November 3, 2025

Mr. Daniel Watson
Assistant U.S. Trade Representative for the Western Hemisphere,
Office of the U.S. Trade Representative
600 17th St NW
Washington, DC 20508

Re: Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada, Docket Nos. USTR-2025-0004 and USTR- 2025-0005

Dear Mr. Watson and USTR Officials,

On behalf of the Tijuana River Coalition, we submit these comments urging U.S. Trade Representative (USTR) to recognize the link between rapid economic growth in Mexico and severe and worsening pollution in the Tijuana River transboundary watershed (San Diego/Tijuana), and to take steps to remediate the harm it is causing to public health, environment, national security, and economic viability in the region in a revised U.S.-Mexico-Canada Agreement (USMCA). The Tijuana River Coalition convenes more than 50 nonprofit and community-based organizations representing coastal residents, workers, businesses, advocates, youth, and families, including military families, throughout San Diego County and Tijuana.

The recent *Memorandum of Understanding between the United Mexican States and the United States of America on Addressing the Sanitation and Environmental Crisis in the Tijuana–San Diego Region,* signed in July 2025, commits both countries to take steps for the "well-being of the San Diego and Tijuana communities, environmental protection, and regional resiliency"[1]. As trade and industrial activity surge along the U.S.–Mexico border, maquiladoras multiply, and

[1] United Mexican States & United States of America. (2025, July 24). *Memorandum of Understanding between the United Mexican States and the United States of America on Addressing the Sanitation and Environmental Crisis in the Tijuana–San Diego Region*. U.S. Environmental Protection Agency. https://www.epa.gov/system/files/documents/2025-07/proy-mde-semarnat-epa-23jul25-ing-rev2-us-rev-24jul25rev-clcsc.pdf

population growth in Tijuana continues to rise rapidly to meet those labor demands. Yet the externalities of this rapid growth remain severe: unchecked toxic discharges, including untreated sewage, industrial effluents, and stormwater-borne contaminants, into the Tijuana River due to aging and failing water infrastructure, loss of coastal access and coastal tourism economies, and an escalating cross-border public health crisis. Peer-reviewed studies and local monitoring programs have documented elevated levels of bacterial and chemical contaminants in the Tijuana River and adjacent coastal zones, contributing to increased gastrointestinal and respiratory illness among residents and military personnel. The southernmost beach in San Diego County has been closed nearly every day over the past three years[2] and local businesses have been forced to lay off staff and shut down due to regular beach closures throughout south San Diego County. Not only do these externalities pose an escalating threat to environmental and public health across the region, but they also undermine the very economic engine that drives binational prosperity. Additionally, these externalities threaten U.S. military readiness and national security by impeding critical Navy SEAL training operations and threatening the health and wellness of our nation's military personnel.

We acknowledge and appreciate the actions of the United States to secure $300 million in capital funding through the USMCA Implementation Act (Public Law 116-113, Sec. 812) in 2020 to address this crisis. However, while such capital investments in building infrastructure are needed, so too is funding for the ongoing operation and maintenance (O&M) of such infrastructure. Unfortunately, time and again, the O&M costs for the numerous pumps, pipelines, treatment plants, and other components needed to collect and treat transboundary wastewater have been ignored. This has led to the routine failure and/or destruction of multiple components throughout the complex binational wastewater system, underscoring the urgent need for dedicated O&M funding to ensure long-term sustainability, prevent future infrastructure failures, and safeguard the economic, human health, and environmental integrity of the region.

The 2026 USMCA Joint Review (Art. 34.7) provides a crucial opportunity to assess how the Agreement can strengthen competitiveness, environmental resilience, and economic security for the region and for the United States specifically. **We urgently call on the USTR to strengthen the USMCA by incorporating the following actions in its report to Congress and in the trilateral discussions to enhance the effective operation of the USMCA:**

> **1.** Establish a Dedicated Sustainable Financing Mechanism for O&M. The highest-impact measure would be to secure the long-term viability of critical binational treatment facilities and collectors.
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> - Proposed Action: The USTR should advocate for a Binational Infrastructure Sustainability Fund, created either through new U.S. legislative authorization or a bilateral agreement with Mexico, specifically aimed at financing O&M costs for

[2] County of San Diego Department of Environmental Health and Quality. (2025, November 3). *Beach and Bay Program — water quality alerts & reports* (hotline 619-338-2073). Retrieved November 3, 2025, from https://www.sdbeachinfo.com/

transboundary water assets, including those managed by the International Boundary and Water Commission (IBWC/CILA).

- Equitable Funding Principle: The Fund should be structured to ensure shared, equitable, and adequate contributions by both countries, on a proportional basis reflecting their respective fiscal capacities or GDP, to guarantee long-term sustainability and mutual responsibility.
- USMCA Linkage: The absence of reliable O&M mechanisms directly undermines the objectives of Chapter 24 (Environment)—notably Articles 24.2 (Objectives), 24.18 (Levels of Protection), and 24.25 (Environmental Cooperation)—and acts as a drag on Competitiveness (Chapter 26, Art. 26.1) by compromising infrastructure reliability in a key trade corridor.

