



Written by [Luis Miguel](#) on July 21, 2022

U.S. Rips Mexico for Energy Policies, Opening Possibility of Sanctions

Is the U.S. willing to play hardball with Mexico?

The American government is pushing back against Mexican policies that it claims favor Mexico's own state-run energy firms to the detriment of American companies doing business in the Latin American country.

U.S. officials are pressing for discussions to resolve the differences, initiating a process that could potentially culminate in trade sanctions on Mexico.

Per the [Associated Press](#), U.S. Trade Representative Katherine Tai released a statement in which she contended that "U.S. companies continue to face unfair treatment in Mexico."



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"We have repeatedly expressed serious concerns about a series of changes in Mexico's energy policies and their consistency with Mexico's commitments," Tai said.

Mexico affirmed that it received a simultaneous request for talks with similar complaints from Canada, with Mexico's Energy Department stating that the Canadian request "has certain elements in common" with America's and that Mexico "will seek to maintain a coordinated process with both trading partners."

One of the sources of tension is a Mexican policy change from last year that the U.S. argues gives Mexico's state-owned Federal Electricity Commission a competitive edge over both private companies and firms specializing in solar and wind.

Another regulation the United States protests is one from 2019 that affords state oil company Petroleos Mexicanos additional time when needed to fulfill environmental standards involving the amount of sulfur allowed in diesel fuel — time not given to American companies.

Moreover, the U.S. claims Mexico deliberately delayed applications from private companies for permits to work in energy and unjustifiably revoked permits that had already been given.

"Mexico's policies have largely cut off U.S. and other investment in the country's clean energy infrastructure, including significant steps to roll back reforms Mexico previously made to meet its climate goals under the Paris Agreement," read a statement from Tai's office.

AP notes that the U.S. may pursue dispute resolution processes under the United States-Mexico-Canada Agreement (USMCA):

If the two countries cannot reach an agreement after 75 days of talks, the U.S. can request intervention by a dispute resolution panel under the US-Mexico-Canada Agreement or



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USMCA, that could result in sanctions against Mexico if the United States prevails....

“The government of Mexico expresses its willingness to reach a mutually satisfactory solution during the consultation phase,” the Economy Ministry said in a statement.

That ministry, which will lead the negotiations, pointed out that this is the fourth time this mechanism has been used since the free-trade agreement went into effect two years ago. It was first employed by the U.S. against Canada over milk quotas, then by Canada against the U.S. over tariffs on Canadian solar panels. Mexico and Canada used it to challenge the U.S. interpretation of a provision about where auto parts have to originate to qualify for duty-free status under the deal.

While the notion of having a mechanism in place to resolve foreign practices that put American firms at a disadvantage may sound appealing, the fact that the USMCA has already been used against the United States demonstrates the danger this international agreement poses to American sovereignty.

The New American expounded prolifically on the [problems with the USMCA](#) both prior to and after its passage, arguing that, in many ways, it is worse for U.S. sovereignty and trade than its predecessor, NAFTA — which President Trump had rightly vocally opposed for years.

For one, the USMCA promotes the United Nations’ concept of “sustainable development,” which is the cornerstone of the UN’s Agenda 21/Agenda 2030 program to address “climate change” while creating a totalitarian global government with power over every aspect of human life.

In this respect, the USMCA is more extreme than NAFTA. While the original 1994 NAFTA did not even contain a chapter on the environment, the USMCA has a 30-page environment chapter (Chapter 24) that mentions “sustainable development” nine times.

In these 30 pages, the USMCA calls for control over land and bodies of water in the three member countries.

Moreover, the USMCA lays the groundwork for a unified energy infrastructure for all of North America, in which every energy supplier and provider in the United States, Mexico, and Canada would eventually be regulated or governed by a common set of policies, rules, and regulations.

While such integration may sound nice for the sake of ideals like efficiency and inclusion, the end result is the ceding of control over our own nation to globalist powers who want to erase everything that makes America great.



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