BEYOND BORDERS · BINATIONAL INSIGHT

One Border, Two Nations, A Shared Future

What the 2026 U.S. elections, and the road to Mexico's 2027 elections, mean for trade, investment and security across the border we share.



By C. LeRoy Cavazos-Reyna, Founder and CEO, Localism, Inc.

The United States and Mexico do not just trade with each other. They build things together. An auto part can cross the border several times before it becomes assembled and a finished vehicle, and $872.8 billion in goods moved between the two countries in 2025, making Mexico the United States' largest trading partner. This month's elections changed many of the people who manage that relationship. This briefing maps who they are on both sides, where trade and investment stand, and what each country needs from the other next.

The Diplomats

U.S. AMBASSADOR TO MEXICO

Ronald D. Johnson

In Mexico City since May 2025. A retired Army Special Forces colonel and former U.S. Ambassador to El Salvador. Leads U.S. diplomacy with Mexico: the trade and security dialogue with the Sheinbaum government, and the U.S. consulates along the border.

AMBASSADOR OF MEXICO TO THE U.S.

Roberto Lazzeri Montaño

Leads Mexico's Embassy in Washington since June 2026. An economist and former head of Nacional Financiera and Bancomext, named in a pivotal year for the T-MEC. Represents Mexico before the White House, Congress and federal agencies.

Diplomacy sets the tone for every trade talk, security agreement and border decision. Ambassador Lazzeri has said the relationship requires constant cooperation. Sources: U.S. Embassy Mexico; Embassy of Mexico in the U.S.

The Four U.S. Border Governors

TEXAS

Gina Hinojosa

A native of the Rio Grande Valley. Defeated Gov. Greg Abbott; the first Latina governor of Texas.

CALIFORNIA

Xavier Becerra

Former U.S. Health Secretary and state attorney general. California's first elected Latino governor.

ARIZONA

Katie Hobbs

Re-elected to a second term over Andy Biggs.

NEW MEXICO

Deb Haaland

Former U.S. Interior Secretary. The first Native American woman elected governor in U.S. history.

All four races called by the Associated Press.

UNITED STATES

The Border's Congressional Delegation

DISTRICT	REGION	MEMBER-ELECT	RESULT
CA-51 · CA-52	San Diego region	**Sara Jacobs · Juan Vargas**	Re-elected
AZ-7	Tucson to Yuma	**Adelita Grijalva**	Re-elected
AZ-6	Southeastern Arizona	**JoAnna Mendoza** over Rep. Juan Ciscomani	FLIP
NM-2	Southern New Mexico	**Gabe Vasquez**	Re-elected
TX-16	El Paso	**Veronica Escobar**	Re-elected
TX-23	San Antonio to El Paso	**Katy Padilla Stout** over Brandon Herrera	FLIP
TX-28	Laredo	**Henry Cuellar**	Re-elected
TX-15	Rio Grande Valley	**Bobby Pulido** over Rep. Monica De La Cruz	FLIP
TX-34	Brownsville and the coast	**Vicente Gonzalez**	Re-elected
TX-35	San Antonio	**Johnny Garcia** over Carlos De La Cruz	Redrawn seat

Border-region seats under the 2026 district maps. All results are Democratic wins called by the Associated Press, as of Nov. 6, 2026. Sources: AP; KSAT; El Paso Matters; Santa Fe New Mexican; Times of San Diego; KTAR.

ON THE NORTHERN BORDER

The same trend reached the Canadian border. Democrats won U.S. Senate seats in Michigan and New Hampshire, and were projected to win in Maine, where Sen. Susan Collins had lobbied the White House to drop tariffs on Canada. Jocelyn Benson won Michigan's governorship and Amy Klobuchar won Minnesota's. Prime Minister Mark Carney and President Trump both say intensive trade talks are under way. Northern border states will push for a deal as hard as southern ones.

Sources: BNN Bloomberg; NBC News; MultiState.

