

TEXAS DEPARTMENT OF TRANSPORTATION

BORDER TRADE ADVISORY COMMITTEE
MEETING

Dewitt C. Greer
State Transportation Building
Ric Williamson Hearing Room
125 E. 11th Street
Austin, Texas 78701

Tuesday,
November 12, 2024

COMMITTEE MEMBERS:

Jane Nelson, Presiding Officer
Rafael M. Aldrete
Mayor Alvaro "Al" Arreola (absent)
Jon Barela (absent)
Luis Alfredo Bazán (by Ezequiel Ordoñez)
Eduardo Calvo
Luis M. Diaz
William Dietrich (absent)
Nicholas English (absent)
John Esparza
Raquel Espinosa
Dante Galeazzi (absent)
Teclo J. Garcia
Ruben Garibay
Cynthia Gaza-Reyes (absent)
Jake Giesbrecht
Maria-Elena Giner (absent)
Iliana Holguin
Lisa Loftus-Otway
Marga Lopez (absent)
Stan Meador (absent)
Daniel Mendoza (absent)
Jason Modglin
Kyle Morgan
Juan Olaguibel (by Arturo Madero)
Mayor Rolando Salinas (absent)
Gerardo "Gerry" Schwebel
Pete Sepulveda, Jr. (by Dan Serna)
Daniel Silva (absent)
Roberto Tinajero (absent)
Mayor Victor Trevino (absent)
Sam Vale (by Beatriz Castro)
Cameron Walker
Carlos Yerena (absent)

ON THE RECORD REPORTING
(512) 450-0342

Also Present:

Fernando Alba
Francisco J. Almanza
Michael Banks
Derek Barrs
Andy Brown
Jason Brown
Joseph Bryan
Andrew Canon
Marvina Cephas
Adriana Cruz
Aaron Demerson
Carlos Ealy
Humberto "Tito" Gonzalez, Jr.
Rep. Vikki Goodwin
Edgar Guillaumin
Susan Harper
Humberto Hernández-Haddad
Bobby Janecka
Claudia J. Lagos-Galindo
Caroline Mays
Alejandro "Alex" G. Meade III
Alvin New (via Teams)
Jolanda Prozzi
Marco Rodriguez
William Smithson
Dr. Marco González Valdez
Sergio Vasquez
Juan Carlos Villa
Marc Williams
Jill Wyman
David Zapata

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
Safety Minute	4
Welcome and Introductions	4
Roll Call	22
Adoption of the August 27, 2024, Meeting Minutes	26
Texas-Mexico Border Transportation Master Plan Update Development	27
Border Connectivity Studies Update	49
Texas House Bill 4422	75
Texas Economic Development Panel	110
Binational Manufacturing and Logistics Industry Panel	140
Open Discussion - Future Meetings and Topics	158
Adjourn	164

P R O C E E D I N G S

(8:31 a.m.)

1
2
3 SECY. NELSON: Good morning, everyone. Good
4 morning. It is now 8:31, and we will begin this year's
5 fourth and final Border Trade Advisory Committee meeting.
6 Your presence and active participation are critical to the
7 success of this meeting, and I want to thank each and
8 every one of you for being here.

9 I would like to make a motion that we move the
10 meeting outside, because it's such a beautiful day.

11 MR. MODGLIN: Second.

12 SECY. NELSON: Yes.

13 Safety does come first. I would like to invite
14 Francisco Almanza, International Trade and Border Planning
15 Coordinator at the Texas Department of Transportation to
16 deliver a brief safety presentation. Go ahead.

17 MR. ALMANZA: Hi. Good morning, everyone. As
18 the Secretary mentioned, safety goes first, and with the
19 holidays coming up, I'd just like to go over a couple of
20 reminders for navigating the roadways during the holidays.

21 Please buckle up, first and foremost. No
22 drinking and driving. Watch your speed. Avoid
23 distractions.

24 Drive in appropriate conditions. Move over,
25 slow down, and very important, follow the law, please.

1 Thank you, Secretary. Thanks, everyone.

2 SECY. NELSON: Thank you. Well, again, thank
3 you all for being here today. I am Jane Nelson, Texas
4 Secretary of State, and it is my privilege to welcome you
5 to our BTAC meeting in Austin.

6 While we appreciate all of our trips to the
7 border for meetings throughout the year, I do believe that
8 it is important to convene in Austin once a year. That
9 allows us to catch up on critical updates that impact our
10 entire state, not just specific regions. Today, we have
11 the chance to examine the significance of the Texas-Mexico
12 border region from a broader perspective. I'm confident
13 that this exploration will reveal new insights and deepen
14 our understanding of intricate dynamics that are at play
15 in this constantly changing area.

16 With the legislative session quickly
17 approaching, it is vital for us to gather in our Capitol
18 to plan for the year ahead and strategize on how we can
19 improve Texas together. I'm excited about these
20 discussions that we're going to have today. We have a
21 very busy schedule today and I do appreciate your
22 commitment to using our time efficiently, and staying
23 focused on our objectives. Your dedication to BTAC and
24 the issues that we're addressing is truly commendable.

25 Before we begin, I'd like to acknowledge some

1 distinguished guests from both sides of the border who are
2 joining us today. Of course, everyone in this room is
3 distinguished. But I'm going to introduce some people to
4 you, and I'd ask you to please hold your applause until
5 the end.

6 Travis County Judge Andy Brown, raise your hand
7 up. There we go. Thank you for being here today, and
8 welcoming us with open arms to Travis County.

9 We are all very excited to have our BTAC
10 meeting here. We appreciate that.

11 Texas Transportation Commissioner Alvin New.
12 Alvin New?

13 MALE VOICE: He's online.

14 SECY. NELSON: Well, hi, Commissioner. He can
15 hear us. We can't hear him.

16 Glad to have you with us, Commissioner.
17 Appreciate all --

18 COMMISSIONER NEW: Hello, all. I am here. I'm
19 just listening in.

20 SECY. NELSON: Great. Well, thank you. And
21 thank you for opening up your home to us today. It's
22 wonderful. It's nice to be here.

23 COMMISSIONER NEW: So it turns out, we
24 didn't -- we had very low ceilings in South Dakota
25 yesterday, and so I did not get home until this morning,

1 early, so was not able to get down there and join you in
2 person, but -- so I'll be on virtually and listen in,
3 okay?

4 SECY. NELSON: That's great. Thank you. Thank
5 you for all you do.

6 And you do have right here, sitting almost next
7 to me, Commissioner New and so -- I mean, Meade. So he's
8 here to represent you in person.

9 Texas Transportation Commissioner Alejandro
10 "Alex" Meade, appreciate you being here with us.

11 We have an elected official from the State of
12 Texas here today, as well as representatives of officials
13 who could not make it. I see, sitting right across from
14 me, Texas Representative Vikki Goodwin. Thank you for
15 coming.

16 We have Jill Wyman, Regional Director,
17 representing United States Senator John Cornyn. There she
18 is. Thank you. Thank Senator Cornyn for all he does for
19 us.

20 We are also pleased to have representatives
21 from the offices of State Senators Judith Zaffarini and
22 State Senator Donna Campbell, as well as State
23 Representative Troxclair. Thank all of you for attending
24 our meeting. Okay.

25 We do have Marc Williams, TxDOT Executive

1 Director, sitting right --

2 MR. WILLIAMS: Good morning.

3 SECY. NELSON: Good morning.

4 Adriana Cruz will be joining us in a little
5 bit. Commissioner Bobby Janecka of the Texas Commission
6 on Environmental Quality joins us.

