



UNITED STATES-MEXICO CHAMBER OF COMMERCE
CÁMARA DE COMERCIO MÉXICO-ESTADOS UNIDOS



USMCOC REPORT
2006 MEXICO'S PRESIDENTIAL ELECTION
OBSERVER MISSION
JUNE 30 - JULY 03, 2006



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UNITED STATES-MEXICO CHAMBER OF COMMERCE
MEXICO'S PRESIDENTIAL ELECTION OBSERVERS MISSION

I.- Introduction and Historical Perspective

The United States-Mexico Chamber of Commerce (USMCOC) organized a mission to observe Mexico's Presidential Elections on June 30-July 3, 2006. Mexico's Federal Election Institute (IFE) certified the USMCOC as an International Observer Organization. Mexican citizens voted for new President whose term will last six years from December 1, 2006 to December 1, 2012.

In addition to the Presidential Election, Mexican citizens also voted for federal members of Senate and Congress. Four States: Jalisco, Guanajuato, Morelos and the Federal District (Mexico City) held local elections for various positions including Governor.

The USMCOC has been fortunate to bring international observers to Mexico's Presidential Elections since 1994. The Chamber has had the opportunity to be on the forefront of Presidential transitions for Carlos Salinas de Gortari to Ernesto Zedillo (1994-2000) and Ernesto Zedillo to Vicente Fox (2000-2006).

Since 1994 Chamber Observers have witnessed a change in Mexico's voter behavior. As you will see from the graphs below, the trend continues towards a fully functional three party system. Clearly, Mexico has fully embraced a functional democracy.

II.- June 30, 2006 – IFE Certification

On Friday, June 30th, 2006 the USMCOC's team of observers was cordially invited by Mr. Rafael Riva Palacio, Deputy Director on International Processes of Mexico's Federal Electoral Institute to the international visitors' headquarters, located south of Mexico City. Mr. Riva Palacio greeted the delegation and provided everyone with their official credentials as well as printed materials detailing important information about the federal elections in Mexico and local elections in Mexico City.

Later that afternoon, the delegation visited the national offices of the Mexican Employer's Association "COPARMEX". COPARMEX Director General, Mr. Gabriel Funes, provided the group with an informative briefing on various topics relating to the elections. Mr. Funes covered those issues as the organization of the elections by the IFE, election results timetable slated to be released the day of the elections, as well as various election results including winning scenarios for the three main Presidential contenders. Ms. Yesica González, International Affairs Director and Dr. Alberto Equihua, Director of Communications and Strategic Analysis of COPARMEX, provided us with a detailed description of our role as international observers during the elections.

III.- July 1, 2006 – Briefing By Political Parties

On Saturday, July 1, 2006, our delegation was welcomed by representatives from the PAN, PRD and PRI at their respective headquarters. USMCOC was the only international business organization invited to attend a private meeting with each of Mexico's three major political parties the day prior to the elections. Officials from each party provided the group with a detailed explanation of their candidate's vision for Mexico, their agenda for the nation's future, as well as an explanation as to why their candidate will win the election.

PRD Headquarters

The first meeting was held at the Democratic Revolutionary Party (PRD) headquarters. Mr. Saul Escobar Toledo, PRD's International Relations Secretary, who gave a detailed presentation on campaign strategies, as well as providing an overview of the issues impacting Mexico's 2006 Presidential campaign. First, expenditures for mass media was not controlled by IFE, nor the independent parties. Under current legislation all campaign funds are provided through public funding. Parties spend millions of pesos in TV ads funded by the general tax payer. Second, the campaign process was too long, almost two years, resulting in an excessive financial burden placed on every Mexican citizen. Third, Mr. Escobar Toledo asserted that many social programs throughout the country are being used to pressure people to vote a particular party line. Finally, Mr. Escobar provided us with Candidate Andrés Manuel López Obrador's key platform points and vision for his Presidency:

- Build stronger ties and establish a more complete integration between the U.S., Canada and Mexico;
- Increase domestic and international investment in order to improve and generate jobs in Mexico which will decrease the amount of illegal immigration to the United States;
- Encourage NAFTA to become a more integrated trade and development cooperation agreement;
- Push for a revision in the agricultural provisions within NAFTA;
- Welcome direct private investments for Mexico's energy sector with a focus on direct investment for energy technology research and development;
- Continue investments in the tourism industry by strengthening the cultural and environmental aspects of the country and its history;
- Increase financial support for low-income populations by decreasing gas and electric prices; and
- Candidate Lopez Obrador will consider education reform ensuring that every student will meet a minimum requirement of scholastic hours per day. Such a reform will impact teacher wages and will need to be discussed by the teachers union.

PAN Headquarters

At noon, USMCOC observers arrived at the headquarters of the National Action Party (PAN), and were welcomed by Ms. Xochitl Pimienta Franco, PAN Director of National relations and Mr. Gerardo Priego Tapia, PAN National Secretary for Social Integration. Mr. Priego expounded on the outreach efforts employed by PAN candidate, Felipe Calderón Hinojosa, during his last month of campaigning. He met with various political groups and politicians, including the 17 PRI state governors and union leaders.

Continuing his discussion on the other political candidates, Mr. Priego expressed that this election would only be a race of two parties, PAN and PRD, giving that the latest polls before the election showed PRI candidate Roberto Madrazo was significantly behind in the race. He also pointed out that, according to some pollsters, 35% of the people believed that Lopez Obrador would not accept his defeat if he lost the election. Subsequently, Mr. Priego stressed the need for all political parties to accept and recognize the people's choice as the winning candidate for the sake of the nation's civil and economic stability.

Mr. Priego called to questioned PRD's practices in obtaining votes; he alluded to such practices as bribery and using "cacique" tactics at "Casas del Sol" (PRD's local campaigning offices) by rewarding voters who present a picture of themselves voting for the PRD candidate.

In his discussion on the differences between Presidential candidates Lopez Obrador and Felipe Calderón's vision for the country, Mr. Priego presented two main issues: Poverty and border security. In response to the issue of poverty, candidate Calderón contends that the issue should be resolved through direct private investments and increased social programs. Candidate Lopez Obrador would resolve the issue through increased federal funding.

As for the issue of border security, Mr. Priego stated that candidate Calderón recognizes the severity of the problem at hand and is willing to work directly with the President of the United States in providing an effective and efficient solution to the problems. He continued with the assertion that candidate Lopez Obrador does not recognize a problem in border security.

To conclude, Mr. Priego talked about Felipe Calderon's key objectives for the Presidency including the importance of forming a cohesive and integrated cabinet with members from other political parties. He advocates a strong communication between all members of Congress to facilitate an open dialogue and streamline the passage of key reforms, such as the partial privatization of Mexico's Energy Sector..

PRI Headquarters

In the afternoon, USMCOC observers visited the headquarters of the Revolutionary Institutional Party (PRI) and were welcomed by Ambassador Roberta Lajous, PRI International Affairs Coordinator. Amb. Lajous provided us with a stimulating discourse reiterating that this Presidential election was indeed a three party race. Completely contrary to what was being stated by the polls and the other political parties.

