



SPC1: Special Conference on Sustainable Development

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Issue: Promoting sustainable development and economic cooperation in the Gulf of Mexico

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I. Introduction

The Gulf of Mexico is a large ocean basin bordered by the United States, Mexico, and Cuba. The Gulf of Mexico is rich in natural resources and is an important trade route for the transportation of many economic goods and services. Due to its strategic geographical location, the Gulf of Mexico is a vital region for economic practices. This agenda item focuses on advancing sustainable development and fostering economic cooperation in the Gulf.

The Gulf of Mexico harbors abundant natural resources including petroleum, oil, and natural gas reserves. It is estimated that the region contains over 6.44 billion barrels of oil and 5.7 trillion cubic feet of natural gas. Since the discovery of vast oil reserves in the Gulf, major global powers such as the United States, the UK, and China have actively participated in offshore oil drilling operations. Today, the Gulf of Mexico provides more than 15% of the domestic oil supply of the United States.

Over the years, offshore oil drilling has created significant environmental concerns in the region. The Gulf's geographical location, encompassing 1,600 kilometers and bordering three nations, has made it difficult to enforce international regulations. Additionally, diplomatic tensions between key member states, such as the US and Cuba, have also made it challenging to engage in economic cooperation on shared environmental issues. Currently, there is no universal treaty that guides oil drilling operations, instead, bilateral and multilateral agreements between two or more countries have been enacted to ensure that oil drilling is conducted safely and effectively. The treaties—the Clean Water Act (CWA), Transboundary Hydrocarbon Agreement, Oil Pollution Act, United Nations Convention on the Law of the Sea (UNCLOS), and the Mexican Energy Reform—will be discussed in greater detail throughout the chair report. Although these treaties have been effective so far, it is crucial to determine a universal standard for the region since more than two countries are stakeholders of the oil reserves in the region.





In 2010, the region suffered the most disastrous oil spill in the world, the Deepwater Horizon Oil Spill, which resulted in the replenishment of over 210,000,000 gallons of oil into the Gulf. It has been determined that the petroleum company, BP, has prioritized cost-cutting measures instead of adhering to sustainable oil drilling practices. After that, strict regulations were implemented to ensure that environmental and sustainable practices were adopted in oil drilling operations. However, due to the cross-border nature of the region, federal and national laws are insufficient to tackle the issue from all aspects.

II. Involved Countries and Organizations

The United States

The United States is an active participant in oil drilling operations in the Gulf of Mexico. The U.S. borders the Gulf of Mexico to the south through the Gulf States: Florida, Alabama, Mississippi, Louisiana, and Texas. The US began the exploration of the Gulf in the early 1930s and established the first oil rig off the coast of Louisiana in 1938. Since then, the US has been leading the oil and gas industry in the Gulf with over 1,600 offshore oil platforms. After many oil spill incidents, the US government enacted strict regulations on offshore oil drilling operations in an effort to minimize the negative impact on the environment. The sub-branches of the federal government, the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM), are the primary parties involved in enacting the safety measures for natural resource extraction in the Gulf. In 1972, BOEM enacted the Clean Water Act (CWA), which was amended to the US federal law in 1977. The CWA is the primary legislation that establishes regulations for the discharge of pollutants into US waters. Essentially, the CWA prohibits the discharge of pollutants into the waterways inside the US, unless the National Pollution Discharge Elimination System (NPDES) gives permits under specific circumstances. Moreover, the CWA gives the Environmental Protection Agency (EPA) and NPDES the authority to implement pollution control regulations such as setting wastewater standards for industry and water quality standards for all contaminants in surface waters. Through the CWA Act, the US limited the discharge of harmful waste into the waters of the Gulf, which was one of the first attempts at decreasing water pollution.

Furthermore, after the initial oil spill incidents in the Gulf, BOEM enacted the Oil Pollution Act of 1990, which intended to clarify the liabilities of petroleum companies in the case of an oil spill. The act determined safety measures for operation in oil rigs and ascertained standard processes to measure damage in case of an oil spill with an aim to determine liability. The Oil Production Act endorses that responsible parties, both governments and private companies, are strictly liable for compensating for the damage and removing oil from waterways. Furthermore, as the sub-branch focused on maritime protection and environmental conservation, the National Marine Fisheries Service, also known as the National Oceanic



and Atmospheric Administration (NOAA), enacted the Marine Mammal Protection Act which prohibits the unlawful harassment and hunting of marine mammals in US waterways. Through this act, the US indirectly outlawed the excessive hunting of marine mammals in the Gulf. The Marine Mammal Protection Act is one of the only regulations that focus on protecting the marine life in the Gulf. The NOAA also ordained the protection of endangered species in the Gulf through the Endangered Species Act. This treaty ensures the protection of vulnerable marine populations. Throughout the last decade, state governments of Louisiana, Texas, and Alabama have enacted other treaties (mostly smaller scope) within their state legislation that are focused on oil drilling and sustainable environmental practices within the Gulf.