7 FEMALE VOICE: [Inaudible].

8 SECY. NELSON: Okay. He's not here yet, but
9 will be.

10 And Michael Banks, our Texas Border Czar,
11 appointed by Governor Abbott, right there.

12 And we have some international diplomats
13 joining us today as well, Mexico's Cónsul General in
14 Austin, Humberto Hernández-Haddad. There he is right
15 there.

16 Thank you, Cónsul General, for being here
17 today.

18 Canada's Consul General in Dallas, Susan
19 Harper, is also here today. Thank you for joining us.

20 I'd also like to give special recognition to
21 state officials from Mexico, including: Marco González,
22 right there, Secretary of Regional and Agricultural
23 Development for the State of Nuevo León; and Fernando
24 Alba, Undersecretary of Industry, Mining and Energy for
25 the State of Chihuahua.

1 He's not here yet. Okay.

2 Well, I'm grateful to all of our esteemed
3 partners for joining forces with the State of Texas. Your
4 partnership is invaluable, and we are very grateful.

5 Now, before we start taking attendance, I want
6 to thank the Texas Department of Transportation --
7 Commissioner, I hope you're listening to me, thank you
8 again as well -- for hosting this BTAC meeting in their
9 beautiful facility and very historical, I might add.

10 Now, I'd like to invite some of the officials
11 who are here to share brief remarks with the Committee.
12 I'd ask you to keep them one minute or less, because we're
13 going to keep rolling.

14 County Judge, I would love to hear from you,
15 please. We all would. Travis County Judge Andy Brown.
16 Judge?

17 JUDGE BROWN: Thank you so much. Oh, excuse
18 me.

19 Good morning. I'm Travis County Judge Andy
20 Brown, and welcome to Austin and Travis County. I want to
21 thank you, Secretary Nelson, for inviting me to join the
22 Border Trade Advisory Committee meeting, and to welcome
23 y'all here to Travis County.

24 Texas stands at a really critical juncture in
25 transportation funding as we head into the next

1 legislative session, and Austin and Bexar County, our
2 neighbor to the south, are no exception to that. By 2050,
3 we expect to have about eight million people in this
4 super-region. Today, we're about five million people.

5 So we're a very fast-growing area and we look
6 forward to working with our neighbors in Mexico and
7 Canada. The employers regularly cite transportation as a
8 critical issue, and a new passenger rail system could help
9 us build a stronger workforce pipeline, making Texas even
10 more attractive to Fortune 500 companies and our largest
11 trade partner, Mexico. That's why Bexar County Judge
12 Peter Sakai and I started the Texas Passenger Rail
13 Advisory Committee earlier this year, where we brought
14 rail experts and a bipartisan group of elected leaders
15 across the state to come together, sit down and find
16 creative solutions for all rail transportation options
17 between San Antonio and Austin.

18 It's so important that we really dig into this
19 dialogue, find additional infrastructure solutions, like
20 passenger rail, to allow for more productive use of time
21 for trade and commerce, while also easing the burden on
22 our highways, especially I-35, that might be under
23 construction for a little while, I hear -- while I'm sure
24 that many of y'all took I-35 to get here today.

25 So thank you, Secretary Nelson, for having me

1 here today. I look forward to working with all of you to
2 help improve transportation infrastructure and expand
3 passenger rail service. Thank you very much.

4 SECY. NELSON: Thank you, Judge.

5 Next, Transportation Commissioner Alvin New.
6 Commissioner, you with us?

7 COMMISSIONER NEW: Just an appreciation for
8 everyone and all the work that they do for this and for
9 attending the meeting. And otherwise, I already explained
10 my travel challenges, and so I'll be listening in and
11 using the information to be informed on things we do with
12 the Commission work. Thanks.

13 SECY. NELSON: Thank you so much.

14 I would like to recognize Texas Transportation
15 Commissioner Alejandro "Alex" Meade. Commissioner?

16 COMMISSIONER MEADE: Thank you. Good morning,
17 everybody. You know, just a quick comment. You know,
18 Madame Secretary, I spent -- I think I haven't missed a
19 meeting yet.

20 SECY. NELSON: You haven't.

21 COMMISSIONER MEADE: Right, in the year and a
22 half I've been here. I did spend the first year traveling
23 every district in the state of Texas for TxDOT.

24 And the one thing I've learned to appreciate
25 about this Committee is that, although it is a border, you

1 know -- it has a border title to it, everything that
2 happens within this Committee impacts every district in
3 the state of Texas in regards to TxDOT, whether it's
4 Austin, Dallas, Houston. So the work that we do here is
5 very important. It impacts the entire state of Texas, and
6 I just want to commend all the work that you guys put into
7 this, because it really is making Texas more competitive.

8 SECY. NELSON: Yes. Thank you, Commissioner.
9 Good observation and well said.

10 I want to recognize Representative Vikki
11 Goodwin.

12 REP. GOODWIN: Thank you, Secretary Nelson. I
13 appreciate the invitation to be here today. I represent
14 western Travis County, the Lake Travis area. And the
15 reason for me being here -- well, there you go.

16 I represent western Travis County. And the
17 reason for me being here today is that I have served my
18 three terms on Homeland Security and Public Safety. This
19 term, I'm also on Agriculture and Livestock. But also
20 trade, you may not think impacts western Travis County,
21 but like Commissioner Meade just said, it does impact all
22 of us.

23 One of the biggest issues in my district right
24 now that we're having a meeting about tomorrow night is a
25 new distribution center in the area, which is right next

1 to residential. And so that brings up some issues with
2 people who are living there and not super excited about
3 having 18-wheelers coming in and out of the neighborhood
4 at all hours of the day.

5 So I'm here just to learn and hear what's going
6 on with trade, border trade, and I appreciate the
7 invitation. Thank you.

8 SECY. NELSON: Thank you, Representative, and
9 thank you -- you know, you are always welcome, whether
10 it's in Austin or somewhere else, because it does affect
11 all of us. Well said.

12 Now, I want to recognize Mexico's Cónsul
13 General in Austin, Humberto Hernández-Haddad. Would you
14 like to say a few words in español or ingles?

15 CÓNsul GENERAL HADDAD: Thanks, Madame
16 Secretary Jane Nelson. I truly appreciate the opportunity
17 to share with you, what do you expect from each other in
18 terms of the Mexico-Texas relationship? It's a leading
19 example of how the State of Texas can play an
20 international role in many constructive areas, and
21 particularly in the association with Mexico.

22 In matters of infrastructure, you are playing
23 today a good example of how to devote constructive,
24 positive energies to what we need to construct a better
25 world.

1 Again, Madame Secretary, thanks for the
2 invitation. I will report to my government what the
3 understanding of the issues you have here and to make
4 clear that, from the Mexican side, it's the best
5 opportunity to put ahead the constructive, capable
6 capacities of new generations of Mexicans that want to
7 build a better U.S.-Mexican relationship with the role of
8 the State of Texas.

9 Thanks again.

10 SECY. NELSON: Muchas gracias.

11 I would now like to recognize our Canadian
12 Consul General in Dallas, Susan Harper, to say a few
13 words.

14 CONSUL GENERAL HARPER: Thank you, Secretary
15 Nelson, and just a little more officially, I'd like to
16 congratulate you on your very busy and effective month to
17 date, and very good to know that you are handling things
18 in your usual style. So congratulations.

19 I just wanted to mention that we -- I probably
20 go to the border here as often as I come to Austin. And
21 two weeks ago -- I guess it was the end of October, when
22 things were a little quieter. People were waiting for a
23 big event.

