

# **PROGRESS REPORT ON THE U.S.-MEXICO HIGH LEVEL ECONOMIC DIALOGUE**

## **THE HIGH-LEVEL ECONOMIC DIALOGUE**

In Mexico City in May 2013, President Barack Obama and President Enrique Peña Nieto announced the formation of the U.S.-Mexico High Level Economic Dialogue (HLED) to promote economic growth in the United States and Mexico, create jobs for citizens on both sides of the border, and ensure our nations can compete globally, making North America more competitive.

In September 2013, Vice President Joseph Biden, led a U.S. delegation which included Commerce Secretary Penny Pritzker, Transportation Secretary Anthony Foxx, Acting Secretary of Homeland Security Rand Beers, and U.S. Trade Representative Michael Froman, that visited Mexico and together with Mexican counterparts, Secretary of Foreign Relations José Antonio Meade, Secretary of Finance Luis Videgaray, Secretary of Economy Ildefonso Guajardo, and Secretary of Tourism Claudia Ruiz Massieu, formally launched the HLED.

The HLED, led at the cabinet level, is envisioned as a flexible platform intended to advance strategic economic and commercial priorities central to promoting mutual economic growth, job creation, and regional and global competitiveness. It also seeks to enhance existing working group activities, while avoiding duplicative efforts. U.S. and Mexican Cabinet officials will meet annually, while sub-cabinet members work to achieve those goals throughout the year. Private sector leaders and other interested members of civil society will join their government colleagues to discuss how best to improve trade with an eye on making North America's shared economy stronger and more efficient for workers and businesses.

The U.S. side is co-chaired by the U.S. Department of State, U.S. Department of Commerce, and the Office of the U.S. Trade Representative, and includes participation from other agencies, such as the Departments of Agriculture, Energy, Homeland Security, Labor, Transportation, and Treasury, along with the U.S. Agency for International Development and the U.S. Trade and Development Agency. The Mexican side is co-chaired by the Secretariats of Foreign Relations, Finance, and Economy, and includes participation from the Secretariats of Agriculture, Communications and Transportation, Energy, Labor and Tourism, along with the Tax Administration Service, ProMexico, the National Institute of Entrepreneurship, the National Service of Agro Alimentary Health, Safety and Quality and the National Immigration Institute.

To achieve the goals of expanding opportunities for consumers, employees, entrepreneurs and business-owners on both sides of the border, Mexico and the United States developed an initial work stream in which both governments dedicated themselves to work together under three broad pillars:

- Promoting Competitiveness and Connectivity;
- Fostering Economic Growth, Productivity, Entrepreneurship, and Innovation; and
- Partnering for Regional and Global Leadership.

Within these pillars, our governments endeavor to:

- Improve logistic corridors;
- Jointly promote investment;
- Deepen regulatory cooperation;
- Bolster the potential of the border region as a catalyst for economic development;
- Strengthen our shared border and make it more efficient;
- Enhance cooperation to create education and skills development programs for a better prepared workforce;
- Foster entrepreneurship and innovation;
- Promote the economic empowerment of women;
- Take other measures to better integrate our economies and make our region more competitive;
- Partner to promote development and electricity market integration in Central America;
- Advance trade liberalization at the regional and global levels; and
- Support transparency and anti-corruption through the Open Government Partnership.

To ensure stakeholder voices are a key part of the HLED, the Department of Commerce published a Federal Register notice seeking public comment, to which 39 stakeholders responded with input on issues ranging from regulatory cooperation to efficient border management. Similarly, the Mexican Secretariat of Economy solicited public comments through a notice published in its *Diario Oficial*, receiving 43 submissions on many of the same topics. We have closely considered this feedback and several items have been included in the HLED work stream. The United States has also created an HLED website (<http://trade.gov/hled/>) and e-mail address ([hled@trade.gov](mailto:hled@trade.gov)) to receive ongoing HLED input. From the Mexican side, the information can be consulted in the following website (<http://www.economia.gob.mx/comunidad-negocios/comercio-exterior/tlc-acuerdos/tlcan>) and e-mail address ([dean@economia.gob.mx](mailto:dean@economia.gob.mx)) to receive ongoing HLED input.

## **OUR PROGRESS**

Since September 2013, we have advanced in key areas of the HLED work stream. Progress to date includes:

- We held a peer exchange on traffic and freight modeling with the goal of coordinating our binational strategic freight plans.
- Transportation officials from both governments will meet to move forward on Intelligent Transportation Systems (ITS) collaboration.
- Five of the six border master plans, which are designed to better coordinate infrastructure and development in border communities have been completed, with the sixth on track to be completed by the middle of 2015.
- Negotiations are underway for the modernization of our bilateral air transport agreement.
- The Bilateral Forum on Higher Education, Innovation and Research (FOBESII) was formally launched on May 21, 2014, and our governments have held the six working group meetings.
- Mexico and the United States have signed a Memorandum of Intent agreeing to cooperate on joint investment promotion, on April 25, 2014.