In discussing the reasons why candidate Roberto Madrazo would win the election, Amb. Lajous stated two distinct reasons: First, Madrazo's political platform stressing law and order as a result of the increasing crime rate throughout Mexico. Second, the increasing numbers in the polls for the PRI during the last two weeks of the campaign. She stated that voters were becoming more disenchanted with the increase in negative campaigning by the leading parties. Those disconnected by negative campaigning were perceived by the PRI as potential voters for Roberto Madrazo.

Amb. Lajous pointed out that the PRI is the only political party with extensive national presence. Unlike the other political parties, the PRI has established offices in every state and in nearly every municipality. She reaffirmed her conviction in Madrazo's win by stating that they were already guaranteed 10 million votes, "voto duro", and needed only 15 million votes to lock the election since PAN and PRD have only 6 and 4 million members respectively. According to Amb. Lajous, with 17 State Governors (Mexico has 31 States and 1 Federal District), the PRI's gubernatorial strength has the power to drive votes in the federal election.

As a result of the political scandal "PEMEXgate", IFE penalized the party by drastically reducing their campaign funds. According to Amb. Lajous, the cut in funding restricted the PRI's ability to buy media spots. PRI Campaign leaders opted to use a bulk of their funding to deploy volunteers throughout the neighborhoods in an effort to garner support through house to house campaigning.

Dinner with Ambassador Alfredo Philips Olmedo

The day culminated with a wonderful dinner hosted by Ambassador Alfredo Philips and his wife Maureen at their residence in Mexico City. The delegation was fortunate to receive first hand information on the election, the political parties and the state of Mexican political affairs directly from the Ambassador and other official guests, namely Lic. Francisco Suárez Dávila, PRI Federal Congressman.

Amb. Alfredo Philips Olmedo is President of PSG GlobalMexico Estratégica Consultores, S.C., as well as Founder of the Latin American Exports Bank Council. Alfredo Phillips has enjoyed a long and distinguished career in the Mexican government. Throughout his career, he has served on a number of corporate boards and committees and co-authored several books on banking and foreign trade. He has also acted as Vice

President of the U.S.-Mexico Chamber of Commerce. Amb. Phillips most recently served as Congressman for the PRI where he held the position of President of the Foreign Relations Committee at the Mexican Chamber of Deputies.

Other positions he has held include: Chief Executive Officer for the North American Development Bank; Director General of the Institute of the National Fund for Housing for Workers in Mexico City; General Director of income tax in the Ministry of Finance; Deputy Chief in the Department of Banks, Money and Investment; Chief of the Department of Economic and Fiscal Planning; Loan Officer with the IADB; Executive Director of the IMF; Manager and Deputy Director of the Bank of Mexico; Director General of the National Bank of Foreign Trade of Mexico and Vice President of the Mexican Bankers' Association.

Mr. Phillips was asked to serve as Ambassador to Canada from 1989 to 1991, and Ambassador to Japan from 1991 to 1992.

IV.- July 2, 2006 - Election Day

On Sunday, Election Day, USMCOC Observers were divided into two groups. Early in the morning Group 1 departed to the State of Puebla while Group 2 stayed in Mexico City and the State of Mexico.

Prior to arriving at the polls, Group 1 Observers were welcomed at COPARMEX-Puebla and were briefed by its President, Mr. Luis Mora Velasco and the Secretary of his Board of Directors, Mr. Fernando Treviño. They discussed current issues pertaining to the elections in Puebla and recommended polling sites to be visited throughout the region. Also, President Zapanta participated in a Press Briefing.

Group 1 visited two distinct polling sites with 10 area polling "casillas", one in a middle class section and the other in a low income area on the outskirts of the city. Meanwhile, Group 2 made the effort to visit four polling sites: two in the northern side of Mexico City, one in the south and the other in the State of Mexico.

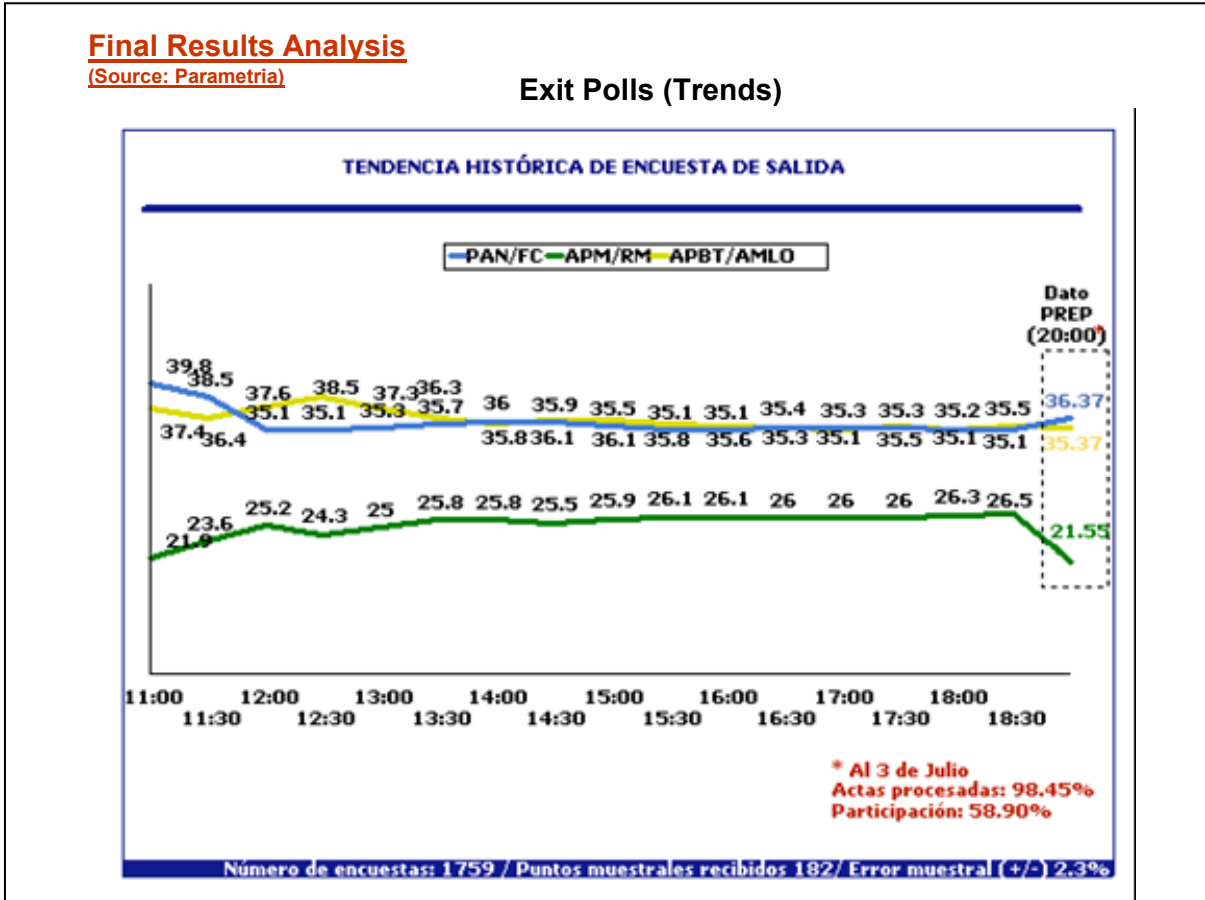
The two groups reunited in Tepoztlán, State of Morelos, where they visited two more polling sites before continuing their journey to Cuernavaca and visited one polling site. In the afternoon both groups returned to Mexico City's Coyoacán District to observe the closing of the polls at 6:00 p.m., as well as the separating and counting of the ballots.

