

MEXICO-2016/03/16

THE BROOKINGS INSTITUTION
FALK AUDITORIUM

A COMPLEX REALITY:
SECURITY, TRADE, AND THE U.S.-MEXICO BORDER

Washington, D.C.
Wednesday, March 16, 2016

Introduction:

HAROLD TRINKUNAS
Senior Fellow and Director, Latin America Initiative, The Brookings Institution

Panel 1: Modernizing the U.S.-Mexico Border:

THE HONORABLE WILL HURD (R-TX)
U.S. House of Representatives

THE HONORABLE BETO O'ROURKE (D-TX)
U.S. House of Representatives

ERIC FARNSWORTH, Moderator
Vice President, American Society and Council of the Americas

Panel 2: Economic and Security Trends on the U.S.-Mexico Border:

MICHAEL CAMUÑEZ
President and Chief Executive Officer, ManattJones Global Strategies LLC

ANGELA KOCHERGA
Borderlands Director, Cronkite News Arizona PBS

CHAPPEL LAWSON
Associate Professor, Massachusetts Institute of Technology

HAROLD TRINKUNAS, Moderator
Senior Fellow and Director, Latin America Initiative, The Brookings Institution

Concluding Remarks:

ARTURO SARUKHAN, Introduction
Nonresident Senior Fellow, Foreign Policy and Metropolitan Policy, The Brookings Institution;
Board Member, Americas Society

THE HONORABLE JOHN CORNYN (R-TX)
U.S. Senate

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

PANEL 1

MR. TRINKUNAS: Okay. Good morning, everybody. Thank you for joining us this morning. I'd like to welcome you on behalf of the Brookings Institution and the America Society/Council of the Americas for what we hope will be a very interesting discussion on the complex reality that faces us on the U.S. Mexico border when it comes to our security, our trade, and our borderland communities.

This is a project that arose out of conversation that my colleague, Eric Farnsworth, and America Society and Council of the Americas and I had last December when we started talking about how the border issue was resonating in politics, out on the campaign trail, in the national conversation, and also our sense that certain facts, certain issues were just getting lost in the national conversation. We were hoping that through this event, through starting a conversation here with our very distinguished panelists we could try to really bring together people who know what the situation is on the border. Recognizing that there's great experts in our country, in our Congress to help us think through the issue about what we actually face in the U.S. Mexico border.

I won't go into any lengthy introductions. I'm going to let Eric introduce the first panel. I just wanted to say that if you want to tweet out during the event peoples' handles are on the bio handout that you have. I also ask you to consult the handout. It has really extensive information on each of our panelists, and really goes to show what a great group of people we have here today joining us. So the hashtag is #USMexicoBorder, and without much further ado, let me turn it over to Eric to introduce the first panel and get our conversation going. Thank you very much.

MR. FARNSWORTH: Harold, thank you very much. It's a real pleasure to join you and your Brookings colleagues, and, in fact, this has been a collaboration that we've engaged in and I've been looking forward to it for a long time. In particular, because I have so much respect for Harold, but also for the institution here, and I look forward to future activities as well, Harold, so thank you again.

Thank you all of you for braving the metro-less commute this morning. We also know it's a very busy day given the Super Tuesday results from yesterday, as well as the White House is announcing the Supreme Court pick today at 11:00 we're told, so there's a lot of news going on, and we appreciate the fact that you've chosen to join some of your time on this very busy day with us this

MEXICO-2016/03/16

morning.

I'm very pleased to welcome two congressmen who are experts in the topic of discussion today. Congressman Will Hurd, to my immediate left, and Congressman Beto O'Rourke, to his left, to kick off today's discussion of trade and security at the nearly 2,000 mile border that the United States shares with Mexico.

As all of you know, and as Harold eluded, questions of the security of U.S. borders, the effectiveness of border controls, and the importance of Mexico to the United States economy are becoming increasingly salient in the national conversation. From the Council of the Americas' perspective we've had an ongoing project on these issues for several years, and many of you have been involved in these issues directly as well. But heated political rhetoric can sometimes obscure the complexity of the reality which is dominated by the growth of mutually beneficial trade at the cross border level and also travel.

This isn't an accident of history. Rather, the product of a peaceful and democratic hemisphere that has bet on deeper economic integration. And our North American neighbors are at the forefront of these efforts. Together with Canada, Mexico and the United States comprise one of the most competitive regional economic regions in the world. A fact that was emphasized just last week when the prime minister of Canada was here in Washington for an official visit.

Between the United States and Mexico, each day some \$1.5 billion in goods cross the border, totally some \$531 billion in two-way trade, just last year, in supporting millions of jobs in both countries. And just three weeks ago, as the Congressmen are aware and many of you as well, a very large U.S. delegation led by U.S. Vice President Biden traveled to Mexico City for the U.S./Mexico high-level economic dialogue discussions which is an annual bilateral forum aimed at further strengthening the dynamic bilateral economic relationship. And one of the topics of the HLED, as those of us who have been involved with it call it, the high-level economic dialogue, is borders. Recognizing that our mutual economic wellbeing and health depends on a health border region. So this is getting attention at the very highest level and we applaud both governments for doing that.

But lest we think this is an issue solely for the United States and Mexico. I've just returned from Central America, and I can assure you that borders is an issue across the region, and if

MEXICO-2016/03/16

borders, in fact, are not managed appropriately they can become obstacles to trade and growth rather than facilitators of trade and growth. And we want to talk about some of those issues this morning.

So I'm looking forward to discussing these issues with, as I mentioned, two very knowledgeable leaders on these issues from the U.S. Congress. Eloquent advocates for a balanced approach to the U.S./Mexico border in terms of security and trade. Congressman Will Hurd represents Texas' 23rd District which stretches some 800 miles, from San Antonio to El Paso. That is a large district, ladies and gentleman. Along the U.S.-Mexico border. Congressman O'Rourke represents the 16th District of Texas and serves El Paso and the surrounding area as well. Both of them serve on the committee on Homeland Security, and have developed that rare -- that increasingly rare phenomenon in Washington, a true bipartisan working relationship. We congratulate and thank both of you for that.

That's the photograph we want, actually, the two of them shaking hands. You have the copies of their biographies in your conference material, so I'm not going to go deeply into it, but let me just peak your interest a little bit by noting that Congressman Hurd's pre-Congressional life is actually much of it is classified. You might wonder why, but he actually spent nearly a decade as a CIA operative in the Middle East and in South Asia. So for those of you who are interested in exploring that a little bit more, I call your attention to his biography.

Congressman O'Rourke has worked in internet startups and served in city council and also a congressman -- excuse me, a city council of his hometown of El Paso, Congressman, of course. More recently, has also partnered with us at the Council of the Americas for a project in El Paso on the border, and we thank you again for that partnership. Welcome to you both. Ladies and gentleman, will you please join me in welcoming both Congressmen to the panel this morning.

So I'd like to start the conversation with a broad question to both of you, and it's really something that both of you have done a lot of thinking on, done a lot of legislating on, but the border is a really diverse area. I mean, we talk about the border as if it's one entity, and it stretches almost 2,000 miles, but this is a living region. And one approach that might work in one area might not work in an approach to the other area. So from your individual perspective give us a sense of the state of the border today, and what you think some strategies might be for making sure that the border, as a region, is serving the needs of both of our people in both of our countries? Why don't we start, Congressman Hurd,

MEXICO-2016/03/16

with you?

CONGRESSMAN HURD: Sure. I think if we addressed your point it would be a lot better. What you need in San Diego is very different than what you need in Eagle Pass. And part of my frustration, at times, with the Department of Homeland Security is they approach border security, you know, they try to have a one size fits all solution along the border. And when you talk about the state of the border, you know, the amount of trade that is increasing, it's increasing every single day, place like Eagle Pass, Piedras Negras is on the other side, consultation brands they produce beer, and they send 100 million cases of beer to the United States every single year. They want to double that by 2017.

So are we prepared? Is customs prepared to have the people facilitate that trade and make sure a lot of that's coming on rail, you know, can that get through our border? We have, you know, a place like Presidio, where we rebuilding bridges in order to get agriculture traffic through there. When you look at the infrastructure that's being built on the Mexico side to meet up with the United States or our roads on the equivalent side prepared to handle this amount of traffic?

So I would say the state of the border is good because trade is growing. The people to people connections are always there. I say that border is not an edge. It's a middle because these are individual communities that we're having to deal with. And on the topic of border security, one thing that is, I think, a positive trend is Department of Homeland Security they call this the Southern approaches, borders and approaches campaign. Where they're looking at the border, you know, trying to do intelligence-led operations, and they're running this out of joint task force WEST in San Antonio.

There are 19 criminal organizations in Mexico. If we focus on them before we get to the border, you know, we can be a lot better off. If we're working with our Mexican partners to deal with some of these issues within Mexico and also on their southern border. You know, if we improve that level of coordination we can do a lot more. And I think an intelligence-led thinking of border security with an intelligence-led perspective is going to make sure that we're using our resources in the most efficient way we possibly can. But, unfortunately, as you said, the political rhetoric that's there, and guess what, it's always been there. Donald Trump's not the first one to say build a wall from sea to shining sea. Alright? And I tell people all -- you know, that's the most expensive and least effective way or doing border security.

MEXICO-2016/03/16

And so one of the things I've been trying to do is get my colleagues to come down, come see the border. Everybody wants to talk about it, but if you haven't seen it you should, and take you into Juarez. Have lunch, you know, over there. Go into places with Ojinaga and see what's really going on. So I think that it's good that there's conversation around this, and now I think events like this, and thank you for having us, so that we can talk about this in a sober fashion.

MR. FARNSWORTH: And I want to pursue several of those topics that you've already raised, but let's go to Congressman O'Rourke for your initial comments and thoughts, and then we can pursue some of these topics.

CONGRESSMAN O'ROURKE: First of all, thank you for the invitation to join you and to the Brookings Insurance and Council of the Americas for your focus on this and trying to bring a rational, fact-based perspective to the border which is in great need right now.

You know, I would agree with much of what Will has said in his description of the border. You have a part of America on the U.S. side where 6 million people live, from San Diego, to Nogales, to El Paso, to Laredo down to Brownsville. El Paso, which I put at the center of the U.S./Mexico border, and many ways, the U.S./Mexico relationship is the safest city in the United States, and it has been for the last four or five years. And among other border communities it is not an outlier. San Diego is in that top ten safest cities list. And, in fact, those Americans who live on the U.S. side of the U.S./Mexico border are far safer than their counterparts in the average American city further into the interior.

You also have a source of dynamic job growth and economic growth on the border. Just in the El Paso sector you have about \$90 billion of U.S./Mexico trade passing through our ports of entry. That supports over 400,000 jobs in our home state of Texas, one out of every four jobs in the community that I represent, and is connected to 6 million U.S. jobs that are dependent on the U.S./Mexico trade relationship.

And then beyond what you can measure, the border is a fantastic, almost magical place where two countries, two peoples, two nations, two cultures, two languages come together and really form one history, and one future for our shared interest in the United States and Mexico. And I don't know that you can quantify that, but it will be and has been the source of much of the success of this country, much of the success of the country of Mexico, and if we can capitalize on that and turn from a

MEXICO-2016/03/16

posture of anxiety and fear to one of hope and optimism at the opportunity that that presents I think that's going to be very, very good for the United States. Very good, incidentally, for Mexico, and is something that I hope after this election season we can really turn to and begin to work on.

