



The United States–Mexico Chamber of Commerce

Cámara de Comercio México–Estados Unidos

THE FUTURE OF THE NORTH AMERICAN PARTNERSHIP

**Key Insights from the USMCOC Binational Conferences
December 5, 2024 – April 30, 2025 ● Washington, D.C.**



In recent months, we have witnessed important changes in the U.S.–Mexico–Canada relationship. With new administrations in each country, the North American partners' approach to addressing domestic and international challenges appears increasingly misaligned. The bilateral relationship has always been subject to occasional frictions, with some progress toward a more conciliatory path.

The United States–Mexico Chamber of Commerce has conducted significant conferences to create goodwill dialogue, analysis, and proposals. On December 5, 2024, and April 30, 2025, the Chamber hosted key experts, current and former high-ranking government officials, and top-level executives from member companies. Their presentations focused on the present and future of the North American Economic Partnership.

Shifts in U.S. Trade Policy

In recent months, there has been a paradigm shift in U.S. international trade policy. The foreign trade landscape has undergone significant changes. The Trump administration has imposed a 10% baseline tariff on imports from all countries, with significantly higher rates applied to specific nations, namely China (125%), Cambodia (49%), Vietnam (46%), Indonesia (32%), India (26%), and South Korea (25%).

These tariffs also target specific industries, including steel, aluminum, and steel-related products, automotive, semiconductors, and others. While Mexico and Canada currently benefit from tariff exemptions for goods that comply with USMCA rules of origin, tariffs are still not entirely off the table. Beyond perceived trade imbalances, the Trump administration has framed tariffs as part of a broader strategy to address national security and immigration concerns.



Immigration and Border Security

Immigration has consistently ranked as one of the most significant challenges between the U.S. and Mexico. However, the landscape has shifted with the arrival of migrant caravans from the Americas and migrants from other countries seeking refugee status in the U.S.

During his remarks, Robert Perez, Founder and CEO of P4 Partners and former Deputy Commissioner of U.S. Customs and Border Protection, shared that between 2021 and 2024, the U.S. Customs and Border Protection (CBP) recorded over 10.8 million encounters at the U.S.–Mexico border (encounters include apprehensions and expulsions of individuals attempting to enter the U.S. without authorization). Under the current administration, there has been a significant drop in the number of encounters: over the last four years, illegal encounters ranged from 5,000 to 10,000 per day, and those individuals were often released into U.S. communities. Currently, the number of encounters is approximately 200 per day.

He emphasized the fundamental link between public safety and economic prosperity. Reflecting on his career, Perez observed how policies such as the "broken windows" theory improved border cities in the 1990s. He pointed out that while past immigration policies acknowledged the importance of security, evolving approaches—though perhaps well-intentioned—have led to unintended consequences.

Regardless of which side of the border they are on, people want to feel safe and secure. Perez emphasized that embracing security leads to long-term prosperity. He advocated for policies that promote sustained safety, confidence, and predictability, while warning of ongoing challenges such as drug and human trafficking and corruption—issues that require joint efforts between the U.S., Mexico, and Central America.

Kim Ogg, District Attorney of Harris County, provided insights into the intersection of crime and international law, particularly in cases where crimes are committed in the U.S. by foreign nationals. These cases often attract public attention and evolve into political and international matters affecting both sides of the border.

At the core of the immigration discussion is the issue of security, which is also critical for trade. Major trade hubs are often also hubs for illegal drug distribution, human trafficking, and the smuggling of illicit products. This dual nature necessitates enhanced security mechanisms that, paradoxically, can slow down legitimate commercial activity.



Border Policy, Trade, and Community Impact

Recognizing this dilemma, Louis Escareño, long-time member of the Chamber's Binational Board of Directors representing Duty Free Americas, reminded attendees that 9/11 permanently changed how business is conducted at the border. He noted similar shifts in 1999 and again during the COVID-19 pandemic. Today, he stressed, security strategies must evolve.

Escareño called on policymakers to address the excessive waiting times at ports of entry and the harm done to border communities when the border is closed—harm that manifests in business and job losses. He expressed confidence in the Chamber's role as a strong voice for the binational business community in Washington, D.C., and Mexico City.

The gap between border communities and central authorities was also underscored by Ambassador Gerónimo Gutiérrez, former Mexican Ambassador to the U.S., former Manager of the North American Development Bank (NADBank) and current Senior Advisor at Covington & Burling. He noted that federal governments often respond only during border emergencies—an approach that should be avoided. He emphasized the need for increased interagency coordination and greater involvement of border communities in shaping policies that directly affect them.

Ambassador Gutiérrez suggested that a binational customs agency could help address challenges at border crossings. Modeled after the International Boundary and Water Commission and NADBank, this agency would align processes and infrastructure and operate using unified technological tools, compliance standards, operations, and professional development.

Kim Ogg, speaking again from a Texas legal perspective, reiterated that crime and economic conditions are closely intertwined. She argued that immigration enforcement disproportionately affects local communities. Ogg criticized Texas's Operation Lone Star for diverting essential public safety resources. She described harrowing human trafficking cases, including stash houses holding as many as 60 people. She stressed the need for coherent policies, as unpredictable border activity disrupts both business operations and community planning.



