Congress of the United States

Washington, DC 20515

September 4, 2024

The Honorable Antony Blinken Secretary of State U.S. Department of State 2201 C Street NW Washington, DC 20520 The Honorable Katherine Tai Ambassador U.S. Trade Representative 600 17th Street NW Washington, DC 20006

Dear Secretary Blinken and Ambassador Tai:

We write with concern about how the upcoming proposed constitutional reforms in Mexico will impact the critical trade relationship between the United States and Mexico.

Mexico is now our number one trading partner—and we are theirs. This is the result of a robust trading relationship formalized by the 1994 North American Free Trade Agreement, which made the world's second largest trading bloc and opened the door to increased diplomatic relations between the U.S. and Mexico on rule of law, military training, environmental causes, and central bank cooperation.¹ The trade updates made in 2020 via the U.S.-Mexico-Canada Agreement (USMCA), meanwhile, made Mexico hopeful for more foreign investment and led to U.S. companies directly investing \$130.3 billion into Mexico in 2022.

This trade relationship has potential to grow. Shortages during the COVID-19 pandemic demonstrated the importance of "nearshoring" supply chains - relocating business operations to the Western Hemisphere to shore up national security, help goods more quickly reach their destination, and complement historic manufacturing investments here at home. Domestic investments in burgeoning semiconductor and tech industries will impact our entire region, and leaders in both countries need to take advantage of this crucial moment.

But the constitutional reforms proposed by Mexican President López Obrador, many of which have been or will be voted on this month, threaten our vital trade relationship. The reforms circumvent current USMCA agreements, undermine investor confidence in Mexico's legal framework, weaken North American economic integration, and create a system where we cannot rely on Mexico to adjudicate and enforce its trade obligations.

As we approach the review process, we encourage you to review our partners' ability to realistically enforce the provisions of a trade agreement and urge you to emphasize the need for continued, reliable, and robust rule of law in all partner nations. We ask that you keep our offices informed on progress on a regular basis.

Sincerely,

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Maria Elvira Salazar Member of Congress

Greg Stanton Member of Congress

¹ https://www.cfr.org/timeline/us-mexico-relations

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