Preliminary Election Results

In the 2006 presidential election the PAN, the PRI and the PRD believed each one had a chance to win. The National Action Party (PAN) was eager to continue holding on to the Presidency, the Institutional Revolutionary Party (PRI) wanted to regain the office it lost in the 2000 election for the first time in 71 years, and the Party of the Democratic Revolution (PRD) believed its political platform to be unbeatable.

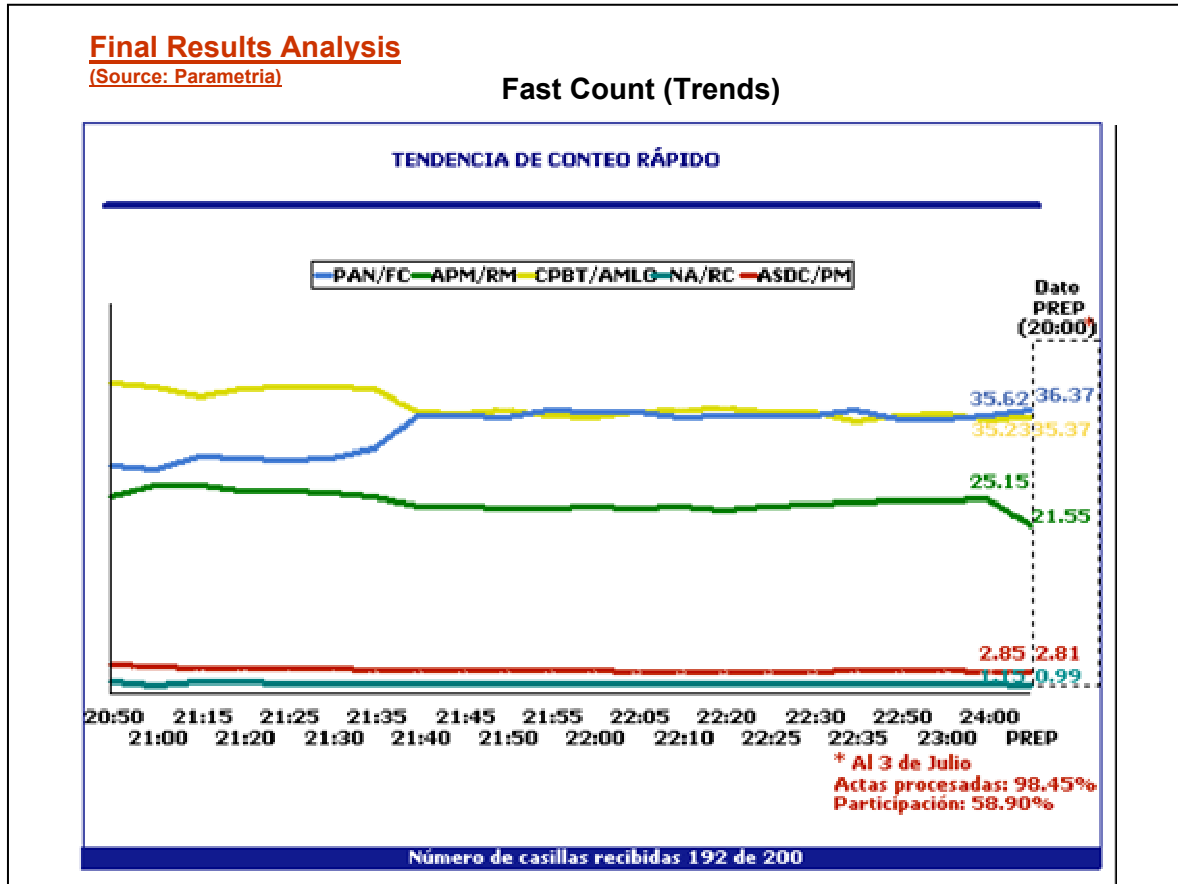
The IFE received the preliminary results of the district vote count and announced the complete results as soon as the total and final counting was over. The race for Mexico's Presidency was so close that neither the exit polls nor the fast counts were able to deliver a winner to IFE the day of the elections.

A.



Exit polls revealed a virtually indistinguishable margin between Calderón and López Obrador. Graph A depicts a sample of 200 electoral districts nationwide and 6,000 individual surveys.

B.



As you can see from graph B, the fast count ratified the narrow contest: Calderón received 35.62%, López Obrador obtained 35.23% and Madrazo captured 25.15% of the vote

V.- July 3, 2006 – Election Results

Based on the data, a geographical split existed; the northern states favored the PAN (blue states) most heavily, while the southern states strongly supported the PRD (yellow states).



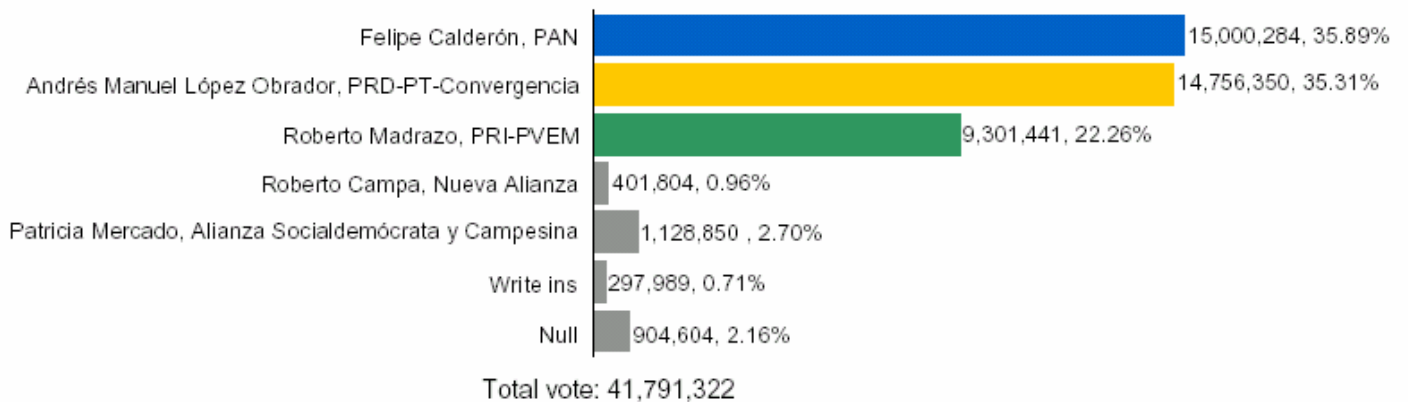
Andrés Manuel López Obrador obtained 40% of the vote in the southern region of Mexico and only 25 % from northern states. Calderón Hinojosa captured 44% of the vote from the north, 28% from central States and only 5% from southern States. Finally, Roberto Madrazo received equal support from the north and the center of the country with 29% of the vote, and he was able to hold on to 22% of the vote from southern States.

