to alert the Civil Registry Central Archives in Chihuahua.

26. (U) FPU organizes a one-week training course for newly arrived officers. Part of this training course includes a visit to the local Civil Registry in downtown Ciudad Juarez. Mexico's Civil Registry system is a "good faith" institution, meaning that when a parent registers a child, the relationship is presumed to exist because the registration is presumed to be made in "good faith." This system makes it very easy to fraudulently document a blood relationship. For example, it is common for grandparents to register a child as their biological child and because the Civil Registry system is a "good faith" institution, Civil Registry officials do not routinely scrutinize birth registrations. This can also allow for more sinister fraud schemes such as creating additional, fraudulent identities. Because of this system, anecdotal observations suggest creating a new identity is more common than stealing someone else's existing identity. However, on FPU's most recent training visit to the Civil Registry in Ciudad Juarez, FPU

observed the Civil Registry requiring hospital or birth clinic records prior to allowing new parents to register their infant children. FPU views this as a positive, if small, step to reduce fraud in birth records.

COOPERATION WITH HOST GOVERNMENT OFFICIALS

27. (SBU) Post continues to enjoy a high degree of cooperation with host government agencies and individual government officials. ARSO-I and the federal attorney general's office (PGR) in Mexico City have a good working relationship, cooperation to prosecute the most egregious users of fraudulent federally-issued Mexican documents in several cases. However, the ARSO-I has had no success in getting the PGR locally to prosecute document vendors peddling fraudulent employment documents.

COOPERATION WITH USG AND OTHER STATE AGENCIES

28. (U) FPU collaborates with key USG contacts, including the El Paso Intelligence Center (EPIC), CBP inspectors at the local ports-of-entry, U.S. Border Patrol, USCIS adjudications officers in Juarez and in El Paso, the ICE, FBI, and DEA offices at Post, and fraud prevention managers in the various U.S. Passport Agencies. At the state level, Post submits alerts on all fraudulent birth records to investigative arm of the affected Vital Statistics office, the greatest part of which go to Texas.

During the course of the reporting period, FPU staff have participated in ongoing FBI Human Trafficking Task Force meetings, exchanging information on smuggling operations, fraud trends, and providing updates on pending investigations headed by ARSO-I.

29. (U) In addition to a large number of routine outside requests, FPU assisted CA in supporting U.S. District Attorneys in four separate trials during the reporting period. Two of these cases involved locating potential witnesses in Mexico, and two cases involved located a birth record (one official civil registry record and one internal medical clinic record). In one case, a consular officer who was serving as the Deputy Fraud Program Manager and the Locally Employed Staff (LES) Supervisory Investigator have been cleared to provide testimony in a trial scheduled for the next reporting period. However, because the LES Supervisory Investigator located a key piece of evidence in Mexico the case may not actually go to trial.

AREAS OF PARTICULAR CONCERN

30. (SBU) The unprecedented level of narcotics-related violence, coupled with the inability of municipal, state, and federal police forces to contain the violence in any substantive manner, is an area of significant concern. The violence serves as an incentive to applicants, qualified or not, to use the

CIUDAD JUA 00000516 006.2 OF 006

services of local document vendors as applicants try to make the best case for issuance during the visa interview. Also, during the reporting period, several Consulate LES employees were victims of crime. While not targeted because of their association with the Consulate, the general breakdown of law and order has led to an increase in all types of criminal activity.

31. (U) WHTI implementation had a significant impact on IV cases where the petitioner possessed a fraudulently filed SBA birth record. Prior to WHTI, IV petitioners (who often accompany IV beneficiaries to Ciudad Juarez for their immigrant visa interviews) rarely held U.S. passports. However, of the 49 IV petitioners with fraudulently filed U.S. records discovered during IV fraud investigations during the reporting period, 36 held valid U.S. passports obtained by using the fraudulently filed U.S. SBA record. While FPU strongly supports WHTI, an interesting unintended consequence is that IV petitioners with fraudulently filed U.S. birth records now almost always possess valid U.S. Passports. While FPU enters PLOTS lookouts when one of these cases is discovered, Post has received no action for several years on passport revocation memos submitted to headquarters in these cases.