MÉXICO

The Federal Team

ROLE	WHO	WHY IT MATTERS
President	**Claudia Sheinbaum** MORENA	Sets the agenda with Washington; in office since Oct. 2024.
Economy	**Marcelo Ebrard**	Leads USMCA and tariff talks with the U.S. Trade Representative.
Foreign Affairs	**Roberto Velasco Álvarez**	Since April 2026. Speaks for Mexico on the boundary and consular issues.
Security	**Omar García Harfuch**	Leads security cooperation with U.S. agencies.
Interior	**Rosa Icela Rodríguez**	Coordinates with governors and Congress; oversees migration.
Finance	**Edgar Amador Zamora**	Budget, revenue and the fiscal side of trade policy.
Defense	**Gen. Ricardo Trevilla Trejo**	The armed forces have a growing role at customs and ports.

Morena and its allies, the Labor Party (PT) and the Green Party (PVEM), hold majorities in both chambers of Congress. Sources: Government of Mexico cabinet listings; Mexico News Daily.

The Six Border Governors

STATE	GOVERNOR	PARTY	TERM ENDS
Baja California	**Marina del Pilar Ávila Olmeda**	MORENA	Oct. 2027
Sonora	**Alfonso Durazo Montaño**	MORENA	Sept. 2027
Chihuahua	**María Eugenia “Maru” Campos**	PAN	Sept. 2027
Coahuila	**Manolo Jiménez Salinas**	PRI	Nov. 2029
Nuevo León	**Samuel García**	MOVIMIENTO CIUDADANO	Oct. 2027
Tamaulipas	**Américo Villarreal Anaya**	MORENA	Sept. 2028

Three of six border states are governed by Morena. The other three are led by the opposition: PAN, PRI and Movimiento Ciudadano. Sources: state government records; Mexico News Daily.

POLICY UPDATE

USMCA / T-MEC And Tariffs

The agreement is still in force, but it is no longer on autopilot. Every year now, both governments decide whether it continues.

WHEN	WHAT HAPPENED
July 1, 2026	At the first joint review, the United States did not agree to renew. The agreement stays in force under annual reviews; unless extended, it ends July 1, 2036.
Summer 2026	The U.S. opened formal renegotiation with Mexico. Talks with Canada broke down August 22.
Sept. 30–Oct. 1	Economy Secretary **Marcelo Ebrard** and U.S. Trade Representative **Jamieson Greer** met in Milwaukee. Mexico has submitted proposals on autos and on steel and aluminum and awaits a U.S. response.
Jan. 12, 2027	Public comments are due for the 2027 review (docket USTR-2026-0595), the same day the 90th Texas Legislature convenes.

MAKE YOUR VOICE HEARD

Businesses, chambers, cities and ports along the border should file comments on how the agreement works for them. Submit by 11:59 p.m. ET on January 12, 2027, through the USTR comment portal at comments.ustr.gov (docket USTR-2026-0595). Requests to testify at the public hearing use docket USTR-2026-0596.

Tariffs On Mexican Goods, As Of October 2026

MEASURE	RATE	USMCA TREATMENT
Steel, aluminum, most copper (Section 232)	**50%**	No USMCA relief
Passenger vehicles and light trucks (Section 232)	**25%**	USMCA vehicles can pay only on non-U.S. content, once approved
Listed auto parts (Section 232)	**25%**	USMCA-qualifying parts exempt for now
Medium and heavy trucks (Section 232)	**25%** buses 10%	Qualifying parts exempt for now
Products of Mexico (Section 301, since July 24, 2026)	**10%**	Waived for USMCA-qualified goods; under challenge in court
Emergency-powers tariffs (IEEPA)	**Ended**	Supreme Court ruled Feb. 20, 2026; refunds under way

More than 80% of Mexican exports to the U.S. qualify under USMCA and enter duty-free. Sources: Cargado, Mexico–U.S. tariff rules (Oct. 11, 2026); Latin Times (Oct. 8, 2026). General information, not customs advice.