In addition to being a crucial source of natural resources, the Gulf of Mexico serves as a vital trade route, facilitating the export and import of goods between the United States and Latin America. The Gulf is a crucial global trade network for maritime transport which is used to transport over 800 billion dollars of goods annually.

Mexico

Mexico, bordering the Gulf of Mexico through its eastern coast, plays a pivotal role in the operations conducted within the Gulf's waterways. The nation's proximity to the Gulf makes it a key player in both natural resource extraction and maritime trade. Mexico has long been involved in offshore drilling operations. Mexico's national petroleum company, Pemex, conducts extensive offshore oil exploration and has over 90 oil rigs within the gulf. The country currently extracts over 9 million barrels of oil from its reserves, which places them at 17th place on the global oil reserve rank. In 2023, 1.3 % of Mexico's Gross Domestic Product (GDP) was accounted for by oil and gas that was extracted from the Gulf. The Gulf is especially important for Mexico as the revenues from oil drilling are a significant source of national income.



Due to Mexico's geographical location, bordering almost the entirety of the western coast of the Gulf, the country has substantial power over the economic activity within the region. Mexico has a large Exclusive Economic Zone (EEZ) in the Gulf. An Exclusive Economic Zone (EEZ) is an area extending up to 200 nautical miles from a country's coastline where the country has

exclusive rights regarding the exploration and use of marine resources, including energy reserves. Mexico's EEZ encompasses a wide range of natural resource reserves, which grants the country significant power over the Gulf. The large EEZ also requires Mexico to collaborate closely with the United States on issues like resource management, environmental protection, and oil spill response. In 2012, Mexico and the United



States signed the Transboundary Hydrocarbon Agreement, a treaty designed to foster collaboration in the management of shared oil and gas resources in the Gulf. The agreement intended to prevent disputes over resources and emphasized environmental protection and the implementation of safety protocols to mitigate potential risks associated with offshore drilling. The Transboundary Hydrocarbon Agreement is a significant step for fostering sustainable and economic collaboration in the Gulf.

Lastly, in 2013, the Mexican government enacted the Mexican Energy Reform with an aim to attract foreign direct investment from privately held oil corporations around the world. For over 75 years, Mexico's oil industry had been monopolized by the state-owned petroleum company Pemex, which held exclusive rights over the exploration and production of oil and gas. The 2013 Mexican Energy reform opened the oil sector in the country to foreign investment for the first time since nationalization in 1938 with an aim to boost economic growth. After this reform, Pemex was no longer the monopoly in the Mexican oil industry – and a competitive market was born. Although Pemex still plays a dominant role in the oil industry in the Gulf, private companies such as British Petroleum, BP, and the Spanish National oil company, Repsol-YPF, have also entered the market.

Similar to the US, Mexico's Gulf Coast plays a vital role in regional and international trade, with major ports such as Veracruz and Tampico. The maritime trade in the Gulf is very important as it significantly boosts Mexico's economic activity.

Cuba

Cuba, despite being one of the three nations that hold an EEZ in the Gulf, plays a less dominant role in the oil drilling and environmental conservation operations within the region. However, in the past decade, Cuba has also sought to develop its offshore oil and gas resources within its EEZ in the Gulf, which is estimated to hold significant oil reserves. Although Cuban oil exploration has been limited compared to the U.S. and Mexico, the Cuban government has recently partnered with foreign oil companies with an



aim to increase its operations in the Gulf and presence in the oil industry. At present, Cuba has three active offshore oil rights within 5 km of its north coast, which are operated in conjunction with the Spanish oil company Repsol-YPF and Cupet. These oil rigs produce 25 million barrels of oil annually, however, it is estimated that Cuba's EEZ has the capacity to produce between 4.6 and 9.7 billion barrels. As a developing country with rising energy demands, Cuba is likely to expand oil drilling operations in the Gulf. It is essential to ensure that these activities are conducted sustainably and that they adhere to safety standards.



