

**Testimony of Katherine Dueholm,  
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Bureau of Western Hemisphere Affairs  
Before the  
House Foreign Affairs Subcommittee on the Western  
Hemisphere  
Wednesday, December 17, 2025  
“Mexico’s Relationships with the Region”**

Chairwoman Salazar, Ranking Member Castro, distinguished members of the subcommittee, thank you for the opportunity to testify on our engagement with Mexico, and how the U.S.-Mexico relationship – as well as Mexico’s relationships in the region – impacts the Western Hemisphere.

Under President Trump, the Western Hemisphere is ascendant. We recognize the critical importance of this region to our core interests and its impact on the lives of American citizens. Our America First policy includes focusing on improving U.S. national security and economic growth and addressing the needs of our border communities. We share a nearly 2,000-mile border with Mexico and it is one of our country’s most complex, strategic, and consequential relationships in its day-to-day impact on the lives, security, and economic prosperity of the American people.

By virtue of geography, Mexico is an essential partner for ensuring U.S. prosperity and security. We work closely with the Mexican government to implement the administration's agenda. President Trump has a productive relationship with Mexican President Sheinbaum that has helped advance U.S. foreign policy goals. As partners, we can accomplish more together.

At the State Department, we continue to drive progress on the Trump Administration's top national security priorities, including: enhancing the security of U.S. citizens and securing our border from the flows of illegal drugs— like fentanyl — and illegal aliens; ensuring a fair playing field for U.S. businesses and workers; and delivering safe and fair management of our shared water resources.

A new era in U.S-Mexico security began when President Trump announced at his inauguration that the United States would designate certain Mexican cartels as terrorist organizations. This administration is working with Mexican authorities to take swift and decisive action against cartels and transnational criminal organizations, including the six Mexican cartels the State Department designated as Foreign Terrorist Organizations in February.

Under President Sheinbaum and Security Secretary Omar Garcia Harfuch, Mexico has increased cooperation with the United States to intensify efforts as sovereign partners to dismantle transnational drug and arms trafficking and take concrete steps to secure the border. This includes Mexico deploying 10,000 National Guard personnel to secure the border; increasing their security forces' operational tempo to arrest cartel leaders and achieve major fentanyl and precursor seizures; and transferring 55 high-value targets to U.S. custody to face justice.

Concurrently, the Administration is working with Mexico to safeguard financial institutions and disrupt criminal organizations' illicit financial activity. In June, in cooperation with Mexico, the Treasury Department used authorities under the Fentanyl Sanctions Act and FEND Off Fentanyl Act to target three Mexican financial institutions connected to illicit opioid trafficking. In November, Treasury sanctioned 27 individuals and entities to target cartel-related money laundering in Mexico's gambling sector; Mexico took complementary enforcement actions.

To ensure we are delivering results, the United States and Mexico established a high-level security implementation group to coordinate concrete actions to dismantle the narcoterrorist groups; end the fentanyl crisis; combat illicit finance; prevent fuel theft; increase investigations

and prosecutions to halt the flow of drugs and illicit firearms that fuel narcoterrorism; and strengthen border security.

Securing our border and eliminating illegal immigration to make our citizens safer remains this Administration's top priority. Encounters at our southwest border are at a historic low, down almost 90 percent since the start of the Trump Administration. Mexico has increased border enforcement at the request of President Trump and accepts more third-country nationals deported from the United States than any other country. We continue to press Mexico to do more to reduce this flow of illegal immigration among its own citizens.

Mexico is our largest trading partner and our economic supply chains are more intertwined than ever. In November, Mexico overtook Canada as the United States' largest export market for the first time in 30 years. Last year, our bilateral trade hit a record \$840 billion and is moving towards the \$1 trillion mark this year. Mexico is the second largest buyer of U.S. critical minerals, and the number one destination for U.S. exports of refined petroleum, natural gas, and many other products.

Moving forward, the Administration will safeguard U.S. economic security, including encouraging Mexico in its efforts to stop predatory Chinese trade practices such as

the transshipment of Chinese goods through our trade partners to bypass tariffs on China. We also need to stop the importation of fentanyl precursors from Chinese producers which supply FTOs and poison our population.

As we look to the joint USMCA review next year, the Administration will ensure that the Agreement remains in the interest of American workers, farmers, ranchers, fishers, growers, manufacturers, and service providers. The Agreement must also be effective in strengthening regional supply chains and preventing free riding from third countries.

Another issue of paramount importance for the Administration directly affecting U.S. citizens is transboundary water management. Ensuring Mexico delivers water for South Texas border communities under our 1944 water treaty remains a key focus. South Texas farmers have lost hundreds of millions of dollars and seen industries collapse due to Mexico's treaty delivery shortfalls. Last week, the Administration secured Mexico's commitment to immediately begin delivering 202,000 acre-feet of water and to provide a plan by early next year for how Mexico will erase its water delivery deficit.

The Administration is also resolving the problem of transboundary pollution affecting southern California.

Wastewater flows from Tijuana to the San Diego area have challenged the region for years. In July, the United States and Mexico signed an MOU that provides comprehensive and durable solutions to this longstanding problem of and earlier this week the United States and Mexico signed a binding international agreement committing the two governments to build enhanced sanitation facilities that take into account future population growth.

The State Department continues to press Mexico to play a constructive regional role aligned with U.S. foreign policy goals. President Sheinbaum has been responsive and engaged diplomatically on issues critical to U.S. interests, such as border security, illegal immigration, and trade, including ongoing efforts to reduce economic dependence on China by rebuilding Mexico's own industrial capacity. Unfortunately, in adhering to its constitutionally-prescribed non-interventionist foreign policy, the current administration has frequently acted in ways that run counter to what we believe to be our shared values and to U.S. objectives, including its support for the brutal, corrupt and economically dysfunctional Cuban regime. We continue to urge Mexico to reconsider these positions.

In closing, we are at a pivotal moment in our bilateral relationship, with President Trump and Mexican President Sheinbaum committed to leveraging that partnership to

make our hemisphere safer and more prosperous. Under Secretary Rubio's direction, the State Department remains dedicated to using bold solutions to improve our security and economic prosperity through our collaboration with Mexico. There is still much to do, but working with this committee, we can secure U.S. interests and advance U.S. goals with Mexico and throughout the region in ways that deliver for the American people.