32. (U) Post recently discovered one case involving two fraudulent MRV receipts which are purchased through Banamex, the Mexican National Bank. A cashier working at Banamex stole receipt paper and forged the MRV receipt printing using a non-bank receipt printer. Although Post has only identified this one case, the significant vulnerability of MRV receipts to fraud -- which Post identified and reported to CA/FPP prior to this incident -- cause Post to be concerned that this case is only the tip of a larger iceberg.

STAFFING AND TRAINING

33. (U) FPU staffing during the reporting period consisted of a permanent Fraud Program Manager (FPM), a GS-12 consular officer, a Deputy FPM that rotates every six months among consular officers at Post, one FSN-10 Supervisory Investigator, one EFM FP-5 Investigations Assistant position, currently unstaffed, nine FSN-9 Fraud Investigator positions, and one H/L FSN-9 Fraud Investigator position.

34. (U) FPU staff continues to complete a variety of distance learning courses, including PC-544 Detecting Fraudulent Documents, PC-128 Detecting Imposters and PC-103 Nationality Law/Consular Procedures. ACS cross-training, which was completed during the previous reporting period, allowed FPU to shift investigators to ACS as WHTI significantly increased passport demand. The Deputy FPM attended PC-541 Fraud Prevention for Consular Managers and one LES Fraud Investigator attended PC-542 Worldwide LES Fraud Prevention Workshop. Also, one FSN-9 Fraud Investigator elected to serve TDY to Embassy Baghdad and began training and processing for her assignment scheduled to begin during the next reporting period.

35. (U) Five officers participated in Post's 4-day accelerated training module, where IV, NIV, ACS and FPU have each organized a one-day agenda to discuss pertinent operating procedures. FPU's module provides an overview on consular district conditions, trains on Mexican civil documents and suspect U.S. birth records, discusses the formal fraud referral process, and reviews tools available to Post, including SBA fraud, SOPs, Visas Viper, CCD, the CA/FPP webpage, and Lexis Nexis.

36. (U) Seven officers took part in FPU's week-long orientation program, which expands upon the training delivered in the accelerated module. This program is designed for officers who have between 3-6 months of experience at Post. The training familiarizes participants with socioeconomic conditions at Post via tours of local maquilas (factories), neighborhoods, and an El Paso midwifery. It also orients them to the operations of key U.S. and Mexican government agencies including the Mexican Civil Registry, the Mexican Secretary of Foreign Relations (SRE), the Mexican Consulate in El Paso, USCIS, a CBP Port of Entry, ICE detention facility, DOJ Immigration Court, and an evening ride-along tour of the U.S.-Mexico border with Border Patrol. The training also represents an opportunity to observe fraud interviews, providing insight into investigative methods & techniques.

US embassy cable - 10CIUDADJUAREZ25

FOREIGN TRADE ZONES AND TAIWANESE INVESTMENT ON THE BORDER

Identifier: 10CIUDADJUAREZ25

Origin: Consulate Ciudad Juarez

Created: 2010-01-28 02:17:00

Classification:

Tags: EIND ECON ELAB ETRD MX

INFO LOG-00 EEB-00 AF-00 AGRE-00 AID-00 CA-00 CEA-01
CIAE-00 COME-00 CTME-00 INL-00 DODE-00 ITCE-00 DOTE-00
PDI-00 DHSE-00 EXME-00 OIGO-00 E-00 FAAE-00 UTED-00
VCI-00 FRB-00 H-00 TEDE-00 INR-00 JUSE-00 LAB-01
L-00 VCIE-00 NSAE-00 ISN-00 NSCE-00 OES-00 OMB-00
NIMA-00 CAEX-00 PER-00 GIWI-00 MA-00 ISNE-00 DOHS-00
SP-00 SSO-00 SS-00 STR-00 TRSE-00 FMP-00 CBP-00
BBG-00 IIP-00 DRL-00 G-00 SAS-00 FA-00 PESU-00
SEEE-00 SANA-00 /002W