On the level of participation, the northern region of Mexico delivered the highest number of the total votes with 42%, followed by the central states who contributed 36 %, and finally the south supplied 22% of the vote.

The official count, conducted manually, began on Wednesday, July 5 and finished Thursday, July 6. IFE announced the final vote count in the 2006 presidential election, resulting in a narrow margin of 0.58 percentage points of victory for Felipe Calderón (PAN). See chart I below (Source: Zemi Communications):

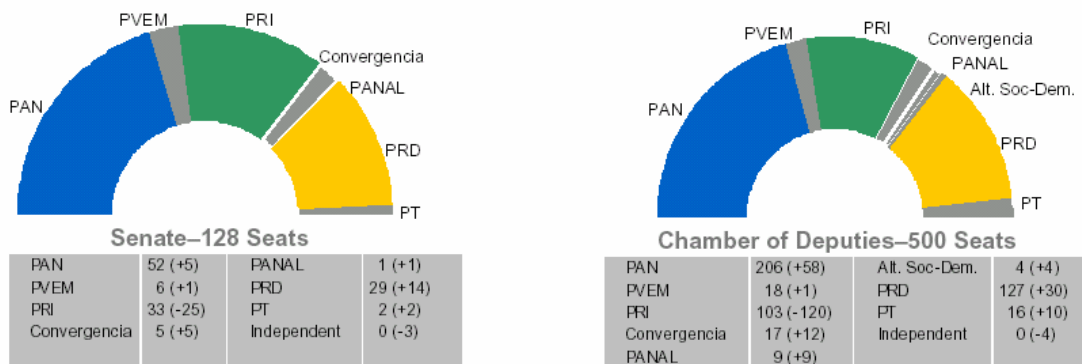
Presidential Election

Chart I



New Congress

Chart II



Tables show seat allocation in new Congress and gain or loss compared to end 2005.

As we can see from the above charts I and II, voters in the 2006 elections tended to cast their votes according to party line. Unlike the 2000 election when voters divided their

ballots between parties. In 2000, those who voted PAN for the presidency most likely voted for PRI or PRD candidates in the Congress and the Senate.

Chart III

Gubernatorial Races

Mexico City	Party	Vote %
Marcelo Ebrard	PRD	47.1%
Demetrio Sodi	PAN	27.3%
Beatriz Paredes	FRI	21.9%
Guanajuato		
Juan Manuel Oliva	PAN	59.0%
Ricardo Garcia	PRD	10.5%
Miguel Angel Chico	FRI	22.6%
Jalisco		
Emilio Gonzalez	PAN	45.1%
Enrique Barra	PRD	7.8%
Arturo Zamora	FRI	41.4%
Morelos		
Marco A. Adame	PAN	35.1%
Fernando Martinez	PRD	31.3%
Maricela Sanchez	FRI	26.6%

Incumbent parties won all gubernatorial elections; no change in control of state governments.

Governorships



Even with IFE’s final results, under Mexican electoral law, only the Federal Electoral Tribunal (TRIFE) can officially declare who will serve as Mexico's next president. The election outcome is still disputed. López Obrador (PRD), with his party, allege irregularities in over 30% of the country's polling stations, and has said that he will appeal the results of the election..

VI.- Observations & Summary

The Observers noted that events at the polling sites were typical of the election-day process. However, the observer’s highlighted the following:

- The outstanding coordination efforts by IFE were duly noted
- The electoral process at the polls was smooth, efficient, effective and transparent
- IFE successfully trained over 900,000 volunteers nationwide
- Over 60 % of the population voted in the election
- Some polling stations experienced long waiting lines due to the excessive voter turnout
- Each party provided a minimum of two people to oversee the process at each polling station
- Party affiliates at each polling station elected to stay at the polling stations and witness vote counts and certifications

Overall, USMCOC Observers did not perceive any major irregularities throughout the voting process. The group patiently waited for election results but was met by a mandate

by IFE who determined that the Presidential Election was too close to be called. IFE decided to hold off on announcing a winner until the district count was completed.

On Wednesday, July 5, 2006, the Federal Electoral Tribunal (TRIFE) unanimously declared Felipe Calderón Hinojosa president-elect of Mexico.

The USMCOC and Chamber Observers were grateful to IFE for this opportunity and congratulate them and the people of Mexico on this election.

APPENDIX

Appendix A List of Participants

Appendix B The 2006 Mexican Elections: Frequently Asked Questions

Appendix C USMCOC Mexico Presidential Elections Overview

Appendix A

List of Participants



UNITED STATES-MEXICO CHAMBER OF COMMERCE CÁMARA DE COMERCIO MÉXICO-ESTADOS UNIDOS

MEXICO'S PRESIDENTIAL ELECTION OBSERVERS MISSION

List of Participants

Board of Directors

- 1) Albert Zapanta, President & CEO, U.S.-Mexico Chamber of Commerce - Washington, D.C.
- 2) Letvia Arza-Goderich, Executive Vice President, Greenberg Traurig; and President USMCOC-Pacific Chapter - Los Angeles, CA
- 3) Leslie Jutzi, Director of Governmental Affairs, The Allen Group - Dallas, TX
- 4) Louis Escareño, Commercial Director, Duty Free Americas - San Antonio, TX
- 5) Mario Hernandez, Public Affairs Director, Western Union - Denver, CO,
- 6) Max Navarro, Chairman, Operational Technologies Corporation – San Antonio, TX
- 7) Eugenia Sanginés, General Director, URS Dames & Moore; and President USMCOC Mexico City Chapter – México, D.F.
- 8) Amb. Alfredo Phillips Olmedo, President, PSG GlobalMexico Estratégica Consultores – México, D.F.

Japanese Delegation – USMCOC-Pacific Business & Industry Council (PBIC)

- 1) Dr. Clifford Ito, Chairman-Japan, PBIC – Los Angeles, CA and Tokio Japan
- 2) Kiyofumi Isoda, Director for International Relations, PBIC – Tokio, Japan
- 3) John Lee, President, Inova, Inc. – Los Angeles, CA
- 4) Hiroyuki Miyauchi, Assistant Director, PBIC – Tokio, Japan
- 5) Kozo Sushita, President & CEO, Bionics Co. Ltd. – Osaka, Japan

USMCOC Guests & Staff

- 1) Juan Manuel Carreon, Director General, Union Pacific de México - México, D.F.
- 2) Rafael Gonzalez, Associate Director for Neighborhood & Community Services, Office of Los Angeles Mayor Antonio Villaraigosa – Los Angeles, CA
- 3) Roxana Nuñez, Directora de Relaciones Públicas-México, Loreto Bay Company – México, D.F.
- 4) Gabriel Sandoval, Deputy counsel to the Mayor, Office of Los Angeles Mayor Antonio Villaraigosa – Los Angeles, CA
- 5) Gerardo Funes, Director USMCOC Binational Office - Washington, D.C.,
- 6) Alberto García Jurado, President, Cultural Effectiveness Center; and President, USMCOC-Golfo Chapter – Veracruz, Ver.
- 7) José García Torres, Vice President, USMCOC-Mexico City Chapter, México, D.F.

