Thank you.

I am delighted to be here with so many friends both in public service and with Texas companies. It especially good to see a great Aggie, our Land Commissioner Jerry Patterson, our longest serving Railroad Commissioner Charles Matthews, as well as the chairman of the railroad Commission Victor Carrillo and a good friend of the taxpayers, San Antonio State Representative Elizabeth Ames Jones.

The reason trade with Mexico is so important to me is because it means jobs for Texans. It is good to be with men and women who are investing in Mexico and investing in Texas providing work and wages as well as a brighter future for families on both sides of our shared border.

Texas and Mexico are bound together by a shared history a blended culture increasingly a common language and without a doubt a singular future. We are not separated but joined together by our 1,200 mile border. We live and work each day in a borderless marketplace. Our hopes, aspirations and dreams are borderless as well. The desire to prosper live in safe and vibrant communities and see our children succeed is not a uniquely American desire, but the wish of both our peoples. And so we must continue working together to create new opportunities, new wealth and a better future here, and north of the Rio Bravo. When we allow for the free flow of commerce, energy and ideas, jobs and opportunity are created on both sides of our shared border. And the data shows it.

Mexico is Texas’ greatest trading partner and Texas is America’s highest exporting state. There are now 12 separate industries in Texas that export more than $1 billion in goods and products to Mexico each year. The newest trade data released by the Federal Reserve gives me great encouragement. First quarter export totals for Texas companies are up 28 percent. Exports to Mexico have increased 22 percent in that time period. Exports to the rest of Latin America are up 13 percent. And export totals overseas are staggering: trade to China is up 87 percent in the first quarter, and 35 percent to the European Union. Industrial machinery and transportation equipment exports more than doubled in the first quarter.

Of course, we know commerce flows both ways. For every dollar in goods shipped south through the Port of Laredo, for instance, a dollar fifty in goods and products heads north. Since the implementation of NAFTA, cross-border trade between Mexico and the United States has flourished, growing from a $100 billion industry to a $248 billion industry. The success of NAFTA reminds us that the best government jobs program is one where private sector does the work. By reducing trade barriers, we have expanded opportunities.
The free flow of trade and commerce is also the best solution to immigration concerns. Instead of building structural barriers intended to keep people out we must remove economic barriers so people want to stay. In this era of renewed economic optimism, we must plan for prosperity, not simply hope it shows up at our door. That means we must expand our energy ties. I applaud President Fox's initiative to allow private investment in the energy economy. And I am impressed by his new Energy Secretary, Fernando Elizondo Barragan. President Fox and I visited yesterday about the vast potential that exists if Mexico moves toward a policy of liberalization, where foreign companies can do more to help Mexico develop its energy resources, a subject I know is politically sensitive, but economically necessary.

Mexico needs major investments in electricity, is facing growing deficits in gas and dwindling oil reserves. Pemex has estimated that it will need to spend more than $45 billion on exploration and production over the next five years plus another $16 billion on refinery improvements over the next ten years in order to meet international demand as well as domestic growth needs. Mexico’s demand for natural gas has greatly outpaced production. Pemex’s Strategic Gas Plan includes a greater partnership with the private sector through Multiple Service Contracts which will allow for greater private sector assistance in natural gas production.

Texas companies want to partner with the Mexican people to meet these vast energy needs, and create thousands of jobs in the process. The Texas Energy Trade Mission is vital to this effort. Working in partnership with the Texas Railroad Commission, we have a tremendous opportunity to meet the energy needs that are obvious to people on both sides of our border. Stronger energy ties, greater privatization of the Mexican energy sector, and an increase in the number of cross-border energy projects will benefit consumers and employers in both countries.

I have proposed the most sweeping project in the nation to move cargo and commodities efficiently. The Trans Texas Corridor a 4,000 mile network of roads and rail lines, oil and gas pipelines, and electric transmission lines, can better connect Texas and Mexico to the opportunities of the new economy. I know this project has generated great interest among my counterparts on the other side of the border such as Governor Yarrington of Tamaulipas and Governor Gonzalez of Nuevo Leon.

Instead of relying on the current pay-as-you-go funding system that has gotten us so far behind in building infrastructure, we are asking private companies to bid on the design and construction of large corridors, connecting the border areas to our largest cities and beyond. With innovative financing tools, we will build these corridors much quicker, and ultimately at a lower cost. We will leverage private dollars up front that will be recuperated once a project is completed. But as I mentioned, it involves much more than new lanes for trucks. We will be able to move oil and gas, electricity, telecommunications, water, and high-tech resources to the border and back. Mexico has made strong investments near the border in their transmission capabilities. Ten electricity interconnections exist between our two nations. And of the 11 active natural gas cross-border pipelines, seven are along the Texas border. But there is so much more that can be done if we work together.

Let me close by saying how honored I am by the hospitality of our Mexican friends and how grateful I am to U.S. employers creating opportunities here in Mexico that create jobs in America. The United States and Mexico can build a brighter future if our relationship is based on two things: amistad y confianza, friendship and trust. Let us proceed on that basis.

Thank you.