P R 280217Z JAN 10

FM AMCONSUL CIUDAD JUAREZ

TO SECSTATE WASHDC PRIORITY 6331

AMEMBASSY MEXICO PRIORITY

INFO ALL US CONSULATES IN MEXICO COLLECTIVE

AMCONSUL CIUDAD JUAREZ

UNCLAS CIUDAD JUAREZ 000025

E.O. 12958: N/A

TAGS: EIND, ECON, ELAB, ETRD, MX

SUBJECT: FOREIGN TRADE ZONES AND TAIWANESE INVESTMENT ON THE
BORDER

1. SUMMARY: Since late 2007, Ciudad Juarez has suffered a net loss of more than 80,000 manufacturing jobs as a result of the global economic slowdown. However, these losses would have been even worse without the impact of new investment and job growth in the outlying community of San Jeronimo. The establishment in 2007 of Free Trade Zones (FTZ) on the U.S. and Mexican sides of this section of border ten miles west of downtown Juarez is the catalyst for growth. By operating in this specialized customs zone, firms seeking to export manufactured goods to the United States can reduce labor and logistics costs. In 2008, Foxconn, a Taiwan-based manufacturer of electronics and computer components, invested USD 185 million to build a new assembly plant in San Jeronimo, becoming the first company to operate within the FTZ in Chihuahua. Opened in February 2009 and

currently employing 8,000 Mexican workers, the plant expects to eventually hire an additional 12,000 people. Foxconn's Corporate Vice President and Chief of Business Operations for Latin America, Francisco Uranga, says the FTZ makes San Jeronimo the most competitive site for assembly operations along the entire U.S.-Mexico border.

BACKGROUND

2. On December 30, 2002, the Government of Mexico amended its customs law to allow what is called a 'Regimen de Recintos Fiscalizados Estrategicos'. Recintos fiscalizados are customs regimes that operate similarly to free trade zones in other parts of the world. (Note: In the rest of this report recintos fiscalizados will be referred to as free trade zones.) Goods transferred within FTZs are not subject to customs tariffs and quotas. This allows manufacturers to import parts and components into Mexico duty free to be transformed into a finished product for export. When the finished product exits the FTZ, the duty is paid either at the rate applied to the imported parts or at the rate applied to the finished product, whichever is lower. This reduces the importer's total tax burden, making the product more competitive.

3. Major differences between the FTZ regime and the traditional IMMEX maquila program include the elimination of secondary customs inspections, which reduces the time it takes for products to reach market; simplified customs declarations, which reduce brokers fees; and a three-day grace period to correct import declarations, which increases flexibility and reduces penalty fees. Unlike maquilas, FTZs must be located adjacent to a customs facility; but where this option exists, manufacturers benefit from added security with fewer goods lost, damaged, or stolen during transport between the port of entry, warehouse, and customs facilities.

FOXCONN TAKES ADVANTAGE OF THE NEW CUSTOMS REGIME

4. In 2007, the GOM authorized Corporacion Inmobiliaria San Jeronimo to establish an FTZ along the U.S.-Mexico border in San Jeronimo, Chihuahua. That same year the El Paso-based Verde Realty Group received approval from the U.S. Foreign Trade Zones Board to expand Foreign Trade Zone No. 197, to include the area in Santa Teresa, New Mexico immediately adjacent to the San Jeronimo FTZ. The establishment of these zones on both sides of the border made feasible the construction of bi-national

manufacturing campuses, with labor intensive assembly activities conducted in Mexico and staging and distribution in the United States.

5. To promote investment in San Jeronimo, the Chihuahua state government provided a payroll tax incentive, training funds, and electricity subsidies for companies that invest in the FTZ. The state government also invested USD 8.5 million in the construction of a border highway linking downtown Juarez and San Jeronimo, which reduced the travel time between the two locations from one hour to ten minutes.

6. In February 2009, Foxconn opened an assembly plant in San Jeronimo, becoming the first company to operate within the Mexican FTZ. Foxconn is the trade name of Hon Hai Precision Industry Co. Ltd., the largest manufacturer of electronics and computer components in the world. Foxconn manufactures on contract for many U.S. companies, including Dell, Microsoft, and Apple Inc. It is unusual among Juarez manufacturers in that it is Taiwanese-owned, since U.S. companies own roughly 90 percent of local maquilas. Foxconn's 1,200 acre campus in San Jeronimo currently employs 8,000 Mexican workers, but company managers expect total staffing to reach 10,000 by March 2010 and 20,000 by 2012. Foxconn currently produces computers for Dell at the San Jeronimo campus, but plans to begin manufacturing Apple Inc. products as it scales up operations over the next two years. If Foxconn meets its staffing projections, the San Jeronimo facility will become the largest manufacturing plant in Mexico.

