

## DEPARTMENT OF THE FEDERAL DISTRICT

The *Departamento del Distrito Federal (DDF)*, Department of the Federal District, is responsible for the Mexico City area, including 16 municipalities. The *DDF* is equivalent to a state, and wields considerable influence over environmental issues within its boundaries. The *DDF* is currently developing its own environmental laws, which are expected to be enacted during 1995.

## ENVIRONMENTAL PROGRAM FOR THE BORDER ZONE

There are severe environmental problems in the northern border region, due to the presence of a large number of *maquildadora*, in bond, plants. The Government of Mexico coordinates its activities in this region through the *Programa Ambiental para la Zona Fronteriza*, Environmental Program for the Border Zone. Most of the publicly-sponsored environmental programs in this region are joint ventures with the United States, through the Border Action Plan. The North American Development Bank will provide financing and guarantees for up to US \$3 billion in environmental work along the border. Canada is not a member of this bank. Therefore, Canadian companies will face a disadvantage with respect to government-sponsored work in the northern border region.

## STATE-OWNED COMPANIES

*Paraestatales*, state-owned companies, have traditionally been major users of environmental technologies. Although a large number of them have been sold to private investors over the past few years, energy continues to be reserved for the public sector under the Mexican constitution. There are two major *paraestatales*: *Petróleos Mexicanos (PEMEX)*, the national oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission.

Until the end of 1994, both *PEMEX* and the *CFE* were accountable to the *Secretaría de Energía, Minas e Industria Paraestatal (SEMIP)*, Secretariat of Energy, Mines and State-owned Industry. In its first three weeks of power, the administration of President Zedillo replaced it with a much smaller *Secretaría de Energía (SE)*, Secretariat of Energy. The new ministry has responsibility for overall management of the nation's energy development, production and distribution. Most industry experts are skeptical, however, that the *SE* will be able to assert much influence over *PEMEX* and the *CFE*, considering that their directors continue to have independent access to President Zedillo.