MR. FARNSWORTH: One of the words I've heard you use in the past describing exactly this phenomenon is the sense of community that you have. That just because there is a border that runs through some of these urban areas it's actually a community on both sides of the border that really has preexisted in some ways.

Let me follow up with that just a little bit, and then we'll come back to Congressman Hurd. Congressman O'Rourke, you've been a real advocate and a champion, in fact, have had some success legislatively for finding creative ways for local communities to really address some of the problems that they face on a local basis, right? It's easy from a Washington or Mexico City perspective to have a certain perspective, but the folks who live, and work, and trade at the border also have a different perspective. Give us a sense of some of the initiatives you've pursued, and some of the further steps that you think might be necessary?

CONGRESSMAN O'ROURKE: Well, I mentioned the volume of trade coming through the El Paso/Juarez points of entry. Just about \$90 billion, almost 20% of all U.S./Mexico trade. Absolutely connected to the jobs we have in El Paso and the potential job growth in the future. So there's a very clear economic argument to continue to invest in those bridges from or local perspective and also nationally, for those 6 million jobs that are connected to it.

Unfortunately, as I was discussing with someone before we started, despite, I think, some of the best intentions in Washington D.C. and people who are trying to do the right thing, unless you're from the border or understand those facts, almost at a personal level, it's very hard to make policy or decisions that connect to that. And so, in the void of federal leadership from this administration and past administrations you have communities like El Paso which happens to also be, perhaps, the third or fourth poorest MSA, metropolitan statistical area, in the country. And yet, despite our poverty, because of our unique interest in that cross border commerce and trade we have invested a little over \$1 million a year to supplement what CBP, Customs and Border Protection, invests in the border.

So we, the citizens of El Paso, are paying the overtime for CBP officers so we can keep

MEXICO-2016/03/16

more of the lanes on more of those bridges open, more of the hours of the days that allow that trade to continue. And also, the 32 million crossings that we had last year between Ciudad Juarez and El Paso. It's like the crossings we see between the District of Columbia and Virginia or Maryland. They really are two parts of one larger community. And if you look at it economically, if you look at it -- I was talking to someone earlier who says when you're flying into El Paso International Airport and you're above those two cities you really cannot see the dividing line. It looks like one metropolitan area which functionally it is. There are 3 million people living there.

So we have invested in personnel and we now have the authority, thanks to legislation that was passed, to invest in infrastructure there which, again, we will be the primary beneficiaries, but that benefit will extend to the rest of the state and United States. We will invest in that to our benefit, and to the benefit of the country. So when we don't have leadership from D.C. we'll take matters into our own hands and provide that leadership locally, and I think El Paso's been able to do that.

MR. FARNSWORTH: And is this a trend that you would see across the border or is it kind of a pilot project for El Paso that's probably not going to be replicated elsewhere? What's your speculation along those lines?

CONGRESSMAN O'ROURKE: There are other border communities who've taken advantage of these 559 and 560 programs, as they're called, that allow you to invest in personnel and infrastructure. Laredo is one. I believe in the San Diego area you've had some investment. So, again, this is very much a federal responsibility, and we should hold the federal government accountable for that. But in the absence of that accountability and follow through you cannot just sit on your hands and hope that something will come down the line. You have to take the matter into your own hands. And, again, El Paso, I think, despite, you know, an economic situation that doesn't allow for a lot of discretionary investment is making that investment because we know it's going to produce a return almost immediately for us and for the rest of the country.

CONGRESSMAN HURD: And you've see that that program is being used in multiple locations. And it was an original pilot program and we're trying to get it extended, and hopefully, we'll get that sorted out this year so that we can continue doing it because it's an important project.

What you're also starting to see is you're seeing businesses on the Mexican side and the

MEXICO-2016/03/16

U.S. side work together, plan together, talk about where they see things going so that they can say, this is the state that we're going to be in in two, three, four years. How do we ensure the infrastructure is there and to make that happen? And we also work together on a coordinated border investment initiative where you can use highway trust fund dollars to provide infrastructure projects, trade projects along the border. So again, it's one more tool for the municipalities and the communities in these areas to do projects that's going to facilitate trade.

MR. FARNSWORTH: Well, and, you know, you've really gone precisely toward the direction that I wanted to continue the conversation which is to say, you know, by definition, a border is bringing two countries together. And, you know, we could do everything we could possibly do on our side of the border, but if we're not seeing reciprocation or coordination or what have you, you know, it's still not going to work. So from your perspective, and in your initial comments you talked about intelligence driven and data driven security which I think is a really interesting topic and something that we could certainly pursue. But that also required cooperation with the Mexican government.

So my question, from your perspective, as a border Congressman, what sort of cooperation are you seeing from the other side of the border? Is the Mexican government as equally driven, no pun intended, to try to address some of these issues? Give a sense of how that cooperation and interaction is occurring?

CONGRESSMAN HURD: Well, I was in Mexico City a couple of months ago, Border Trade Alliance was having an activity where we were trying to get everyone together. And, you know, Edounas [phonetic], you name it, everybody was there to talk about what their initiatives are, and identifying people when there are some problems that you have that's keeping, you know, trucks or people moving. How you can escalate and resolve that situation.

The growth and the roads are being built on the Mexican side, I think are moving at a little bit faster pace than on the U.S. side in some areas. So I think the interest is there. The focus on this is there. One of the things that the government of Mexico is doing is this Uno Ventana which is, you know, you have one portal to do all your customs and facilitate, you know, things back and forth across the border. And if we can streamline that process and not make it so onerous.

You know, I spent a lot of time on IT issues, and this is one way that if we can even get

MEXICO-2016/03/16

our systems to talk to one another, you know, this is -- the time, energy, and money that this will save is pretty significant. So I think the cooperation is there. I think the willingness is there. And when you look at -- when you go on the ground and talk to the, you know, the blue shirt on our side and their compatriot on the other, those working relationships are there. So that is, in my conversations when I'm crisscrossing the district, the cooperation with Mexican counterparts is not an issue because it's happening.

Again, there's some cases where you have a problem here or there, usually on the agricultural side. On the agriculture inspection side, but I haven't seen any of that problem. And, again, you go to Mexico City, I think there's -- they completely recognize the importance of increasing trade.

MR. FARNSWORTH: We're going to have the opportunity to go to those of you who may have questions here in just a short bit, so be preparing that. But let me ask both of you the same question then, before we go to the audience. You know, both of you have indicated that the region is different. It's not Washington. It's not Mexico City. It's unique. It's broad, and it differs along the length of the border. What would be the one thing, if you had the opportunity to put into the public consciousness in the United States that you think people don't understand about the border that you would like them to understand about the border that they could take away? What would be the one thing, if there is one thing? Congressmen Hurd, why don't we start with you?

CONGRESSMAN HURD: I think Beto alluded to it, is that these are safe communities. Laredo is safe. El Paso is safe. Juarez is not the murder capital of the world, right? There are more homicides in Baltimore, Chicago, New Orleans than that. Alright? There is a narco -- there is a drug trafficking problem in Central and Northern Mexico, absolutely, but right now, today, many of these border communities are incredibly safe. People are going back and forth every single day and, you know, the imagines you see in movies like Sicario are not the reality right now.

MR. FARNSWORTH: Thank you.

CONGRESSMAN O'ROURKE: Yeah. I would say that the border has never been more secure in the history of the United States/Mexico border. You are, today, seeing record low numbers of apprehensions, you know, under 400,000. Compare that to the start of this century, year 2000 you had 1.6 million plus apprehensions. And when we see surges in apprehensions those are typically Central

MEXICO-2016/03/16

Americans turning themselves in, not trying to evade detection or apprehension. In the last ten years you've doubled the size of the border patrol from 10,000 to 20,000 agents. You nearly tripled total border security spending to \$18 billion.

In 2005, just about ten years ago, the average agent on the southern border made 106 apprehensions a year. Last year the average agent made 17 apprehensions, and in the El Paso sector the average agent made six apprehensions for the entire year. So you're really see the law of diminishing returns come into effect, and the consequence of continued obsession of border security is twofold. One, we will waste tax payer resources on a problem that we really do not have. You talk to the Secretary of the Department of Homeland Security, the Director of the National Counterterrorism Center, the Director of the FBI there has never been, nor is there now, any terrorist activities, plots, or action connected to the southern border. Doesn't mean we shouldn't remain vigilant against that, and we are. That \$18 billion, those 20,000 agents, the preponderance of federal law enforcement that's located at the border is going to ensure that we are vigilant.

But the second consequence is that when we are focused where the problem is not we are taking our eye off the ball where the problem is, where terrorists do come into our country at our international airports, at student visa and visa overstays, at our northern border, and homegrown radicalization in communities throughout the country. And so we need to dispense with this myth that the border is insecure. It is as secure -- I mean, the data, the facts tell us precisely that. It is more secure than it has ever been. And I think that more dollars spent get ever less, smaller, marginal improvements. It's really time to focus on, as Will says, the men and women in blue, the customs and border protections officers who facilitate trade and lawful cross border traffic and mobility there. That's when we really begin to realize the opportunity that we have on the border.

MR. FARNSWORTH: Now you know why we were so delighted to have both of these join us today. This is fantastic. I would love to continue this conversation myself, but we promised to bring in some folks from the audience, so why don't we take a round of three questions? We'll start right here. I believe we have circulated microphones, yes. And if you could please identify yourself by name and organization you're representing that would be terrific. And if the question is directed at one particular Congressman please feel free to direct it accordingly.

MEXICO-2016/03/16

MS. VIDAL: I'm June Vidal. I'm with the Congressional Research Service.

Congressman Hurd, you referred to 19 criminal organizations in Mexico. I love to hear a number. I cover the Mexican organizations, so that's an interesting number to me. But my question is about local law enforcement. What are the communities on the border, particularly the sister cities, doing about those 19 organizations? And what kind of cooperation is happening locally?

Many, many moons ago I was in Piedras Negras and Eagle Pass working on chemical emergency response which was a great program that we had running down there. Though we were coming from D.C. going down there to do it, just on occasion, as opposed to being from down there. But I'm very, very interested in what kind of cooperation is happening locally?

MR. FARNSWORTH: June, thank you very much. We'll go here in the back. Right here.

QUESTIONER: Thank you, Eric. Thank you, congressmen. Your analyses are spot on. You've got low apprehensions, spillover violence has not materialized, the terrorist threat, have to be vigilant, but hasn't happened. But one thing is going up and it's drug seizures at the border. We're seeing sharp, sharp increases of methamphetamines, heroin, in particular, maybe to some extent cocaine. Most of it made in Mexico, the meth and the heroin, and, obviously, causing quite an epidemic in the United States.

And most of that, I should add, going through ports of entry, not between the ports of entry. What strategic shifts, what budget shifts, what change in priorities do we need to make to address that better?

MR. FARNSWORTH: Thanks very much, an important question, and there was a third question, I believe, right here. Yes?

MR. LIBBY: Hi. Roger Libby with DHL and thank you both for being here. Wanted to just say that I very much appreciate you -- I heard a lot of comments, but I want to put it together and ask one question. You talk about physical infrastructure that's critical in making sure they have the physical infrastructure for customs clearance of the border and the roads. There's the IT infrastructure, and I very much appreciate Congressman Hurd mentioning single window. Mexico is actually ahead of the United States on single window development. The U.S. is catching up, but making sure that the IT infrastructure is also interconnected, and ideally getting toward a state where one country's export declaration is

MEXICO-2016/03/16

another country's import declaration and be filled once.

