Border Mayors to Lobby U.S. Government to Protect U.S.-Mexico Border Region

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Of any geographical region in North America, the US-Mexico border would lose the most if negotiators impose new restrictions on trade and investment during a revision of the North American Free Trade Agreement (NAFTA). US, Mexican, and Canadian negotiators have already met in Washington and Mexico City, in late August and early September, with the third round of talks scheduled for Ottawa on Sept. 23-27.

The three countries hoped to conclude the framework for a renegotiated accord by the end of 2017, but differences in objectives could block the timetable. Mexico and Canada would like to tweak certain aspects of the agreement to benefit all three countries, while the US is seeking a more comprehensive overhaul that would help reduce its trade deficit with its two NAFTA partners (SourceMex, Aug. 23, 2017, and Sept. 6, 2017).

Mayors representing communities on both sides of the US-Mexico border have banded together to ensure that negotiators do not forget the benefits of cross-border economic relations. At least 18 of the mayors are set to meet with officials in Washington to remind US negotiators that border communities represent the backbone of bilateral trade and that the current benefits of NAFTA should be preserved.

A major concern is US President Donald Trump’s threat earlier this year to impose a 35% tariff on goods assembled in Mexico by US companies and sold in the US market. The president has gone as far as to say the US could withdraw from NAFTA if negotiators are not able to reach an agreement that would stop US jobs from going to Mexico (SourceMex, Jan. 11, 2017, and Feb. 1, 2017).

The effort to protect the border communities is led by the US-Mexico Border Mayors Association, which held its annual gathering in San Diego and Tijuana in July. Seventeen mayors from communities of all sizes along the US-Mexico border signed a resolution highlighting the positive impact of trade, including 14 million jobs in the US. The resolution also noted that either Canada or Mexico is the first or second largest market for 43 US states.

Observers point out that the move by mayors to work together is a positive development.

“With ongoing political dysfunction in Washington, a lot of the governance of this country seems to be devolving to states and cities,” Erik Lee, executive director of the North American Research Partnership, said in an interview with The San Diego Union-Tribune. “This could become an important organization.”

Seeking NAFTA protections

The mayors suggested that negotiators should look for ways to strengthen NAFTA instead of gutting the accord. The resolution said the talks offer an “opportunity to renegotiate, modernize, and optimize North America’s competitiveness.”
The mayors called on Washington “to recognize the importance of trade between the US, Mexico, and Canada, because the jobs of millions of Americans rely on these binational ties,” said Kevin Faulconer, mayor of San Diego, California, who has spearheaded the effort to include the viewpoint of border mayors in the NAFTA consultations.

“As the discussions occur in Washington, D.C., surrounding NAFTA, it’s incredibly important for us to tell our story, a story of success, because if we’re not telling it, nobody else is going to tell it for us,” Faulconer said in an interview with marketplace.org. “Free trade works.”

In reference to the Trump administration’s proposals on NAFTA, Tijuana Mayor Juan Manuel Gastélum Buenrostro said, “The policies of the US federal government have not been optimum for our region.”

Gastélum said the border mayors have a responsibility to make their point of view known to the NAFTA negotiators from the US and Mexico. “Independently of any efforts on the part of the Mexican and US federal governments, we believe it is important that negotiators—those who make the decisions—become aware of the advantages of the mega region of Baja Cali or Cali Baja, which is the San Diego-Tijuana corridor,” he said in an interview with the Latin America Digital Beat (LADB) at a conference of mayors in Albuquerque in early September.

Other border mayors have joined their voices urging NAFTA negotiators to place a priority on the border region.

“We have to promote the potential of the US-Mexico border,” David Galindo, mayor of Nogales, Sonora, said in an interview with LADB. “The municipalities on both sides of the border together form a region that is considered the third largest economy in the world.”

According to Galindo, NAFTA negotiators should place a priority on creating conditions that would boost trade.

“Instead of investing so much money on security, they should invest on infrastructure in order to develop an industrial commercial corridor that would benefit both countries,” he said. “This should be a fundamental theme of discussions.”

Trade experts agree that expansion of infrastructure should be a major element of a revised NAFTA.

“Cross-border trade benefits both national economies, with integrated supply chains allowing companies to greatly reduce operating costs. That translates into lower prices, better quality goods, and more product varieties for consumers throughout Canada, the United States and Mexico,” Tom Fullerton, an economics professor at the University of Texas-El Paso, said in an interview with the El Paso Times.

