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## ENERGY NEWS IN BRIEF

### Congressional committee to investigate nuclear power plant in Mexico

Facing strong opposition from the Mexican Congress, President Vicente Fox Quesada withdrew the nominations of four corporate executives to the governing board of the state-run oil company PEMEX and replaced them with four government officials. While this was a setback for Fox, the president won a battle to implement daylight-saving time nationwide when Mexico City Mayor Andres Manuel Lopez Obrador dropped his opposition to the time change. In the meantime, Fox must deal with a new congressional commission, formed to investigate allegations of continued safety and environmental violations at the Laguna Verde nuclear power plant in Veracruz state.

#### **Fox withdraws nomination of corporate leaders to PEMEX board**

President Fox, responding to the wishes of Congress, has withdrawn the nomination of four corporate leaders for the PEMEX governing board and replaced them with four government officials.

Fox attracted strong opposition in Congress when he submitted the names of Carlos Slim Helu of Telmex, Lorenzo Zambrano of Cemex, Alfonso Romo of Grupo Pulsar, and Regelio Rebolledo of Pepsico to the board in February of this year.

Leading the opposition were the center-left Partido de la Revolucion Democratica (PRD) and the long-governing Partido Revolucionario Institucional (PRI). The two parties, along with the Partido del Trabajo (PT) and the Partido Verde Ecologista Mexicano (PVEM), said the move violated the clauses of the Mexican Constitution that prohibit individuals from the private sector from directing the state-run oil company (see [SourceMex, 2001-02-21](#)).

The opposition from the four parties was later reaffirmed by the Comision Permanente, a joint committee of members of the Chamber of Deputies and Senate (see [SourceMex, 2001-03-28](#)).

To replace the four corporate leaders on the 11-member board of governors, Fox named Economy Secretary Luis Ernesto Derbez, Communications and Transportation Secretary Pedro Cerisola, Jose Luis Romero Hicks, director of the government's export-import bank (Banco Nacional de Comercio Exterior, Bancomext), and Santiago Levy, director of the Instituto Mexicano del Seguro Social (IMSS).

#### **The four new appointees will join Energy Secretary**

Ernesto Martens, Finance Secretary Francisco Gil Diaz, and five representatives from the Sindicato de Trabajadores Petroleros de la Republica Mexicana (STPRM) on the PEMEX board.

Even without the four corporate executives, energy- industry analysts said the governing board will need to make structural changes to the company to make its operations more like a

private company. Consultant Adalberto Gonzalez of Grupo de Economistas Asociados (GEA) said an important first step would be to make the company's operations more transparent and accountable.

The Fox administration, meanwhile, is expected to name the four corporate leaders to a new advisory board, which will be allowed input into PEMEX policy discussions but ultimately will not have a vote. PEMEX director Raul Munoz Leos said the new advisory board will be named by the middle of May.

The creation of the advisory board, which would also include engineering and technical experts, was recommended by the Comision Permanente as an alternative to having the corporate leaders on the PEMEX governing board.

Still, some influential members of the business community said they would have liked the four to serve on the governing board. "I think the state-run oil company could have used the expertise of these business leaders," said Claudio F.X. Gonzalez, director of the Consejo Coordinador Empresarial (CCE).

But Rogelio Lopez Velarde, a legal expert on energy policy, said Fox made the proper decision in removing the four from the governing board. "From a legal standpoint, it was risky for a PEMEX council to make important decisions that could later have to be revoked because of questions regarding the composition of the board," Lopez Velarde said in an interview with the daily newspaper Reforma.

### **Mexico City mayor agrees to implement daylight-saving time**

After fighting the directive for weeks, Mexico City Mayor Andres Manuel Lopez Obrador, a member of the opposition PRD, agreed to accept daylight-saving time this year. Lopez Obrador had threatened to ignore the federal directive, saying the president had no right to impose the time change on Mexican citizens (see SourceMex, 2001-01-24, 2001-03-07).

But President Fox's administration took the case to the highest court (Suprema Corte de Justicia de la Nacion, SCJN), which issued a provisional ruling at the end of April saying that Mexico City was required to comply with the federal directive. The SCJN ruling was a setback for Lopez Obrador, who had fully expected the high court to support his position.

The SCJN was scheduled to issue a final ruling at the end of May, but this decision would come too late to make any changes this year.

