

Joint Statement
United States-Mexico High Level Economic Dialogue
January 6, 2015

When President Barack Obama and President Enrique Peña Nieto announced the creation of the United States-Mexico High-Level Economic Dialogue (HLED) in May 2013, they established a new strategic vision for our economic cooperation, focused on delivering tangible and positive economic benefits to the people of the United States and Mexico. Our robust cooperation and dedication to finding binational solutions to shared economic challenges strengthens both of our countries and creates opportunities for our citizens. As neighbors and partners, we will continue to position North America as the most competitive and dynamic region in the world.

The first HLED meeting took place in Mexico City on September 20th, 2013. Today, Vice President Joe Biden hosted the second Cabinet-level meeting in Washington, DC to continue advancing our shared interests, strengthen our close and productive bilateral economic and commercial ties, enhance competitiveness, create additional trade and economic opportunities, and promote increased regional and global cooperation.

The benefits of our economic integration are clear, with more than \$500 billion in bilateral trade per year, and over \$100 billion in cross-border investment. U.S. and Mexican companies understand the value of our integrated economy, and have designed their productive processes accordingly, making full use of our competitive advantages and geographical proximity. Today, we build things together and many finished products exported by our countries reflect this high level of co-production. Our joint efforts through the HLED build on this important foundation by promoting regional integration and competitiveness, improving connectivity, and fostering economic growth, productivity, entrepreneurship, and innovation.

Mexico and the United States also are close partners in the negotiation of the Trans-Pacific Partnership (TPP) agreement, an historic undertaking intended to boost economic growth, development, and prosperity, and support additional jobs in both countries. We have made significant progress over the past year in setting the stage to finalize a high-standard and comprehensive agreement. With the end coming into focus, the United States, Mexico and the other 10 TPP countries are strongly committed to moving the negotiations forward to conclusion as soon as possible. The substantial new opportunities for U.S. and Mexican exporters that the TPP will offer will be enhanced by our work together in the HLED.

Promoting Competitiveness and Connectivity

In 2014, the United States and Mexico made significant strides regarding mechanisms for transportation and communications infrastructure planning and development. These mechanisms have directly facilitated the freight flow over the border, reduced bottlenecks,

and improved logistics for cross-border trade. Faster, more efficient and closer links are helping boost our competitiveness.

Our two governments concluded, in November 2014, the negotiation of a new air services agreement that will benefit travelers, shippers, airlines, and the economies of Mexico and the United States with competitive pricing and more convenient air services. The new agreement will enter into force once the approval processes of the two countries are finalized.

To reduce bottlenecks to trade at the border, we have worked to expand capacity at our ports of entry. At the El Chaparral-San Ysidro Port of Entry between San Diego and Tijuana, the busiest land crossing in the world, new construction has reduced wait times from three hours to approximately 30 minutes. In Nogales, Arizona, we doubled inspection capacity at the primary entry point of Mexican produce into the United States, making it faster and more efficient. The Mexican side of the Tijuana Airport Pedestrian Facility is about to be completed and the U.S. side is scheduled to be finished by the end of 2015.

We continue to work expeditiously on other priority ports of entry to facilitate the movement of both people and goods. We commend the work of the 21st Century Border Management Initiative, including its efforts to track and push forward new and improved border infrastructure at 13 border crossings.

We are expediting the movement of goods and expanding supply chain security through a new mutual recognition arrangement between our trusted trader programs and the harmonization of data requirements for northbound rail shipments. We are also beginning to look at options to facilitate the crossing of oversized equipment necessary for exploration and production of energy.

Travel and tourism between the United States and Mexico is an important source of jobs, income, and cultural exchange between the two countries. The HLED established the Travel and Tourism Working Group to promote increased travel and tourism and better travel experiences through increased knowledge of tourism flows. During 2014, the Group worked to improve the exchange of data, including statistics, tourism flows, market intelligence, stakeholders, and the economic benefits of these efforts.

