

Main Topics

Delays likely in fiscal reform legislation

Calderón scales back expectations on size of fiscal package

Head of Federal Electoral Tribunal resigns, faces corruption investigation

Calderón eager to debate opposition during State of the Union address

Few details available on 'Plan Mexico' package

Fiscal reform legislation appears to have fallen off the fast track. Carlos Navarrete, PRD leader in the Senate, said his party would refuse to attend a special session of congress. Manlio Fabio Beltrones, the PRI president of the Senate, said, "The only way to go into a special session is if we all go; if not, we will have to wait until the next ordinary session." PAN Senators, who are meeting in Puerto Vallarta, appeared to acknowledge that **time had run out for calling a special session in August**. The government originally planned to have the fiscal reform approved before September 8, the deadline for delivering the 2008 budget. (Reforma 8/7, Universal 8/11)

President Calderón separately told PAN Senators that proposed **changes in the fiscal reform package** would **reduce** the amount of **new revenues**. Instead of an increase of Ps. 300 million per year in treasury revenues, the reform would now generate only about Ps. 100 million as a result of proposals to reduce PEMEX taxes, transfer additional resources to the states, and allow additional deductions against the new CETU corporate tax. One senator quoted the President as saying that even at the reduced revenue figure—about 1% of GDP—the fiscal reform would still be a 'win-win' for everyone. (Reforma 8/12)

Flavio Galván, the **president of the Federal Electoral Tribunal**, or TEPJF, **resigned** as head of the tribunal, on the grounds of health, although he will remain a magistrate. The TEPJF immediately elected María del Carmen Alanís as the new president and confirmed that a formal **investigation** began in July of "**possible acts of corruption**" in the purchase of a building in Mexico City. Galván has also been publicly criticized for decisions that seemed to favor the PRD. (Reforma 8/9, Universal 8/9-13)

Key Dates

08/16-19/07: PRD national congress

08/20-21/ 07: Quebec summit

09/02/07: Presidential Informe

09/02/07: Aguascalientes and Oaxaca state congress elections

11/11/07: Michoacán gubernatorial election

03/08: PAN and PRD elect new party presidents

President **Calderón** insisted that he will enter the Congress through the front door to deliver his first *Informe* on September 1st. In addition, Calderón said he hoped that the format could be changed to allow for a **debate with the opposition**. "I have been a congressman. I am not only willing, but I also want to debate and to have a dialogue with legislators," said the President. The PRD said there wasn't enough time to negotiate a change in the format. (Reforma 8/7-9, Proceso 8/6)

Mexican sources added few details regarding the likely '**Plan Mexico**' agreement between the U.S. and Mexico that was broadly covered in the U.S. press. Attorney General Eduardo Medina Mora said in an interview, "Fundamentally, this is **assistance in the form of equipment**.... What are the concrete components? That is what is on the table." According to security analyst Ana María Salazar, "It is difficult to believe that the Mexican government will accept a package with a high percentage of military aid, and even more difficult that there would be any training in Mexican territory by American army officers." (Washington Post 8/8, Reforma 8/9, Universal 8/10)

Opinion Polls

A Mitofsky poll of likely voters in the November Michoacán gubernatorial election—the last governor's race of the year—gives the PRD with a slight lead over the PAN, but within the margin of error. PRD candidate Leonel Godoy Rangel hopes to keep the state in the PRD column, while PANista Salvador López Orduña will try to capitalize on the fact that Michoacán is Calderón's home state. (www.consulta.com)

If elections were held today, for which party would you vote?