HOW THE FTZ OPERATES, AND BENEFITS FOR INDUSTRY

7. For manufacturers like Foxconn, there are three main advantages to operating within the FTZ. According to Jerry Pacheco, Executive Director of the New Mexico Small Business Development Center Network, the average northbound commercial crossing time at Santa Teresa is 20 minutes, compared with 1.5 to 2 hours at El Paso ports of entry. This efficiency gain provides Foxconn a competitive advantage over companies that operate near the El Paso ports. (Note: Foxconn managers admit crossing times may rise as they increase production. For instance, in their first year of production, Foxconn operations resulted in an additional 115 commercial truck crossings a day at the Santa Teresa POE, increasing traffic there by almost 80 percent. The potential bottleneck at the port of entry represents the single greatest threat to Foxconn's ability to continue to scale up operations, said Pacheco.)

8. The second benefit for a company that chooses to operate in the FTZ is that it has more control over its cash flow. Companies can warehouse goods in the FTZ for up to two years without paying taxes. Manufacturers can decide when to move their products out of the FTZ within the two year period, depending on cash flow availability. While it is unlikely that an electronics manufacturer like Foxconn would want to warehouse products for such a long period of time, the added flexibility is a benefit.

9. The third and most fundamental benefit is that the FTZs allow manufacturers to improve global supply chain management. For instance, most of the components for the Dell computers Foxconn produces in San Jeronimo are imported from Asia through an FTZ at the Port of Long Beach, California. These components are then transported here by Foxconn's sole logistics contractor, Expeditors International. Inputs are warehoused in Santa Teresa and transported across the border into the Mexican FTZ for assembly. Once assembled, most of the computers are exported to the United States for sale, at which time the first customs duties are assessed.

BENEFITS FOR WORKERS AND BORDER COMMUNITY

10. Foxconn has increased employment opportunities for residents in the Anapra neighborhood of Ciudad Juarez, one of city's largest low income communities. Anapra, located at the western edge of urban Juarez, offers the closest supply of labor for Foxconn. Consulate officers observed dozens of Foxconn buses transporting hundreds of employees from the manufacturing plant to their homes in Anapra along the newly constructed border highway.

11. Foxconn's Mexican employees benefit from various training opportunities. According to Francisco Uranga, Foxconn's Corporate Vice President for Latin America, Foxconn frequently sends select employees to one of the company's many campuses in China for training and to gain a better understanding of the company's global inter-connectedness. Foxconn managers say such programs promote knowledge and technology transfer into the broader economy.

12. COMMENT: In spite of the city's record levels of drug violence, Foxconn has determined that Juarez is still a good place to conduct low-skill, low-cost manufacturing. Customs

benefits associated with the San Jeronimo FTZ are improving the company's cost competitiveness, while Foxconn investment will create jobs and presumably foster technology and knowledge transfer. Critics though argue that, as is the case with maquila plants, Foxconn's production model limits "spill over" into the broader economy by not creating backward linkages to Mexican companies. Furthermore, political wrangling over the location and authorization of future FTZs remains problematic. Despite potential drawbacks, the projected large scale of Foxconn's operations in San Jeronimo could make it one of Mexico's premier manufacturing platforms for export into the United States. If this happens, expect to see other Asian manufacturers follow Foxconn's lead.

US embassy cable - 10CIUDADJUAREZ64
S/GWI PROJECT PROPOSAL - CIUDAD JUAREZ

Identifier: 10CIUDADJUAREZ64
Origin: Consulate Ciudad Juarez
Created: 2010-02-19 19:41:00
Classification:
Tags: PREL KPAO PHUM KWMN MX

VZCZCXYZ0000
RR RUEHWEB

DE RUEHCD #0064/01 0501942
ZNR UUUUU ZZH
R 191941Z FEB 10
FM AMCONSUL CIUDAD JUAREZ
TO RUEHC/SECSTATE WASHDC 0015
INFO RUEHCD/AMCONSUL CIUDAD JUAREZ
RUEHME/AMEMBASSY MEXICO