Our two countries have increased cooperation to manage more efficiently our telecommunications systems along the border, supporting both nations' goals of accelerating mobile broadband services. The United States also has provided legal and regulatory expertise to Mexico's new telecommunications regulator to support Mexico's goals of creating a competitive, market-based regulatory landscape more conducive for telecommunications investment.

Building a Modern, Innovative Knowledge Economy

The future competitiveness of our region depends on our ability to foster innovation, provide our citizens access to high quality education, and to promote a workforce with the skills necessary to succeed in the global economy.

Together, we initiated the mapping of vibrant cross-border economic clusters, aiding our nations' ability to produce high-value products and services dependent on the innovation and linkages that these clusters generate. Under the Mexico-U.S. Entrepreneurship and Innovation Council (MUSEIC) launched in 2013, we formally signed agreements for U.S.-Mexican collaboration as a part of the Small Business Network of the Americas; held conferences and events designed to improve access to finance for businesses; and launched entrepreneurship training sessions. We continue to seek ways to link U.S. and Mexican small businesses interested in international trade, developing strategic partnerships and sharing best practices.

Both our governments also recognize women's empowerment and participation in economic affairs are crucial. Mexico and the United States have finalized an Action Plan for the U.S. Mexico Memorandum of Understanding (MOU) for the Promotion of Gender Equality, the Empowerment of Women and Women's Human Rights. Additionally, Mexico joined the Equal Futures Partnership and in September 2014 presented its national Action Plan to comply with the objectives of the Partnership. Also, under MUSEIC, we found ways to increasingly integrate women into growing economic sectors by creating networks of female entrepreneurs, mentoring projects, training programs and the creating a guarantee fund to ease women's access to financing. Finally, the Mexican Secretariat of Labor and Social Welfare is working closely with the U.S. Department of Labor on a project aimed at implementing the new Mexican Federal Labor Law to prevent gender and sexual orientation discrimination in employment in Mexico.

We are also actively engaging in discussions to eliminate regulatory divergences to reduce red tape and help businesses on both sides of the border.

The United States and Mexico have made a joint commitment to workforce development including quality post-secondary science, technology, engineering, and math education through the Bilateral Forum on Higher Education, Innovation, and Research (FOBESII). The Forum was officially launched by the Minister of Foreign Affairs of Mexico and the Secretary of State of the United States, in Mexico City on May 21st, 2014. More than 450 U.S. and Mexican partners from government, academia, civil society and the private sector participated in developing the FOBESII's Action Plan and four binational working groups were created to implement it.

Our two governments have also pledged to increase international educational exchanges in line with the United States' 100,000 Strong in the Americas Initiative and Mexico's Proyecto 100,000. In the past year alone, the Government of Mexico, with the collaboration of the U.S. Embassy in Mexico, facilitated the travel of 27,000 Mexican students and teachers to the United States. Higher Education Institutions and Research Centers of both countries have signed more than 23 new educational agreements. We also have created new bilateral innovation and research consortia and boosted collaborations such as the High Altitude Cherenkov Observatory (HAWC), which will be inaugurated in March 2015. In addition, last

October, and under the joint leadership of both governments, we launched the binational webpage *Mobilitas* to promote academic opportunities in both the United States and Mexico.

The National Science Foundation (NSF) and the National Science and Technology Council of Mexico (CONACYT) have strengthened their bilateral collaboration and scientific research partnerships, through FOBESII.

We are also working together on both sides of the border to prevent abuses within the temporary worker system to facilitate the safe exchange of human capital within North America, through projects such as the pilot program between Mexico's Secretary of Labor (STPS) and the Government of California.

Advancing Together – Our 2015 Strategic Goals

We look forward to advancing our work in 2015 in six key areas – energy; modern borders; work force development; regulatory cooperation; partnering in regional and global leadership; and stakeholder engagement.