24 I went with Canadian Customs, Canadian
25 Immigration, Canadian Public Safety, which is the same as

1 Homeland Security, and my colleague in Los Angeles,
2 because between him and me, we cover the entire U.S.-
3 Mexico border, because CBP and CBSA, our Customs people,
4 work so closely together.

5 And once a year, they invite the rest of us to
6 come and join in on their meetings, and Laredo was a very
7 impressive location. Technology, very effective. We were
8 very impressed by both the warm welcome we received, but
9 also everything we were seeing -- aduana present at the
10 Laredo Commercial Bridge.

11 And I think that's the kind of demonstration of
12 the kind of work that's being done between the two
13 governments. And one of the reasons that I'm very glad to
14 be here is because that does affect not only all of Texas,
15 but all of North America. Thank you.

16 SECY. NELSON: Thank you. Thank you for
17 sharing that observation, and it's one of the reasons I'm
18 so happy to have you to participate and share with us what
19 you've learned. Thank you.

20 Let's see. Then, I want to give our partners
21 from our Mexico border states an opportunity to say a few
22 words.

23 And we'll start with Marco González from Nuevo
24 León.

25 SECY. GONZÁLEZ VALDEZ: Good morning, Madame

1 Secretary. I just want to thank you for this invitation.

2

3 I want to tell you that Nuevo León already
4 completed the La Gloria-Colombia Highway. It took me less
5 than six hours yesterday to drive from Monterrey, our
6 capitol, to Austin, Texas' Capitol, in less than six
7 hours.

8 SECY. NELSON: Adhering to the speed limit?

9 (General laughter.)

10 SECY. GONZÁLEZ VALDEZ: We were -- we didn't
11 get stopped by DPS or anything. We got all the way to
12 here.

13 Also, I've got to tell you, Madame Secretary,
14 in less than two months, we're going to have a master
15 plan, binational master plan for showing what we have
16 visioned with the City of Laredo and the State of Nuevo
17 León in our nine-mile border.

18 I'm been talking with Michael Banks, our friend
19 and our ally, which they can take Columbia as a model for
20 how to secure a border. We have to take advantage of our
21 nine-mile border, that we can make it very secure. And
22 we're very excited to work with the new federal U.S.
23 government.

24 We have three years left, and we want to do
25 anything it takes to make our relationship with Texas

1 better, and obviously, with the U.S. So we're always
2 working with you, shoulder with shoulder. Thank you.

3 SECY. NELSON: Thank you, Secretary. Muchas
4 gracias. Let's see.

5 Fernando Alba from Chihuahua. Undersecretary
6 Alba?

7 UNDERSECY. ALBA: Yes. Hello. Thank you.
8 Thank you, Madame Secretary, for the invitation, being
9 here with you today.

10 First of all, we're saying congratulations from
11 our Governor, Maru Campos. She's committed to
12 strengthening the relationship with the State of Texas.
13 We'll continue working with you and with the whole
14 government of Texas in the near future.

15 First of all -- also that we are working close
16 with the federal government in Mexico with the new
17 administration to improve the border crossings between
18 Chihuahua and Texas. We just last year opened the
19 Tornillo border crossing between Texas and Chihuahua. We
20 have also under review the situation where the Bridge of
21 the Americas, which is a bridge that we use basically to
22 cross -- to, let's say -- to move the trucks between --
23 obviously between El Paso and Ciudad Juarez.

24 As you may know, right now it is under review,
25 the authorization to continue allowing, let's say,

1 crossing the trucks in between the two countries. So we
2 are working with the federal administration, with the
3 government of Mexico, and the federal -- and the -- to
4 continue, let's say, allowing the crossing of trucks
5 between Texas and Chihuahua. So this is very important
6 for us.

7 Last, but not least, once again, we are -- we
8 have a -- I will say, a working group with Mr. Chainbaum
9 [phonetic] and Mr. Brack [phonetic] on the federal
10 administrative level, working closely with them on the
11 different ideas and different initiatives that we have to
12 modernize infrastructure between Texas and Chihuahua.

13 So having said that, thank you once again for
14 allowing me to be here today. And it's always an honor to
15 be in this meeting. Thank you very much.

16 SECY. NELSON: Thank you --

17 UNDERSECY. ALBA: Thank you.

18 SECY. NELSON: -- very much. Muchas gracias.

19 Marc Williams, our TxDOT Executive Director,
20 thank you for allowing us to use this facility. The
21 weather's much nicer than the last time we used it. But
22 would you like to say a few words?

23 MR. WILLIAMS: Well, let me just thank you,
24 Secretary Nelson, for your leadership on this Committee.
25 I want to also acknowledge and thank our staff with the

1 Secretary of State's Office, and Caroline Mays and her
2 team with our Texas Department of Transportation. We have
3 several of our districts that are represented here today.

4 This meeting, it's an important meeting for
5 informing TxDOT and informing the things that we do around
6 the state. And when I look at the agenda and the program
7 that we have here today, you're very well aware that
8 transportation fits within the economic chapter of our
9 legislative budget, and it's there for a reason. Our
10 mobility and our transportation system drives the economy
11 not only of the state of Texas, the United States, also
12 Mexico and Canada as well.

13 And these meetings are just tremendously
14 informative, but also tremendously helpful --

15 SECY. NELSON: Yes.

16 MR. WILLIAMS: -- to our organization. So
17 thank you all for being here and being part of this
18 conversation, this discussion today. Your engagement and
19 input is extremely valuable.

20 Thank you, Secretary.

21 SECY. NELSON: Thank you. Thank you for what
22 you do.

23 You know, I'll insert here and share with
24 everyone, over at my office at the Capitol, there is a
25 steady stream of visitors from other countries interested

1 in coming to Texas and doing business with Texas. And I
2 have learned that they usually ask about two things:
3 transportation and workforce training, education. Those
4 are the two things they want to hear about. And of
5 course, I brag on what a wonderful -- and I talk about
6 this partnership that we have with our neighbors to the
7 south.

8 So it is critically important to economic
9 development for our citizens. So thank you.

10 I understand there is a safety video that we
11 need to watch. Is that ready to roll? Y'all watch this
12 safety video, wherever it is.

13 MS. MAYS: It's a safety video of this
14 building. So just want to make sure everybody knows where
15 they are, so --

16 SECY. NELSON: Here's where you are, right
17 here.

18 (Audio from the video doesn't play in the
19 room.)

20 MR. WILLIAMS: In case of an emergency, call
21 9-1-1.

22 (General laughter.)

23 MR. WILLIAMS: Defibrillators outside if there
24 is any of those issues. We've got first aid stations
25 around.

1 There we go.

2 (Video plays.)

3 MR. WILLIAMS: If you have to evacuate, you
4 have an exit behind you. You have an exit in front.
5 We'll gather together in the parking lot to the west of
6 us.

7 And if we have inclement weather or tornado,
8 stay inside. Stay away from outdoor windows.

9 It's a beautiful day, as the Secretary of State
10 has announced, so we're not going to have to worry about
11 this. But if we do, interior hallways, restrooms and the
12 basements are available. An active shooter or bomb
13 threat, follow instructions on the announcements.

14 Thank you.

15 SECY. NELSON: Director, you did a fabulous job
16 walking us through that.

17 MR. WILLIAMS: I've heard it a few times.

18 SECY. NELSON: I bet you have. I bet you have.
19 Well, we're just going to follow you out the door if
20 anything happens.

21 I want to thank everyone for being such
22 valuable partners to Texas and participants of this. I
23 want to recognize Caroline Mays, Director of Planning and
24 Modal Programs for the Texas Department of Transportation,
25 who will conduct our roll call for this meeting.