MEXICO'S SIDE

Since January 1, 2026, Mexico has raised tariffs, mostly to 25%–35% and up to 50%, on about 1,460 product lines from countries without a trade agreement, and added 185 more in April. USMCA goods keep their preferential rates. Both countries are now protecting the same North American supply chain.

WHY IT MATTERS TO BOTH

Tariffs on steel and autos fall on goods that cross the border many times before they are finished. The cost lands on factories and families on both sides. A stable, renewed agreement is the shared interest, and the annual review is where both countries make that case.

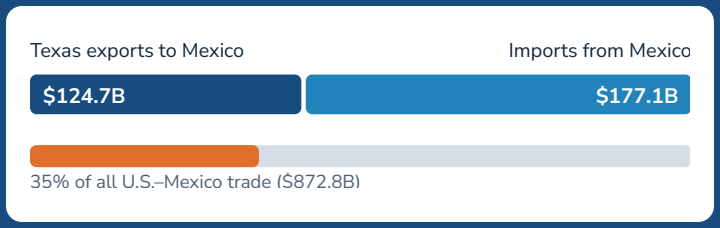
Two Economies, One Supply Chain

Mexico is the United States' largest trading partner, with a record $872.8 billion in two-way trade in 2025. Each country is among the other's most important customers and suppliers. Texas is where much of that partnership crosses.

TEXAS–MEXICO TRADE, 2025

$301.8B

Texas trades more with Mexico than any other U.S. state. Mexico has been Texas's No. 1 trading partner for at least 18 years.

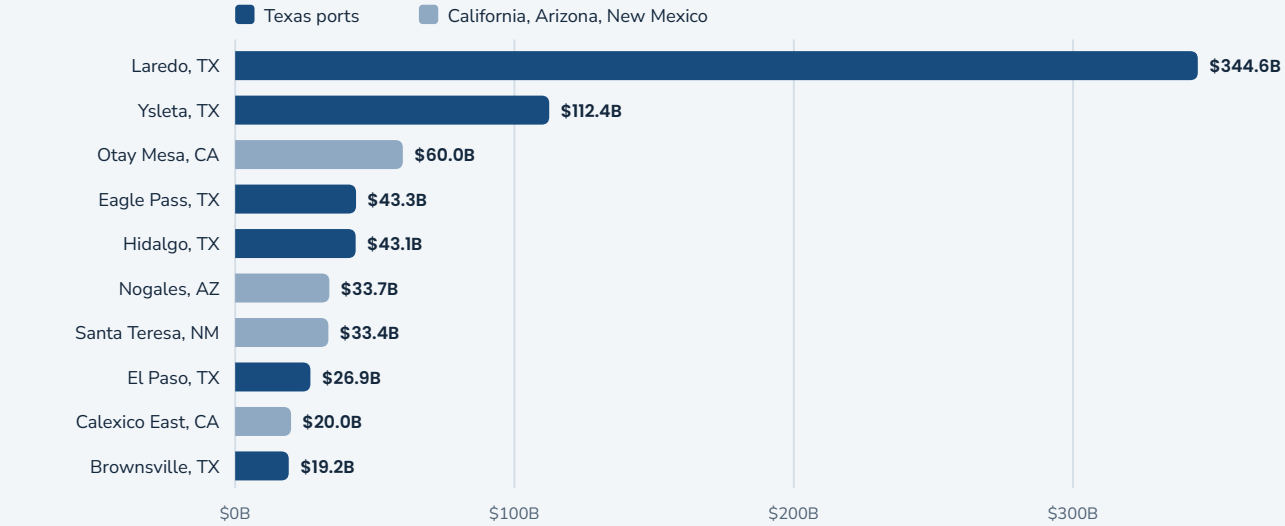


Sources: Office of the Texas Governor, Mexico trade profile (U.S. Census Bureau data, 2025); U.S. Bureau of Transportation Statistics, Transborder Freight Data Annual Report 2025.

