

Foreword

“If an idea’s worth having once, it’s worth having twice.”

—Tom Stoppard

Ideas need time and space to develop and mature. The first discussions about harnessing the forces of the market to address environmental quality culminated in a report from Harvard University in 1988. Called “Project 88” by its principal authors, Professor Robert Stavins and Senators John Heinz (R-Pennsylvania) and Tim Wirth (D-Colorado), the report contained a number of innovative ideas. Trading of pollution reduction credits was one of the more promising concepts that flourished. It proposed that relatively affordable technologies and strategies to reduce pollution by one source could be credited to that polluter, who might then choose to sell that credit to another source unable to reduce its emissions for the same investment, thus providing a cleaner environment and improved public environmental health conditions at a reduced cost. Cynics first criticized the concept as a permit to pollute. Since then, though, policy specialists throughout academia, in Washington, D.C., in state capitols, and at individual agencies have come to understand and appreciate the overall value and specific benefits of emissions trading, as it is now called.

When the idea of emission reduction credit trading was introduced to the U.S.-Mexican border region, people doubted its wisdom, challenged the U.S. origins of the concept, and criticized the mechanics of such trades. But a consortium of universities from both sides of the border—the Southwest Consortium for Environmental Research and Policy (SCERP)—persisted, and through a series of workshops explained the economic, environmental, and health benefits of trades. Today, progress has been significant:

- A number of potential sellers and buyers have been informed and are discussing options

Improving Transboundary Air Quality with Binational Emission Reduction Credit Trading

- Several community activists and stakeholders acknowledge the value to their local conditions
- Advocates such as Environmental Defense and Resources for the Future are developing actual trading rules and structures
- A trade has been accomplished

It is SCERP's role to plant these seeds and allow them to grow in the transboundary context. As academics who can move freely across political, geographic, disciplinary, and societal boundaries, SCERP is able to incubate ideas, address negative perceptions, and provide the long-term funding to facilitate discussions.

To say merely that borders have been marginalized is to trivialize the environmental, infrastructure, and health issues found at the frontiers of many nations. Because countries focus efforts to maximize return on their investments and because of all the external influences in border regions, these areas tend to be ignored, suffer unplanned development, have economies that remain unmodernized, and make do with inadequate infrastructure.

The U.S.-Mexican border is no exception to marginalization, but it is unusual in that it joins a highly developed nation with a nation in the process of modernization and development. It also has accelerating assembly manufacturing and trade, and has been bolstered in the post-September 11 security setting. Legal and illegal immigration, smuggling, and corruption exist, as does transboundary pollution. Criteria air pollutants, contaminated surface water and groundwater, and hazardous materials and waste find their way across the border.

Because of the economic asymmetry across the border, tapping the financial resources of private industry has the potential for immense return. That is, what may be difficult, expensive, arduous, and time-consuming to accomplish on one side may be done more beneficially on the other. This works both ways with pollution. In the past, industries worldwide seeking affordable land and labor, a shorter environmental permitting process, and freedom from ambient air pollution ceilings may have investigated and sought to locate industrial sites in Mexico.

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But the trend for the future offers economic savings, environmental quality benefits, and human health improvements. Trades of emission reduction credits, as this volume demonstrates, allow industries an opportunity to conduct business more cost effectively while emitting less overall pollution in perpetuity, thus benefiting citizens by reducing health risks associated with hazardous air pollutants.

While such international trades exist in several places around the world, none existed in the U.S.-Mexican border region when SCERP began its work early in 2000. Modeled after trades of acid rain precursors between Michigan and Ottawa, SCERP began a number of inquiries into the feasibility and practical concerns of dealing with an exchange. SCERP was in the position to facilitate such discussions after a decade of performing binational air quality research and outreach along the 10-state U.S.-Mexican border, and because of its well-established role as an organization of academic researchers.

Because of SCERP's work, one pollution reduction credit trade exists today and several others are possible. While they are not perfect, they do hold the promise of permanently cleaning the environment and clearing the air that people breathe.

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