And then the third part, I didn't hear as much, but I wanted to raise, and that is the trade facilitation component, and Congressman O'Rourke, you mentioned this briefly, but we can only do so much investing in physical dollars. Eventually we have to start looking at managing risk, and if there is low violence then you can say you need to deal with your crime elsewhere, but we also have, even within that border, where are the high risk shipments and where are the low risk shipments? And large companies, DHL and other international companies which have very tight end to end supply chains are in the secure programs, the trusted trader programs in the U.S. and in Mexico. And how do we try to make sure that we use those limited resources of stopping and inspecting every package on a truck for those about whom we know less, and for those whom we have trusted trader programs, we have great confidence in the security regimes that we really do recognize their programs and try to push them through. Are you having conversations with U.S. Customs and with Mexican Customs to see how we can reduce the inspections on those companies that are in the trusted trader program to facilitate the trade within the infrastructure?

MR. FARNSWORTH: Yeah, the whole concept of risk management is a way to help facilitate rather than impede trade. Some really good questions here, and if we have time we'll take another round, but let's go to Congressman Hurd to begin addressing some of these.

CONGRESSMAN HURD: Sure. The local law enforcement cooperation. Right now the counsel general from Nuevo Laredo is working on a program to do just that, to bring the local -- not just law enforcement, but public defenders, judges bring them, you know, into a place like Eagle Pass and El Paso and have conversations with their counterparts on best practices. And so I think some of the (inaudible) funds are being used for this.

Because the larger problem with law enforcement, if you will, in Mexico you've got to have, you know, you've got to have public defenders. You've got to have, you know, jails that actually operate. When you look at some of the elements within the Mexican military they're very good about when you put them on a target they can seize that target and stop it, but it's all the other stuff. And I think there are some real opportunities for people to learn from each other on both sides of the border, and understand what some of the concerns are on the Mexican side and how we can facilitate that.

MEXICO-2016/03/16

So I think this is a growing area. I don't think that the conversation's on a local -- from local law enforcement are at levels where they probably could be or should be. But one of the issues that you always have, and my friends in the intelligence communities are concerned with is potential corruption within some of the folks that we're working with. The narco trafficantes are making conservatively \$50 billion a year in the United States. Right? That's a pretty big number and that's a conservative number. And they're organized. They are well financed, and so that's the threat that you're looking at. When you look, roughly, the U.S. intelligence budget is \$50 billion.

I think someone said it right, you know, a lot of this stuff is coming through our ports of entry. So this is a big problem, but the way we improve it is by increasing the people to people contacts, and one way to do that is with local law enforcement. Do you want me to hit the other?

MR. FARNSWORTH: Sure, go ahead.

CONGRESSMAN HURD: The one question about, you know, how can we, you know, focusing, you know -- one of the things that we've got to remember, and all my friends in Mexico tell me it's that, you know, you've got to deal with -- you know, I know something about dealing with supply and stopping bad guys, but you've got to deal with demand as well too. And that it's our money. It's our habits, our drug habits that are financing this, the drugs that are coming back and forth to the border.

But again, the difference, when I was in the CIA I was an undercover officer for nine and a half years. I was in India two years, Pakistan two years, New York City, two years, Afghanistan for a year and a half chasing Al Qaida and Lashkar-e-Taiba and groups like this. The difference with the narco trafficantes in Mexico is they're not hiding in caves. Alright? A lot of times you know where they are and this is a threat that we have to work closely with our Mexican partners to stop. I think we can do that.

And then the third question was about -- one of the areas is -- I'm drawing a blank on the name. It's where you're doing inspections in Mexico. We're doing inspections right now in the Dubai Airport and clear customs there, so we're already doing that a number of places in Canada. Some legislation was passed in Mexico that allowed our customers officers to carry their sidearm which is going to make it a lot easier in order to accomplish that on the ground.

If you're able to sort of, you know, 75% of known traffic and clear it at the points or origination and get it across the border and move it quickly then you can focus on the elements at the

MEXICO-2016/03/16

border that may need additional scrutiny. And so extending this program, widening this program is something that DHS is doing and working on.

MR. FARNSWORTH: Congressman O'Rourke?

CONGRESSMAN O'ROURKE: I'll just continue on that last point. I mean, I think the fact that CBP officers in these preclearance inspection programs that are being piloted in different locations along the border, including one in Santa Teresa, New Mexico which is very close to our districts. That's a huge breakthrough. It is a huge victory over some very serious issues of sovereignty in Mexico. Remember, we took about half their country not too long ago, in the scheme of things. And for a U.S. federal officer to be carrying a weapon in Mexico today was something that many people didn't think was possible. Even a year ago I was in an inter-parliamentary dialogue with counterparts in Mexico City and there were people in their legislature who said that this would never happen. So that's a huge victory.

And, you know, in terms of facilitating trade, I agree that we cannot build enough infrastructure to solve the problem. We're going to have to be much smarter about our processes and procedures at the border. Pre-inspection is part of that, harmonizing our entry/exit systems. Perhaps taking a page from the U.S.-Canada relationship when you credit one country for an entry you debit the other country's system at the same time. That makes too much common sense to me not to employ.

I think we should invest beyond the trade component. You know, these century programs where we pre-clear people who cross our ports of entry. In El Paso I mentioned 32 million crossings last year. Many of those people who are crossing don't have certified pre-inspection documents, so they're presenting documents each time which takes a lot of time from the CBP officer, takes a lot of time for the bridge crosser who could be in line for, if they're not in one of these century lines, for 15 minutes or three hours. It's not predictable. We should fund the cost to do that background check for people who can't afford the \$100 which is a lot of money to pay for that themselves. We gain the security benefit from that. We gain improvement in logistics and wait times on our bridges. We gain a healthier, more rational border. So those are some areas I would work on.

Then on the really good question about drug flows, this isn't the solution, but this is part of it, we absolutely must legalize marijuana in this country and be done with it. We can then focus federal law enforcement exclusively on much more dangerous drugs like methamphetamines, like heroin, like

MEXICO-2016/03/16

cocaine that continue to cross our border, and I think be more effective in our interdiction. But interdiction is only really a small part of the strategy.

I agree wholeheartedly with Will that we need to look at ourselves on the demand side. We have to stop pointing the finger at the rest of the Americas. Whether it is Mexico, whether it is Central America, whether it's Columbia or Peru, and somehow blame them for our problems. That they are only feeding based on the demand. I really think that we need to take ownership of our culpability in this, and begin to look at solutions within the United States. I think we have caused, with the best of intentions, untold harm on Mexico, continuing today in Central America.

I mean, there's a reason that these countries have been so destabilized for so long where we've had such critical problems in governance, where we've had impunity, as Angela knows, in the streets of Juarez where people could kill, brutalize, torture, kidnap, reign terror upon that city with complete impunity. And that breakdown in civil society, in governance, that rise in corruption is connected to a drug trade that, again, unintentionally, was partially caused by U.S. prohibitory policies that created such a premium on a much used drug like marijuana that people were literally willing to die or kill to bring it across the United States.

And I kind of paraphrase John Kerry's famous question from the Vietnam era, who's going to be the last kid in Delgadex to die to bring a shipment of marijuana into the United States where more than half the country's already decided that it should be legal. So this end of prohibition for marijuana, at least, is only moving in one direction. The faster we get there the better for us, the better for our partners in the hemisphere, and certainly much better for our efforts to interdict much harder, much more harmful drugs like the ones that you mentioned.

MR. FARNSWORTH: So much here that I'd love to follow up on. I mean, I'd love to take all day and continue the conversation. We regrettably don't have the time.

CONGRESSMAN O'ROURKE: We have votes.

MR. FARNSWORTH: Yeah, you have to get back to the Hill, and we have the rest of the program to continue with. But before I ask for your thanks to the two Congressman, I also wanted to thank again Brookings Institution for this terrific collaboration, and also thank Kezia McKeague from the Council of the Americas staff for her hard work to put this program together. So with that, please join me

MEXICO-2016/03/16

in thanking the two Congressmen for their terrific comments. (Recess)

PANEL 2

MR. TRINKUNAS: Well thank you everyone for joining us for this second panel A complex reality: Security, trade and the U.S.-Mexico border. Again my appreciation for my colleagues at the American Society Council of the Americas for the collaboration and this fantastic event. I want to welcome our guests and introduce them. I won't dwell on their bios again because of a compressed time schedule but just mention that we really have a very distinguished group of experts here talk about the issue. We're joined by Michael Camuñez who is the President and CEO of MannattJones Global Strategies. Also somebody who formally worked in the administration of the Department of Commerce as assistant secretary of the International Trade Administration, somebody who is very familiar with U.S.-Mexico relations. Angela Kocherga who is the professor of practice at the Arizona State University and also a journalist who has focused on the border for many, many years also with Arizona PBS and an old dear friend of mine Chappel Lawson professor at the Massachusetts Institute of Technology and somebody who's very much got in some of my own thinking on borders including the only time I'll plug this today a book I edited on borders in the Americas that's available outside the door. So let's turn now to the conversation. I'd like to start off with you Michael and we just heard a very reasonable conversation about what is going on at the border. It is very rational evidence based, very nuanced. Quite a contrast to I think some of the very negative rhetoric we keep hearing about U.S.-Mexico border and U.S.-Mexican relations in recent years. But even I think going back further if we think about issues like NAFTA where basically after 20 years we've seen an incredible in trade, in legal travel, in regional integration in North America really kind of a deafening silence in both capitals on the benefits of North American immigration. So why don't you just lead us off and talk a little bit about where you see U.S.-Mexico relations today and also why sort of some of the negativity or the negative tone you see out in the public debate.