Furthermore, Cuba has exhibited a direct interest in maintaining marine biodiversity and protecting the environment of the Gulf. Primarily, Cuba has protected significant portions of its coastal and marine areas by establishing multiple marine protected areas (MPAs). MPA's are regions designated and managed for the long-term conservation of marine resources and biodiversity. The establishment of MPAs has been effective in conserving the marine environment in coastal areas. However, since MPAs can only be established in coastal areas, the preservation of the marine life in the entirety of the Gulf requires more comprehensive solution alternatives.

Moreover, fishing has become an important industry for Cuba since it is an important source of income for households and supports remote coastal communities. However, due to a lack of proper regulation by the government, Cuba faces challenges related to overfishing and illegal hunting of various endangered species. Recently, the government has introduced regulations to protect fish stocks and marine habitats, however, overfishing still remains a crucial issue for the country.

Lastly, it is important to note that Cuba and the US have a complex diplomatic relationship. As a result, Cuba and the U.S. have not established any bilateral treaties or engaged in other forms of cooperation for Gulf-related issues, which may become a significant challenge in the near future as Cuba's presence in the Gulf has been increasing over the last years. When addressing shared environmental challenges in the Gulf, it is crucial for the three bordering countries, The US, Cuba, and Mexico, to engage in diplomatic cooperation despite political differences.

The United Nations

The United Nations has not directly intervened in the Gulf of Mexico, but it has played an indirect role through various international treaties and agreements that guide environmental protection, resource management, and maritime law. Most notably, the UN adopted the United Nations Convention on the Law of the Sea (UNCLOS) in 1982. The UNCLOS is a set of rules that guide international maritime activities. It provides an understanding of maritime boundaries and the rights of coastal member states. The convention also established guidelines and protocols such as the determination of Exclusive Economic Zones and the rules for navigation in international waterways. The UN encourages all member states to comply with the UNCLOS in disputes related to maritime activities. However, one of the major parties active in the Gulf, the United States, has not ratified the treaty. As a result, it is difficult for the UN to regulate maritime activity within the U.S. Exclusive Economic Zone (EEZ).

Despite this, the UN has engaged in various initiatives to promote environmental protection in the region. One example of this is the Mexico Large Marine Ecosystem (GoM LME) Project. The GoM LME, as detailed below, is a binational initiative between Mexico and the US facilitated by the United Nations



Industrial Development Organization (UNIDO). The primary objective of the initiative is to improve water quality, rehabilitate coastal and marine ecosystems, and avoid depletion of marine resources.

III. Focused Overview of the Issue

1. The Gulf of Mexico

The Gulf of Mexico, as seen in the image on the right, is a large ocean basin bordered by the United States, Mexico, and Cuba. The Gulf has abundant natural resources such as oil, gas, and petroleum reserves. These natural reserves have been operated by both governments and private entities since the early 1920's. Due to its strategic location, the Gulf has also been used as a trade route that transports economic goods to and from South and North America. Overall, the Gulf has been a central hub for economic activities by dominant world powers. The unsustainable practices adopted by these countries have unfortunately led to the destruction of marine life and created many more environmental concerns. This will be examined in the following sections of the chair report.



2. Fostering Economic Cooperation

The United States, Mexico, and Cuba, all bordering the Gulf of Mexico, have a direct stake in the region's activities including resource extraction, maritime trade, and marine conservation. These countries are key players in managing and utilizing the Gulf's resources, however, private corporations also have access to the natural reserves in the region. For instance, in 2013, Mexico's energy reform allowed foreign companies to operate within Mexico's Exclusive Economic Zone (EEZ). This policy opened the oil sector in the country up to foreign investment for the first time since nationalization in 1938, while also significantly increasing the presence of private corporations within the Gulf. Therefore, since both governments and private companies are key stakeholders in the Gulf, cooperation efforts are dependent on compliance from both firms and government entities.

To date, governments have engaged in bilateral agreements to promote economic and sustainable cooperation in the Gulf. One notable example is the Transboundary Hydrocarbon Agreement between the US and Mexico, a treaty designed to foster collaboration in the management of shared oil and gas resources in the Gulf. The primary objective of the treaty is to determine a uniform standard for natural resource extraction and prevent any disputes between the stakeholders in the Gulf.



Fostering Sustainable Development

The Gulf of Mexico hosts a rich variety of marine life, including over 15,000 species of fish, seabirds, marine mammals, and invertebrates. All stakeholders of the region must work together in order to conserve the rich biodiversity of the Gulf, which has been severely damaged by continuous oil spills and overfishing.

