

USMCA *and* California's Economy

Joint Informational Hearing Report



December 12, 2025 | Assembly Committee on Economic Development, Growth & Household Impact & Select Committee on California–Mexico Bi-National Affairs

On December 12, 2025, the California State Assembly Committee on Economic Development, Growth, and Household Impact, in coordination with the Assembly Select Committee on California–Mexico Bi-National Affairs, convened a joint informational hearing at Chula Vista City Hall titled *“USMCA: Will California’s Economy Survive or Thrive Under a Strong Trade Agreement with Mexico?”* The hearing examined the impacts of the United States–Mexico–Canada Agreement (USMCA) on California’s economy, with a particular focus on trade with Mexico, cross-border economic integration, sector-specific implications, and issues relevant to the upcoming 2026 Joint Review. Members emphasized that Mexico is California’s largest export destination and that the USMCA governs more than \$1.5 trillion in annual North American trade, underscoring its central role in the state’s economic stability and growth.

Opening remarks from Assemblymember David Alvarez and Assemblymember José Luis Solache Jr. highlighted California’s reliance on predictable and enforceable trade rules to sustain jobs, investment, and competitiveness. While acknowledging that the USMCA has provided continuity since its implementation, both Chairs noted that unresolved disputes and enforcement challenges could pose risks to California industries if not addressed proactively as the agreement approaches its first formal review.

This hearing brought together a diverse and highly experienced group of leaders from academia, government, and industry, each contributing unique expertise on U.S.–Mexico trade, regional economic integration, and the implementation of the United States–Mexico–Canada Agreement (USMCA). Scholars such as Rafael Fernández de Castro and Dr. Ismael Plascencia López (Mexico) provided in-depth academic and policy perspectives on bilateral

relations and regional development, while government officials including Diana Dominguez (CA) and Miroslava Pérez López (Mexico) offered insight into trade policy execution and international negotiations. Industry and business leaders such as Julian Canete, Pedro Casas Alatraste (Mexico), Darrin Monteiro, and Nicolina Hernandez highlighted the agreement's impact on small businesses, agriculture, manufacturing, and supply chains. Regional and binational stakeholders, including Kenia Zamarripa, Lucas Coleman, Joaquin Luken, and Alejandra Mier y Terán, emphasized the importance of cross-border collaboration, trade facilitation, and infrastructure efficiency. Additional perspectives from Chris Shimoda and Adrian Granda underscored the critical role of transportation, logistics, and public policy in supporting trade flows. Collectively, the panelists represent a comprehensive cross-section of expertise, reflecting the multifaceted importance of the USMCA to economic growth, workforce development, and cross-border cooperation.

The hearing, along with the broader collection of stakeholder comments and testimony, presents a comprehensive assessment of the USMCA as a foundational framework for North American trade. Across perspectives, including border-region governments, major manufacturers, business organizations, and state and academic experts, the agreement is widely credited with delivering tariff-free market access, regulatory certainty, and strengthened regional supply chains since replacing NAFTA in 2020. At the same time, there is broad consensus that the agreement's long-term success will depend on targeted modernization, effective enforcement, infrastructure investment, and stronger coordination across federal, state, local, and private-sector actors.

A consistent theme throughout the materials is the recognition of border communities as the operational backbone of the USMCA. The U.S.-Mexico Border Mayors Association (USMBMA) emphasizes that border cities facilitate approximately 40 percent of more than \$800 billion in annual U.S.–Mexico trade, placing them at the front lines of implementation. However, these regions face persistent challenges, including outdated ports of entry, staffing shortages, and fragmented infrastructure planning, all of which increase logistics costs, undermine supply-chain reliability, and negatively impact public health and environmental conditions. To address these issues, stakeholders call for a coordinated, trilateral approach that includes infrastructure investment, expanded 24/7 port operations, deployment of advanced inspection and data technologies, and the establishment of binational planning bodies to better align development across key trade corridors.

Industry perspectives further reinforce the importance of certainty and stability within the USMCA framework. Toyota Motor North America highlights that the agreement has enabled more than \$25 billion in U.S. manufacturing investment, alongside substantial domestic sourcing and additional commitments to advanced technologies such as battery production. The company credits the USMCA with strengthening U.S. automotive competitiveness and supporting exports, while cautioning that abrupt or poorly phased policy changes particularly to rules of origin could disrupt supply chains and undermine long-term investment decisions. As a result, industry stakeholders strongly advocate for regulatory predictability and phased implementation of any modifications.