MR. CAMUÑEZ: Well thank you and it is great to be here this morning with all of you and with my distinguished panelists. I appreciate the Counsel of the Americas and the Brookings Institution brining us together and frankly giving a platform for I think a very important topic particularly at this time in American history with I can only call the insanity that is circling in the political dialogue and the political

MEXICO-2016/03/16

discourse at the presidential level sadly on both sides. I thought it was interesting actually and as a way of getting to answer your question even the last panel with two congressmen who represent the border and who care obviously deeply about the border I thought it was interesting that I would roughly estimate that 75 percent of that panel if not more was focused on the subject of border security. I think that pretty much says it all as to why we're in the situation we're in both with the overall relationship with Mexico and the perceptions of Mexico that persist. There's no question that there is a security challenge related to drugs that has already been fully discussed and I'm not going to spend any more time on. What amazes me and I think what's at the heart of the current political dialogue that has NAFTA once again under attack even by those who once supported it. The republican establishment was the free trade voice of the United States seems to have at least leading candidates in the party have all but renounced or repudiated free trade. On the democratic side of course you'd expect an anti-trade perspective from Bernie Sanders. I frankly have been a little disappointed to hear Secretary Clinton repudiate and distance herself both from the TPP which she obviously was a big supporter of and NAFTA. So what is going on here and why all of this? I think first and foremost the big issues is Americans as a whole don't understand when the political class fails to articulate and I would also say the private sector has failed to articulate the benefits of the U.S.-Mexico relationship. I think it is basically largely, there's a profound lack of understanding and a profound ignorance about what Mexico is today and what it means to the United States. The reality is we talk about Mexico as though it were a failed state as though we had Afghanistan or something like it across the border. It's something that we have to build walls and protect ourselves against. In reality the phenomenal reality is that Mexico is one of the most dynamic growth markets in the world. I will tell you when I was with the Department of Commerce as assistant secretary promoting trade and investment all over the world I visited I think virtually all of our leading trading partners in developed markets, in emerging economies, in developing economies and of all of the countries I visited I came away with a sense that there were two important growth markets for the United States. I turned out be I think right about one and wrong about the other. Wrong because political events have intervened but I thought Turkey and Mexico I think represented very strategic markets for the United States and I'll leave Turkey aside for today. But Mexico let's remember what we're talking about and who we're talking about. A G14 economy who is well on track to becoming a G10 if not a G7 nation within our lifetime. A nation of

MEXICO-2016/03/16

120 million people that has fully embraced free trade and market principles that has set itself on a path of structural reform since around the time of NAFTA through today and continuing. The reforms that were just passed with energy reform and continued competition reform and telecommunications reform the Mexican economy although we don't see the stunning growth statistics that you see in China and India and in the day Brazil has consistently put a solid robust growth and growth that is based on a diversified competitive economy. Not an economy that is dependent on commodities it is a manufacturing power house that most importantly geographically privileged. It is right across the Rio Grande and it shares an integrated economy with the United States. I think what we fail to understand as a country and it allows the kind of rhetoric to persist is that we benefit tremendously from the relationship with Mexico. Everyone in this room I think probably is very familiar with the statistics and I'm not going to go into them citing that the volume and scale of trade there's a well-known statistic that is tossed out there which I'll close this portion of my remarks on which is the 40 percent of imports from Mexico and of course we have a trade deficit with Mexico. 40 percent of the imports from Mexico have U.S. content and that's from official U.S. government statistics. When I first heard that when I was in office I was trying to understand the significance of it and how to make it relevant to the average American voter because after all in the post NAFTA era when we think of Mexico and we think of the economy the dominant narrative is the great sucking sound. We've lost jobs, Mexico has taken our jobs and that's the argument that is going out in the campaign right now in Ohio and Michigan and other places. But that 40 percent statistic is telling we've not done a really good job of explaining what it really means. What it means is that because of the integrated nature of the North American manufacturing platform the integrated nature of our supply chains with the United States and Mexico. When we trade with Mexico we're actually manufacturing and making things together and when Mexico manufactures and exports its products to us and we're by far the largest destination of Mexican manufacturing it is pulling on American supply chains. It is creating and supporting American jobs. And so what's not understood is you build that wall, you shut down trade, you start a trade war with Mexico as some of the folks are suggesting and you will put millions of Americans out of work for a whole host of reasons. The tier 1 and tier 2 suppliers in the heartland of America whose jobs depend on feeding the supply chain that leads to final finished manufactured good in Mexico those folks depend on trade with Mexico. So I think one of the great failings as a matter of public policy and as

MEXICO-2016/03/16

a matter of advocacy that has allowed the anti-Mexico rhetoric to go viral is that Americans just don't understand how interdependent we are with Mexico, how jobs in the heartland depend on trade with Mexico. Someone asked the congressmen previously if they had one wish that they could get into the American culture my wish would be that more Americans understood that the relationship with Mexico is not about the border at all that we need a broader constituency from Mexico in the heartland of America that understands that everyday employees and that the American economy at large is dependent on trade with Mexico. I think that has just been completely missing from the dialogue.

MR. TRINKUNAS: Thanks. I think excellent points all and one of the things I'd like us to talk a little bit more about today is how this actually looks and how does this conversation look from the communities on the border and on both sides of the border and Angela one of the things I wanted you to talk about is what are people in Texas in Arizona in California at the border saying about these kinds of issues that Michael was raising or the issues that were raised in the previous panel with the congressmen.

MS. KOCHERGA: Sure thank you Harold and thank you to the Counsel of the Americas and Brookings Institute for having this discussion. When I checked in last night at the hotel the first thing I was asked was I am I in town and I said we're here to talk about the border and he said oh so it is about the wall how high will it be and who is going to pay for it? So unfortunately that is the only discussion about the border on a national level and I'm here to tell you as you've heard from some of the people from the border that the border is not a campaign sound bite is really is a place we call home where millions of people work, go to school, raise families, it is not this dangerous no man's land invaded by hordes of immigrants or criminals coming across. We do understand living on the border that contraband is a fact of life and illegal goods going back and forth. But I want to make sure people understand that as you also heard it is a safe place and we have our share of problems but I really think some of the solutions that are coming from actual border residents. The other thing I think a lot of Americans don't realize the view from the border is we do have a border fence. We have various versions of it up and down the border which have been adapted to the environment, to the aesthetics, to the security needs along the border. And having covered the border for many years as a journalist and lived along the border and have been up and down the border and into Mexico the fence even a top border patrol chief told me it is really not going

MEXICO-2016/03/16

to stop anyone. It may slow people down, it may divert people it is another tool but it is definitely not the end all and only solution to security concerns. I would also agree and echo the comments that security unfortunately dominates our discussion and when you talk about security it is one size fits all and unfortunately the response doesn't always meet the need along the border. I'll give you a couple of quick antidotes. I was recently in El Paso and I was covering the Pope's visit. It was supposed to be a big celebration a mass in a city that has seen horrible violence. I've covered it day in and day out and is now recovering thank God and while you had jubilant celebrations in Mexico a lot of U.S. citizens we thought would come from across the border area didn't show up and even those on the El Paso side were afraid to go. Officials had warned them don't cross the border unless you have an urgent need. Well part of the problem was maybe they were afraid of the long lines on the bridge which we all can sympathize with but the issue I walked across the border to go cover the mass and the bridge downtown was absolutely empty I'd never seen anything like that. I ran into one family three generations including grandma in her wheelchair going across to the mass and a lot of agents who were brought in from across the country to secure the border during the Pope's visit including two from Washington, D.C. who were posted right on top of the bridge with high powered weapons slung across their shoulders. So the real question was: was that response necessary and there is a cost involved economically? Also a cost to communities that have to live under that situation. So fear does drive a lot of policy. Another anecdote and this is where I'll be critical of my own profession of journalism we aren't necessarily going beyond the rhetoric and sound bite especially if you're not on the border covering it. There has been a persistent rumor about ISIS training camps on the other side of the border and we kept saying we're not going to cover it we know it is a rumor. A website put it out there and it was spread by social media. We eventually were forced to go out and dispel the rumor to actually do what many people don't do and actually show up and cover it and the local people were at first they were staying it was rather humorous we haven't seen anybody training here and others were upset that their neighborhood was being bad mouthed. One man even said people know I'm not even from the area because I have a regional accent so I think if we had people from another country and large numbers of the training in Mexico we would definitely know and finally this other man told me my relatives from the U.S. asking if there are ISIS militants training right there and I said know there are not we're hear we'd tell you we got your back. I think that's the message that people need to

MEXICO-2016/03/16

understand the strong family ties on both sides of the border that we do have each others' backs and the people there are really one community. So when you look at security we have to consider that fact to. I'll just end this by saying of course people are afraid of things that they're unfamiliar with. I mean I was afraid last night when I was watching the news about the metro shutdown. I thought oh my word how am I going to get here and one station even called it metro-geddon. So I think the more we know about something the more we get real information and the less fear we'll have.

MR. TRINKUNAS: Thank you Angela. I think that's a really good point and Chappel I know you've thought a lot about security issues and we probably have focused a lot on security in this event so far but maybe you can help us think through if maybe is the wall the right answer if the wall if not the right answer then how do we deal and what are the risks out there that we should be focusing on since we hear a lot about the kind of myths about the border and the riskiness of the border in our debate so far so what should we be thinking about when it comes to that?

MR. LAWSON: You can see that Harold saves the non-controversial and easy questions for his good friends. Thank you and it is very kind of you host. While I bide for time here and formulate a response for Harold's question I just thank everybody in the audience for trading a beautiful spring day to be here with us we're very grateful and all my co-panelists from whom I'm learning a tremendous amount. Whether or not you want to build a wall depends on how much money you want to waste. Stepping back there's not necessarily anything conceptually wrong with the idea of physical barriers between the ports of entry. A border can be divided throughout all ports of entry where things are supposed to cross, people, goods, whatever. And then the aid stretches between the ports of entry where by definition any crossing or shipment is illegal unless it is a wild animal wondering across the frontier. But the conversation I think in Washington outside the border region tends to have a surreal quality for those people who are familiar with the area itself. For one there are physical barriers all along the border in some cases triple fencing and in other cases vehicle fencing but basically the entire non river border between the United States and Mexico has some type of physical infrastructure that is deterring illegal crossing. So we've reached the point of diminishing marginal returns and investment as Beto was suggesting earlier that if average apprehensions by a border patrol agents between who operates between the ports of entry is 17 people per year adding more physical infrastructure and adding more border patrol agents between the ports of

MEXICO-2016/03/16

entry doesn't make any sense. But by contrast we have an enormous infrastructure and staffing deficit at the ports of entry on which we depend for legal transit and commerce. If we're in the realm of 100 to 200 million legal crossings per year at the ports of entry and a tiny, tiny fraction of that being illegal crossings between the ports of entry why would we not change the pattern of investment and turn to customs and border protection green shirts and border patrol agents into blue shirts and some fashion customs officers at the port of entry. Because that's the way to both facilitate trade and enhance security at the border. Right now we could waste a lot of money constructing additional physical barriers but we have a huge as one of our presidential candidates would say infrastructure deficit at the border and that is hobbling our ability to take advantage of mutually beneficial trade and transit between the United States and Mexico. So my first instinct would be to say let's not waste any more money on physical barriers. Then of course I think this was suggested already by my co-panelists and by the congressmen earlier there are enormous costs in a non-economic sphere and non-security to erecting further physical barriers. They divide communities unnecessarily sometimes. They have ecological implications. There is simply no rational discourse that would encourage you to invest your money in that direction. On this panel I think we're really in danger of allowing facts and common sense to try political rhetoric and in the current political environment that is sometimes difficult for people to swallow but that are the reality of the border and the best investments in those trade and security are to be made at the ports of entry.

MR. TRINKUNAS: Thank you Chappel. I think there is a risk of us being relentlessly reasonable in this event today and that might be a little bit out of sync with the kind of conversations that we've been having in the country. But in the spirit of being reasonable and practical and thinking about how we can actually make things better maybe I can just ask the same question of all of you before we go to the audience to try to take some of your questions which is sort of what is the sort of the short term and the long term thing like what would you like to see done within the next year and what would you like to see by the end of the next administration to actually improve things at the border and ways that benefit the United States and both countries actually. Why don't we just go in the same order, Michael why don't you lead off.