1 Caroline?

2 MS. MAYS: Good morning, everybody, Secretary.
3 A pleasure to see you and be here without sliding in the
4 snow storm, the ice storm. The first time the Secretary
5 held the meeting here was what, two years ago?

6 SECY. NELSON: Two years ago.

7 MS. MAYS: In February, yeah. There was ice
8 everywhere.

9 But no, thank you again to you and your staff
10 for not just being here, but shepherding the Border Trade
11 Advisory Committee. And I won't, you know, dwell on a lot
12 of what has been said. Just thank you, everybody, for
13 being here -- full house.

14 We want to welcome everybody. And I want to
15 turn it over actually for the roll call to Claudia Lagos,
16 who will do the roll call for the Committee. So just
17 appreciate everybody being here.

18 SECY. NELSON: Great. Thank you.

19 MS. LAGOS-GALINDO: Thank you, Caroline, Madame
20 Secretary. I will start.

21 Rafael Aldrete?

22 MR. ALDRETE: Present.

23 MS. LAGOS-GALINDO: Al Arreola?

24 (No response.)

25 MS. LAGOS-GALINDO: Jon Barela?

1 (No response.)
2 MS. LAGOS-GALINDO: Luis Bazán?
3 (No response.)
4 MS. LAGOS-GALINDO: Eduardo Calvo?
5 MR. CALVO: Present.
6 MS. LAGOS-GALINDO: Luis Diaz?
7 MR. DIAZ: Present.
8 MS. LAGOS-GALINDO: William Dietrich?
9 (No response.)
10 MS. LAGOS-GALINDO: Nicholas English?
11 (No response.)
12 MS. LAGOS-GALINDO: John Esparza?
13 MR. ESPARZA: Present.
14 MS. LAGOS-GALINDO: Raquel Espinosa?
15 MS. ESPINOSA: Here.
16 MS. LAGOS-GALINDO: Dante Galeazzi?
17 (No response.)
18 MS. LAGOS-GALINDO: Teclo Garcia?
19 MR. GARCIA: Present.
20 MS. LAGOS-GALINDO: Ruben Garibay?
21 MR. GARIBAY: Present.
22 MS. LAGOS-GALINDO: Cynthia Gaza-Reyes?
23 (No response.)
24 MS. LAGOS-GALINDO: Jake Giesbrecht?
25 MR. GIESBRECHT: Present. Good morning.

1 MS. LAGOS-GALINDO: Maria-Elena Giner?
2 (No response.)
3 MS. LAGOS-GALINDO: Iliana Holguin?
4 MS. HOLGUIN: Good morning. Present.
5 MS. LAGOS-GALINDO: Lisa Loftus?
6 MS. LOFTUS-OTWAY: Good morning. Present.
7 MS. LAGOS-GALINDO: Marga Lopez?
8 (No response.)
9 MS. LAGOS-GALINDO: Stan Meador?
10 (No response.)
11 MS. LAGOS-GALINDO: Daniel Mendoza?
12 (No response.)
13 MS. LAGOS-GALINDO: Jason Modglin?
14 MR. MODGLIN: Present.
15 MS. LAGOS-GALINDO: Kyle Morgan?
16 MR. MORGAN: Present.
17 MS. LAGOS-GALINDO: Juan Olaguibel?
18 MR. MADERO: Arturo Madero for Mr. Olaguibel.
19 MS. LAGOS-GALINDO: Rolando Salinas?
20 (No response.)
21 MS. LAGOS-GALINDO: Gerry Schwebel?
22 MR. SCHWEBEL: Present.
23 MS. LAGOS-GALINDO: Pete Sepulveda?
24 MR. SERNA: Dan Serna for Pete Sepulveda.
25 MS. LAGOS-GALINDO: Daniel Silva?

1 (No response.)

2 MS. LAGOS-GALINDO: Roberto Tinajero?

3 (No response.)

4 MS. LAGOS-GALINDO: Victor Trevino?

5 (No response.)

6 MS. LAGOS-GALINDO: Sam Vale?

7 MS. CASTRO: Proxy, Beatriz Castro.

8 MS. LAGOS-GALINDO: Cameron Walker?

9 MR. WALKER: Present.

10 MS. LAGOS-GALINDO: Carlos Yerena?

11 (No response.)

12 MS. LAGOS-GALINDO: Madame Secretary, we have a
13 quorum.

14 SECY. NELSON: A quorum is established. Thank
15 you.

16 I want to welcome our new Committee members.
17 Hold up your hands so we can see who you are. Ruben
18 Garibay, Puerto Verde, at the end there.

19 Teclo Garcia, Mission Economic Development
20 Corporation.

21 MR. GARCIA: Thank you.

22 SECY. NELSON: There you are. Welcome.

23 MR. GARCIA: Thank you.

24 SECY. NELSON: And Nicholas English, Meridiam
25 Capital Partners. He isn't here yet. Okay. Great.

1 And I want to recognize and thank for the years
2 served on the Committee, Rafael Aldrete, Texas A&M
3 Transportation Institute, 16 years -- 16 years. Thank you
4 for your service.

5 And Gerry Schwebel, International Bank of
6 Commerce, 11 years. Thank you for your service, both of
7 you. We appreciate all of you very much.

8 Oh, I forgot to say: I'm passing around a
9 sign-in sheet. Please sign in so we know you're here, but
10 we just called roll, so we know you're here.

11 All right. I will now move to the adoption of
12 the minutes from our August 27, 2024, meeting of the
13 Border Trade Advisory Committee that we held in Baytown.
14 I'm sure everyone reviewed the minutes, and I'll call for
15 a motion.

16 Is there a motion to adopt the minutes?

17 MR. GARIBAY: (No audible response.)

18 SECY. NELSON: I hear one from Ruben Garibay,
19 our newest member.

20 MR. GARIBAY: Yes, I move to approve and adopt
21 the minutes.

22 SECY. NELSON: Thank you very much. His first
23 official action on the Committee.

24 Do we have a second?

25 MR. WALKER: Yes, Madame Secretary.

1 SECY. NELSON: Thank you. All those in favor,
2 say aye.

3 (A chorus of ayes.)

4 SECY. NELSON: Anybody opposed?

5 (No response.)

6 SECY. NELSON: No? Then the minutes of the
7 Committee August 27 meeting are adopted.

8 I want to remind everyone, please, as we
9 continue with our meeting, to state your name and the
10 organization you represent before commenting or asking a
11 question. And please speak clearly so our court reporters
12 can hear you.

13 So let's move on to our official business, our
14 first presentation. I would like to recognize Claudia
15 Lagos, Manager of the International Trade and Border
16 Planning Branch from the Texas Department of
17 Transportation, to provide an update on the Texas-Mexico
18 Border Transportation Master Plan development.

19 Claudia?

20 MS. LAGOS-GALINDO: Thank you, Madame
21 Secretary. I will try to present now the plan that we
22 are -- that we will have for the new or the update on the
23 Border Master Plan for the new vision from 2025 up to
24 2050.

25 And as a little recap, because we have new

1 members and probably it would be good to have a little
2 refresh, the existing Border Master Plan was adopted in
3 2021. This plan identified current and future
4 transportation needs, challenges and opportunities for
5 moving people and goods. It outlined policy programs and
6 projects and was focused on facilitating and collaboration
7 between Texas and Mexico.

8 This is one of the most important things about
9 the plan that we did, because it was a binational effort.
10 We did everything, having the border states, the four
11 border states, and the federal government sitting with us
12 on the creation of this Border Master Plan.