At the state level, testimony and research demonstrate the significant benefits the USMCA provides to California’s diverse economy. As one of the largest

beneficiaries of the agreement, California relies on tariff-free access to support exports across agriculture, manufacturing, and digital services. Key export sectors include agricultural products such as almonds, citrus, wine, and dairy, as well as high-value goods and services such as electronics, medical devices, aerospace components, software, and entertainment content. Strong digital trade and intellectual property protections are particularly important to California's innovation-driven economy, enabling secure cross-border data flows and safeguarding emerging technologies.

Despite these benefits, stakeholders identify several ongoing challenges that could affect the agreement's effectiveness. These include sanitary and phytosanitary barriers impacting agricultural exports, Canadian dairy tariff-rate quota practices, evolving regulatory policies in Mexico related to biotechnology and pesticides, uncertainty in digital trade frameworks, and persistent congestion at ports of entry that threatens perishable goods and just-in-time supply chains. Addressing these issues will be critical to ensuring continued market access and supply chain efficiency.

Testimony from state agencies, business organizations, and industry representatives further illustrates the breadth of California's reliance on USMCA-related trade. Witnesses emphasize the agreement's importance across sectors, including agriculture, high-tech manufacturing, logistics, and small and minority-owned businesses. Key priorities include preserving tariff-free trade, strengthening digital protections, enforcing science-based regulatory standards, supporting nearshoring strategies, and modernizing border and port infrastructure. Mexican stakeholders similarly highlight the agreement's role in driving regional competitiveness and investment, while acknowledging the need for continued bilateral cooperation to address implementation challenges.

Across all materials, the upcoming 2026 USMCA Joint Review is framed as a pivotal moment that will determine whether the agreement is extended or renegotiated. Stakeholders broadly agree that local governments, particularly those in border regions must play a more formal role in both the review and implementation processes, given their direct involvement in infrastructure, workforce development, environmental management, and trade facilitation. At the same time, industry, academic, and state leaders emphasize the importance of preserving the agreement's core strengths while adapting it to evolving economic, technological, labor, and environmental conditions.

Overall, the materials convey a clear and consistent conclusion: the USMCA remains foundational to California's economy and to North American economic integration more broadly. While the agreement has delivered substantial benefits in trade growth, investment, and supply chain resilience, its continued success will depend on targeted improvements in infrastructure, environmental sustainability, labor enforcement, regulatory coordination, and inclusive governance. Continued collaboration among federal, state, and local governments, alongside private-sector and binational partners, will be essential to ensuring that the next phase of the USMCA supports long-term economic growth, job creation, and global competitiveness for California and the broader North American region.

PANELIST BIOGRAPHIES



Dr. Rafael Fernández de Castro
Director, Center for U.S.-Mexican Studies
UCSD

Rafael Fernández de Castro is a professor and director of the Center for U.S.-Mexican Studies (USMEX), renowned for his expertise in Mexico–U.S. bilateral relations. A former foreign policy adviser to President Felipe Calderón, he previously founded and chaired the Department of International Studies at ITAM in Mexico City. He is the author and editor of numerous academic works, including *Contemporary U.S.–Latin American Relations* and *The United States and Mexico: Between Partnership and Conflict* (with Jorge Domínguez). Fernández de Castro has led major international research initiatives, including serving as Project Director for the UNDP’s Latin America Human Development Report 2013–14. He is the founder and editor of *Foreign Affairs Latin America* and a regular contributor to *El Financiero* and *Televisa*. His current work includes a book on leadership and decision-making in Mexican foreign policy and a binational research project on community-driven security provision in Mexico. He holds a BA in Political Science from ITAM, an MPP from the LBJ School at the University of Texas at Austin, and a PhD in Political Science from Georgetown University.