The Top 10 Land Ports For U.S.–Mexico Trade

Six of the ten busiest land ports are in Texas. Together, those six carried **$589.5 billion** in 2025, about two of every three dollars of U.S.–Mexico trade. Laredo alone moved $344.6 billion, more than the next five ports combined.

TWO-WAY TRADE BY PORT OF ENTRY, 2025



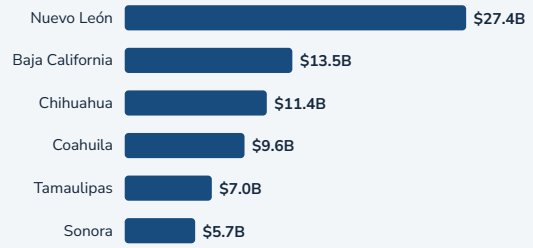
Source: U.S. Bureau of Transportation Statistics, Transborder Freight Data Annual Report 2025 (Table 5b), released May 15, 2026. All modes crossing at each land port. Trucks carried 73.6% of U.S.–Mexico freight value in 2025; rail carried 10.9%.

Why it matters. When a port slows, the cost lands on both sides within days: on factories in Monterrey and Saltillo and on warehouses and jobs in Laredo and San Antonio. Port staffing, bridge capacity and inspection rules are decided in Washington and Mexico City, but felt locally.

Foreign Direct Investment In The Border States, 2018–2025

Mexico drew a record $40.9 billion in foreign direct investment in 2025. The six border states received $74.6 billion over 2018–2025, about 27% of the national total. But their share has slipped, from 35% in 2018 to 20% in 2025, as other states drew a larger share.

SIX STATES, $74.6 BILLION



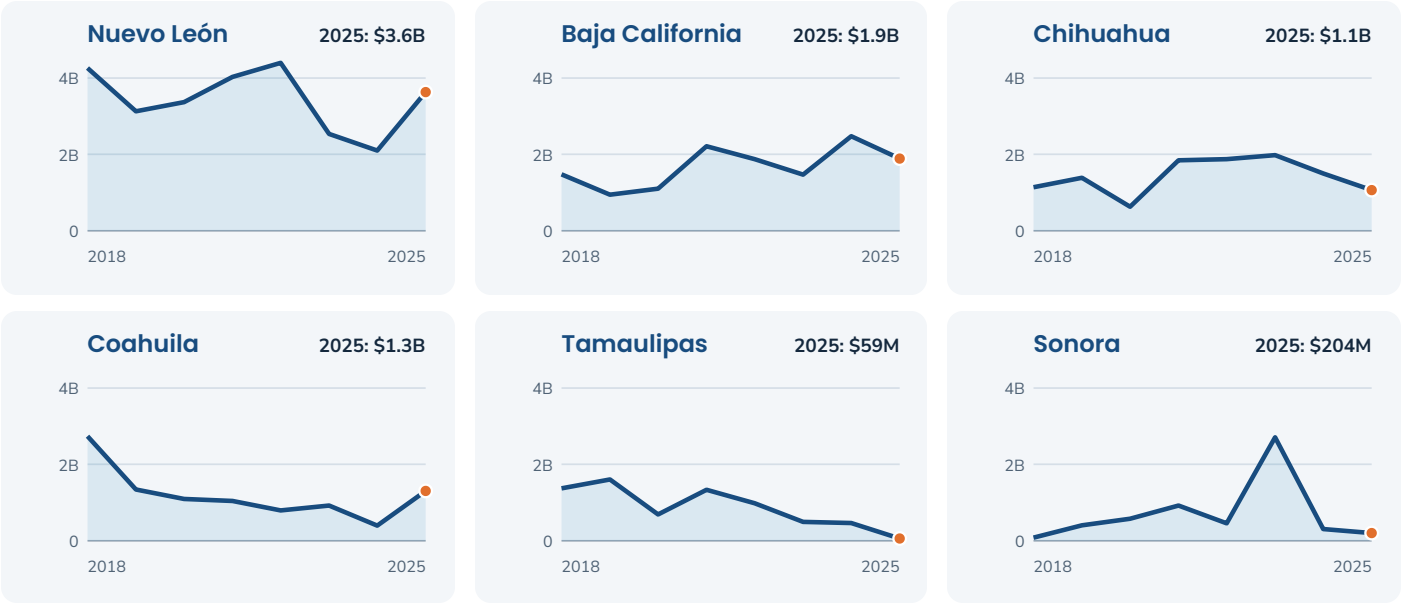
Total FDI, 2018–2025, US dollars.