13 This plan came with a result of 661 projects
14 that were divided into categories. And with this list, we
15 had, like, too big universe that were divided into some
16 projects that were related to Mexico and some other
17 projects that were from the U.S. side. And this list had
18 projects that were -- the sponsors were private sector or
19 TxDOT projects. And exactly the same on the Mexican side,
20 the projects that we collected on the list were public or
21 private sector.

22 And I will mention just briefly here that the
23 way we collected the projects, probably we will have a
24 little change. And I will explain it a little later on my
25 next slides, because we would like to make a little change

1 to keep updated this list and have a little methodology to
2 vet the projects, to keep updated this list, and could be
3 adding projects not only when we update completely the
4 BTMPs.

5 So by saying this, we would like to start by
6 getting as a base what we already have, not just in terms
7 of the BTMP, but some other efforts that TxDOT has been
8 doing, and sometimes the MPOs or the cities. That will be
9 help us on the data or analysis that they already did.
10 But the purpose will be to create a Texas-Mexico Border
11 Transportation Master Plan 3.0.

12 For this one, we would like to have a mission,
13 a goal and objectives, very clear, on a period from 2025
14 to 2050. The plan that we have right now was focused on
15 2021 -- 2020 to 2050. It's important to mention here, and
16 probably for the members that were present at the time,
17 when we finalized this study, we needed to incorporate a
18 little bit of a chapter that explained the starting point
19 from the pandemic and what was happening already with the
20 supply chain disruption.

21 We just mention it briefly because it was just
22 starting. We did all of our analysis before the pandemic
23 started, but when we finished and before we came to the
24 Commission for adoption, we just briefly comment what was
25 already happening. But it was just the tip of the

1 iceberg, what we just mentioned there.

2 Then we are going to come and create policy and
3 business practices and what the impact will be. We want
4 to have a robust data analysis, analytics and
5 visualization of those. We want a meaningful binational
6 stakeholder engagement.

7 What is going to be really successful on this
8 BTMP will be again to have the participation of the two
9 countries. And we will be so happy to have the four
10 Mexican states, and as we mentioned before, we would like
11 to engage and to visit the new administration in Mexico to
12 invite them to also -- and with the Cónsul Hernández-
13 Haddad, probably we will also be touching base to really
14 get in contact with the new heads in Mexico City.

15 As Caroline mentioned, I believe in Houston, we
16 would like to visit Mexico and the new administration
17 probably early, early 2025, to invite them and share with
18 them all the efforts that we are doing so they can be
19 really part of the studies, because that is very
20 important. We cannot create something so ambitious like
21 this BTMP without having Mexico sitting at the table.

22 Then we want to have a priority of policy
23 strategies, program and projects. And we want to create
24 benefits of multimodal investment to support trade and
25 travel. And all this will shape everything that we want

1 to call or have as the Texas-Mexico Border Transportation
2 Master Plan 3.0.

3 Briefly, we did a kind of timeline. We are
4 planning -- and if all the consult and contract process
5 ended soon -- we would like to start or to do the kick-off
6 meeting this December. That is our goal.

7 And we want to start doing the work by January.
8 And across the whole plan for the two years, we will have
9 very active binational stakeholder engagement. Because
10 for us, having any information will depend on the feedback
11 that the users can give us, so we can create really what
12 are the needs, what the challenges, and what are the
13 trends that are needed for a great master plan at the
14 border.

15 We would like to have the policies and the
16 impact as really understanding -- and this is very
17 important, this part, because we really want to understand
18 what the real impact after the COVID and the pandemia and
19 what the real impact on the supply chains happened.

20 And for us, this BTMP -- our idea is that we
21 need to analyze first international trade, worldwide.
22 Then, coming to U.S. trade. Then, Texas trade. And then,
23 the relation, Texas-Mexico, because whenever we analyze,
24 we cannot just look at the border, because it's not just
25 the trade that crosses by truck.

1 Every day, we see more and more a multimodal
2 analysis for all the international trade. And we see also
3 more using, for example, Mexico, as a route for
4 international trade, trying to get into the U.S. And so
5 we really need to get that and analyze the origin and
6 destination for all the trade that is coming to the U.S.
7 and the impact that this is happening.

8 Then we are going to have the data collection.
9 It will be very important because, with this, we will
10 have -- we will create the policies, the strategies, the
11 programs, and the projects that we would like to
12 prioritize as a result of this plan.

13 We would like to see the benefit of investment.
14 And this part is important for us because we want to
15 share, what is the impact on investing, and what will
16 happen if we do not invest?

17 We have a similar chapter on the existing BTMP
18 that shows this is what the trend and what the growth on
19 international trade is. And if we do nothing, this is how
20 the congestion will be and this is the impact on economic
21 that will happen. And if we invest, this is what -- we
22 are going to be solving the problem. So that's why this
23 part is going to be very important.

24 So then we will come to collect projects. And
25 this part will have another big change, because we'd like

1 to create a methodology on how we will be getting and
2 collecting the projects.

3 For the existing plan, we just call and visit
4 all the regions and ask for all the projects that were
5 already under construction or on the planning, but really
6 with funding or something like that, or the projects that
7 people or stakeholders came and told us, this is what we
8 are planning to do, or this is what is coming in this
9 region. And we incorporate every single project that we
10 heard about, but we -- after these five years, we saw that
11 most of those projects didn't happen or didn't move at
12 all, since 2019 up to now. So we want to create a
13 methodology, after receiving these lists, that can give us
14 the opportunity to vetting those projects and can put a
15 prioritization on the projects, but also give us the
16 opportunity to maintain probably on an annual basis a way
17 to collect.

18 And the greatest example for this will be two
19 projects, for example, in the Laredo region. We have,
20 since that moment, the Laredo -- the new bridge, the
21 Laredo 4/5.

22 We have it -- at that moment, they keep moving
23 and moving, and now, it's a reality. They got the permit.
24 And now it will happen.

25 But on the other hand, we have Puerto Verde,

1 that we didn't have it on the radar. Five years ago, it
2 was not even on the plan. And now, Puerto Verde is a
3 reality.

4 And so that is the kind of thing that we need
5 to be able to incorporate on the list. The things that
6 are changing -- and probably also could be the other side,
7 that some project is listed, and for some reason, they
8 decided not to move on, and we can remove that project
9 from that list.

10 So after that, we would like to have a draft,
11 that that draft will be very important, that we all can
12 review it. And the intention for us is that, during all
13 these two years, we can come and present and have the
14 input from all of you that are very important piece and
15 actors from the international trade, not just the users
16 locally by each region. So we will be asking for your
17 help and for your input during the whole development of
18 the plan.

19 And our intention is to have kind of the final
20 stakeholder input around July 2026, and by September,
21 August/September 2026, have the final document for the
22 final review and coming and presenting to all, and having,
23 like, little details and little things that anyone could
24 suggest that we may include. And probably around
25 November, we can present the new plan for the Commission

1 for adoption.

2 But it's important to mention that we do not
3 want to reinvent the wheel. We want to use so many
4 studies and so many efforts that we have been doing. In
5 our section, we are doing a lot of studies. We are doing
6 the Border Connectivity Study.

7 So we are going to take that piece and the
8 results that we are -- coming from that, and we want to
9 incorporate it as kind of the base of what we are doing.
10 We know that El Paso MPO did a data collection, an
11 international travel demand model that we want to ask them
12 if we can use that information also to start doing the
13 analysis, and some others, as the Texas Delivery Plan, and
14 obviously, our 2021 BTMP.

