

GAO Highlights

Highlights of [GAO-18-575](#), a report to the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

According to a U.S. government study, increased U.S. energy trade with Canada and Mexico—two of the United States' top energy trade partners—is viewed as a major contributor to U.S. economic prosperity and energy security. In recent years, North American energy production has experienced changes. For example, the United States has become the world's top oil producer, Canada has substantially increased its oil outputs, and Mexico has implemented energy reforms. To address energy production and trade issues, the public sector and private sector stakeholders have advocated for further integration of the three North American countries' energy sectors.

GAO was asked to review the role of U.S. agencies in supporting energy integration in North America. This report examines (1) ways in which the U.S., Canadian, and Mexican governments cooperate on North American energy integration; (2) U.S. agencies' activities to facilitate North American energy integration; (3) U.S. agencies' efforts to coordinate among themselves on North American energy integration; (4) ways in which U.S. agencies receive feedback from U.S. industry and civil society regarding North American energy integration; and (5) steps that U.S., Canadian, and Mexican officials suggested to further facilitate North American energy integration. GAO reviewed bilateral and trilateral cooperation activities and mechanisms; surveyed U.S. agencies involved in energy integration; and interviewed U.S., Canadian, and Mexican energy officials.

GAO is not making any recommendations in this report.

View [GAO-18-575](#). For more information, contact Kimberly Gianopoulos at (202) 512-8612 or gianopoulos@gao.gov.

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NORTH AMERICAN ENERGY INTEGRATION

Information about Cooperation with Canada and Mexico and among U.S. Agencies

What GAO Found

Cooperation. The United States cooperates with Canada and Mexico on integrating North American energy markets and infrastructure (energy integration). Cooperation occurs at the presidential and ministerial levels (e.g., the countries' secretaries or ministers of energy) for strategic issues and at the agency level for technical issues. However, progress on some strategic issues has been limited. For example, development of a North American energy strategy, which the U.S. Department of Energy (DOE) proposed in March 2017, was suspended later that year because of disagreement about its scope. Discussions of the strategy resumed in 2018, according to DOE officials.

Agency activities. Eight U.S. agencies have engaged in multiple efforts to facilitate North American energy integration. DOE generally serves as the lead agency on energy integration issues, while the Department of State—the lead agency on foreign policy—also leads some bilateral and trilateral efforts. Other agencies play roles in areas such as regulatory compliance or efforts to open energy markets. Agency officials GAO surveyed and interviewed identified 81 energy integration–related activities conducted in 2014 through 2017, including international agreements and other instruments, research and development, technical forums and assistance, regulatory cooperation, and trade promotion.

Interagency coordination. U.S. agency officials reported coordinating on energy integration through high-level U.S. interagency meetings, summits, and other means. For example, agencies participating in a National Security Council–led working group share information, provide advice, and coordinate on activities. Agency officials also reported using mechanisms such as stakeholder forums and staff discussions to coordinate on energy integration issues.

Stakeholder feedback. U.S. agencies receive feedback on energy integration issues from the private sector and civil society through formal mechanisms such as comments in the Federal Register and public–private advisory entities. For example, the U.S.–Mexico Energy Business Council is designed to capture private sector feedback. Informal feedback comes through activities such as emails, phone calls, and letters.

Steps suggested by U.S., Canadian, and Mexican officials. Officials in the three countries expressed general satisfaction with intergovernmental cooperation on energy integration and said cooperative activities had helped foster integration. They also suggested further work in areas such as aligning energy regulations.

Steps Suggested by U.S., Canadian, and Mexican Officials to Further North American Energy Integration

Align energy-related regulations. Align regulations, codes, and standards in all three countries to the extent possible.

Streamline the U.S. Presidential permitting process. Establish a more consistent process for obtaining Presidential permits for transborder energy infrastructure projects.

Facilitate cross-border movement of equipment and workers. Implement processes to facilitate movement of personnel and equipment across borders.

Involve states and provinces in energy integration efforts. Increase states' and provinces' involvement in efforts to advance North American energy integration.

Source: GAO analysis of information provided by U.S., Canadian, and Mexican officials. | GAO-18-575