UNCLAS CIUDAD JUAREZ 000064

SIPDIS
PASS TO S/GWI

E.O. 12958: N/A
TAGS: PREL, KPAO, PHUM, KWMN, MX
SUBJECT: S/GWI PROJECT PROPOSAL - CIUDAD JUAREZ

REF: STATE 132094

PROPOSAL REQUEST/SUMMARY

1. US Consulate General Ciudad Juarez proposes a partnership with Chihuahua's leading private sector foundation, FECHAC (Fundacion del Empresariado Chihuahuense, A.C.) to expand an after-school program targeting at-risk girls and boys of working mothers in Ciudad Juarez. The USD 99,749 program would directly support Pillar IV of Mission Mexico's "Beyond Merida" framework, which seeks to strengthen community resistance to criminal organizations. FECHAC currently operates the after-school program (Horario Extendido) in 11 schools, reaching 1,400 primary school-aged students in low-income neighborhoods. Grant resources will contribute to FECHAC's goal of expanding the program to an additional 11 schools in 2010. Specifically, the grant will fund the after-school program in five schools for 12 months, directly benefitting 400 children. Participating students will be monitored to determine whether they are reaching the program's desired outcomes, which include: increased school attendance, improved grade performance, and better health indicators. At the conclusion of the grant implementation period, FECHAC has agreed to assume financial responsibility for the program in these schools.

JUSTIFICATION

2. Violence in Ciudad Juarez reached alarming levels in 2009 and the city now has one of the highest murder rates in the world. Last year, there were 2,640 homicides in the city, accounting for one of every three homicides in Mexico. Conflict related to drug trafficking is the leading source of this violence, with teenagers and young adults disproportionately impacted as both victims and perpetrators of crime. The January 31 murder of fifteen people in Ciudad Juarez, most of whom were students with no known criminal ties, is the most recent reminder of this reality and the continued threats facing youth in the city. Drug trafficking organizations and gangs increasingly recruit girls and young women who lack educational opportunities and job skills to participate in criminal activity. There is a growing local and national consensus that to reverse this trend Ciudad Juarez needs programs that address the inadequate supply of quality educational opportunities, particularly for girls. Between 25 and 40 percent of middle school and high school-aged children in Juarez are out of school and unemployed. Efforts to dismantle drug cartels will be undermined unless this at-risk population perceives it has more favorable alternatives to criminal activity.

3. FECHAC (Fundacion del Empresariado Chihuahuense, A.C.), Chihuahua's leading private sector foundation, argues that communities must focus their efforts at the primary school level to

have a chance of reversing this trend. World Bank research reveals that intervening on behalf of children at younger ages leads to better academic outcomes and lower incidence of criminal behavior later on. Early intervention is also more cost-effective. One area of particular concern for FECHAC is the lack of adult presence and guidance at home for primary school-aged students in the hours immediately after school. Classes at public primary schools in Juarez begin at 8 a.m. and end at 1 p.m. FECHAC Executive Director Karla Tarango estimates that more than one-third of primary school students (6-12 years old) in Ciudad Juarez, or nearly 60,000 children, are unsupervised after school because their parents work. Many of these students are children of single, working mothers. As these students reach middle school many are either unable to meet minimum grade requirements to continue on, or they do not perceive the value of education and drop out. Chihuahua Secretary of Education statistics reveal a dramatic drop in school attendance rates in Juarez as students move from primary to middle school. In 2009, 91 percent of 12 year old children attended school, 68 percent of 14 year olds, and only 15 percent of 18 year olds.

FECHAC'S AFTER-SCHOOL PROGRAM (HORARIO EXTENDIDO)

4. To address youth violence and the education deficit in Juarez, beginning in 2007 FECHAC partnered with the private sector, civil society, and government to provide after-school programming for primary school students. The Horario Extendido (Extended Schedule)

program provides homework tutoring, English and computer classes, nutritional guidance and meals, gender violence prevention, as well as recreational activities such as music, art, dance and sports to more than 1,400 students in 11 schools in some of the city's poorest neighborhoods. At a yearly cost of USD 230 per student, the program complements Mexico's public education curriculum by expanding classroom options for students and promoting learning and life skills. The program also provides students a safe after-school environment with adult supervision.

5. FECHAC funds the Horario Extendido program with support from over 38,000 local business people who contribute 10 percent of their state payroll tax to a FECHAC managed trust. FECHAC then delivers these resources to NGOs that are responsible for program delivery at public schools. Communities and parents have significant authority over the program's design, financial management, and assessment of student learning through parent councils. Horario Extendido's demand-driven approach ensures that the program reflects local priorities and values.