Appendix B

The 2006 Mexican Elections: Frequently Asked Questions

THE 2006 MEXICAN ELECTIONS: FREQUENTLY ASKED QUESTIONS



WHAT IS AT STAKE IN THE 2006 ELECTION?

- On Sunday, July 2, 2006, almost 42 million Mexicans voted, more than 58% of registered voters, to elect a new President for the 2006-2012 term. The Mexican Constitution does not allow presidential re-election.
- Mexicans also elected new members of Congress: *500 members of the Chamber of Deputies* (300 by the first-past-the-post system and 200 by proportional representation) to serve three-year terms. *128 Senators* (64 seats by first-past-the-post, 32 seats given to the second minority and 32 seats by proportional representation from national party lists) to serve six-year terms.

WHO IS IN CHARGE OF ORGANIZING THE ELECTIONS IN MEXICO?

- The Federal Electoral Institute (IFE), an independent agency, is in charge of organizing federal elections in Mexico.
- Local electoral bodies, independent of the IFE, carry out state and municipal-level elections.
- The IFE is now one of the most respected electoral bodies in the world, providing assistance to other countries on technical aspects of the organization of elections like electoral document production, voter identification systems and electoral rolls.
- The IFE has aided Iraq, Haiti, Panama, Ecuador, Colombia, Algeria, Morocco, Zambia and Guatemala.

HOW DOES THE IFE ENSURE FAIR AND CLEAN ELECTIONS?

- Political parties and campaigns are mostly publicly funded, and ballots and vote-counting procedures are well established and respected.
- *Citizens are directly involved in the organization and oversight of elections:*
Citizens collect and count the votes. Following electoral law, the IFE randomly selected and trained 913,885 citizens to act as electoral officials and operate 130,555 polling stations on Election Day, July 2nd.
Citizens are in charge of the election. 1,992 non-partisan citizens continue to oversee the electoral process as electoral councils; 300 district-level electoral councils serve as decision-making, oversight bodies.
Citizens can act as electoral observers during the preparation of the elections and on Election Day. The IFE has written agreements with local civic organizations to promote Mexican citizen participation. To promote fair elections the United Nations supports local non-governmental organizations' (NGO) work as electoral observers.
- Election day, there were almost 25,000 electoral observers from Mexico and 693 foreign electoral observers stationed throughout the country.
- Political parties oversee every aspect of the elections, with permanent representatives before the IFE's General Council and before every electoral council.
- Political parties appointed representatives to each polling station on Election Day - Partido Accion Nacional registered 126,244 (103,208 were present on Election Day); Alianza por Mexico registered 127,627 (115,366 were present on Election Day); Coalicion por el Bien de Todos registered 125,153 (102,641 were present on Election Day); Nueva Alianza registered 112,075 (65,785 were present on Election Day) and

Alternativa Socialdemocrata y Campesina registered 7,486 (4,101 were present on Election Day).

HOW ARE ELECTIONS CARRIED OUT IN MEXICO?

- Elections are carried out by a permanent body of civil servants within the IFE, known as the Electoral Professional Service, ensuring transparency and accountability in every area of electoral organization.
- The IFE maintains and updates a permanent Electoral Roll, which complies with high standards of quality, coverage and accuracy.
- 71,351,585 citizens are registered to vote with a valid voter ID-card.
- 95.4% of all citizens eligible to vote are registered.
- 91.9% have a voter ID-card.
- The Mexican voter ID-card is regarded as one of the safest, most reliable voter identification systems in the world, featuring a photo to ensure accuracy.
- Electoral ballots are produced with state-of-the-art anti-counterfeit measures.
- The IFE produced 221 million ballots for the election of President, Federal Deputies and Senators.
- The IFE also produced more than 300,000 transparent ballot boxes.
- The IFE applies a special ink mark to every voter's thumb ensuring no one can vote twice. The special ink, made in Mexico, is exported to other countries.

WHAT STEPS HAS THE IFE TAKEN TO ENHANCE THE TRANSPARENCY AND FAIRNESS OF THE ELECTION?

- A complex legal framework levels the playing field by prohibiting any kind of financial or material support to parties and candidates from government officials. The IFE enacted special rules ensuring public servants stay neutral during the campaigns, requesting the



President, Governors and municipal presidents stop media promotion 40 days before Election Day.

- **Media monitoring.** The IFE estimates advertising accounts for 60 to 70% of campaign expenditures,

and keeps track of almost every radio and TV ad ensuring no party spends beyond the legal limits.

- **Newscast monitoring.** The IFE tracks major TV and radio, national and local newscasts to determine whether news coverage meets “objectivity criteria.” The IFE has no regulatory power regarding content, but it can inform the public about the treatment each candidate and party receives. Results indicate parties and candidates receive balanced news coverage by national TV and radio news.

COULD MEXICANS LIVING ABROAD VOTE?

- Yes. 54,780 voters living abroad applied to participate, 40,876 fulfilled all legal criteria to vote via mail.
- The IFE has mailed to the registered applicants an envelope containing a special ballot, with instructions on how to cast their vote and send it back to Mexico.
- To ensure voter confidentiality, the return envelope contains the voter’s ID card number (as a bar code) instead of name. Envelopes with marked ballots were accepted by the IFE in Mexico until July 1st.
- At 6:00 pm on Election Day, the envelopes were opened and votes counted in special polling stations.

WHAT WAS THE PROCESS ELECTION DAY?

- Almost 1 million citizens officiated more than 130,000 polling stations and counted votes before political party representatives and citizen electoral observers.
- After the polls closed at 6:00 p.m. local time, citizen officials counted the votes in each polling station.
- Results were electronically sent to a central computer

running the Preliminary vote count, with the public observing via Internet from anywhere in the world.

- The IFE executed a Fast Counting program, based on a sample of more than 7,600 polling stations.
- As soon as votes were counted in these stations, IFE’s personnel sent the results to the IFE’s headquarters.
- The IFE had planned to announce results based on a statistical sampling by 11:00 p.m. on Election Day, but the race was so close that the IFE felt it would be better to wait until all results were in before announcing a new President.
- The IFE guarantees that every single vote was accurately and transparently counted.

VOTE COUNT OF THE JULY 2 PRESIDENTIAL RACE

- July 6, the IFE announced the official results of the *district vote count*, the results of federal elections in each of the nation’s 300 electoral districts.
- Each polling location in the 300 electoral district turns in a sealed bundle of ballots and two vote count certificates, reporting the results from individual polling stations, that have been approved and signed by all present citizen election officials and party-appointed monitors.
- To certify the *district vote count*, the District Council examines the two individual vote count certificates. The District Council can open sealed bundles of individual ballots if (1) there is a discrepancy in the vote count certificates, (2) the vote count certificates appear altered, or (3) one of the two copies of the vote count certificate does not match.
- The IFE announces the sum of the votes of the 300 District Councils as the final result for each election (President, Senators and Federal Deputies).
- Representatives of the political parties on the District Council witness the vote count and have the right to request the opening of specific sealed bundles of ballots. If that should happen, the citizens election

officials on the District Council decide, by majority vote, if it is appropriate to open the sealed ballots.

