

***Will it be possible for Mexico to attract Canadian jobs and investment by lowering its environmental standards, or by not enforcing them properly?***

*-- This is highly unlikely.*

*-- The NAFTA states that countries should not lower their environmental standards to attract investment.*

*-- The economics of creating a so-called pollution haven don't add up. It's estimated that the average cost of meeting environmental regulations is modest -- less than two or three per cent of start up costs.*

*-- Mexico has reformed its environmental laws, and they are being enforced. For example, new manufacturing investments must go through an environmental review process to ensure that they meet new standards.*

*-- As well, Mexico is cracking down on polluters, with an expanded team of environmental inspectors now employed at the federal and state levels.*

*-- The NAFTA requires pre-publication of environmental regulations for comment. Other NAFTA countries and the public will be able to express their views.*

*-- The NAFTA requires the three countries to work together to enhance co-operation on environmental regulations and enforcement.*