In 2010, the Mando Prospect, a British Petroleum (BP) operated oil rig, unexpectedly exploded causing the depletion of over 210,000,000 US gallons of oil into the waters of the Gulf. Known as the Deepwater Horizon oil spill, this incident is regarded as the largest and most destructive oil spill in history. Reports state that the oil rig continued to leak in the following two-year time period, between 2010 and 2012, before it was contained. The United States Federal government published a statement faulting BP for implementing cost-cutting measures and disregarding the safety standards determined by earlier treaties. The Deepwater Horizon oil spill severely threatened marine life and left enduring impacts on the ecosystem. After the incident, several legislations were implemented to ensure environmental protection, marine life conservation, pollution control, and safe offshore drilling. These treaties, mentioned above, have had a positive impact on fostering sustainable development in the region.

Furthermore, one of the most significant steps taken for ensuring environmental protection is the Gulf of Mexico Large Marine Ecosystem (GoM LME) Project. The GoM LME is a bi-national initiative created as a joint venture between Mexico and the US that aims to improve water quality, rehabilitate coastal and marine ecosystems, and avoid depletion of marine resources. The project is facilitated by the United Nations Industrial Development Organization (UNIDO) and will be implemented in a five-year period. It aims to achieve the aforementioned goals through the co-financing by Mexico and the US and the contribution of UNIDO.

IV. Key Vocabulary

Exclusive Economic Zone: According to maritime law, a nation has jurisdiction over both living and non-living resources in a body of water that is 200 nautical miles beyond its territorial boundaries. This zone is referred to as the exclusive economic zone.

Oil Spill: An oil spill is referred to as the release of a liquid petroleum hydrocarbon into the environment, especially the marine ecosystem, due to human activity, and is a form of pollution.

International Trade: The exchange or trade of products and services between different countries is referred to as international trade. The global economy is strengthened by this type of trade.



Bilateral negotiation: Also referred to as bilateral treaties, refers to discussions or negotiations between two parties, typically two countries, organizations, or groups, aimed at reaching a mutually beneficial agreement or resolving a particular issue.

Natural reserves: Natural reserves, often referred to as natural deposits or natural resources, are resources that are drawn from nature and used with few modifications. Oil and coal are examples of natural resources.

Gross domestic product (GDP): GDP is a term used to define the value of the final goods and services of a country within its borders in a specific period of time. GDP is generally useful in determining how well an economy is; however, it does not account for the fairness of distribution or the environmental damage. Therefore, a higher GDP does not necessarily mean that society is doing better. Furthermore, when comparing two periods of time, changing inflation rates should be accounted for and when comparing the GDPs of two countries, currencies should be converted into one (International Monetary Fund, 2024).

V. Important Events & Chronology

Date (Day/Month/Year)	Event
1938	The United States established the first oil rig in the Gulf of Mexico
1972	BOEM introduced the Clean Water Act (CWA)
1972	The National Oceanic and Atmospheric Administration (NOAA) enacted the Marine Mammal Protection Act
1990	BOEM enacted the Oil Pollution Act which intended to clarify the liabilities of petroleum companies in the case of an oil spill
1982	The United Nations Adopted the United Nations Convention on the Law of the Sea (UNCLOS)
2010	The Deepwater Horizon Oil Spill occurred. The oil spill was not contained until 2012.
2012	Transboundary Hydrocarbon Agreement
2013	The Mexican Energy Reform



VI. Past Resolutions and Treaties

As detailed in the chronology above, there have been various bilateral and multilateral treaties for addressing the shared environmental challenges and establishing uniform standards for oil drilling in the Gulf. The discovery of oil reserves in the Gulf of Mexico in the early 1920s prompted governments and private corporations to pursue extensive exploration in the region. After the initial explorations, led mostly by the US government, the Gulf's potential as a major energy source was revealed, which spurred significant investments in drilling technology, infrastructure, and natural resource extraction. This created the necessity to establish regulatory frameworks for the management of these valuable resources. In 1972, BOEM introduced the Clean Water Act in the US, which limited the discharge of harmful waste into the waters of the Gulf. The CWA, still in effect today, is a critical step taken toward reducing water pollution. Following this, the United Nations adopted UNCLOS, which was the first international treaty that governed maritime affairs. The treaty was established with an aim of constructing an effective international regime over the seabed and the ocean floor beyond a clearly defined national jurisdiction. It came into effect 12 years later, on November 16th, 1994, and has been ratified by 168 parties. However, it is important to note that the US, one of the major parties in the Gulf, has not ratified nor signed the treaty. Soon afterwards, BOEM introduced the Oil Pollution Act which was established to clarify the liabilities of petroleum companies in the case of an oil spill. In the years that followed, the Gulf has experienced major oil spills such as the Deepwater Horizon and Mega Borg oil spills. The Oil Pollution Act has been essential in ensuring that both private companies and governments are held accountable for these incidents. In 2012, Mexico and the United States signed the Transboundary Hydrocarbon Agreement, a treaty aimed at promoting cooperation in managing shared oil and gas resources in the Gulf. The treaty mainly focuses on preventing disputes over the extraction of natural resources while also emphasizing environmental protection and the implementation of safety protocols to reduce risks related to offshore drilling. The Transboundary Hydrocarbon Agreement is a bilateral treaty between the U.S. and Mexico, meaning that only these two countries are obligated to abide by its conventions. And while it has been effective to date, the increasing presence of foreign petroleum companies makes it crucial to acknowledge the multinational aspect of the issue. Finally, in 2013, the Mexican government introduced the Mexican Energy Reform which permitted foreign corporations to operate in Mexico's EEZ in the Gulf, thereby unbaring the country's oil industry from foreign investment.