- The IFE received the preliminary results of the district vote count and announced the complete results as soon as the total and final counting was over.
- The IFE’s official results of the *district vote count*:

Candidates	Votes	Percentage
Felipe Calderón Hinojosa	15,000,284	35.89%
Andrés Manuel López Obrador	14,756,350	35.31%
Roberto Madrazo Pintado	9,301,441	22.26%
Patricia Mecado Castro	1,128,850	2.70%
Roberto Campa Cifrián	401,804	0.96%

- After these preliminary results are released, the documentation and counting record of each District Council is sent to the Federal Electoral Tribunal (TEPJF), whose Supreme Body is responsible for the final counting of Presidential election ballots.
- Political parties and coalitions have the legal right to present complaints before the TEPJF.
- Right now, several complaints have in fact been presented to the TEPJF.
- Once the complaints are resolved, which the law states will occur on or before a deadline ending September 6, 2006, the Supreme Body of the TEPJF may issue a document validating the election, and a second document validating the new President, with respect to the candidate securing the most votes.
- The process of the Presidential election is still in progress.

The information about Mexico’s electoral process in this document is based on official IFE documents. For more information, visit www.ife.org.mx

Appendix C

USMCOC Mexico Presidential Elections Overview



UNITED STATES-MEXICO CHAMBER OF COMMERCE

CÁMARA DE COMERCIO MÉXICO-ESTADOS UNIDOS

USMCOC Mexico's Presidential Elections Overview

The July 2, 2000, elections marked the first time since the 1910-17 Mexican Revolution that the opposition defeated the party in government. Vicente Fox won the election with 43% of the vote, followed by PRI candidate Francisco Labastida with 36%, and Cuauhtémoc Cárdenas of the Party of the Democratic Revolution (PRD) with 17%.

Despite some isolated incidents of irregularities and problems, there was no evidence of systematic attempts to manipulate the elections or their results, and critics concluded that the irregularities that occurred did not alter the outcome of the presidential vote. Civic organizations fielded more than 80,000 trained electoral observers, foreigners were invited to witness the process, and numerous independent "quick count" operations and exit polls validated the official vote tabulation.

Numerous electoral reforms implemented since 1989 aided in the opening of the Mexican political system, and opposition parties have made historic gains in elections at all levels. Many of the current electoral concerns have shifted from outright fraud to campaign fairness issues. During 1995-96 the political parties negotiated constitutional amendments to address these issues. Implementing legislation included major points of consensus that had been worked out with the opposition parties. The thrust of the new laws has public financing predominate over private contributions to political parties, tightens procedures for auditing the political parties, and strengthens the authority and independence of electoral institutions. The court system also was given greatly expanded authority to hear civil rights cases on electoral matters brought by individuals or groups. In short, the extensive reform efforts have "leveled the playing field" for the parties.

Even before the new electoral law was passed, opposition parties had obtained an increasing voice in Mexico's political system. A substantial number of candidates from opposition parties had won election to the Chamber of Deputies and Senate. As a result of the 2000 elections, the Congress is more diverse than ever.¹ In the Chamber, 209 seats belong to the PRI, 207 to the PAN, 52 to the PRD, 16 for the Green Party, and the remaining 16 are split among four smaller parties and two independents.

In the 128-seat Senate, the upper house of Congress, the PRI still holds the most seats at 60, but the PAN holds 46, the PRD 15, the Greens 5, and two smaller parties each have one seat. Senators serve 6 years in office and Deputies 3 years; neither can be elected to consecutive terms.

Although the PRI no longer controls the Presidency, it remains a significant force in Mexican politics. In general, in state congressional and mayoral contests since July 2000,

¹ http://en.wikipedia.org/wiki/Politics_of_Mexico



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the PRI has fared better than the PAN. In the 2003 midterm elections, the PRI was practically wiped off the map in the Federal District – only one borough mayor (jefe delegacional) out of 16, and no first-past-the-post members of the city assembly – but it was able to recoup some significant losses in the provinces (most notably, the governorship of PAN-stronghold Nuevo León). It also remains the largest single party in both chambers of Congress.

The 2003 midterm elections also signaled a defeat for Fox and the PAN. Fox had pledged to bring Democracy and led the way towards prosperity, but the polls showed a lack of support. The PAN lost control of the Chamber of Deputies; perhaps more significantly, the fact that 59% percent of the electorate chose not to bother to cast their votes in the mid-terms indicates a growing disenchantment with what some believe is business-as-usual in Mexican politics.

Presidential candidates are gearing up for the 2006 election. The reform programs the candidates will need to address include recognition of human and labor rights, adequate support of public education, and improving public health and social security.

Failed Reforms

Fox has failed to keep promises with workers, labor unions and indigenous groups. The "20 commitments" he had endorsed during his campaign have fallen by the wayside. The program of labor reform instead supported the old Congress of Labor and Confederation of Mexican Workers, which many believe are corrupt. Another campaign promise was to fight for immigration reforms with the United States, but no progress has been made. The promise to deliver prosperity has also fallen short with Mexico's heavy integration with the United States, which has been suffering from a recession and an alleged jobless recovery. Businesses seeking still lower wages have begun to export jobs from Mexico to Vietnam and China, further adding to workers frustration and hardships. Even Fox's attempts to pass laws aimed at improving the lives of the indigenous population have failed. What laws were passed failed to gain support from the Zapatistas and other indigenous groups.

A major obstacle to reform is the pervasiveness of corruption throughout Mexico's government, society, and economy. Some analysts estimate that the illegal economic sector may make up about 25% of Mexico's GDP. Efforts to combat crime have been met by huge protests demanding that the government provide decent-paying legitimate jobs first. In 2004, some legitimate businesses (that is, the ones that had not fled) began to form self-help associations like the Alliance for a Legal Mexico.



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2006 Mexico's Presidential Election

Eight political parties will participate in the 2006 presidential election; five of them have joined forces in two different electoral coalitions.

Competition is expected to be fierce, with the National Action Party (PAN) eager to hold on to the presidency for a second period, the Institutional Revolutionary Party equally keen to regain the office it lost in the 2000 election for the first time in 71 years (now in coalition with the Ecologist Green Party of Mexico), and the Party of the Democratic Revolution (PRD) believing itself with a good chance to win after disappointments in the two previous elections (now in coalition with Convergence and the Labor Party).



A general election is scheduled to be held in Mexico on Sunday, 2 July 2006. Voters will go to the polls to elect, on the federal level:

- A new President of the Republic, to serve a six-year term, replacing current incumbent President Vicente Fox (in Mexico the President cannot be re-elected).
- 500 deputies (300 by the first-past-the-post system and 200 by proportional representation) to serve for a three-year term in the Chamber of Deputies.
- 128 senators (two per state by first-past-the-post, 1 seat given to the second minority per state and 32 by proportional representation from national party lists) to serve six-year terms in the Senate.