BORDER STATES' SHARE OF MEXICO'S FDI

35% in 2018 → **20%** in 2025

National FDI grew from $31.6 billion to $40.9 billion over the same period. The six border states received $8.2 billion in 2025, slightly less than the $8.8 billion of 2019.

ANNUAL FDI BY STATE, 2018–2025 (SAME SCALE IN EVERY PANEL)



What The Trend Shows

- **Nuevo León leads.** $27.4 billion since 2018, about one in every ten dollars invested in Mexico, and $3.6 billion in 2025.
- **Baja California is second.** $13.5 billion since 2018, with a peak of $2.5 billion in 2024.
- **Tamaulipas fell sharply.** From $1.6 billion in 2019 to $59 million in 2025.
- **Sonora spiked once.** $2.7 billion in 2023, then back to about $200–300 million.
- **Coahuila dipped and rebounded.** From $2.7 billion in 2018 to $0.4 billion in 2024, then $1.3 billion in 2025.

Source: Secretaría de Economía, National Foreign Investment Registry (RNIE), figures as originally published at the close of each year, compiled in a Chamber of Deputies table (April 2026). Figures reflect where investment is registered, which can differ from where plants operate; later revisions may change them.

→ OUTLOOK: MOVING FORWARD TOGETHER

Next: Mexico's 2027 Elections

On June 6, 2027, Mexico elects 17 governors. Four are border states, so most of the border's leadership could change within a year of the U.S. results.

STATE	CURRENT PARTY	MORENA'S PRESUMPTIVE CANDIDATE
Baja California	Morena	**Julieta Ramírez Padilla** federal senator
Sonora	Morena	**Lorenia Valles Sampedro** federal senator
Chihuahua	PAN	**Cruz Pérez Cuéllar** former mayor of Ciudad Juárez
Nuevo León	Movimiento Ciudadano	**Clara Luz Flores Carrales** former federal deputy

Opposition parties have not finalized candidates. Source: Mexico News Daily.

What It Could Mean, Together

Trade

Governors and members of Congress on both sides depend on the crossings. They share an interest in tariff relief on autos, steel and produce in the annual review.

Ports Of Entry

Staffing, bridges and inspection at Laredo, Otay Mesa, Nogales and Santa Teresa are decided in Washington and Mexico City, and felt locally on both sides.

Industry And Nearshoring

Nuevo León, Coahuila, Chihuahua and Baja California build for the U.S. market. U.S. border states supply the parts, logistics and services that make it work.

Security

Security is a shared priority for both countries and both parties. What may change is the approach: how states and federal agencies coordinate across the line.

The Boundary

On Texas's claim to Rio Grande islands, Mexico says only the binational International Boundary and Water Commission can decide. That is a call for cooperation.

Diplomacy

President Sheinbaum said Mexico will respect the U.S. results and welcomed California's new governor. A new ambassador in Washington starts with a full agenda.

Three Things To Do Now

1

Map Both Sides

Pair each U.S. official with the Mexican governor, mayor and federal office across the line.

2

Engage Before 2027

New U.S. leaders take office in January; four Mexican border governors change in 2027.

3

Bring The Data

File USMCA comments by January 12 at comments.ustr.gov. Show the jobs and trade tied to each crossing.

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