MR. CAMUÑEZ: Well you know it is interesting I was just in Las Vegas on Friday along with Chris Wilson from the Mexico Institute and a few others. We are in the process of trying to bring

MEXICO-2016/03/16

together stake holders from around the border from Brownsville all the way to San Diego to create a collation to provide an alternative voice about the border and the needs of the border. Just to reflect on some of the takeaways from that group of stake holders and people from the border, I was also born and raised in Las Cruces New Mexico just 30 miles from the border so I have a strong appreciation for the region itself and the ecosystem down there. What I'd like to see in the short term and I think this is consistent with the views of the border economic development organizations and stake holders that I was just with is the following in the short term and the long term. Number one I think as I said earlier I think we need to stop thinking of the border as a place where we have bridges that allow trucks and commerce to sort of flow through. We tend to think of the border synonymously with infrastructure border crossings and with security and all those related dimensions. I think what we have to understand is we've got an incredibly dynamic ecosystem along the U.S. Mexican border where innovation is happening. I don't know how many of you know the hottest new industry in the world is drone technology. The hot bed of drone technology is Tijuana Mexico and San Diego, California. The guys that created 3D robotics for example a Mexican and an American, a Mexican engineer by the way and an American investor and CEO have this truly binational enterprise that is reinventing and it is really creating an innovative industry in the U.S. Mexico border region. You've got advanced manufacturing on both sides of the border. You've got these dynamic connected regions, this ecosystem that is a living organism up and down the border. And we as a matter of federal public policy and leadership don't really give the border its due we tend to think of it as in the words of some of the recent reports that have come out these pass through economies where things flow through and we've got to secure those border crossings whether it is people or commerce or goods but we don't really invest enough in the region itself. So what I'd like to see is number one I'd like to see the high level economic dialogue which is this new bilateral strategic platform which is now really the center of gravity and the bilateral relationship managing issues of strategic competitiveness North American competitiveness I'd like to see that institution become much more focused and centered around creating competitiveness in the border region itself. I like to see the interagency of the United States government for example focused on bringing together all of resources from the economic development agency, the small business administration, the private sector and others thinking about how we do really meaningful thinking about creating innovation and economic

MEXICO-2016/03/16

development in the border. I'd like to see the NAD Bank recapitalized and have its mandate expanded so it's able to invest in a wide range of public projects with increasing private participation through PPP's. There is a whole lot we can do if we took and made the border a serious public policy priority. We would see immediate economic benefits to the country. We'd see in the short term and the long term. So the discussion in Las Vegas last week I think was very consistent with these ideas. People really want the capitals in both countries to understand that these communities are vibrant, dynamic places of innovation that are big contributors to economic growth and not just places where semi-trucks pass through hauling products from one manufacturing place to another. So in the short term I'd like to see us get serious about how we think about the border and completely overhaul and reinvent the way we approach public policy related to the border getting off of these obsessive themes of security and containment and starting to really think about how we think look at the border as a place to invest and grow and contribute to the dynamos that is North America.

MS. KOCHERGA: So I think you're hearing this repeated but I will repeat it again. I think any policy really has to take border voices into account and learn from those voices and these are the stakeholders who can help you come up with solutions to problems and increase the benefits we see at the border. I think you're seeing some of that already. A lot of these ideas you heard Congressman Beto O'Rourke talking about how El Paso is paying for extra CPB officers. I also had a chance to tour the CBX terminal. Some of you may know and have used it actually in Tijuana where you come from San Diego and you walk right into the airport, take a flight into Mexico and some to China. That is innovative and hopefully we'll see that up and down the border. That is a private enterprise and a border idea. Also in the realm of what I could call social infrastructure. All those problems we talked about and they're wonderful non-profits who have done incredible work. One I will tell you about I met a mother who was a mother of one of the teenagers killed in that horrible birthday party massacre where student athletes were gunned down. She lost her son and she and her husband and the football coaches got together and started an organization to prevent violence, increase conflict resolution for both the parents and students and now helping provide psychological counseling to some of the children who experienced that violence. So very proactive and they are starting to get funding from the federal government in Mexico. Many, many other examples like that. Ian Bradley knows some of the hard work and partnering that went on

MEXICO-2016/03/16

also with the U.S. organization. So we need more of that. More ideas and solutions coming from border residents because we know the issues and problems and the solutions are out there.

MR. LAWSON: We've talked a lot and I know there are people in the audience who really want to ask questions so I'm going to be brief in response to your magic wand question. If I had a wand and I could waive it once I would say I'd like to see the discourse change and I'd like to see it change in three ways. First of all I would like us to stop talking about the border as if it is the alien lawless land and instead talk about it as it really is. Secondly I think I'd like to recognize a more shared responsibility for all the problems that do exist near border communities or at the border itself. We talked about the flow of drugs between the United States from Mexico. We talked much less about the flow of guns and bulk cash into Mexico from the United States but from the perspective of our adversaries criminal organizations is a single network and we have to shift our own thinking from caring only about what's coming into the United States to caring also about what is going out. I think Mexico would embrace that same notion of collaborative management of the border. Finally to be brief here I think we have fallen into a trap on our rhetoric about border safety. Somehow we have allowed ourselves to be persuaded that we have to secure the border before we have any meaningful conversations about the real causes of the problems at the border related to immigration or to say criminal organizations. I would flip that discourse entirely. I would say the border is incredibly secure especially relative to what it has even been at any other point in our history. But it will never be fully secure until we address the demand side problems in the United States that are the root cause of undocumented immigration and drug consumption of criminal enterprises. So that message is the one I would like to get out. Maybe the shortest answer is maybe more events like this not just in Washington and not just in the border region but in those places where such messages are received with greater skepticism.

MR. TRINKUNAS: Well put. So we have time I'm going to take a round of three questions. The same rules as before please identify yourself and any institutional affiliation and wait for the microphone before asking your question.

MS. TANCO: Hi my name is Andrea Tanco from the Mexico Institute. So a lot of the political rhetoric in this election has been focusing on building a wall. The truth is there is already a wall. Not as large and not covering the whole border so if you could elaborate on the negative impact of the

MEXICO-2016/03/16

wall at the border and if our economies are becoming more and more integrated and if we achieve that level of collaboration between governments in border security could we see the conversation shifting to actually removing this border?

MR. TANOWITZ: Ira Tanowitz from Emlex New Service. I just want to understand some of the campaign rhetoric and its impact on the wall. We have one of the candidates who is talking about imposing some sort tariffs on the makers for Oreos, the makers of Ford and the makers of Carrier when they bring stuff back into the United States. If that were to happen how much of an impact would it have on trade with the United States and is it possible to keep the NAFTA under those circumstances and would it have the significant impact on trade with Mexico?

MS. RIOS: Thank you. Vivian Rios fellow at the Wilson Center. One thing we haven't discussed is what Mexico is thinking and doing. Right now Mexico is having very serious discussions about legalizing marijuana and also it is having very serious conversations about how they're going to react after the shift in the narrative of the campaign. So is there something that the experts could say about these two issues and how that may affect the U.S. in the short term?

MR. TRINKUNAS: Thanks. We'll start with Chappel and then we'll work our way back.

MR. LAWSON: I'll start with the question from Vivian my fellow fellow at the Wilson Center. I think it is great to bring in the Mexican perspective. One of the things that I think is most auspicious about the bilateral relationship is that if you'd switch Beto and William with someone from the Mexican side of the border they would have said probably almost the exact same thing. Our congressmen said if you switched us with experts on the other side of the border who actually care about the region and these issues they would say more or less the exact same things. So there has been tremendous convergence in identifying opportunities for mutual benefit. I won't speak to the marijuana issue. You heard one of the congressman advocate for the legalization of marijuana. However you come out on that issue the key is to think about the demand side of drugs rather than the supply side and especially rather than trying to stop something coming in at a particular line in the sand which is a nonsensical approach to our counter narcotics policy. Wilson is a wonderful place for the study of Mexico. I would say first things first. There may be a world like that in the future that it looks more like the northern border of the United States with Canada then it does like the current southern border but

MEXICO-2016/03/16

right now we have a lot of work to do in solidifying the relationships that do exist between U.S. and Mexican law enforcement or U.S. and Mexican economic partners. That's what I would focus my energy on and that's related ultimately to the question about NAFTA. No of course re-imposing tariffs would shred NAFTA which has been enormously economically beneficial through all three partners and you can't have it both ways. You can't reintroduce protectionism and not expect that your trading partners will also do the same to the great economic detriment of the United States and to the destruction as Michael our other panelist put it millions of jobs in the United States that depend on this cross border trade.

MS. KOCHERGA: So we often hear that question about legalizing marijuana. I actually have a fellow Mexican journalist who just wrote a book about that. She's in Mexico City right now about to launch it. So it is a talk on both sides of the border and you heard the congressmen talk about it. It is happening state by state in the U.S. and what we see in the responses is a huge spike in heroine and meth smuggling across the border. So again it is about the culture of contraband. What's the next best illegal thing we can bring across the border and get a good price from Mexico and what's the demand in the U.S.? So I don't think we're going to end organized crime by legalizing marijuana or this or that drug. There is always going to be something else going in both directions as it is just the nature of borders. As far as the border fence, a wall whatever you want to call it it isn't going to go away. It has very limited results and I think again it is getting to the root cause of the issue. I've interviewed so many people like refugees, immigrants, fleeing, coming for jobs and risking their lives for bus boy jobs and others fleeing violence in Mexico and Central America. They're fleeing death and a wall or fence is not going to stop people that are going to try to seek a new life. So we need to look at the root causes as to why people are leaving and what they're coming for, the demand and what they are getting when they come is a real solution not necessarily a fence.

MR. CAMUNEZ: On the issue of the Mexican perspective and we have the former Ambassador who has just arrived so he'll be able to speak more to that but I would just say this as a close friend of Mexico someone who spends a lot of time in Mexico. We have an office there in Mexico City and in Monte Del Ray. I'm there once or twice a month. I think the Mexicans are rightly, deeply offended by the rhetoric that is going around as they should be. I think there is a certain level of outrage that you saw manifest in former President Fox who said drop the F bomb in reference to we're not building that

MEXICO-2016/03/16

wall and however inelegant that might be it reflects I think the anger beneath the surface. One of the things I want to comment on that I think we would do very well to take to heart as Americans is an understanding and appreciate just how deeply offensive this rhetoric is and how it has got to end because it is no longer the case that we can say well it is this fringe candidate who is never going to be elected. Increasingly it is looking like it is becoming especially as more candidates start talking about repudiating NAFTA and whatnot it has this contagion effect. Number one we have benefited, I mean Congressman Beto O'Rourke earlier mentioned that we shouldn't forget that the Mexicans have a short memory and that is has taken a lot of years to overcome the fact that we went to war with Mexico and seized half their country and that is just a fact. It is an inconvenient historical truth that we have to recognize in what was I think a very protectoral war that memory exists. Number two we have a long history of anti-immigrant, anti-Mexico initiatives Prop 187 in California and a bunch of other things so it seems like this anti Mexico thing that keeps building. We have enjoyed peaceful border relations and if you look at the world and the state of the world where conflict reigns we should really take to heart how blessed we are as a nation to have a nation like Mexico as our neighbor. A peaceful neighbor that actually shares many of our values. I worry frankly that this rhetoric is going to give rise domestically in Mexico which by the way is an emerging, thriving democracy. They just elected their first independent candidate as governor which was a big shock to the political system. It is a multi-party system. How would America feel if in response to this rhetoric a radicalized candidate surfaced in Mexico with hostile anti American rhetoric? I mean Donald Trump let's not forget has actually alluded to the possibility to a war to enforce his threats which is preposterous we're not going to war. But I mean the fact that it is even out there is insane. That's why I started earlier and said it is insane. The next president of the United States is going to have a lot of work to do to repair and restore faith and trust and confidence and notwithstanding the very good work we've done in this administration I believe creating the high level economic dialogue, shifting the focus away from security to competitiveness and economic cooperation. A lot of that has been undone so that is the Mexico perspective that I worry about deeply. The idea of whether the wall could ever go away I think we're a long way from that but I do think as I said earlier as this country comes to respect and embrace and own the fact that we are in a mutually interdependent relationship with Mexico where we benefit significantly from that relationship I'd like to think there is a time in the future when that could happen but I

MEXICO-2016/03/16

think we're a long way from it. That being said I think Mexico has a lot to do on its part. I think let's be honest. The Mexican government needs to continue its reform agenda. It needs to become a more transparent country. It needs to deal with the rampant -- I used to think the problem was corruption. I don't think the real issue is impunity and it has the laws on the books and needs to enforce them and we need to see better evidence of that. I think as those two things happen simultaneously the countries will continue to come together. Finally with respect to the question about NAFTA and what would Trump's unilateral tariffs mean? First of NAFTA is a treaty that has been ratified. So Trump even if he were elected is bound by the law of the United States, a treaty is the supreme law of the land. So he can choose I supposed as president to aggregate that treaty but whether he has a legal authority to do so I think is a different matter. I don't believe he will. Let's not forget this is a guy who hypocritically is also manufacturing in Mexico and taking advantage of NAFTA just as he's criticizing it. I think notwithstanding the terrible rhetoric that's going on I don't believe there will be unilateral tariffs, I don't believe there will be a trade war, I don't believe there is any political constituency in the United States and Congress or otherwise to support it notwithstanding the campaign rhetoric. I think what we have to do is a community of people who care about this relationship and who understand its importance to our country is to continue to be vocal to continually vote and speak out against what we're seeing and to continually advocate and educate people everywhere including in the heartland of America about the importance of this relationship.