The Ciudad Juárez-El Paso area is especially crucial in US-Mexico trade. Juárez is home to about 323 maquiladoras, of which 70% are subsidiaries or affiliates of US companies. The maquila operations employ about 270,000 residents of Juárez, according to the Juárez AMAC-Index.

On the US side, one every four jobs in El Paso is dependent on Mexico’s maquiladora industry, according to a report from the US Federal Reserve. “Juárez’s economy depends mostly on that industry, which was spurred by NAFTA,” said the El Paso Times.
Juárez’s Héctor Armando Cabada Alvídrez was among the four Mexican border mayors who signed the resolution at the gathering in San Diego in July. The three others were Gastélum of Tijuana, Nereida Fuentes González of Tecate in Baja California, and José Enrique Reina Lizárraga of San Luis Río Colorado in Sonora.

Cabada and former El Paso Mayor Oscar Leeser, whose term ended in July, worked together not only to protect the current system but also to attract more companies to the border, strengthen the binational relationship, and promote the region.

“One of the things people might be concerned about is how NAFTA might change,” Leeser said. “When you look at NAFTA, NAFTA is between three countries, Canada, the United States, and Mexico, so it really has to be an agreement between the three countries if anything is going to change.”

The cross-border manufacturing operations are also important in the Tijuana-San Diego area.

“If you take what we’re doing in medical device manufacturing in San Diego and what Tijuana is doing in medical device manufacturing, you put our two cities together, we are the largest region of medical device manufacturing on the planet,” Faulconer said in his interview with marketplace.org. “Again, that’s a strength. That’s a competitive advantage and one that we are going to work very hard to continue.

In Brownsville, Mayor Tony Martínez has developed a strong relationship with his counterpart Jesús de la Garza Díaz del Guante, mayor of Matamoros in Tamaulipas state. There is some concern that any drastic changes to NAFTA could affect the flow of goods in the Brownsville-Matamoros sector. About US$300 billion worth of products crossed through the local bridges in 2016, according to Federico Schaffler, director of the Texas Center for Border Economic and Enterprise Development at Texas A&M International University.

Earlier this year, the two communities launched a project designed to enhance trade relations, including the renovation of the Brownsville-Matamoros International Bridge, the creation of a binational cultural center, and a construction of a broad avenue in Matamoros known as the Avenida Las Américas. According to de la Garza Díaz, the projects contribute to making Matamoros-Brownsville a binational zone “par excellence,” particularly since the new venue will connect with a new railroad bridge linking the two communities.

“Together, this group of projects represents more than just an urban renewal effort in one municipality,” de la Garza Díaz told reporters earlier this year. “This is a project that is eminently binational in nature.”

The two mayors are concerned that the Trump government’s immigration crackdown could do as much to hurt the border community as any negative changes to NAFTA.

“We live a different life than what they’re talking about,” Martínez told the online news site The Rio Grande Guardian. “We’re not going to lose our values, and we’re not at odds with Mexico.”

De la Garza Díaz pointed out that Mexico and the US complement each other.

“We are not a threat to the other one, and between both countries, we can strengthen ourselves even more, and those who think our country’s financial situation was the cause of lost jobs, I think they are wrong. Our real competition is with other countries.”

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Lobbying for environmental protection

Another concern among mayors is that any changes in NAFTA could gut the environmental protections and reduce funding for environmentally oriented infrastructure projects in the border region. The environmental provisions were included in a side agreement that was negotiated after the main accord was completed (SourceMex, Aug. 18, 1993).

“If we lose the environment, we lose everything,” said Gastélum, who indicated that improving environmental protections under NAFTA is part of the agenda supported by Faulconer and Mayor Serge Dedina of Imperial Beach, California.

Both Gastélum and Galindo raised concerns about the negative impact on the environment if Trump succeeds in extending the proposed wall across a large segment of the US-Mexico border. However, both agreed that the US is within its right to proceed with the project, pointing out that residents along the US-Mexico border are already accustomed to seeing a barrier.

“To tell you the truth, those of us who live on the border are already used to seeing a fence,” Galindo said. “The construction of a wall would only change the type of barrier that divides us.”

Galindo pointed out the environmental concerns. “In places where you have deserts or hills, you could see damage to the ecosystem and problems for species who live on both sides of the border,” he said.

“We are very respectful of the decisions of the US federal government, especially because it has a right [to build the wall] within its own territory,” Gastélum said. “We are not worried about that. What we’re worried about is that the mechanisms to facilitate the movement of goods across the border could be compromised.”

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