

Topics

- **Government rejects U.S. conditions for the Merida Initiative**
- **Legislators of all parties support government against U.S. Congress**
- **PRI says it will present its own energy reform at the end of July**
- **PRD pushes forward with call for referendum on oil**
- **Governors demand sharing of oil windfall; Hacienda**

Key Dates

- 5/13-7/22: Energy debate**
- 7/06: Nayarit state elections**
- 9/01: Presidential Informe**
- 9/28: Coahuila state elections**

Polls

Secretary of Government Juan Camilo Mouriño rejected as unacceptable the conditions added by the U.S. Congress to the draft legislation authorizing **the Merida Initiative**. In a high profile speech, Mouriño said, "The incorporation of measures or unilateral evaluations that seek to condition the utilization ... of the resources committed would be profoundly contrary to its objective and spirit and be counterproductive." He added, "We hope that the final decision of the legislative branch will move the bilateral cooperation to a new level and will mark the beginning of an exercise of co-responsibility for the benefit of both societies." PAN president German Martinez reinforced the message: "We will not accept conditions from abroad in order to combat an evil in Mexico." (Universal 6/2, PAN press conference 6/5, Proceso 6/4)

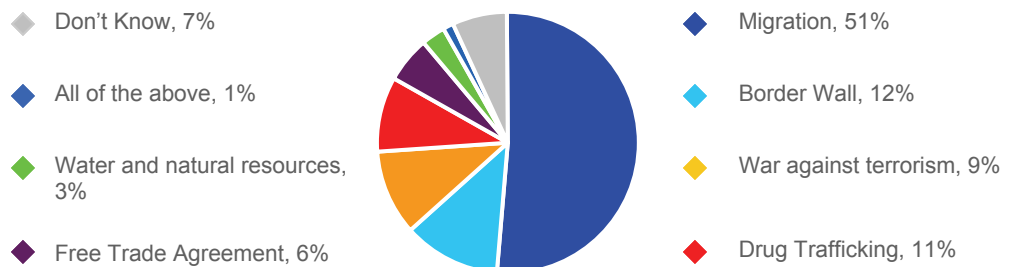
At the two-day **inter-parliamentary meeting** in Monterrey, Mexican congressmen of all parties exhorted their U.S. counterparts to drop the conditionality language. The Mexican participants in the conclave said they had received a commitment from their U.S. counterparts, led by Sen. Chris Dodd, to revisit the legislative drafts in light of Mexican objections. (Reforma 6/8)

The **PRI** will present its own **energy reform** initiative after the Senate debates conclude on July 22 said Emilio Gamboa, PRI leader in the Chamber. He said that the PRI's proposal will incorporate some of the ideas proposed by the PRD and PAN during the debates. "There will be modifications," Gamboa said. "The PRI will not approve the initiative of President Felipe Calderón." (Universal 6/5)

PRD interim President Guadalupe Acosta Naranjo formally asked the IFE to organize a **national referendum** on energy reform, backing the proposal originally made by Mexico City Mayor Marcelo Ebrard last week. Government Secretary Mouriño sent a letter to Ebrard saying that he lacked the legal basis to carry out such a referendum. Energy Secretary Georgina Kessel and Pemex CEO Jesús Reyes Heróles also criticized the PRD's call for a referendum as a delaying tactic. "As Mexicans, we have the capacity to make decisions, and these decisions were already taken back in 2006. Today, we have a representative democracy, and we should discuss our various positions through its institutions," Kessel said. (Reforma 6/5)

The government and the state governors continue to dispute **oil revenue sharing**. Despite the massive run-up in oil prices, the Ministry of Finance says there is no windfall oil revenue to share with the states, as required by law. The Ps. 33 billion price effect boost to Pemex's oil revenue in the first quarter was more than 100% offset by lower export volumes, soaring gasoline imports, and exchange rate effects according to Hacienda's calculations. The PRI governor of Chihuahua José Reyes Baeza, who is also the head of the finance commission of CONAGO, the governors' conference, said that Hacienda was misinterpreting the law, and the states were owed Ps. 19 billion. Meetings continued over the weekend between finance representatives of the states and the government. (www.schp.gob.mx 6/1, Milenio 6/9, Reforma 6/9)

What is the most important current issue in the relationship between Mexico and the U.S.?



A *Reforma* national survey (6/5) showed that Mexicans believe that migration is the most important issue, by a wide margin, followed by the border wall and drug trafficking.