2. Strengthen the Institutional Framework through the North American Development Bank (NADBank).

The NADBank is the USMCA's dedicated border environmental financing institution. Its role should be expanded to address the ongoing O&M challenge.

- Proposed Action: Recommend updating the NADBank's operational framework (and/or its Border Environment Infrastructure Fund – BEIF) to explicitly authorize financial assistance or specialized credit for the Operation and Maintenance of critical binational wastewater infrastructure. This update could align with NADBank's 2020 Charter amendments and reinforce its role as a long-term vehicle for sustainability.
- USMCA Linkage: Expanding NADBank's mandate beyond capital construction to include recurrent O&M financing would fully realize the economic, environmental, and competitiveness goals established under Chapters 24 and 26 of the USMCA.

3. Formalize the Role of the IBWC/CILA within the USMCA Institutional Architecture.

- Proposed Action: Consider establishing a specific Annex or Side Letter to the USMCA recognizing the International Boundary and Water Commission (IBWC/CILA), created under the 1944 Water Treaty between the United States and Mexico, as a key mechanism for binational infrastructure coordination. This Annex or Letter should require the IBWC/CILA to provide regular reports to the USMCA Parties (through the Competitiveness Committee and/or the Environmental Cooperation Council) on the condition, needs, and financing status of critical border water infrastructure, particularly in the Tijuana River basin.
- Impact: This would institutionalize the infrastructure challenge as a standing trilateral priority, ensuring visibility, accountability, and sustained policy attention.

4. Establish a Binational Governance, Transparency, and Public Participation Framework. Building upon the principles set out in USMCA Chapter 24 (Environment)—particularly Articles 24.7 (Public Submissions and Transparency) and 24.25 (Environmental

Cooperation)—as well as Chapter 28 (Good Regulatory Practices, Art. 28.9), both Parties should adopt a cooperative framework for transparency, accountability, and inclusive governance in managing cross-border water infrastructure.

- Proposed Action: Establish a Binational Water Infrastructure Governance Mechanism under the oversight of the USMCA Environmental Cooperation Council or in coordination with the IBWC/CILA. This mechanism would:
    - Provide periodic public reporting on funding, O&M performance, and environmental outcomes;
    - Conduct independent technical and financial evaluations to ensure effective use of funds and compliance with agreed standards;
    - Facilitate public participation channels for communities, local water authorities, and civil society organizations from both countries, especially those directly affected in the San Diego–Tijuana region;
    - Promote open data and shared monitoring systems, consistent with USMCA transparency principles and the objectives of the 1944 Water Treaty.
- USMCA Linkage: Such a governance framework would operationalize the Treaty's environmental and regulatory cooperation commitments, ensuring that sustainability, accountability, and binational participation become integral to the long-term management of shared water infrastructure.
- Impact: Embedding transparency and participatory governance will enhance enforcement credibility, foster public trust, and contribute to the broader goals of regional resilience and competitiveness envisioned by the USMCA.

5. Advance Innovative Solutions.

- When planning to construct new wastewater infrastructure, require Mexico and the United States to analyze the added benefits of wastewater recycling projects, beyond solely wastewater capture and treatment. States and communities on both sides of the arid U.S.-Mexico border lack adequate and secure water supplies and are increasingly reliant on water that must be imported across hundreds of miles over mountains, through fault lines, and most commonly from a dwindling source. Moreover, wastewater recycling offers multiple benefits such as reducing pollutant discharges into oceans and rivers, conserving scarce fresh-water resources, and providing a reliable supply for non-potable uses (e.g., irrigation, industrial applications), or potentially potable reuse.

- Require the countries to implement Extended Producer Responsibility (EPR) for associated trash and plastic pollution. There are many mechanisms through which this could be accomplished. With every rain event, hundreds of tons of trash flows into the United States. One trash boom captured 500 tons in just the wet season. The funds from EPR programs should be used, at least in part, to fund trash booms and related O&M costs.

- Direct a portion of Customs Processing Fees, Cross-Border Freight and Inspection Fees, or other quantifiable trade or the growth in trade, to fund capital planning, water or other environmental infrastructure development, and related O&M costs. Such funding could also be redirected toward a binational "environmental mitigation fund" that provides stable funding sources for projects like wastewater treatment and infrastructure.

- Environmental Fines and Penalties (USMCA Chapter 24 Enforcement): When a party fails to enforce environmental laws that affect trade or investment, penalties collected through USMCA could be directed toward the "environmental mitigation fund."

Investment in water and wastewater infrastructure is not merely an environmental or public health issue; it is a strategic economic and regional security imperative. The 2026 USMCA Joint Review provides an opportunity to transform the initial $300 million capital investment into a model for sustainable, resilient, and jointly managed cross-border infrastructure.

The recommendations presented here are feasible within the existing USMCA framework and U.S. implementing legislation. They align with the USMCA Implementation Act (Sec. 812) and support the Administration's broader objectives of enhancing North American competitiveness, promoting environmental cooperation, and fostering shared prosperity.

We strongly appeal to the U.S. Trade Representative to improve the next iteration of the USMCA by incorporating these recommendations.

Respectfully,

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