National Security and Economic Risk

The December conference concluded with insights from Ana Maria Salazar, former Deputy Assistant Secretary for Drug Enforcement Policy and Support, U.S. Department of Defense and former Policy Advisor for President Clinton’s Special Envoy for the Americas. An expert on security issues and now also renowned journalist, Ana Maria reflected on the evolving dynamics of U.S.–Mexico trade discussions. In prior administrations, key issues such as security, labor, and immigration were typically addressed in isolation. That is no longer the case. She noted that the elections of President Trump and President Claudia Sheinbaum—figures from opposite ends of the ideological spectrum—have contributed to rising tensions in the bilateral relationship. These tensions are further exacerbated by the erosion of institutional communication mechanisms that had been established and maintained by previous administrations.

She cited, for example, how during President Obama’s tenure, deportations of Mexican immigrants increased significantly. However, coordination with the Mexican government helped prevent the issue from escalating into public conflict or inflammatory rhetoric. She also emphasized that the rule of law in Mexico remains central to the trade agenda, warning that the private sector may begin to question the cost and risks of continuing to do business there.

In April, Col. Sergio de la Peña, former Deputy Assistant U.S. Secretary of Defense for Western Hemisphere Affairs, spoke from personal experience—as the son of a Bracero worker and a senior military official. He suggested that a renewed Bracero-style program for labor mobility could address immigration challenges. De la Peña expressed concern over the unsustainable U.S. national debt, noting that interest payments on the debt are now on par with the defense budget.

He also warned about increasing threats from transnational criminal organizations, individuals on terrorist watchlists, and the ongoing fentanyl crisis. He also raised red flags about potential foreign interference, especially from the Chinese government-sponsored students and political operatives. He mentioned the rising costs of unchecked immigration and praised the Trump administration’s efforts to redistribute global security responsibilities.



U.S. Fiscal Outlook and Efficiency

Congressman Pete Sessions (TX-17), Chairman of the Subcommittee on Government Operations, under the House Committee on Oversight and Government Reform, presented data on rising government spending, which now accounts for 32% of GDP. According to the U.S. Treasury, the national debt exceeds \$36 trillion. Sessions noted that the U.S. is borrowing over \$6 billion a day, with half of that going to interest payments.

Along with Congressman Aaron Bean, Senator Joni Ernst, and a bipartisan coalition—created the Department of Government Efficiency (DOGE) Caucus. Its mission is “to drive government efficiency and accountability by enacting policies that reduce waste, enhance transparency, and ensure taxpayer dollars are spent judiciously to serve the best interests of the American people.” Congressman Sessions, a longtime Chamber partner, reaffirmed his support for U.S.–Mexico trade and committed to maintaining open communication with the binational business community.

Trade Integration and Industrial Cooperation

During the December conference, Undersecretary of International Trade of Mexico’s Ministry of the Economy, Luis Rosendo Gutiérrez, expressed confidence in the continued strength of the U.S.–Mexico partnership. He emphasized the Mexican government’s willingness to work collaboratively on the upcoming USMCA review.

Former Mexican Secretary of Economy Dr. Ildefonso Guajardo reflected on the interconnected nature of trade, immigration, and security—each influencing the other. According to Secretary Guajardo, the Trump administration has sent a clear message that Mexico must improve security. In his view, the greatest threat to Mexican sovereignty is not external, but from domestic criminal groups. Both countries are suffering significant losses due to drug-related violence, and Mexico must take action to clear the path for productive trade negotiations.

He added that the challenges facing Mexico go beyond regional trade. Security is now the top concern, followed by Chinese investment and the growing dependency on critical goods like batteries and semiconductors.

Neil Herrington, Senior Vice President for the Americas with the U.S. Chamber of Commerce, emphasized the importance of North American integration. Building on the legacy of former Chamber President Tom Donohue, current President Suzanne P. Clark has made it clear that the private sector must be central to trade discussions. The U.S.–Mexico



CEO Dialogue is one such mechanism contributing to discussions on trade policy, facilitation, energy, investment, and workforce development.

Private sector executives John Matton, Director of Government Affairs at American Axle & Manufacturing (AA&M), and Mike Mally, Director of International Operations at Uline, described the intricately linked operations of their companies across the U.S. and Mexico. Despite complexity, these cross-border operations have driven growth. Both executives advocated for continued economic integration and trade facilitation.

With 70% of sales based in North America, AAM operates 13 of its 42 global facilities in Mexico, employing 6,400 workers and investing over \$1.5 billion since 1998. For AA&M, the USMCA remains a cornerstone of North American manufacturing competitiveness.

Uline, a leading distributor of industrial supplies, also sees Mexico as a vital partner. It operates distribution centers in Monterrey, Mexico City, and Querétaro, servicing customers in 39 U.S. states. Mike Mally reaffirmed Uline's commitment to continued growth in Mexico.

