

and openly the process of its nuclear modernization. And working together with allies, the United States can drive nuclear statecraft forward in ways that preserve predictability and strengthen deterrence. The fabric of nuclear deterrence may be changing, but determining its future must not be left to the aggressors. ■

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Mexico Has an Energy Problem

By Isidro Morales

Mexico elected its first female president on June 2. Claudia Sheinbaum, the former mayor of Mexico City, won a resounding victory with nearly 60 percent of votes. She represents outgoing President Andrés Manuel López Obrador's Morena party and is set to assume office in October.

In March, Sheinbaum presented her economic agenda before Mexico's business leadership in the city of Monterrey, where Tesla plans to build an electric

vehicle plant. Sheinbaum hopes to take advantage of the opportunities offered by U.S. nearshoring efforts; Mexico has emerged as an attractive destination for U.S. companies seeking to relocate their supply chains closer to home. She has also proposed creating 10 so-called development poles throughout Mexico, which would see regions specialize in sectors such as tourism, technological innovation, and renewable energy while also satisfying various sociocultural development goals.

To achieve her ambitious economic objectives, Sheinbaum must ensure that Mexico has a stable, growing energy supply. That is easier said than done, given López Obrador's controversial steps to undo reforms that had liberalized the country's energy sector to attract private investment and meet growing electricity and fuel demands. Although Sheinbaum has defended López Obrador's energy policy so far, she is more pragmatic and less ideological than he is—and may be open to policy change.

Sheinbaum cannot guarantee Mexico's energy stability if she does not regain the trust of private investors that was shattered under López Obrador. Failing to do so would not only be detrimental for the grid but could also jeopardize Mexico's commitments under the United States-Mexico-Canada Agreement (USMCA) and Paris Agreement—and derail any Mexican hopes of becoming a nearshoring haven. If former U.S. President Donald Trump returns to the White House in January 2025, failing to comply with USMCA could spell outright trouble for the U.S.-Mexico relationship.

In 2013, a constitutional reform ended the Mexican government's monopoly control of the energy sector. For the first time, state-owned oil company Pemex and power utility CFE had to compete against private firms on a regulated market. But since the first days of his administration in 2018, López Obrador has staked his presidency on reversing

Precis

Challenges to Mexico's Energy Sector

On June 2, Claudia Sheinbaum became the first female president by securing 60-percent votes in elections. Despite belonging to the same party as former President Lopez Obrador, she ^{seemingly} has a pragmatic approach and her own economic agenda to seek developmental goals. To achieve energy stability, she must reconsider ~~the~~ Obrador's problematic amendments to the policies that were once attracting private investments. Regaining the trust of private companies like Tesla is the only ^{possible} way to stabilize energy sector and comply with USMCA and Paris agreement. Otherwise, with ^{Former} President Trump ^{back} in power, non-compliance with USMCA would risk the Diplomatic relationships.