- Within the framework of the Mexico-US Entrepreneurship and Innovation Council (MUSEIC), we launched two border cluster mapping pilots to identify local industry assets to develop regional economic development strategies.
- MUSEIC's seven subcommittees have developed work plans to foster cross border entrepreneurship by strengthening the legal framework, improving access to capital, expanding small business development infrastructure, facilitating technology commercialization, promoting women's entrepreneurship, and engaging the U.S. based Latin American diaspora.
- The first innovation and entrepreneurship exchange took place this spring, where business and government leaders from Mexico and other Latin American countries toured technology centers, innovation hubs, and investment zones in the Southeast United States.
- Mexico and the United States have signed a Memorandum of Understanding to connect small business development centers in the U.S. with the Mexican Support Network for Entrepreneurs so that they can develop their businesses and take advantage of global opportunities.
- In May, the U.S. Trade and Development Agency, in partnership with the Secretariat of Communications and Transportation, hosted a conference highlighting opportunities contained in Mexico's National Infrastructure Program.

The HLED has already begun to produce measureable progress, and we will continue to push forward on key priorities as we prepare for the next Cabinet-level meeting in the fall.

#### **HOW TO GET INVOLVED**

Although the U.S. Federal Register and Mexico's *Diario Oficial* public comment periods have closed, we invite interested parties to submit questions and feedback via the U.S. and Mexico HLED websites and e-mail addresses. The HLED features continuous government-to-government engagement throughout the year.

## **WORK PLAN SPECIFICS**

Under the HLED work stream, adopted in September 2013, the United States and Mexico intend to advance priorities in the following areas:

#### **Pillar I: Promoting Competitiveness and Connectivity**

- **Transportation** – Understanding that a globally competitive economy needs infrastructure that facilitates the flow of goods, services, and movement of people in a low-cost, efficient manner, our governments plan to improve our transportation systems by:

**Organizing exchange workshops on Intelligent Transportation Systems (ITS)**, developing an agenda of ongoing cooperation on ITS standards, and exploring expanding short sea shipping/marine highway networks between our countries.

Since the majority of our goods traded cross the border via freight trucks, we intend to **strengthen logistics networks and efficient trucking services, jointly identify and develop strategic multimodal logistics**

**corridors**, establish a binational freight committee, and host senior freight planning exchanges within the Joint Working Committee.

**Modernizing our bilateral air transport relationship.**

Supporting a **Single Rail Manifest** that will facilitate bilateral trade and increase customs and trade compliance; continuing implementation of the **Joint Cargo Prescreening** programs at selected facilities; and exploring adapting or expanding hours of service at ports of entry. We will further **expand trusted trader programs**, with the aim of mutual recognition between Mexico and the United States.

**Completing six border master plans** that will integrate national corridors to city networks.

- **Telecommunications** – Promoting an integrated and efficient telecommunications market on both sides of our common border will lead to significant economic gains for Mexico and the United States. Our governments intend to:

Connect information and communications technology (ICT) sector stakeholders from the United States with Mexican officials to **highlight new investment opportunities** in this sector via a roadshow, and introduce potential partners to **explore private-public partnerships**.

Organize a **regulatory workshop series and broadband innovation information exchanges** to facilitate deployment of affordable broadband technology.

**Resolve critical spectrum management issues** to facilitate rapid deployment of services on both sides of the border.

**Pillar II: Fostering Economic Growth, Productivity, Entrepreneurship, and Innovation**

- **Human Capital/Workforce Development** – Mexico and the United States will work together to promote formal job creation in both countries and develop a North American workforce. Our governments intend to:

**Create cooperation programs to support more inclusive economic growth** and sustainable development with good labor practices.

Use the **Bilateral Forum on Higher Education, Innovation and Research** (FOBESII), as the platform to increase cross-border academic exchange and joint research and innovation, while promoting study in science, technology, engineering, and mathematics (STEM) fields.