Alfonso Pedrero of Puerto Verde Global Trade Bridge referenced a Goldman Sachs study estimating that U.S.–Mexico trade will triple by 2050, reaching \$1.5 trillion. He cited nearshoring as a promising driver but stressed the need for major infrastructure improvements and development.

National Security and Trade Diplomacy

Ambassador Anthony Wayne, former U.S. Ambassador to Mexico and now at Distinguished Diplomat in Residence at American University, emphasized the need for trade diplomacy and stable rules, particularly in the automotive industry. He warned of disruptions caused by new tariffs and trade rules and cited illicit trade and money laundering as top concerns that require joint action and public–private cooperation.

Javier Vélez, former CEO of Mission Foods, emphasized the sheer volume of cross-border trade: one truck crosses the U.S.–Mexico border every 10 seconds. Trucks handle 80% of all bilateral trade. Vélez called for enhanced collaboration on immigration and drug policy.

Steve Lande, President of Manchester Trade and former USTR official, praised President Claudia Sheinbaum's diplomatic approach. He warned of USMCA compliance risks and proposed creating a “friendly BRIC” bloc of countries aligned with U.S. interests.



Judicial Reform and Democracy in Mexico

The April conference included a panel on Mexico's judicial reform. Norma Irene de la Cruz, member of Mexico's National Electoral Institute (INE), highlighted recent innovations, including voter-friendly digital platforms and livestreamed vote counts. Over 220,000 citizens registered as election observers, indicating strong civic engagement.

Kim Ogg and Antonio Cuéllar expressed concerns about democratic backsliding in Mexico. Ogg noted the lack of clarity in selecting judicial candidates and the limited resources for prosecutors to investigate crimes. Cuéllar argued that power is increasingly concentrated under the ruling party, Morena, and that this trend erodes business confidence.

Neil Herrington echoed uncertainty about how these reforms could impact private investment. While INE's transparency was praised, participants agreed that preserving institutional integrity and checks and balances is vital.

Keynote Speaker April Conference, Ambassador John Bolton

Our Keynote Speaker for the April Conference was Ambassador John Bolton, former U.S. National Security Advisor and former U.S. Ambassador to the United Nations. He reviewed the leadership role the U.S. has played in global trade since World War II, highlighting that the system established at that time aimed to protect U.S. interests while supporting the reconstruction of the European economy. Ambassador Bolton noted the U.S. leadership in the creation of the General Agreement on Tariffs and Trade (GATT) and later the World Trade Organization (WTO), both of which fostered opportunities for the U.S. and other nations.

He remarked that raising tariffs—a policy last widely used in the 1930s—marks a return to protectionism that risks undermining U.S. credibility and decades of global economic leadership. While he acknowledged there is a place for tariffs, he emphasized it is a limited one. According to Bolton, the U.S. can claim success in achieving the goals set in 1945, but current shifts in policy threaten those accomplishments.

Ambassador Bolton also recognized the need to adapt trade policies, particularly in light of U.S. dependence on China for critical security-related manufacturing and supply chains. He proposed closer coordination with the European Union and USMCA partners as a strategic response to counterbalance China's influence.

Regarding North American trade, he praised the success of the North American Free Trade Agreement (NAFTA) and its successor, the USMCA, emphasizing that the partnership has always been economic rather than political in nature and has delivered significant regional benefits.



Ambassador Bolton called for renewed efforts to secure strategic supply chains, streamline legal immigration, and develop binational anti-drug strategies with Mexico. He stressed the importance of continuing cooperation with allies. Despite current setbacks, he expressed confidence that North American trade partners will continue to make progress, even in challenging times.



The Chamber's Response: Refocusing the North American Working Group (NAWG)

The North American Economic Partnership is entering another period of transition, and the Chamber is committed to playing an active role in the USMCA 2026 Review. In addition to our ongoing binational conferences, the Chamber will continue the North American Working Group (NAWG). Originally formed in 2016, the NAWG served as a platform to address the challenges and opportunities associated with the North American Free Trade Agreement (NAFTA) and provided strategic recommendations to the chief trade negotiators during the development of the U.S.-Mexico-Canada Agreement (USMCA).

As part of the upcoming USMCA 2026 Review, the Chamber will focus the NAWG by inviting selected senior-level executives from key sectors representing the following:

- Energy / Renewable Energy
- Infrastructure / Transportation / Logistics
- Supply Chain / Manufacturing
- Agriculture / Natural Resources
- Immigration / Workforce Development
- National and Regional Security
- IT / Innovation / Telecommunications
- Artificial Intelligence / Cybersecurity
- Health / Environment
- Rule of Law / Legal Affairs
- Finance / Insurance

The Chamber's approach will emphasize trilateral dialogue. We have already initiated engagement with the Office of Canada's Trade Commissioner and established open lines of communication with Mexico's Ministry of Economy and Ministry of Foreign Affairs. In the United States, we are in discussions with representatives of the current administration and Congress, non-profit organizations and other relevant stakeholders.

The Chamber remains optimistic that the strong and enduring North American partnership will continue to evolve and prosper. Trade tensions and disagreements are not new; however, each challenge brings an opportunity to adapt, innovate, and work collaboratively toward practical solutions and effective implementation.