15 When we did the BTMP, we focused our analysis
16 in several goals, and those were the goals on how we
17 divided the strategy for the analysis. We want to
18 continue with the same structure. We do not want to come
19 from scratch. We want to continue with this, and we want
20 to have that base and build from there what is going to
21 come in the new plan.

22 The next aspect is very important because all
23 the study -- and all of you know, the trade and the
24 socio-demographic information along the border is very
25 important to do any of the analysis. When we finalize the

1 existing BTMP, we have a projection, and we estimated that
2 the trade was going to grow five percent per year. And
3 when we adopted that five percent, it was already passed
4 by a month.

5 So we did it -- we did all our effort. But
6 with the new conditions, we knew that that information was
7 already not updated. So we want to have all that
8 information. We want to have the socio-demographic
9 information for the border and also for the important
10 areas in Mexico.

11 We all know that the automotive industry and
12 some other industries, they build and they have the
13 manufacturing in the center of Mexico. And we have the
14 products going back and forward several times across the
15 border until they finish and complete the products, and
16 vice versa. We have some companies in the U.S. that
17 produces here, and we have the products going back and
18 forward.

19 So that is why it's so important. And the
20 growth of the border, the more labor, the more economic
21 growth is also impacting whatever we are seeing in terms
22 of trade.

23 The next one also is related to the impact of
24 policy and business practices across the border and
25 travel. And we also want to prioritize and have a vetting

1 on these ones. We do not want just to put or create all
2 without really seeing that these ones could happen.

3 And this is just as an example. I'm not going
4 to go into all these details, but these are kind of
5 examples of the impacts of policies in business that -- on
6 travel -- and trade and travel.

7 And finally, as I was mentioning a little
8 later, when we start getting and collecting the
9 projects -- and the idea is that we can collect from the
10 sponsors from both sides, public and private sector, all
11 the lists of projects we want to start vetting and
12 analyzing more deeply the projects and the information
13 that we receive, so we can prioritize and keep the
14 projects in good shape and in a continuous way so we can
15 really have updated the list of the projects that are
16 really happening.

17 For some reason, it is not changing.

18 FEMALE VOICE: Check the batteries.

19 (General laughter.)

20 MS. LAGOS-GALINDO: Well, the final -- I will
21 start meanwhile we pass it. We have been -- yes, it's
22 there.

23 We have been trying to modernize the way we
24 present our documents. And the first one that we have
25 been trying to do is the bridge book. We used to have all

1 the documents in a hard copy. Now, we are moving to have
2 the documents more in an interactive way in our website.

3 And the idea is that whenever we finalize the
4 BTMP, we can have also the possibility to print whatever
5 section anyone that comes to our page wanted to print, but
6 we can have also an interactive way to look and to analyze
7 data from our website. So that is kind of the vision, and
8 create dashboards, and we will have white papers plus the
9 whole document, and be more focused on a new technology in
10 a new era in terms of how we will be presenting the final
11 document.

12 And with that, this is all from my end. I
13 don't know if there's any question or doubt?

14 SECY. NELSON: Well, thank you, Claudia. Great
15 presentation.

16 Are there any questions or comments regarding
17 this presentation?

18 MR. GARIBAY: I have a question. On the
19 interactiveness --

20 SECY. NELSON: I'm going to need you to state
21 your name.

22 MR. GARIBAY: Oh, I'm sorry.

23 SECY. NELSON: I know. You're a new member.

24 MR. GARIBAY: I apologize. Ruben Garibay, with
25 Puerto Verde.

1 I have a question for you, Claudia. As
2 members, either private or public, are we going to be able
3 to upload data as it becomes available to us or as we
4 complete studies and such ourselves, or is it all going to
5 be through the state?

6 MS. LAGOS-GALINDO: You mean, as the result of
7 the study?

8 MR. GARIBAY: Yeah -- no. I'm sorry. For
9 example, as we progress, as we conclude a certain study,
10 can we upload that information so that our information is
11 always current, or can we add links to our website?

12 I mean, how can we help you best keep that
13 portal updated?

14 MS. LAGOS-GALINDO: That part will be more
15 helpful for our bridge book. And yes, we can create it.
16 That is the idea for our bridge book, because that is the
17 one that explains every single detail for every single
18 border crossing.

19 MR. GARIBAY: All right. Thank you.

20 MS. LAGOS-GALINDO: Yes.

21 SECY. NELSON: Great.

22 Caroline, you had a question or a comment?

23 MS. MAYS: Not really a question, Secretary,
24 but a comment.

25 I want to really stress this point. Things

1 have changed since the 2021 BTMP. Those of you, I know --
2 Mr. Calvo is smiling. A lot has changed.

3 So I want to really underscore this, that -- be
4 ready to really be fully engaged as we start the
5 development of the BTMP 2.0. It was very intense, but
6 also we collected a lot of information, a lot of data.
7 And a lot of that data is still valid, but we're going to
8 have to update all of it. To Ruben's point, there's going
9 to be a massive amount of data collection, to make sure
10 that we have the latest and greatest.

11 COVID wasn't, you know, here when we started
12 the last BTMP. We finished the BTMP in the middle of
13 COVID. And like Claudia mentioned, all the numbers,
14 Secretary, and all the projections, by the time we
15 finished the plan, they were, you know, pretty much
16 worthless at that point, because things changed so much.

17 And then the second thing that, you know,
18 Claudia mentioned, you know, nearshoring. Yes,
19 nearshoring has been here, but the intensity and the
20 amount of nearshoring happening in Mexico and also in
21 Texas, the re-shoring, all of that, you know, really kind
22 of this global repositioning of the economic, you know,
23 landscape has also changed.

24 I tell everybody, you know, Tesla was not here
25 when we developed the first Border Master Plan. Samsung

1 wasn't expanding here. Many companies that are now in
2 Texas, in Mexico, were not here when we were developing
3 the first Border Master Plan.

4 So that gives you the scale of how things have
5 changed in Texas, in the U.S., but also in Mexico. So
6 we're going into this Border Master Plan this time. It is
7 going to really look a lot different than what we did
8 earlier with the same issues, the policies.

9 We were in the middle of the plan when USMCA
10 was adopted. You know, so there's a lot of things that
11 happened then that I just want the Committee to understand
12 that this is not necessarily just an update to the
13 previous plan. Some of it may be actually new approaches,
14 new things that we did not address, you know, things like
15 technology.

16 We didn't focus a lot of the last Border Master
17 Plan on technology. How do you use technology to improve,
18 you know, border crossing, you know, wait times, things
19 like that and other things. So I just wanted, Secretary,
20 to let the Committee know that, come next year, roll up
21 your sleeves. We're going to be working you hard.

22 The ones that were here before you know
23 exactly. We're going to ask for your input. We're going
24 to come to the communities.

25 The engagement is the last piece I want to say.

1 The Border Master Plan, that was probably the most
2 extensive engagement we have done at TxDOT on both sides
3 of the border, holding meetings in Mexico, engaging all
4 our Mexican counterparts, from federal, state, by private
5 sector. We had three regional committees that met on a
6 regular basis and that was really very extensive. Cónsul
7 General, you know, Mexican counterparts, were great at
8 being at the table and engaging us and highlighting the
9 issues there.

10 So we're expecting the same or even better this
11 go-round, that we will engage, you know, if not better
12 than we did the last time. There's a lot of things that
13 the team learned, that we learned, that we're going to do
14 better this time around in terms of our engagement,
15 meaningful engagement, impactful engagement.

