

Abstract

of paper proposed for the

Commission for Environmental Cooperation's
**North American Symposium on Understanding
the Linkages between Trade and Environment**

The Generation and Management of Transboundary Hazardous Waste Shipments between Canada, Mexico and the United States, 1990-2000

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The generation and management of hazardous wastes in the NAFTA-party countries has been a major concern for decades. The NAFTA itself treats hazardous wastes as a good which can be traded freely among the parties, while respecting individual party rules which prevent the importation of certain types of hazardous wastes due to health and safety concerns.

Transboundary shipments of hazardous wastes have increased between both Canada and the U.S. as well as between Mexico and the U.S. since the coming into force of the NAFTA in 1994. In some cases, such as imports of hazardous wastes into the Canadian province of Ontario from the United States, these increases have been dramatic. At the same time, through joint ventures and foreign direct investment, U.S. hazardous waste management companies have increased their presence in Mexico, while Canadian based firms have expanded their activities in the United States. Finally, because of rule changes contained within NAFTA, many companies previously registered as “maquiladoras” in Northern Mexico are nationalizing, which affects Mexican regulations which require maquiladoras to return the wastes generated in the production process to the country of origin of the goods, usually the U.S., since 1994. This potentially changes the flow pattern of hazardous wastes as well.

The proposed paper would apply the CEC's Final Analytic Framework for Assessing the Environment Effects of NAFTA to the issue of transboundary shipments of hazardous waste between the NAFTA countries and to the commercial hazardous waste management “sector” of the North American economy. In particular, the paper will look at industrialization of the U.S.-Mexico and U.S.-Canada border regions and examine how much hazardous waste is being generated and how it is being managed, including through transboundary shipments and investments in off-site commercial hazardous waste management facilities.

Secondly, building on previous work of the CEC and the authors, the paper will investigate the applicability of several of the hypothesis contained within the final analytic framework to the North American hazardous waste situation. These would include whether trade and investment liberalization is concentrating economic activity in areas where ecological stress is already acute; whether companies in the manufacturing or

hazardous waste management sectors are relocating to take advantage of less stringent hazardous waste regulations or enforcement; or whether increased manufacturing investment is contributing to better waste management practices through capital and technological modernization, such as the implementation of pollution prevention initiatives.

The paper will also examine to what extent, either through the CEC, or through the national governments, parties to NAFTA have established effective mechanisms to monitor and control the generation, transboundary movement and disposal of hazardous wastes in North America.