Dr. Ismael Plascencia
Ph.D. Professor
CETYS University

Dr. Ismael Plascencia López earned his Bachelor's degree in Economics from UABC (1999), a Master's in Regional Development from El Colegio de la Frontera Norte, and a PhD in Economics from UABC (2006). He completed a postdoctoral fellowship at COLEF (2008), along with research stays at the University of Limerick in Ireland (2008) and King's College London in the UK (2010). He taught Economics in the COLEF master's program in Regional Development in 2003, and courses in Economics, Statistics, and Research Methodology across the bachelor's, master's, and doctoral programs in the UABC faculties of "Economics and International Relations" and "Accounting and Administration" from 2003 to 2023. Altogether, he has taught more than 120 courses to over 5,000 undergraduate and graduate students. He served as Director of the Faculty of Accounting and Administration at UABC from 2019 to 2023. He has been a member of the National System of Researchers (Level I) of the National Council of Humanities, Science, and Technology (CONAHCYT) from 2007 to the present. He has supervised 14 doctoral dissertations and 17 master's theses. He has led more than 10 research projects and is the author or co-author of 20 scientific articles, 20 books, 29 book chapters, and numerous outreach articles on economics, regional development, and technological innovation. He has delivered more than 20 national and international.



Diana Dominguez
Trade and Investment Representative for the Americas,
California
Governor's Office of Business and Economic Development
(GO-Biz)

Diana Dominguez is a Trade and Investment Representative for the Americas at the California Governor's Office of Business and Economic Development (GO-Biz). She has been with GO-Biz for three years, starting as an Investment Specialist. Diana has a bachelor's degree in political science with an emphasis in international relations from the University of California, Davis. She has experience in managing international partnerships and export development planning, coordinating export/import seminars, and leading trade missions. Diana's role involves working with the California Department of Food and Agriculture and overseeing the implementation of the State Trade Expansion Program (STEP)-funded activities



Julian Canete
President and CEO
California Hispanic Chambers of Commerce

Julian Canete is the President and CEO of the California Hispanic Chambers of Commerce (CHCC), where he plays a pivotal role in advocating for Hispanic businesses in California. With over 40 years of experience, he has previously served as the Vice President & Director of Public Policy and Strategic Partnerships for the California Asian Pacific Chamber of Commerce. His leadership at CHCC spans multiple terms, with significant contributions to fostering economic growth and supporting the interests of

Hispanic entrepreneurs and businesses in the state. Julian is also a member of various boards and organizations, including the California Department of General Services Small Business Advisory Board and the CalTrans Small Business Council.



Miroslava Pérez López
Director General for North America
Mexican Secretary of Economy

Miroslava Perez Lopez has 18 years of experience in international trade negotiations and trade diplomacy, serving as a career civil servant and as part of the International Trade Negotiating Team of the Mexican Ministry of Economy. As a career civil servant, she has been involved in various negotiation processes and multilateral forums, such as the WTO, APEC, and UNCTAD, as well as in regional and bilateral trade agreements, including: The Negotiation and Implementation of the USMCA. During the USMCA negotiations, she was appointed Head of the Rules of Origin Negotiating Table. The Negotiation and Implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as well as Trade Agreements with Latin American countries and the Modernization of the Free Trade Agreement with the EU. The Negotiation of the WTO Trade Facilitation Agreement. - As Economic Counselor at the Permanent Mission of Mexico to the World Trade Organization in Geneva, Switzerland, she was responsible for Trade and Environment, Trade in Services, Electronic Commerce, and Investment Facilitation. At the WTO, she led Mexico's participation in the Environmental Initiatives on Trade and

Environmental Sustainability and the Initiative on Plastic Pollution. She currently serves as Director General for North America at the Ministry of Economy, a role in which she is responsible for coordinating the USMCA and Mexico's participation in bilateral trade forums with the United States and Canada. She is also in charge of the preparatory work and coordination of Mexico's public consultation for the USMCA review.



Pedro Casas Alatraste
Executive Vice President and CEO
American Chamber of Commerce of Mexico

Pedro Casas Alatraste is executive vice president and CEO of the American Chamber of Commerce of Mexico (AmCham), where he leads an organization representing over 1,400 companies in Mexico. In this role, he oversees AmCham's strategic direction, policy advocacy, and engagement with both Mexican and U.S. government stakeholders. Previously, Casas Alatraste served as director of research and public policy at the U.S.-Mexico Foundation in Washington, D.C., and as coordinator of international affairs at Mexico's Business Coordinating Council (CCE). He holds a BA in economics from Universidad Iberoamericana and a master's degree in international development policy from Georgetown University's McCourt School of Public Policy. He serves on the board of directors of Universidad Iberoamericana and contributes regularly to publications such as Mexico Business News and Mexico News Daily, offering insights on North American trade, nearshoring, and regional economic integration.



