PROFEPA is responsible for enforcement of all environmental regulations that concern hazardous waste. This excludes wastewater unless it is considered hazardous or generates hazardous sludge. Some observers believe that enforcement of water regulations will be transferred to PROFEPA from the Comisión Nacional del Agua (CNA), National Water Commission, in the near future.

Another mechanism available to the Federal Office for Environmental Protection, is the environment audit. Until recently, these audits have been financed by the *Secretaría de Desarrollo Social (SEDESOL)*, Secretariat of Social Development. They are conducted by approved private consultants and evaluated by the *Instituto Nacional de Ecología (INECO)*, National Institute of Ecology. *PROFEPA* is now asking industry to do its own audits on a voluntary basis. According to *PROFEPA* officials, in the first quarter of 1995, 109 requests for audits were sent out. Of these, 18 were accepted, 65 were rejected, and there has been no response from the other 26. Efforts are underway to make environmental audits tax deductible, which would increase audit activity by private corporations.

NATIONAL WATER COMMISSION

The *Comisión Nacional del Agua (CNA)*, National Water Commission, was created in 1989. It has a mandate that covers the regulation of drinking water, as well as sewage and industrial wastewater for the entire county. It issues permits for all water resources and wastewater discharges into water basins.

The CNA also provides technical support to states and municipalities that operate their own water and sewage systems. Under the previous government, there was a major effort to decentralize responsibility for water to state and municipal organismos operadores, operating agencies. There are now about 40 cities in Mexico that have complete responsibility for their own water resources. This has not been entirely successful, and the state governments are now moving to take control because of a lack of technical expertise at the municipal level.

In response to the devaluation, the CNA is reportedly relaxing its enforcement of regulations affecting municipal water facilities. Municipalities will now have until 1997 (rather than 1995) to comply with new standards.

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OPPORTUNITIES IN MEXICO Environmental Equipment and Services