16 So I just wanted to highlight that, Secretary,
17 that we're going into this well-prepared. And some of the
18 things, definitely there's lessons we learned that -- you
19 know, Claudia mentioned, don't reinvent the wheel. A lot
20 of things we learned.

21 And really, the partnership, the Committee.
22 Some of you were very engaged, and we're not going to
23 expect less.

24 You know, John, I'm looking at some of the
25 folks that have been here a while. Really, you know,

1 there's some of the communities that we need to engage.
2 Some of the groups that we engage, we rely on the
3 Committee members to be able to engage those people.

4 So I just wanted to say again, thank you,
5 Claudia, for presenting on this. It is a huge
6 undertaking. And then this is a critical document.

7 Marc mentioned earlier, this is a signature
8 effort for this Committee that helps inform a lot of what
9 TxDOT does, you know, but also the border districts, the
10 border communities, but also Mexico.

11 Secretary González talked about finishing La
12 Gloria. That was in the Border Master Plan. That
13 mentioned connectivity to Colombia.

14 That that was a key issue that needed to be
15 addressed, and now, here it is. He's reporting on that
16 project being completed.

17 So thank you very much. I appreciate the
18 Secretary for indulging me to at least comment on this
19 very important work effort coming up.

20 SECY. NELSON: Well, it is a huge effort, but
21 it is hugely important.

22 I'm curious, and want to follow up a little bit
23 about this question. The five percent number that you
24 shared with us is, you know -- if you don't have accurate,
25 up-to-date numbers, it can really throw things. And from

1 what I understand -- I want to be sure that I understand
2 correctly, the change in any numbers will not be inputted
3 by the locals, but instead, that will filter into TxDOT,
4 and you will make the changes. Is that accurate?

5 MS. LAGOS-GALINDO: Yes.

6 SECY. NELSON: Okay. Well, all the help that
7 we can get, making sure we've got accurate, up-to-date
8 information, and with the current technology, we should be
9 able to be much more accurate in the next go-round, I
10 would hope.

11 MS. LAGOS-GALINDO: Yes. And the idea, Madame
12 Secretary, is, like -- there are so many studies and
13 things that are measuring exactly the impact and the
14 growth. And Gerry's very expert on this, because he
15 participated in so many high-level committees that present
16 exactly how big the impact or the growth on the exchange
17 or the international trade between the two countries is.

18 And we are seeing really that whatever we
19 expected in terms of the trade between Texas and Mexico
20 has been, like, tremendous. So if we have, like, a
21 traditional or, like, comfortable five, seven percent per
22 month or per year, now we are seeing those numbers per
23 month. So we are not being really able to estimate really
24 what is happening, because the effect and the growth
25 continues every, every single day.

1 And what Caroline mentioned -- any kind of
2 nearshoring, friend-shoring, whatever shoring we want to
3 mention, is really affecting. And I believe we are just
4 probably starting to see what companies from many parts of
5 the world are starting to build in Mexico or the south
6 part of the U.S., that is Texas. So we will see more and
7 more during the period that we will be doing the analysis.

8 SECY. NELSON: Invaluable information. So
9 thank you for what you do.

10 Any other questions for Claudia? Yes, sir?

11 MR. CALVO: This is Eduardo Calvo. Just a
12 thought. I mean, this Border Master Plan, the one that
13 was completed some time ago, that was a great experience.
14 And I think we all learned a lot of, you know, good
15 lessons, and hopefully, we'll be able to apply those.

16 But just one thought. When I look at the
17 timeline for the development of this new plan, you know,
18 it's about two years. Right? But our world is so dynamic
19 that by the time you finish it, you know, the data that we
20 use may be a little -- you know, may be old.

21 So is there any way that maybe we can, you
22 know, figure out a process where we continuously update?
23 Because again, our world is moving so quickly. You know,
24 we're probably going to be using maybe 2023 data, you
25 know, like we did in 2019 in the first plan. But by the

1 time we complete the plan, 2023 is, you know, pretty old.

2 So is there maybe another effort that we could
3 do in parallel? Right? Yes, we need a plan. Right? And
4 you know, a plan has a definite, you know, end date,
5 right?

6 But figure out a plan where we can continuously
7 update the information, because again everything is so
8 dynamic in this new world.

9 SECY. NELSON: Yes. A breathing document.

10 Claudia?

11 MS. LAGOS-GALINDO: And yes. We try to do that
12 effort in a regular basis, but some of the sources do
13 their update probably by the end of or the middle of the
14 next year. And on a regular basis, we always look -- if,
15 for example, you ask me for a presentation today, I won't
16 be using 2019 data. I will be using 2023 data, because we
17 try to get that data, even though I'm not remaking the
18 BTMP, and that is the way we do it.

19 And that will be a continuous effort. We
20 always try to keep at least the center, the core of the
21 information, updated because we cannot -- and that is
22 something that Caroline and the team discussed a long time
23 ago is -- we cannot continue -- even though we are talking
24 about the BTMP that was adopted in 2021, we cannot come
25 and continue presenting you data that was 2019.

1 So that is something that we continue doing,
2 and the team helps us to update. And we have different
3 sources that help us, and different sources that we use
4 for this one. But yes, that will be -- probably whatever
5 we can do for this one is create some kind of interactive
6 part on the web, that that data is not just available for
7 us, but whenever we update it, can be updated for anyone
8 that would like to look into our website and get that
9 information updated, as well as the one that we are using.

10 SECY. NELSON: Yes. Good point.

11 Other questions, comments? Yes, ma'am?

12 MS. ESPINOSA: Madame Chair, I just wanted to
13 learn a little bit more about --

14 SECY. NELSON: Would you state your name?

15 MS. ESPINOSA: Oh, sorry. Raquel Espinosa with
16 Union Pacific.

17 I was just curious about how we're approaching
18 private projects. There's a point that I've got to
19 clarify, because Claudia mentioned that it was a reality
20 to have Puerto Verde -- I know Mr. Garibay is working with
21 some of our team members, but when you talk about a
22 reality, I'm happy to share a letter that we submitted to
23 the STB that shared that Union Pacific has no plans to
24 vacate its current line in Eagle Pass. We have plenty of
25 capacity, and if we were to run out, we're happy to

1 invest.

2 So I think that's -- are we including projects
3 that are based on assumptions? Or how does the private
4 sector projects come in and play into this plan?

5 SECY. NELSON: Caroline?

6 MS. MAYS: Claudia, let me take that. Yeah.

7 Raquel, thanks for your question. When we do
8 the Border Master Plan, even the previous Border Master
9 Plan, we take into account all existing border crossings
10 and planned border crossings, whether public or private.
11 We actually have several public border crossings, you
12 know, and the [inaudible] and others. We take all of that
13 into account.

14 Because when we look at it, we're looking at
15 the totality of the infrastructure, whether it's the ones
16 existing or the ones that are planned. We don't
17 necessarily get into, you know, who opposes this or who
18 supports that, but we're taking it -- you know, the
19 federal government has approved the Presidential permit.
20 You know, Puerto, 4/5 and others that are planned, we take
21 all of that when we're looking at future needs, future
22 issues, future infrastructure, planned infrastructure and
23 investments in the border crossings.

24 So that's kind of how we did it in the past.
25 We did look at everything that's planned within the border

1 crossings, within, you know, Texas-Mexico border. So
2 beyond that, that's really kind of what we are tasked
3 with, looking at everything along the border.

4 MS. ESPINOSA: Sure. Thanks.

5 SECY. NELSON: Other questions?

6 (No response.)