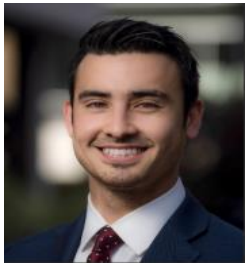
Kenia Zamarripa
Executive Vice President of International & Public Affairs
San Diego Regional Chamber of Commerce

Kenia Zamarripa joined the San Diego Regional Chamber in June 2017 and currently serves as Vice President, International and Public Affairs. In this role, she oversees the Chamber's international and public policy efforts and works to advance business, political, and cultural relationships across the regional business community. Under Kenia's leadership the Chamber IPA team manages a robust advocacy agenda focused on business-friendly legislation, strengthening the binational business climate, and supporting cross-border trade. Kenia also spearheads the coordination of the Chamber's annual binational delegation trips to Washington, D.C., Sacramento, and Mexico City to advance our region's priorities and advocacy agenda.

Formerly Director of Marketing and International Affairs for the Sportfishing Association of California, Kenia fostered close working relationships with key government, business, industry, and association officials in Mexico and San Diego. She also led key projects with the Mexican government to establish new permitting protocols for foreign tourists. In addition, she coordinated regular public outreach efforts to educate and provide updates from the Mexican government on issues and regulations pertinent to the sport fishing community.

Kenia holds positions on various community and binational organizations including as Vice Chair of the City of San Diego's International Affairs Board, and Board Member of the Border Trade Alliance, an organization that advocates for policies and initiatives to enhance border affairs and trade within

North America. Kenia acquired her BA in Marketing Administration from CETYS Universidad in Tijuana, Mexico in 2009. In 2015, she completed her MSc in Global Marketing Management from the University of Liverpool, UK. In 2017, she also received her PG Certificate in Human Resources from the University of Liverpool, UK. She is also a 2019 graduate of LEAD San Diego's Impact program and a member of the HOPE Leadership Institute's 2021 cohort.



Lucas Coleman
Director
World Trade Center (WTC) San Diego

Lucas Coleman is the director of the World Trade Center team at the San Diego Regional Economic Development Corporation. He oversees the team's efforts in supporting regional exports, maximizing foreign direct investment, and enhancing San Diego's global identity and connectivity. Coleman's activities include executing the MetroConnect export assistance program, managing foreign investment projects, and coordinating international trade missions. He has a Bachelor of Arts from San Diego State University with an emphasis in Japan/East Asia and is fluent in Japanese. Coleman's leadership at the World Trade Center San Diego has been instrumental in bringing an Export Specialty Small Business Development Center to the region, providing technical advising and support to small businesses.



Joaquin Luken
Executive Director
Smart Border Coalition

Joaquin Luken is a business development and management professional with over 20 years of experience on U.S.-Mexico border issues. With a deep understanding of the intricacies of cross-border commerce and collaboration, Luken brings a wealth of expertise to his work. Luken currently serves as the executive director of the Smart Border Coalition, a binational stakeholder group dedicated to creating border crossing efficiencies in the San Diego-Tijuana region. In this role, he acts as a bridgebuilder between organizations in Mexico and the U.S., working collaboratively to enhance border operations and facilitate smooth cross-border interactions. Luken's leadership and expertise contribute significantly to the coalition's mission of fostering cooperation and improving the legitimate flow of people, goods, and services across the border. Born in San Diego and raised in Tijuana, Luken began his career as the associate director of the Otay Mesa Chamber of Commerce, a leading binational organization with over 350 active members. He played a pivotal role in fostering economic growth and cross-border business relationships, organizing important binational networking events, and creating business opportunities for his members. Luken's dedication and efforts led to significant advancements in the region. Following his tenure at the Otay Mesa Chamber of Commerce, Luken served as a business development representative for the South Bay Expressway, where he represented the project to the binational stakeholder community. In this role, Luken expanded his knowledge and network in the field, contributing to the development and promotion of cross-border projects. Luken holds a bachelor's in business

administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey. Additionally, he earned a certificate in Global Strategy & Management from the University of San Diego. His educational background, combined with diverse professional experiences in real estate publishing, trade organizations, marketing, communications, sales, and program development, has shaped him into a well-rounded and adaptable professional.