- **Joint Investment Promotion** - By effectively serving international investors and conducting coordinated promotion efforts, the United States and Mexico can benefit through increased local jobs, better-developed and integrated supply chains, and enhanced global competitiveness.
- **Promoting Travel and Tourism** – Tourism is a key component of both of our economies, and our governments intend to:

**Establish a Travel and Tourism Working Group**, which will **promote travel and tourism** between our countries, attract visitors from outside the region, and explore promoting and **expanding enrollment in existing travel facilitation programs** (such as Global Entry (<http://www.globalentry.gov/>), NEXUS ([http://www.cbp.gov/xp/cgov/travel/trusted\\_traveler/nexus\\_prog/](http://www.cbp.gov/xp/cgov/travel/trusted_traveler/nexus_prog/)), and the Secure Electronic Network for

Travelers Rapid Inspection (SENTRI, [http://www.cbp.gov/xp/cgov/travel/trusted\\_traveler/sentri/](http://www.cbp.gov/xp/cgov/travel/trusted_traveler/sentri/)) as well as the *Viajero Confiable* Program (<http://www.viajeroconfiable.inm.gob.mx/index.php/home/>). The group will also focus on cross-border tourism and promote participation of women's associations in the industry.

- **Integrating Our Economies** – Mexico and the United States are key trading partners, and the HLED focuses on fostering North American competitiveness by:

**Launching a Mexico-U.S. cluster mapping pilot** that will provide key information on industries by location and type to be used for regional economic development strategies.

**Strengthening advanced manufacturing capabilities** via a pilot project to identify supply chain challenges and opportunities, and reinforcing networks of community stakeholders to develop linkages within the manufacturing ecosystem.

Focusing on **increasing women's participation in the economy**, through an Action Plan to comply with our bilateral Memorandum of Understanding for the Promotion of Gender Equality, the Economic Empowerment of Women, and Women's Human Rights, MUSEIC's Subcommittee on Women Led Entrepreneurship and via Mexico's participation in the Equal Futures Partnership (<http://www.whitehouse.gov/the-press-office/2012/09/24/fact-sheet-equal-futures-partnership-expand-women-s-political-and-econom>) and promoting women's entrepreneurship.

**Facilitating trade of safe food and agricultural products** by identifying additional ways to facilitate cross-border movement of goods.

**Developing effective approaches to deepening regulatory cooperation**, to remove unnecessary regulatory barriers to trade, reduce costs to business, and improve the quality and safety of our products. The HLED, High Level Regulatory Cooperation Council (HLRCC) and North American Leaders Summit all serve as policy fora for advancing these goals and improving the coherence of their overlapping authorities and deliverables is key to implementing these goals.

**Developing Border Regional Economic Development Strategies (BREDS)** to ensure the benefits of economic growth are more broadly distributed across U.S. and Mexican states and regions. BREDS will promote economic development, protect the environment, and promote the use of technology.

- **Developing the Border Region** – Fostering competitiveness on the Mexico-U.S. border is a key goal of the HLED. **Our governments have agreed to not only focus on infrastructure and facilitating legitimate trade and travel, but also take into account socioeconomic, financial, and environmental components to adequately develop the region.** Our governments intend to:

**Coordinate and expedite execution of port of entry projects** and identifying binational mechanisms to match the planning and construction time spans for projects, where appropriate.

**Make effective use of the North American Development Bank (NADB)** by promoting projects in renewable energy, electricity connection, and water treatment in border areas, as well as evaluate the Bank's long-term capital needs.

**Conduct a Border Mayoral Economic Development Summit** to identify best practices, assets, and information as a key component of facilitating the creation of a U.S.-Mexico Border Regions Economic Development Strategy.

- **Entrepreneurship** - The United States and Mexico recognize that entrepreneurship and innovation drive successful economies, and plan to support an entrepreneurial, innovative ecosystem in both countries by

Welcoming the **Mexico-U.S. Entrepreneurship and Innovation Council's (MUSEIC)** launch and asking the Council to provide guidance on strategic innovation and growth objectives to consider in MUSEIC's future work plans. With the help of MUSEIC, will also begin a dialogue to **enhance engagement of the Mexican diaspora** to promote and expand investment opportunities for entrepreneurs.

**Organizing reciprocal entrepreneurship and innovation exchanges** to facilitate trade relationships among business incubators, entrepreneurs, technology accelerators, and economic development leaders.

### **Pillar III: Partnering for Regional and Global Leadership**

- **Partnering to promote development in Central America** – The United States and Mexico underscore our desire to advance economic development in the Western Hemisphere. Our governments intend to:

Establish a working group to identify priority areas to **support Central American customs agencies**  
**Cooperate to deepen regional electrical integration.**

**Work together to advance opportunities for SMEs**, education and health of the workforce, and ensure equitable inclusion of women.

- **Regional trade priorities** – We will continue to cooperate on trade liberalization and trade priorities at the regional and multilateral level.
- **Transparency and anti-corruption** - We will continue to work together to advance the transparency and anti-corruption objectives of the Open Government Partnership, as well as the empowerment of citizens to strengthen democratic societies.