All of the treaties and initiatives mentioned above have significantly impacted the state of sustainable development and economic cooperation in the Gulf of Mexico. Yet, various different challenges continue to persist and more comprehensive approaches are required to address all aspects of the issue.

VII. Failed Solution Attempts



Given the predominantly diplomatic nature of this agenda item, it would not be entirely accurate to assert that previous attempts at resolution have failed to address the issue. However, the existing treaties remain insufficient to effectively manage large-scale incidents, underscoring the necessity for more robust and comprehensive measures.

Hence, it could be said that while most of the aforementioned initiatives have been effective at fostering economic collaboration and sustainable development in the Gulf, they are not enough. For example, the 2010 Deepwater Horizon oil spill wasn't able to be contained for over two years, resulting in the absolute destruction of marine life and immense water pollution. Oil spills can cause significant water pollution, which indirectly affects the freshwater supply of neighboring countries. After the spill, BP signed a settlement agreement of 20.8 billion dollars in order to remove the oil from the Gulf. Relief support companies that responded to the spill used chemical dispersants to break down oil, however, this also had unintended ecological consequences. Although numerous treaties and agreements aim to mitigate the impacts of oil spills, there is a pressing need for more advanced technology to effectively and safely remove oil from waterways following a spill. In the case of a similar incident, governments must be better prepared to respond swiftly and reduce the destructive impact of oil spills. Delegates may focus on increasing funding for technological developments in this area.

VIII. Possible Solutions

The economic and sustainable development of the Gulf requires coordination between bordering countries, relevant member states, and all other stakeholders. Although the bordering nations, the US, Mexico, and Cuba implement their own federal legislations aimed at overseeing the operations within the Gulf, the lack of sufficient regulation and discrepancies between the national legislations make it difficult to foster sustainable economic development within the region. Upon addressing the issue, the central focus should be creating and implementing international protocols adhered to by all stakeholders of the region. Hence, delegates may focus on establishing comprehensive multilateral agreements or encouraging the ratification of readily adopted agreements. Delegates may also encourage international cooperation through conferences and annual conventions.

Furthermore, governments should put an emphasis on regulating the operations of private companies, such as Shell and BP, that are actively involved in the region. As seen in the Deepwater Horizon Oil Spill in 2010, the pursuit to maximize profits has overshadowed essential safety measures in offshore drilling operations eventually leading to the destructive oil spill. Delegates are strongly encouraged to consider the critical role of the private sector and to develop solution frameworks that set clear regulations for the activities of private stakeholders.



Another important aspect to consider is how hostile diplomatic relationships between bordering countries, such as the US and Cuba, have prevented cross-border cooperation. Through the involvement of various UN bodies such as the Economic and Social Council (ECOSOC) and United Nations Industrial Development Organization (UNIDO), member states may foster cross-border collaboration for issues related to the Gulf, despite political differences.

Additionally, similar to Mexico's 2013 Energy Reform, relevant member nations may be encouraged to work collaboratively with the private sector in order to foster economic development in the Gulf region. One way to do so is through Public-Private Partnerships where governments establish joint ventures with private sector companies in order to promote investment in certain sectors. This approach could stimulate economic growth by increasing the total output in the energy sector and creating opportunities that attract international expertise and capital. However, it is essential to ensure that these partnerships are facilitated under strict regulations.

IX. Useful Links

https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf

<https://www.cia.gov/the-world-factbook/countries/mexico/>

<https://www.cia.gov/the-world-factbook/countries/cuba/>

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