Energy

We will deepen energy sector cooperation between our countries – in areas such as sharing best practices for regulation in areas of common interests including cross-border energy development and transmission, ensuring high safety standards, and protecting the environment, enhancing our ability to collaborate on publicly available energy information, and promoting investment in workforce, safety and technological innovation – in order to ensure access to low cost and cleaner sources of energy for our citizens, resilient energy infrastructure, and a strong North American energy market. We are convinced that a more integrated and efficient regional energy sector that relies on enhanced energy cooperation will play a crucial role in boosting North America's competitiveness and leadership in the years to come.

Modern Border

We are determined to make our border, where each day \$1.5 billion in two-way trade and more than 400,000 people legally cross between the United States and Mexico, a source of shared economic opportunity. We will continue to coordinate closely as we improve our border infrastructure by building new facilities and modernizing old crossings. We will also continue work to harmonize our data requirements to facilitate our customs processes in all modes of transportation.

We will initiate operations of three new facilities: the West Rail Bypass in Matamoros, Tamaulipas-Brownsville, Texas; the Guadalupe-Tornillo Port of Entry in Chihuahua-Texas and the Tijuana Airport Pedestrian Facility, as well as progress on the proposed Otay II border crossing in the Tijuana-San Diego border region.

We will work to implement the Mutual Recognition Arrangement between our respective trusted trader programs and continue joint efforts to facilitate the secure flow of travelers between our countries.

Workforce Development

The knowledge economy is the key to competitiveness in the 21st Century. Therefore, it is fundamental to develop a workforce that is familiar with and responsive to economic priorities. Collaboration on this issue will benefit both our businesses and our people. Global abilities such as language acquisition, teamwork, and cross-cultural skills are essential elements for success in today's economy.

The United States and Mexico will advance the ambitious goal of sending 100,000 Mexican students to the United States and receiving 50,000 U.S. students in Mexico by 2018, and will support university research partnerships to build upon our shared intellectual capital.

Our two governments will contribute to our broader workforce development goals in key sectors such as energy, technology, and advanced manufacturing, through FOBESII and MUSEIC. We will work together on strategic issues through the Academies of Engineering and Science of both countries. Our governments look forward to working more closely with the private sector on both sides of the border in promoting internships and collaborating with universities to meet the training and education needs of the future.

Regulatory Cooperation

To strengthen our region's economic integration, we will pursue regulatory cooperation activities in such areas as energy, food safety, and transportation to facilitate cross-border trade and co-production, and reduce regulatory barriers to businesses on both sides of the border.

Regional and Global Leadership

Our governments and citizens are working jointly in many strategic and institutional areas that further strengthen our bilateral ties, as well as our relationship with other countries and regions in the globalized economy.

We are working together to enhance government transparency under the Open Government Partnership, chaired this year by both the Mexican government and civil society. In 2015, we will continue to work together toward open government, open budgets, transparency and anticorruption measures, demonstrate our commitments to progress in implementing the Extractive Industries Transparency Initiative, and will serve on each other's peer review teams in our respective G-20 Fossil Fuel Subsidy Peer Reviews.

We will partner to promote inclusive and sustainable growth and development in Central America and the Caribbean, including in strategic areas such as energy and risk management. We will continue to work closely together in pursuit of a 2015 climate change agreement that is effective, durable, and applicable to all Parties, including by submitting ambitious post2020 mitigation targets and by working together through technical cooperation and information exchange on how best to implement our shared climate objectives, before and after 2020.

Stakeholder Engagement

Outreach and stakeholder engagement remain fundamental components of the HLED and one of its most innovative aspects. We carefully consider the input and opinions of all of our stakeholders in formulating the goals of our Economic Dialogue.

The government officials most involved with the HLED have also held several meetings with members of the private and academic sectors to get feedback on what they consider fundamental to making North America the most competitive and dynamic region. Ensuring this close dialogue remains will not only bring effectiveness and legitimacy to our joint work, but will also ensure it remains relevant, dynamic, pragmatic and appropriately focused. We are convinced that these must remain part of our joint agenda, if we are to deliver a more competitive and stronger North America.