Therefore, on May 5, the day before the time change was to go into effect in Mexico, Lopez Obrador announced his decision to comply with the SCJN directive. But the Mexico City mayor also took the opportunity to criticize the high court.

"We want to act responsibly and comply with a legal framework, even when those who are interpreting the laws are not doing so in an adequate and correct manner," said Lopez Obrador.

The strong opposition to daylight-saving time from the PRD and the PRI led Fox to limit the time change to five months, compared with seven months in the US and other countries.

But the issue is expected to resurface next year, with the PRI, PRD, and PT pushing for legislation to place future decisions on daylight-saving time in the hands of the Congress. In contrast, the PAN has drafted its own legislation to strengthen the executive's control over the issue. The PAN is supported by the PVEM on this issue.

The Secretaria de Energia (SENER), meanwhile, continues to promote daylight-saving time as energy-saving, fiscally responsible, and environmentally friendly. A report released by SENER in early May said the federal government saved 27.7 billion pesos (US\$3 billion) during the five years the policy has been in effect.

Additionally, said SENER, daylight-saving time has allowed Mexico during the past five years to conserve about 5.3 billion kilowatt-hours and prevent the release of thousands of contaminants produced by power plants.

Alfredo Elias Ayub, director of the Comision Federal de Electricidad (CFE), said the Fox administration might push to extend daylight-saving time to seven months next year to help the government cope with the surge in demand for electricity during April. But even if daylight-saving time remains at five months, the time change would cover the peak demand period. "It is essential to have daylight-saving time in effect during June through August, which are the critical months for energy usage," said Elias Ayub.

### **Congressional committee to investigate nuclear power plant**

The Chamber of Deputies in late April voted to form a special commission to investigate practices at the Laguna Verde nuclear power plant, near the town of Alto Lucero in Veracruz state. The commission received unanimous support from all seven parties represented in the lower house.

PVEM leader Deputy Diego Cobo Terrazas said his party led the effort to create the commission after casting doubt on the transparency of the results of an audit of the plant conducted by German company TUEV Anlagentechnik BMBH.

The government commissioned the independent audit, following allegations of extreme safety violations at the facility (see [SourceMex, 2000-06-28](#)). The German company presented the results of the study to CFE director Elias Ayub and federal Deputy Maria del Rosario Tapia in mid-February. The results of the audit have yet to be made public.

But Cobo Terrazas said the German company failed to conduct the audit in a transparent manner and failed to consider input from environmental organizations. "This audit lacks credibility," said the PVEM legislator.

The PVEM said the new Laguna Verde commission, which would include legislators from all parties in the lower house, would review the plant's operations, especially those dealing with safety. Members would also have the power to look into the administration of the plant, particularly in light of recent allegations of corruption at the Laguna Verde facility.

Cobo cited a report compiled by the environmental organization Greenpeace Mexico, which accused authorities at Laguna Verde of engaging in such dangerous practices as open-

air burning of radioactive waste and dumping contaminated water in the Gulf of Mexico. Furthermore, said Cobo, Laguna Verde is operating with faulty equipment and lacks an adequate plan to deal with an emergency.

Several international organizations have already condemned the poor safety practices at Laguna Verde. The latest criticism came from the Union of Concerned Scientists (UCS), which said the Laguna Verde facility lacks adequate personnel and financial resources to ensure its safe operation. The UCS produced its report after reviewing data compiled by the World Association of Nuclear Operators (WANO), which conducted its own inspection of Laguna Verde last year. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on May 9, reported at 9.20 pesos per US\$1.00]

(Sources: La Cronica de Hoy, 02/15/01; CNI en Linea, 03/04/01; Bloomberg News Service, 05/02/01; Associated Press, 05/02/01, 05/06/01; Notimex, Proceso, 05/06/01; El Financiero, 04/24/01, 05/07/01; Novedades, Reuters, Milenio, 05/07/01; Reforma, 04/30/01, 05/03/01, 05/04/01, 05/07/01, 05/08/01; Excelsior, 05/02/01, 05/07/01, 05/08/01; Los Angeles Times, El Universal, 05/08/01; El Economista, 04/27/01, 05/03/01, 05/08/01, 05/09/01; La Jornada, 05/08/09, 05/09/01)