6. In the three years since Horario Extendido began, students participating in the program have on average improved their grades and increased school attendance. For instance, students involved in the Ccompaz-managed program (Ccompaz being one of five NGOs responsible for service delivery) increased their grade average by eight points (from 78 to 86 percent). Student and parent surveys indicate high levels of satisfaction with the program.

IMPACT OF AFTER-SCHOOL PROGRAMS

7. After-school programs provide many benefits to students, parents, and the community at-large. Evidence from similar programs in Latin America, such as Brazil's Abrindo Espacos (Opening Spaces) after-school program, illustrates these potential benefits. Abrindo Espacos started in 2000 as a partnership between UNESCO and local government to keep primary schools in the poorest and most violent neighborhoods open after hours and during weekends. According to a UNESCO study, communities with schools participating in the program experienced as much as a 60 percent reduction in juvenile violence. The program also increased student performance and reduced the rates of sexual aggression, suicide, substance abuse, theft, and armed robbery in participating communities. Schools that entered the program earlier had greater success, suggesting increased impact over time.

POTENTIAL TO SCALE-UP THE PROGRAM

8. Horario Extendido services less than one percent of the city's 180,000 primary school-aged students. The program's impact could be enhanced through greater coverage and by extending hours to include weekends. Resources from other sources could also be provided to increase programmatic focus in the form of equipment and training for information technology, English classes, and the development of other marketable skills. Consideration may also be given to extending the program to include middle and high school students.

DESCRIPTION OF RECIPIENT ORGANIZATION

9. FECHAC was founded in 1996 as a partnership between the private sector, civil society and government to address the Mexican state of Chihuahua's development challenges. FECHAC manages resources for development projects from a 10 percent voluntary state payroll

tax. The tax is collected by the state Secretariat of Finance and deposited in a trust, which is managed by a 25-member technical committee made up of 19 FECHAC board members, two representatives appointed by the governor, two state legislators, and two mayors named by the state congress. Since its inception, FECHAC has raised and managed USD 95 million to support 1,944 social welfare projects in the areas of education (50 percent of total resources), health (42 percent) and social capital (8 percent).

10. FECHAC has a branch office in each of the nine largest cities in Chihuahua. Each branch has a board comprised of 15 local employers. Two members of each board serve on the statewide technical committee, along with a board president chosen by FECHAC members in a statewide vote. Board members are responsible for reviewing each proposal submitted by NGOs and carrying out visits to evaluate each project. Board members are involved in every organizational aspect of the foundation, from creating its vision to establishing the policies and procedures. FECHAC spends eight percent of its budget on administrative and promotional expenses, and publishes its annual financial statements, which are audited by Deloitte Touche Tohmatsu, on its public website (<http://www.fechac.org/web/index.php>).

11. FECHAC has worked with Mexico's Social Development Secretary, the World Bank, and the Inter-American Development Bank. It has received awards for innovative service delivery from national and international organizations, including the United Nations.

GRANT FUNDED ACTIVITIES AND PERFORMANCE MEASURES

12. The Secretary's Office of Global Women's Issues Small Grants Initiative will fund operation and human resources costs for after school programming at five schools for 12 months, directly benefitting 400 girls and boys. The activities will include:

- * Homework tutoring
- * English and computer classes
- * Nutrition workshops and daily lunches for participants
- * Gender violence prevention workshops with students and parents
- * Music, art, and dance classes

* Safe and supervised environment for sports, including soccer and karate

* Workshops on developing values

13. The Center for Civil Society Strengthening (CFOSC) at the Monterrey Technical Institute (ITESM), a leading Mexican university, conducts surveys with parents, teachers, and students participating in the program four times a year to measure student progress and receive feedback on how to improve the program. CFOSC shares survey information with FECHAC to measure student grade performance, school attendance, and health indicators. Previous survey information has revealed improvements in all of these categories for students participating in FECHAC managed after-school programs. CFOSC will conduct surveys at the five S/GWI funded schools to measure the program's impact. Consulate Officers will meet periodically with CFOSC and FECHAC to monitor the program's advances.

14. BUDGET

--- Human resources costs (teachers and support staff): USD 60,833

--- Operation costs (workshops, meals, training, education material and equipment, musical

instruments, school maintenance, and transportation): USD 38,916

--- Total: USD 99,749