Alejandra Mier y Teran
Executive Director
Otay Mesa Chamber of Commerce

Alejandra Mier y Terán has been the Executive Director/CEO for the Otay Mesa Chamber of Commerce for 26 years. Alejandra transformed the Chamber into a binational economic development engine assisting industrial businesses on both sides of the border. Prior to her role at the Chamber, Alejandra was marketing manager for San Diego Dialogue, a UCSD public policy center working on cross-border Cooperation. Alejandra attended the Instituto Tecnológico Autónomo de México in Mexico City, where she became an economist and gained experience in the international trade arena in Mexico's Department of Commerce. Alejandra currently serves on the Board of the International Community Foundation, a San Diego-based community foundation that makes transformative investments in Mexico's cross-border community. Alejandra is also a member of the Otay Mesa Planning Group.



Nicolina Hernandez
Regional Director of State Government Affairs
Toyota Motor North America

Nicolina Hernandez serves as regional director of State Government Affairs for Toyota Motor North America, overseeing engagement across seven Western states and contributing to Toyota’s Trilateral Work Group. With more than 17 years of policy experience, she has held roles as a legislative staff member in the State Capitol, as well as a contract consultant and in-house government affairs professional for public agencies and Fortune 100 companies on workforce, transportation, and energy issues. Based in Sacramento, she sits on the boards of the California International Relations Foundation and the Institute for Governmental Advocates and serves as a City Planning Commissioner. A native of Fresno County, she is an alumna of Carleton College in Minnesota, the HOPE Leadership Institute, the Senate Fellowship Program, and the McNair Fellowship



Chris Shimoda
Principal and CEO
Shimoda Government Strategies

As Principal and CEO of Shimoda Government Strategies LLC, Chris Shimoda has two decades of Government experience, most recently as Senior Vice President of Government Affairs for the California Trucking Association (CTA), the nation’s largest statewide organization representing the \$900b trucking industry. As CTA’s longtime Lead Lobbyist,

regulatory affairs expert, political strategist and spokesperson, Chris delivered major legislative, regulatory and legal wins for the over 1,000-member organization. Working collaboratively with in-house corporate government affairs, CEOs of multi-generation family businesses, general and regulatory counsels, contract lobbyists and a broad coalition of trade associations and business chambers, Chris has solved problems both big and small with a sharp focus on the business needs of his clients. Chris is a graduate of UC Davis and enjoys spending time with his wife and two children.



Darrin Monteiro
Senior Vice President of Sustainability & Member Relations
California Dairies Inc.

Darrin Monteiro is the Chief Member Relations Officer for California Dairies, Inc. He manages CDI's strategy development and implementation regarding sustainability and government relations.

Additionally, he engages with customers, identifying and securing value-add opportunities on behalf of CDI and our member-owners. Darrin also manages the CDI Member Relations team, CDI Transportation and oversight of ranch-to-plant milk sales for the company.

With nearly 25 years of experience in the industry, he started his career on his family farm, Monteiro Bros. Dairy. Prior to joining CDI, Darrin worked for the USDA – Farm Service Agency



Adrian Granda
Director of Government Relations
Port of Long Beach

Adrian Granda is the Director of Government Relations for the Port of Long Beach, California, reporting to the Managing Director of the Strategic Advocacy Bureau that also oversees the Communications and Community Relations Division. He was appointed to the post in May 2024 by the Long Beach Board of Harbor Commissioners, the city’s governing body for the Port. The Government Relations Division is responsible for advising the Port’s Executive Director and the Harbor Commission on Port-related legislative issues and assisting in the formulation of the Port’s legislative agenda. In his capacity as Director, Mr. Granda serves as the Port’s representative to federal, state and local governments and oversees the activities of the Port’s legislative advocates in Sacramento and Washington. Mr. Granda is a public affairs and government relations professional with more than 13 years of public service experience working on federal and state advocacy, public policy, and community engagement.