MR. TRINKUNAS: Great thank you. I think we might have time for a few more questions.

MR. MAESTO: John Maesto retired U.S. Diplomat. I was intrigued by the comments about the innovation in the border area, the drone technology. Could you give some more examples of binational in the border area or complimentary projects? I think showing some examples would be a good response to the people who are talking about building walls and establishing tariffs. There is so much interaction in the border area there are 30 to 40 million in the border area between the United States and Mexico going back one hundred miles or so. That is a powerhouse in its own rite. If we could call more attention to the real world economic partnerships going on I think that would help us who are trying to get the word out.

MEXICO-2016/03/16

MR. LOPEZ: Thank you my name is Sadawin Lopez I'm with McClardy Associates. I'm actually wondering, so I was born and raised at the border and a lot of the businesses and we're talking about economic growth. The most successful businesses have been cross bordered that have store fronts both in the U.S. and Mexican side or import and export consistently. This week on Monday Mexico enacted a 24 hour business creation reform in Mexico. So I'm wondering talking about the U.S. side what are some of the steps that we can take where some of the initiatives that we can look at that are looking to decrease some of the bureaucratic red tape that impedes business growth on both sides of the border.

MR. GARCIA: Hello Alejandro Garcia U.S. State Department. My question is about foreign assistance. We've invested quite a bit amrita initiative. Continue to invest quite a bit. What could we be doing, how would you target that funding to strengthen law enforcement capacity, modernize the border on the Mexican side? There is a lot of interest about the Mexico southern border. I'm just curious your take on foreign assistance.

MR. CAMUNEZ: On the issue of economic complimentary, cross border trade and new industry I don't even know where to start. Obviously automobiles have been a long standing sector but right around the border more recently in the last 20 years solar cells, electricity generation, especially renewable energy, pipelines I mean the list could go on and on but maybe this is a very good point well taken that we should be trotting out the examples more aggressively whenever we have the opportunity. I'm sure my co-panelists will chime in on this issue.

MR. LAWSON: Well you know related to cross border trade and integration of say electricity grids or pipeline grids there are some issues on the border that we haven't really talked about. One of them involves water management. We have multiple shared resources and water some that flow south, some that flow north, some that flow west to east, aquifers that run underground between the two countries some of which are in commerce with the Rio Grande and we've done a tremendous job since 1944 in jointly managing those resources but we could do an even better job because it is one of those opportunities for collaborative border relationships where what say one does on one side of the border can actually be mutually beneficial for both. So deforestation upstream on the Colorado River actually affects net down flow and the amount of water available to be then divided up at the border. So thinking about these water resources in terms of comprehensive water shed management the way we might think

MEXICO-2016/03/16

about the Great Lakes and the St. Lawrence River is a tremendous step forward and we could do even more than the International Boundary and Water Commission has already done to strengthen that relationship including not only volume of water but water quality. I won't go into greater detail but obviously there are issues of off shore drilling and management of the Gulf of Mexico in which there are further opportunities for collaboration. So when we widen the border and don't just think about trade or security there is many more opportunities for mutually beneficial collaboration. In terms of the merit money my answer is yes, yes all of it. I'm not marginal dollar invested in Mexican law enforcement capacity does more for American security than a marginal dollar invested in the U.S. border patrol right now. There are many things that could be done in Mexico to strengthen the rule of law decreasing impunity. A federal witness program would be wonderful obviously more on the prosecutorial and penitentiary side in Mexico and those would be tremendously valuable investments for the United States to help make southern border as well. To me the Mexican government has done an excellent job of investing in the federal police including veda units as well as sort of in the take down Marine units that are sequestered. What is a little bit lagging I think is the judicial prosecutorial penitentiary side of things and that's what most needs to be reinforced right now. If we're offering prescriptions for the other country in a sense those seem to loom at the top of the list though from our own perspective we have work to do as well but if you're thinking about marital money and marginal dollars best invested that's where I would put it.

MS. KOCHERGA: I would just add for the question on foreign aid and we've already seen some of this happen the focus in the beginning was just a police law enforcement training and equipment. It has now expanded to train prosecutors but also some of those social infrastructure needs building resilient communities very critical helping youth along the border, violence prevention, building up local businesses and helping families. That really does pay off and not just immediately but for generations to come.

MR. CAMUNEZ: I think maybe the issue has been fully addressed I would just say capacity building and being more flexible with many of the resources is important for the reasons that have already been articulated. On the issue of other examples I mean again they've been addressed but what I would say this is why I refer to the border region as an ecosystem whether it is medical device

MEXICO-2016/03/16

technology, whether it is automotives, solar energy, you know Sun Power one of the most prominent solar energy firms in the world is making the most innovative solar panels in the world in Mexi-Cali. It goes on and on from there. I was down in the El Paso region and the VA has just opened a new hospital that is focused on traumatic brain injury and the borderplex alliance down there is trying to figure out how do you create a cluster around a treating medical care around traumatic brain injury using that hospital as an anchor. So again Chris and the North American Research partnership in Arizona, the Wilson Center just point out a report of cluster mapping, clusters in the border region. So again this goes to my basic point which is if we think about the border as bridges and ports of entry as a place where we have to move goods and services and has passed through communities we're missing half the equation at least. The border itself is a place of dynamic, economic growth and innovation and there are plenty of stories, those stories are just not being told. I remember for example just to wrap up I was traveling with President Obama to Mexico when he gave, the first time he met President Pena we went down to the (inaudible) and after the bilateral meeting in Mexico City he asked me to go Cadetro we were going to take the message and amplify it out. And I had a chance to not only meet the governor and some of the leaders in Cadetro but I visited GE's research center there. GE the iconic American manufacturer and what I learned was that GE engineers, jet aircraft engineers, Mexican engineers were designing and innovating on GE's aircraft designs and those design elements were being sent back to the United States and manufactured in places like Ohio and South Carolina. So it sort of flipped the whole idea of NAFTA on its head that Mexican engineers were providing the intellectual capital that was then leading the blue collar jobs in the United States. Those stories just aren't told. That has facilitated billions of dollars in revenue for GE as it expands its sales throughout the Americas and there are other examples at 3M and other places. So I think that the fundamental point is we've got to see the relationship more holistically. Finally to the question about what can be done, you mentioned the Presidents reform and Mexico continues to reform and improve the indicators on the doing business in standards and what not. What I think something that will put you all to sleep if I mention it but regulatory cooperation is hugely important. You've got industries that are collaborating that are cross border in nature but we still have different standards that the manufactures have to meet. If we could further deepen the harmonization of standards and other regulations so that you could have one economic zone for manufacturing for

MEXICO-2016/03/16

example or for providing services that would dramatically improve the competitiveness. There are institutional relationships in the bilateral relationship to focus on that but again it so wonky people get bored by it but it is hugely important if you talk to captains of industry in this space that's what they want right after better borders.

MR. TRINKUNAS: Thank you I think we still have a couple more minutes before Senator John Cornyn and Ambassador Sarukhan take the stage for the final concluding conversation of this event today. But I want to pick up on this point that you've mentioned on collaboration because we talked about what the U.S. government could do, with what the Mexican government could do. We talked about private sector collaboration but I know there are some initiatives for more collaboration between the governments and I think you could put that into the context of maybe the TPP discussions between the two governments and to what extent do those kinds of conversations being blown up to a bigger stage with more countries. And Chappel you've actually also talked about collaborative security joint inspection facilities. We've heard from Congressman Hurd this morning and what are the opportunities for that kind of collaboration between the two governments to issue these problems if you could just quickly jump on those issues and Angela if you want to jump in on the local level.

MR. LAWSON: What I would say is despite the political rhetoric this is actually in some ways we're at a pinnacle of cooperation between the U.S. and Mexican governments. Since NAFTA I used to say when I was in government that I felt that the relationship was kind of on auto pilot but starting a few years ago we began to recognize the importance of really creating infrastructure platforms that would force our governments at the highest levels to get together and talk about issues of competitiveness. It is insane that the United States, Canada and Mexico don't get together and talk meaningfully about how we compete as a regional economic block, how we address the rise of China, how we compete with the European union, how we compete with the emerging economies in the Aussian or Apec region. So we've finally begun to do that in a really meaningful way and to your point the high level economic dialogue was established in 2013 and through the HLED as we call it there are very specific emphasis at the highest levels. I mean Vice President Biden, Secretary Pritzker, Secretary of Energy and others were just down in Mexico City just a couple of weeks ago talking about these issues. I think the TPP is the next extension of that relationship. It definitely multi-lateralizes it if you will but just in

MEXICO-2016/03/16

the bilateral context there is a lot of deep cooperation that is trying to break some of the log jams that exist that have held up some of these issues for some time.

MR. CAMUÑEZ: I think we are a pinnacle in a sense but we're not at the highest peak and let me try to sketch out very briefly what I think the highest peak looks like. First of all it is a shift away from a 19th century notion of the border and of sovereignty as managing a line in the sand to a more collaborative approach that sees mutual benefit in managing a shared border. We don't think about doing everything at the physical boundary itself but rather wherever it is most efficient to do so and that encompasses trade, law enforcement and bunch of other things. What does that look like in the most wonk-ish and boring level at a port of entry? It looks like a single building with an open floor plan right along the border itself straddling the boundary with a little dotted red line in the middle of the building indicating the border itself. If not cross deputized officers at least officers from both sides in the same building doing single entry processing and able to communicate with each other real time while looking at more or less the same information on the screen. I sense I guess the physical manifestation of collaborative border management in the 21st century.

MS. KOCHERGA: I'll be very, very brief. We need to continue this discussion and we at the Cronkite School of Journalism and two major media partners we're going to be doing polling on both sides of the border, up and down the border to find out what border residents want, give some perspective, some opinions, some solutions and we'll be doing stories and this will be released before both of the conventions this summer so we'll have some real voices to add to this debate.