Several local ballots will also be held on the same day, most particularly the election of:

- A new Head of Government and new Legislative Assembly of the Federal District.
- Governor in 5 different States: Guanajuato, Jalisco, Morelos, Chiapas (August 2006) and Tabasco (October 2006).
- Municipal elections in several States and a renewal of State Congress.



Presidential Candidates



	Name:	Felipe Calderón Hinojosa	
	Party:	National Action Party	
	Motto:	<i>"Para que Vivamos Mejor"</i> <i>(So we can live Better)</i>	







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	Name:	Andrés Manuel López Obrador	
	Party:	Alliance for the Welfare of All (PRD, PT, Convergence)	
	Motto:	<i>“Por el bien de todos, primero los pobres”</i> <i>(For the well-being of all, poor people first)</i>	

	Name:	Roberto Madrazo	
	Party:	Alliance for Mexico (PRI, PVEM)	
	Motto:	<i>“Mover a México para que las cosas se hagan”</i> <i>(Moving Mexico so that things get done)</i>	

	Name:	Patricia Mercado Castro	
	Party:	Social Democratic and Farmer Alternative	
	Motto:	<i>“Palabra de mujer”</i> <i>(Word of woman)</i>	

	Name:	Roberto Campa Cifrián	
	Party:	New Alliance	
	Motto:		

Polls

Polls show López Obrador and Calderón neck and neck. The last three polls conducted before the polling blackout that begins eight days before the election all showed López Obrador's and Calderón's shares of the vote well within the margins of error; statistically, the two are in a dead heat. It is worth noting that the Reforma and Universal newspapers, considered by many to be Mexico City's most influential, both gave López Obrador a two point edge over Calderón.

The candidates of small parties have also gained ground at the expense of Roberto Madrazo and López Obrador. The latest poll from El Universal shows Patricia Mercado



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of Social Democratic and Farmer Alternative has gained enough support for her party to retain its registry. In the latest Zogby poll, Madrazo, however, trails the leader Calderón by only 8 points and is only 4 points behind Obrador.

Averaging the last ten polls conducted before the polling blackout (between June 20 and 23) López Obrador edges out Calderón by a razor-thin half percentage point with 35.1%. Calderón has 34.6% and Madrazo comes in a distant third with 26%.

<i>Date</i>	<i>Publisher</i>	<i>López Obrador</i>	<i>Calderón</i>	<i>Madrazo</i>
June 5, 2006	BGC, Beltrán y Asociados	35%	35%	26%
June 6, 2006	Parametría	35.5%	34.4%	27%
June 6, 2006	El Universal	36%	36%	24%
June 11, 2006	GEA-ISA	35%	39%	23%
June 12, 2006	El Universal	34%	37%	22%
June 13, 2006	Milenio	34.2%	31%	29.6%
June 13, 2006	Consulta Mitofsky	35%	32%	28%
June 14, 2006	Reforma	37%	35%	23%
June 19, 2006	Zogby	31%	35%	27%
June 20, 2006	Parametría	36.5%	32.5%	27%
June 21, 2006	Indermerc	33%	32%	28%
June 21, 2006	Marketing Político	34%	37%	26%
June 22, 2006	Milenio	35.4%	30.5%	29.6%
June 22, 2006	GEA-ISA	36%	41%	21%
June 22, 2006	Alducin y Asociados	34%	38%	24%
June 22, 2006	Consulta Mitofsky	36%	33%	27%
June 23, 2006	Reforma	36%	34%	25%
June 23, 2006	El Universal	36%	34%	26%
June 23, 2006	Ulises Beltran y Asociados	34%	34%	26%

** Polls conducted by Arcop (published on Milenio and showed the first lead of Calderón over López Obrador) and Covarrubias (published on La Jornada, and the one that showed the highest lead of López Obrador) are internal polls, and generally not as reliable as the others.*

Presidential debates

A first presidential debate was held on April 25, 2006 with the presence of all candidates with the notable exception of López Obrador. López Obrador had refused to participate in all debates, and said he would only participate in one since long before the first debate



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was scheduled. The rest of the candidates agreed on leaving an empty chair to symbolize that the fifth candidate was indeed invited.

The silla vacía (spanish for "empty chair") became the topic of political commentary shows and the press. Excelsior called the empty chair a "double-edged sword" coinciding with other publications and TV shows that leaving the empty chair could be construed as an insult to the audience and an attack to López Obrador. However, by the date of the debates, the statistical tendency in many polls had confirmed Calderón at the second spot and López Obrador still with a single digit advantage over him.

After the first debate some political commentators, media outlets, and polls indicated that Calderón was seen as the winner of the debate, Mercado as the pleasant surprise of the night; and a nervous Madrazo as the worst performer of the night. However, political analysts also said that the debate was unnecessarily full of promises and personal attacks. Analysts considered that López Obrador was negatively affected by his absence and polls later confirmed Calderón having replaced López Obrador as the leading candidate.

A second debate took place on June 6 of the same year, from 20:30 to 22:30, Central Time, with the confirmed presence of all candidates, including López Obrador. Media outlets have given results to telephone polls applied post-debate showing a mixed tendency. Most, like Reforma and Presente, give Felipe Calderón the lead, but a few, like Diario Monitor, give it to Andres Manuel López Obrador.

However, the rise of López Obrador in voter preference polls since the debate seems to indicate that it was the PRD candidate who won it. One of the main causes for this victory may have been the Hildebrando accusation that Andres Manuel Lopez Obrador made during the debate.

Before the debate, Carlos Ahumada's wife threatened to release tapes involving allies of Mr. Lopez Obrador in suspected corruption positions, but the release was cancelled due to an attempted murder which is till under investigation.

Parties Profiles

Institutional Revolutionary Party



The Institutional Revolutionary Party (Spanish: Partido Revolucionario Institucional or PRI) is a Mexican political party that wielded hegemonic power in the country—under a succession of names—for more than 70 years.



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It was the result of an idea of Plutarco Elías Calles to stop the violent struggle for power between the victorious factions of the Mexican Revolution, and guarantee the peaceful if not democratic transmission of power for members of the party. Opponents, academics, and historians claim with ample evidence that elections were just a ritual to simulate the appearance of a democracy.

They also claim that electoral fraud, even with voter suppression and violence was one of the resources the party used when the political machine did not work. However, nowadays opposing parties make the same claim against each other (PRD against Fox's PAN and PAN vs. López Obrador's PRD, for example).

In 1990 Peruvian-born Spanish writer Mario Vargas Llosa called the government under the PRI la dictadura perfecta ("The perfect dictatorship"). In the year 2000, the PRI lost the presidency of Mexico for the first time.