MR. TRINKUNAS: Well please join me in thanking our panelists for great conversation. I invite Ambassador Sarukhan and Senator Cornyn to take the stage. (Recess)

CONCLUDING REMARKS

AMBASSADOR SARUKHAN: Good morning. It's good to see that you've been able to battle the Metro out there today. It took me a bit to drive down, and I apologize to my fellow panelists this morning. I was coming from the Senate panel yesterday in Mexico City. And flying through Atlanta my last flight into D.C. got cancelled and I had to sleep in Atlanta. So I was able to grab a flight early this morning, shower, change, and then make it on time. So I apologize for not being with you for the beginning of the

MEXICO-2016/03/16

program.

But it's a huge pleasure and honor to be here today, joining my good friend, Senator John Cornyn, of Texas. And I say this not because we're in Washington and everyone says my good friend, the esteemed or the honorable X or Y. John Cornyn and I worked hand in hand for six years during my tenure as an ambassador to the United States and this is no easy task. This is a complex, challenging relationship as you've heard. No bilateral relationship with the United States has with any country on the face of the earth so many moving parts. And Texas, obviously, plays a central role in this bilateral relationship. I've always said that Texas has historically been the sparkplug of the U.S.-Mexico bilateral relationship. And John Cornyn and the former senator of Texas, Kay Bailey Hutchison, have played a unique role in pushing forward and modernizing and upgrading this bilateral relationship between both countries. And look, the Senator and I sometimes disagree on issues as is obvious on a relationship like the one that we have. But what always, always was the mark of the day was the ability to sit down to discuss based on facts, on facts not on fiction. These days with a candidate out there who is Teflon-coated to hard data, who's a walking fact-free zone, and whose facts are as loose as his lips, it is very gratifying that there are statesmen like Senator John Cornyn in the Senate today engaged in the day-to-day dynamics of what is probably one of the most important relationships for the security and prosperity and the future well-being of Texans and of Americans.

So what we will do today is the Senator will provide some opening remarks from the podium. Then we'll sit down and have a bit of a chat, a conversation, and then we'll open it up to questions from the audience. So Senator, so good to have you here with us today.

SENATOR CORNYN: Well thanks, Mr. Ambassador. It's great to be with you and look forward to our conversation. Let me express my gratitude to Brookings for hosting this, and it is very important to have these sorts of informed discussions about policies affecting the United States and Mexico and our common border because we are dependent on one another in so many ways. Occasionally when I'm in Mexico or even in Texas I'll talk about this being like a marriage. We can't get a divorce. We've got to make it work. And it takes both us, the United States and Mexico, working together.

And the truth is, for example, the United States has about 6 million jobs that benefit from

MEXICO-2016/03/16

binational trade with Mexico. And so our prosperity depends in large part on the prosperity of Mexico and our relationship. And I might add Texas and Mexico do have some history. You don't have to go that far back. The Senate seat I hold was first held by Sam Houston. He came to the Senate in 1846 after Texas became a state. So we do have some history.

I know you've had earlier panelists, people like Beto O'Rourke and Will Hurd, speak to you. And it's great to see in a very polarized Washington, D.C., the bipartisan cooperation and work that we do together that I think really distinguishes the Texas delegation. I work very closely with Henry Cuellar on many issues as well. So despite the partisan differences that seem to be emblematic of what's happening in Washington and maybe in our politics in general, I just want to reassure you that there are those of us who do believe that it's important to work together in a bipartisan, bicameral way and to work with our friends in Mexico and, of course, in the United States to improve our relationship because it is for our mutual benefit that we do so.

So trade obviously is a huge component of that relationship, and I'd just like to note a few things that have happened recently that I think are really landmarks in that developing issue of trade, the opening of the West Rail International Bridge, for example, last summer. This is the first new international bridge between the United States and Mexico in over a century, over a century. And then there's the launch of the Pre-Inspection Pilot Program at Laredo International Airport, the only place outside of Mexico City where international cargo bound for Mexico can be inspected. And, of course, last month we celebrated the completion of the Tornillo-Guadalupe Land Port of Entry, now the largest border crossing along the entire southern border and a testament to the hard work of leaders in El Paso County.

These accomplishments would not have happened without leadership from frankly a lot of Texans that I'm very proud of and again on a bipartisan, bicameral basis. And because we do have a front row seat in what happens along the border, we obviously have very much of a vested interest. But this isn't just about -- as I hope to impress upon you -- the border is not just a local issue. It's not just an issue between Texas and Mexico or Arizona, New Mexico, California. These are everybody's issues because the prosperities I said earlier of our two countries benefit both of us.

We did, for example, pass legislation that is very important to the infrastructure issue and no, Mr. Ambassador, it's not about the wall. I am talking about a long-term transportation bill, the first

MEXICO-2016/03/16

time in a decade. This legislation provides state and city leaders the certainty needed to address our long-term transportation challenges. And if you go to the border, let's say, in Laredo where there's the largest land port of entry in the United States, you'll see a lot of trucks stacked up there. Not good for commerce, not good for the environment, not good for trade, and so infrastructure is important. We've also been able to engage in some public-private partnerships that allow the cities and communities, local governments there, to contribute to efforts whether it's staffing or whether it's other infrastructure development to help facilitate those cross-border issues.

I know this group knows how important quality infrastructure is. One report recently found that \$116 million in U.S. economic output is lost every minute a truck sits idle at the border, \$116 million U.S. dollars. And in Texas that border infrastructure moves about \$100 billion of exports to Mexico each year alone. And, of course, quality infrastructure is also important because our border crossings are the first line of defense against bad actors who want to exploit those borders.

And we also know that it's not just about the United States and Mexico. What happens south of Mexico also has a big impact on the United States. And, of course, I'm referring to the unaccompanied minor children coming in from Central America, which has been called -- and I think appropriately so -- a humanitarian crisis. This is unfortunately as I reflect on what's happening in Central America and my visits to there I guess about a year ago now I was in Honduras in San Pedro Sula. And I think we could say the most dangerous neighborhood in the most dangerous city in the most dangerous country in the world. And people ask, well why would somebody -- why would a mother put her young boy or young daughter, turn them over into the hands of a criminal organization that would offer to transport them from their home in Central America to the United States? What must life be like in Honduras, for example, or in Central America that you would risk that? Well, it must be pretty bad. And so it's part of our national interest, too, I think to help our friends in Central America as well as we did in the Omnibus Appropriation bill that passed last December to help them build their society out so people can stay home, which I think is something common to all of us, our desire to grow up and to prosper where we live, where we were born.

Last Congress we, along with Henry Cuellar, introduced something called the Humane Act relative to this humanitarian crisis of children from Central America that would help us do a better job

MEXICO-2016/03/16

protecting them once they got here in the United States. It's tragic I believe that the children who make it safely into our country are sometimes placed into bad circumstances through a lack of adequate vetting by the sponsors of the people who they're placed with while they're awaiting their immigration court proceedings or what have you. The Humane Act would require all potential sponsors of these children to undergo a rigorous biometric background and criminal history check and would add another essential layer of protection. We can, of course, do more with our friends in Central America to stem the tide of unaccompanied minors, and I know Mexico has done a lot as well. But once these children arrive in the United States, it's my conviction that they are our responsibility to help keep them safe, and I look forward to reintroducing that legislation soon.

One final example I'll mention is the Comprehensive Addiction and Recovery Act. Many of you are aware that in New England and diverse parts of the United States, there's an opioid prescription drug abuse problem that's resulted in overdoses and people becoming addicted to prescription drugs. When those aren't available, they will then convert to heroin. And, again, I know the challenge for the United States and Mexico is, of course, the United States is the demand side of this as my Mexican friends point out. And it would make life easier in Mexico, particularly dealing with the cartels and the criminal organizations that profit from the illegal drug trade, if the United States was able to do more on the demand side and they're absolutely right.

But in 2014 alone drug cartels smuggled more than 250,000 pounds of heroin across the border at a street value of about \$25 billion. It's big, big business. And while production has been growing to meet the U.S. demand unfortunately, U.S. efforts to interdict those drugs have fallen short. So listening to some of our law enforcement personnel and also our military, people who like the recently retired General Kelly who was head of Southern Command, we need to put more assets in the hands of law enforcement and our military to try to make sure we help our friends in Mexico and elsewhere interdict these drugs before they get to the United States.

Well, I could go on and on, but I won't. The point is that there are many avenues to work toward a stronger binational and bilateral relationship and a more prosperous future for both the United States and our friends in Mexico. And that's because in the 21st century securing our border is more than about just immigration. It encompasses everything from humanitarian disasters to terrorist threats.

MEXICO-2016/03/16

And I'm hopeful we can continue to work together and keep our heads about us while there are some who appear to be losing theirs in the process because it is in our mutual national interest to make our border safer and more economically vibrant. And as I said, the truth is our success in the United States depends in significant part upon Mexico's success. And when we're both prospering, the communities along the border do, too.

So Mr. Ambassador, thank you for having me here at Brookings, and I look forward to our continued conversation.

I should have added that last March when I was in Mexico City, Mr. Ambassador, I was with Senator Tim Kaine from Virginia. And the Chamber of Commerce sponsored a breakfast and had all of these U.S. oil and gas companies meeting in Mexico City to try to learn more about the change in Mexican approach to international and private investment in the huge energy resources in Mexico. So as Mexico develops its energy resources with the aid of more private investment and, of course, under the auspices of domestic law, I think there's a great opportunity for economic growth and jobs and greater prosperity. So I was encouraged to see that.

AMBASSADOR SARUKHAN: As I mentioned throughout there the idea of Texas being a sparkplug in the U.S.-Mexico bilateral relationship and when you look at the landscape of structural reform in Mexico today, there's clearly no issue that could become a renewed driver of engagement between Texas and Mexico than obviously the energy reform. Obviously the international prices of oil have not helped Mexico deliver upon some of the potential and the promise of structural reforms. There will be a very important milestone on its way as we head into the latter part of the year when the Mexican government announces the tender process for the deep-water deposits, which is where I think a lot of potential private investment attraction and interest and appetite will be. And that will be a very important moment and obviously a lot of Texan firms and corporations or headquartered in Texas will play a very important role. But, yes, that is one issue that I think can sort of galvanize this strategic relationship that has occurred historically between Texas and Mexico, despite Sam Houston and the Alamo.

I was going to spare you the issues of the war, but as I heard you throw it out there I'm biting my lip and I'm just going to say that the only place where we actually do need a wall is around Trump Tower on 5th Avenue with Trump inside. But there's a saying in this city that you know very well,

MEXICO-2016/03/16

which is politics stops at the water's edge. In the case of the Texas-Mexico relationship, it's not the Atlantic, it's not the Pacific, it's actually the Rio Grande. But it speaks profoundly as to why Texas with both Republican and Democratic governors -- Ann Richards and George W. Bush -- has played such an important role as a leader in driving the direction, the traction, of this bilateral relationship.

But somehow -- and I may be wrong, I haven't been traveling to Texas as often as I did when I was the ambassador. But something tells me that we may have lost a bit, and the rhetoric and the narrative that has been triggered by particularly one of the contenders in the GOP today, has sort of set back some of the perceptions of how our citizens understand this bilateral relationship. How do we in this context sort of ensure that we can continue to win the hearts and minds of this huge trans-border community, which is in and of itself a reality that most in Washington, D.C., and Mexico City don't get and don't understand?

SENATOR CORNYN: Well, 38 percent roughly of my constituents in Texas are Hispanic and, of course, many of them have family on both sides of the border or certainly came from south of the border.

AMBASSADOR SARUKHAN: Or the border crossed them after 1847.

SENATOR CORNYN: Yeah. But the point is that these are folks in our communities who go to our schools, that we go to church with, that we work alongside. So this is not dealing with some other group. These are my fellow Texans. And so I think as you know part of my background comes from law enforcement. I was Attorney General of Texas and a judge for 13 years, so I have a very strong conviction that the rule of law is very, very important. And I think part of what you see is the reaction, particularly in the context of the border and immigration generally, is a sense that the United States has lost its way when it comes to the rule of law. And I think once people have the confidence that okay, we have the law, we have the rules, and the rules will be observed, and people who don't play by the rules will be held accountable, then I think we can begin to restore the public's confidence; because the United States is the most generous country in the world when it comes to our immigration policy. We naturalize almost a million people a year, including a lot of people from Mexico.

But I think as long as people are feeling insecure, either in their person or in their job and they have the sense that the rules that used to apply no longer apply and they're looking around to say

MEXICO-2016/03/16

well who can I hold accountable for reestablishing some order out of this chaos, I think you get a situation like we have now.

AMBASSADOR SARUKHAN: However, one could argue that there are -- in my view at least -- there are two pivotal moments in the recent history of Mexico and the United States that have profoundly changed the dynamics of the U.S.-Mexico bilateral relationship. And, Michael, I apologize, but I don't agree with the perception that the U.S.-Mexico agenda was on automatic pilot before 2013. I disagree vehemently with that perception. The first one was NAFTA, which as you mentioned profoundly changed the way both countries engage with one another economically and in terms of our joint supply and production platforms. Therefore, when Mr. Trump talks about putting duties and tariffs on U.S. exports, he forgets that \$.42 of every one dollar of Mexican exports is U.S. content. So it's a non-goal, these scoring against U.S. businesses and U.S. manufacturing. But NAFTA was a very profound shift in the way Mexico and the United States engage.

But the second one, which a lot of people still haven't sort of processed, is 9/11 because after 9/11 Mexico and the United States started working in a way, which despite the challenges of a border like the one that we share, despite the real issues and dangers that exist because of the topographic/geographic nature of our border, Mexico and the United States have been working hand in hand to ensure that potential terrorists particularly don't use our common border to undermine the security of the United States. And in many ways, even though this may not be very popular to say in Mexico, Mexico has been watching the U.S.'s back since 9/11 when it comes to international terrorists.

How do we convey -- one of the things that I always fought with as an ambassador was how do we inject these changes and this data and this narrative into -- we've got loonies on our side, too; they run in the best of families. But how do we use the bully pulpit to talk about how profoundly this relationship has changed? And that doesn't mean that everything is peachy and rosy. There are issues. There are challenges. There are many things that need to be improved on both sides of the border. You've mentioned the perceptions of insecurity or an issue that Michael mentioned, which in my view is probably one of the most persistent challenges to Mexico's image in the United States, which is endemic corruption and impunity prevailing in Mexico. This doesn't mean that we have a peachy and rosy world, but there is a profound change that has been occurring in the bilateral relationship over the past 20 years.

MEXICO-2016/03/16

How do you go to your state and to the districts that you go to and tell people about this profound change that has occurred without people saying, this is crap?

SENATOR CORNYN: Well, some of them will say that.

AMBASSADOR SARUKHAN: I know. I heard it on the road for six years, believe me.

SENATOR CORNYN: Or some won't listen, but I like to think there are enough people who will listen that you can't give up trying to provide facts and reason, a reasoned argument. But I would say Mexico and the United States have worked very closely together on terrorism and on security issues. I know this is a little bit -- we don't talk about some of this because frankly I know Mexico gets a little sensitive when they see their neighbors to the north sort of exerting themselves and obviously there's a lot of pride and a lot of history and Mexico's entitled to make decisions within its borders as a sovereign nation without regard to what the United States may think. But the fact of the matter is there has been a lot of work and a lot of corruption there.

On the trade part, I think this is kind of a mystery to me because NAFTA is not a dirty word in Texas. People view it as a benefit and that we're the number one exporting state in the country, which is the reason why we continue to add jobs, one reason we continue to add jobs, and a lot of that, of course, is between our two countries. So that's one reason I've been an advocate of the Trade Promotion Authority and now the Trans-Pacific Partnership, which will soon come over to the Senate. That's going to be a challenge in this political environment. It may mean that it does not get taken up before the election. But that's one reason why I fought for the Trade Promotion Authority because it's a six-year authorization. We need to do this deal because obviously China is going to set the rules in Asia if we don't, and I see this as something that will benefit both of our countries.

But we have to also admit I think that the benefits of trade don't fall evenly because there are some places -- I'll just say, for example, the textile industries in South Carolina and elsewhere. When you opened up places in Central America and elsewhere that could do it cheaper and more efficiently, well those jobs went there. That causes dislocation, which is real and which we need to pay attention to, which is why we had the Trade Assistance Authority, which provided additional benefits and job training for people who did lose jobs as a result of the movement of their industry to someplace that could operate more efficiently. So I just think we need to keep trying and we need to keep --

MEXICO-2016/03/16

AMBASSADOR SARUKHAN: Banging the drum?

SENATOR CORNYN: We don't give up trying to provide those facts and those reasoned explanations.

AMBASSADOR SARUKHAN: I've been given the 5 minute mark, so I'll be very brief and try and see if we can squeeze in a couple of questions from the audience.

Talking about the issue of winning hearts and minds, you've been a voice of reason in getting a U.S. ambassador to Mexico confirmed -- Roberta Jacobson, who is uniquely qualified to be the United States Ambassador to Mexico. The problem is that many in Mexico don't understand how Washington works, don't understand the politics of how nominations work their way through the Senate. And the perception generally in Mexico is that because we're now five months and counting without a U.S. ambassador there that the U.S. has no skin in the game. Can you share with us your perceptions as to how this process, especially after what happened last night, may move forward in the coming weeks?

SENATOR CORNYN: Yes, certainly. This isn't about Mexico. This is about Cuba and Ms. Jacobson's work there on behalf of the administration. To be honest I've talked to Senator Menendez, for example, from New Jersey who's not excited about the nomination and he's been one of the ones that's put a hold on it. It's my understanding he's now changed his perspective. He'll allow a vote. And certainly I intend to reach out to Senator Rubio, who I think is the other person who has a hold on the nomination. We are trying to work with them and with the White House to try to bring Ms. Jacobson's nomination up for a vote.

I agree with you that our relationship is simply too important to leave that position vacant any longer. But that's been our challenge. So we are working on it. There is a bipartisan effort working with the White House to try to get that vote. And I believe if the vote is held, she will be confirmed.

AMBASSADOR SARUKHAN: And mind you I'm not putting you on the spot. I'll be an equal opportunity cheerleader here. It took us six months to designate ours, so we're more or less on a level playing field.

But are there any questions from the audience? Yes? And could you please provide us with your name and affiliation, if there's one?

SPEAKER: I am Fona. I'm a George Washington student and I'm from Texas. My

MEXICO-2016/03/16

question is with regards to illegal gun trafficking. So what's going on from the U.S. to Mexico? I want to know given the whole rising advocacy for more gun rights in Texas, how will this affect the illegal gun trafficking back to Mexico and Central America, Colombia and so on?

SENATOR CORNYN: Well, obviously the United States and Mexico have very different views about private ownership of guns. We have a constitutional amendment. We have a lot of debates between ourselves here about the scope of appropriate regulation of gun ownership and rights. But we are united in our efforts to block as many of those guns coming -- particularly from straw purchasers -- through our ports of entry south.

This is a huge problem. Those guns don't just come from the United States. They come from around the world as well. I know this has been a subject we've talked about a lot overtime. I just think we come from very different perspectives given the constitutional protections under our laws and just a very different point of view that we just have to continue to try to work with and manage. But clearly we are united in our desire and our efforts to try to prevent those guns coming from particularly straw purchasers back into Mexico.

One reason I was particularly outraged by the Fast and Furious Initiative by the Justice Department and why I push so hard to get answers is I think this is just a dumb idea to allow these purchases to take place and then to try to hope to catch up with them at some point and then to get the larger network. But I don't know, Mr. Ambassador, you probably have like I said a different point of view. But I do believe we are united in our desire to keep those guns from going south.

AMBASSADOR SARUKHAN: I'll just very quickly say that again as in most things in the U.S.-Mexico bilateral relationship, you need two to tango. And whereas we have put pressure obviously on the United States to curtail the flow of guns and to shut down some of the loopholes that allow guns to be illegally purchased in the United States and illegally cross over our border, all I said as an ambassador is that despite what I may feel about gun rights in the United States, it's not my role to challenge the Constitution or the sovereign rights of the American people.

What I would say is that I am convinced that the Founding Fathers didn't draft the Second Amendment to allow guns to be illicitly bought in the United States and illicitly trafficked over an international border and that's what we've been asking the U.S. government to do. But Mexico also has a

MEXICO-2016/03/16

responsibility in how it modernizes its customs agency so that it no longer is just a revenue agency, but it becomes a law enforcement agency that can stop those guns from crossing into Mexican territory also.

But we have time for one last question. Yes, Chris, and just identify yourself.

MR. WILSON: Chris Wilson from the Mexico Institute at the Woodrow Wilson Center. You mentioned the Trans-Pacific Partnership as an important step forward in the trade architecture for the Americas, for the Pacific, with Mexico and Canada, our biggest trading partners. I wonder if you could just walk us through your legislative outlook for when we might see a vote on that. Are we still sort of headed towards perhaps a lame duck vote or what's your outlook for that?

SENATOR CORNYN: Well, I wouldn't anticipate a vote before the election, let me just put it that way, particularly when you have the leading candidates of both political parties very negative on the whole trade idea. There also are -- which I happen to disagree with, but that's the political environment we're in. I think there are some specific issues that are problematic even for those of us who voted for the Trade Promotion Authority, particularly the shortened protection for patents in the biologics area. There were some areas that are particularly disturbing to some regions of the country like our friends in North Carolina on the tobacco issue, and you have things that are sector specific in the ag sector like dairy and the like, which are always challenges in these trade deals.

It's amazing to me that any trade deal is ever done given the complexity of these, but we have done it. We can do it. And I think we should continue to work our way through this and get this one done. There are some who just simply we'll never convince, but I think there's a very good argument and, in fact, you don't have to just tell people to trust us. You can show them the impact it's made on a region and on our countries. And I just think it would be a terrible shame for us not to pursue the Trans-Pacific Partnership because you're going to default the rules to China. And I think we have a very big national interest to make sure that doesn't happen.

AMBASSADOR SARUKHAN: With that please join me in thanking a true statesman and a true friend of the Mexico-U.S. relationship.

MR. TRINKUNAS: Thank you, Senator Cornyn. Thank you, Ambassador Sarukhan. And thank you all on behalf of the Brookings Institution, the Americas Society/Council of the Americas for joining us here today. Please take a look at some of our materials that are available outside, including my

MEXICO-2016/03/16

latest book -- a second plug -- and again thank you so much for a very enlightening conversation here today.

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190