The PRI, in spite of its today being an authoritarian neo-liberal party, is a member of the organisation claiming to be the Socialist International in spite of its tolerance for neo-liberalism, social conservatism, and pro-imperialism among its member parties, as is the PRD, making Mexico one of few nations with two major, competing parties part of the same general international grouping.²

National Action Party



The National Action Party (Spanish: Partido Acción Nacional), known by the acronym PAN, is a conservative and Christian Democratic party and one of the three main political parties in Mexico. The party is led by Manuel Espino Barrientos since 2005.

Mexican Roman Catholics, together with other conservatives (mainly Manuel Gomez Morín), founded the PAN in 1939 after the cristero insurgency lost the Cristero War. They were looking for a peaceful way to bring about change in the country and to achieve political representation, after the years of chaos and violence that followed the Mexican Revolution. The turning point in the Cristero War was when the Catholic Church reached an agreement with the National Revolutionary Party – the forerunner of the Institutional Revolutionary Party (PRI) that dominated power for most of the 20th century – whereunder it turned a blind eye to the lack of democracy in the country and stopped supporting the Catholic rebels, threatening its members with excommunication if they disobeyed the government.

² http://en.wikipedia.org/wiki/Category:Institutional_Revolutionary_Party



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The PAN spent its first years since its foundation in 1939 in opposition, as all presidents since the end of the Mexican Revolution were from the PRI or its variously named predecessors. Despite an absence during the 1976 elections due to internal rivalries, the party saw its support grow during the 1980s and 1990s, leading to the first non-PRI governor in 1989 in Baja California.³

Party of the Democratic Revolution



The Party of the Democratic Revolution (in Spanish: Partido de la Revolución Democrática, PRD) is one of the three main political parties in Mexico.

The former mayor of Mexico City, Andrés Manuel López Obrador, is the presidential candidate for the "Alianza por el Bien de Todos" (Alliance for the Welfare of All) in the 2006 Presidential Elections and is considered the front-runner.

Founded in Mexico City on May 5, 1989 by Cuauhtémoc Cárdenas Solórzano, Heberto Castillo, Gilberto Rincón Gallardo, Porfirio Muñoz Ledo, other prominent PRI members and left-wing politicians. The party was originally founded by including many smaller left-wing parties such as the Partido Comunista Mexicano (PCM, Communist Party of Mexico), Partido Socialista Unificado de México (PSUM, Unified Socialist Party of Mexico), and Partido Mexicano Socialista (PMS, Mexican Socialist Party). The PMS donated its registration with the Federal Electoral Commission (CFE) to enable the new party to be established.

It was proclaimed to be the party of the 6 de julio (July 6), referring to the date of the 1988 presidential election where it is alleged that Cárdenas, the candidate of a coalition of center-left parties called Frente Democrático Nacional (Democratic National Front) won the election but was denied victory by fraudulent means. Victory was instead handed to PRI candidate, Carlos Salinas de Gortari.

Electoral Presence

The party has a strong electoral presence in central and southern Mexico. It has won gubernatorial races in several states including Baja California Sur, Chiapas, Guerrero, Michoacán and Zacatecas. It has also maintained control over the Federal District (Mexico City) ever since the city's voters were first allowed to elect local authorities in

³ http://en.wikipedia.org/wiki/National_Action_Party_%28Mexico%29



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1997. In the 2003 local elections, 13 of the Federal District's 16 boroughs (delegaciones) were won by PRD candidates.

In the 2000 presidential election the Alianza por México (the "Alliance for Mexico", comprising the PRD and four smaller parties) candidate Cuauhtémoc Cárdenas Solórzano won 16.6% of the popular vote and 15 seats in the Senate. Three years later in the 2003 legislative elections the party won 17.6% of the popular vote and 95 seats in the Chamber of Deputies.

Video Scandals

The party had enjoyed a reputation of honesty unmatched by its competitors until the "Video Escándalos" (Video Scandals), a series of videos where notable party members were taped receiving cash funds or betting large sums of money in a Las Vegas casino. Party members who were seen on the video tapes were expelled from the party, but those who were supposedly associated are still active members.⁴

Statistics & Factoids

- June 28 – election campaign officially ends
- Presidential Election Frontrunners – Andres Manuel Lopez-Obrador (PRD), Felipe Calderon (PAN), Roberto Madrazo (PRI)
- Expatriate voters – 40,876 Mexicans registered to vote outside Mexico; 35,700 in the U.S.
- Divided Congress – will remain divided among three major parties – PRI, PAN, PRD -- with no party expected to capture a majority of seats
- Population – 105 million, second largest in Latin America
- Economy – World's 11th largest
- Economic growth – Since 2000, under Vicente Fox, economy has grown at an average annual rate of around 2%
- Economic growth – In Q1 2006, economy grew at an annualized rate of 5.5%
- Economic Stability - 2000-2006 is the longest stretch without an economic crisis since the 1960's
- Macro-Economic Health – Debt levels lower than most OECD countries; debt-rating is investment-grade; annual inflation is less than 3.5%, matching that of the U.S.; interest rates in single digits; banking system is strong and full capitalized (Source: InfoAmericas)
- Foreign Direct Investment -- \$17.8 billion in 2005, highest in Latin America, down from \$18.2 billion in 2004

⁴ http://en.wikipedia.org/wiki/Party_of_the_Democratic_Revolution



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- Mexico-US Trade – Two-way trade was up 8% in 2005 to \$290 billion, with a \$50 billion surplus for Mexico. Trade has grown from less than \$90 billion in 1993, before NAFTA went into effect. This year, Mexico is expected to slip behind China as the U.S.'s second most important trading partner.
- Foreign Reserves – At record level of \$76 billion
- Per-Capita Income - \$7,000, highest in Latin America; has roughly doubled over the past decade
- North-South Divide – Per capita annual income averages about \$9,000 in northern states and less than \$4,000 in the south
- Housing Boom – Mexico is in the midst of a housing boom, produced in part by a burgeoning mortgage market. Today, home-buyers have access to 20-year mortgages, something unimaginable a few years ago
- Credit Boom – Unprecedented access to credit for homes, cars and appliances
- Wal-Mart Voters – lower middle-class and middle-class households earning between \$4,100 and \$11,000 a year grew by an estimated 25% during the first four years of the Fox administration and now account for 45% of Mexican households (Source: Wall Street Journal)
- Jobs – economy is adding an estimated 180,000 new jobs per year, far less than the 1.0 million jobs needed to
- Oil Production – currently stands at 3.25 million bpd; could drop to 2.8 million bpd within 2-3 years if major new investments are not made in exploration and production; Mexico has less than 11 years of proven oil reserves at current production levels (Source: InfoAmericas)
- Domestic Oil Consumption – 1.7 million bpd
- Persistent Poverty – 40 million Mexicans still live at or below the poverty level
- Minimum Wage -- \$4.50 a day
- Illegal Immigration – From 2000 to 2005, the U.S. experienced the highest five-year period of new immigration – legal and illegal – in its history. Nearly 8 million people came to the U.S. during that span. Nearly half were believed to be illegal aliens, mostly from Mexico.
- Remittances -- The approximately 10 million Mexican nationals who reside in the U.S. sent back an estimated \$20 billion in 2005, an amount equivalent to 3 percent of Mexico's GDP.⁵

⁵ *WorldCity Connections.*