7 SECY. NELSON: Claudia -- oh. No? Okay.

8 Thank you, Claudia.

9 MS. LAGOS-GALINDO: Thank you, Madame
10 Secretary.

11 SECY. NELSON: Look forward to the next update.
12 All right.

13 I would like to recognize Marvina Cephas,
14 International Trade and Border Planning Coordinator for
15 the Texas Department of Transportation, and consultants
16 Jolanda Prozzi and William Smithson to provide status
17 updates on the Border Connectivity Study, specifically
18 between the first and last mile connectivity, connectivity
19 between border crossings and connectivity between border
20 region programs.

21 And I will hand it over to Marvina.

22 MS. CEPHAS: Thank you, Madame Secretary.

23 SECY. NELSON: You're good.

24 MS. CEPHAS: Good morning. My name is Marvina
25 Cephas, and I'm with TxDOT. I'm the International Trade

1 and Border Planning Coordinator.

2 This morning --

3 SECY. NELSON: That darn battery ain't working.
4 There we go.

5 MS. CEPHAS: This morning, we'll giving you
6 updates on our three Texas-Mexico Border Connectivity
7 Studies. The first one is the First and Last Mile
8 Connectivity, Port-to-Port Connectivity, and that will be
9 given by Jacobs Engineering.

10 And the last one is the Region-to-Region
11 Connectivity Study. These studies were initiated to
12 enhance multimodal connectivity between each of the border
13 crossings, and to make travel safer and more efficient for
14 people and goods, and also to promote economic development
15 and binational trade between Texas and Mexico.

16 So this year, we had two rounds of binational
17 stakeholder engagements. The first round was held in May
18 and early June. Thank you -- in early June.

19 The focus of the workshops was to get inputs
20 and preliminary recommendations from the stakeholders. We
21 had over 400 stakeholders from Texas and Mexico,
22 representing the public and the private sector. We
23 visited six cities along the border region, and that is
24 McAllen, Laredo, Eagle Pass, Del Rio, El Paso, and
25 Presidio.

1 Great. On to our study progress. Currently,
2 we have collected all of the data. We've developed and
3 vetted all of the networks. We've created our study
4 goals.

5 We've done our technical analysis -- thank you.
6 We've done our technical analysis. We have gotten input
7 from the stakeholders along the border, and now, we're
8 going to focus on doing the final report. And our report
9 will be ready next year, March 31, 2025.

10 So I will give it over to Jolanda Prozzi from
11 Jacobs Engineering so that she can give updates on First
12 and Last Mile and Port-to-Port Connectivity.

13 SECY. NELSON: Thank you.

14 MS. PROZZI: Thank you. Thank you, Marvina.

15 Marvina and I are going to tag-team on this,
16 because nobody trusts me with a clicker.

17 (General laughter.)

18 MS. PROZZI: So again, thank you, Madame
19 Secretary and members of the BTAC, for this opportunity to
20 present our work. My name is Jolanda Prozzi, and I'm the
21 Jacobs project manager for this effort. Next slide.

22 So first, I'm going to talk about First and
23 Last Mile analysis. The objective of the First and Last
24 Mile analysis was to identify the challenges and the gaps
25 in the multimodal transportation network to and from the

1 Texas-Mexico border crossings. So our team started by
2 identifying the key links that connect to the border
3 crossings, and we analyzed all the data that we could get
4 access to, to identify the safety hot spots, the
5 bottlenecks, and the speed profiles on those links. And
6 then we supplemented the data analysis, as Marvina
7 mentioned, with the input from stakeholders and through
8 interviews with stakeholders.

9 So this slide provides you with an overview of
10 the highway connectivity needs challenges and gaps that
11 we've identified. When you look at the table, the red dot
12 means that this was a challenge, at most -- all of the
13 international bridges in the region. And when you see an
14 orange dot, it means that this was a challenge at about
15 half of the international bridges in the region.

16 The exception is, of course, Presidio who only
17 has one bridge. So if you see a red dot there, it means
18 it was a major challenge. And if you see an orange dot,
19 it means it was somewhat of a challenge.

20 But from the table, if you just look at it, you
21 will see stop-and-go traffic conditions and safety hot
22 spots on almost all the links to all the bridges on the
23 Texas-Mexico border. And so when we delved a little
24 deeper into that observation, we did get input, and
25 through our data analysis, it showed that some of this

1 stop-and-go traffic is attributable to both CBP and
2 Aduanas not operating all the inspection booths at the
3 bridges, which results in this traffic spilling over on
4 the connectors.

5 So this slide shows you some of the
6 improvements that stakeholders provided in an effort to
7 address the connectivity issues. I did not include the
8 long list of planned projects that TxDOT districts are
9 already working on in adjacent connectivity issues. But
10 rather, I was trying to give you an idea of the kind of
11 recommendations we received and was identified by the
12 stakeholders.

13 So in El Paso, Eagle Pass, Del Rio, and in the
14 Rio Grande Valley, stakeholders recommended that CBP and
15 Aduanas open more inspection booths. In Presidio,
16 stakeholders recommended that US 67 be upgraded to
17 accommodate oversized/overweight vehicles.

18 In Laredo, stakeholders pointed to missing
19 connectors. As Ms. Lagos mentioned, the extension of
20 State Loop 20 and eventually the Laredo Outer Loop to
21 connect to the new Laredo Bridge 4/5. But similarly, we
22 also got input from Mexican stakeholders that recommended
23 enhanced capacity on MEX-2, and that improvement on MEX-16
24 be prioritized.

25 In terms of freight rail connectivity, we heard

1 again about at-grade crossing issues in Nuevo Laredo, in
2 Ciudad Juarez, in Laredo, and Eagle Pass, and we also
3 heard about the need for additional rail capacity in
4 Piedras Negras. But in terms of proposed freight rail
5 connectivity improvements, apart from addressing the at-
6 grade rail crossings, most of the recommendations for
7 improving connectivity was focused on operational
8 improvements, technology, policy and process improvements,
9 as opposed to investing in infrastructure.

10 In terms of transit, pedestrian and bicycle
11 connectivity, challenges tended to be more region-
12 specific, or in some cases, bridge-specific. But we did
13 hear that inadequate sidewalks in Del Rio, Eagle Pass, and
14 Laredo impacts pedestrian connectivity. Also -- and it is
15 something that I didn't think of before -- is that we
16 learned that when trains block the at-grade crossings in
17 Laredo and Eagle Pass, then it has an impact on the
18 transit services as well, delays the bus and in some cases
19 the buses need to reroute.

20 Recommended improvements varied from having
21 access to better bicycle and pedestrian data, to
22 wayfinding signs, to land use planning, to the need for
23 additional transit funding, support services, and
24 technology improvements to support transit.

25 So I'm just going to finish, in the interest of

1 time, but we will give an opportunity for the members to
2 provide input and comment once we've completed.

3 So for the Port-to-Port analysis, this Port-to-
4 Port analysis comprised two components. In the first
5 component, we were tasked with identifying the gaps in the
6 transportation network between the border crossings. So
7 we did a desktop analysis to identify the nearest
8 alternative to a closed or disrupted bridge. And then we
9 identified the highway links to that bridge and analyzed
10 the alternative highway links, as well as what's happening
11 at that alternative crossing in terms of the number of
12 inspection booths and the current wait times.

13 So what we found, in general, is that there
14 were sufficient highway capacity and alternative routes in
15 Texas and Mexico to accommodate that diverted traffic.
16 But in many situations, more often than not, the nearest
17 alternative crossing will struggle to accommodate all that
18 extra traffic.

19 So to give you an example, if truck traffic is
20 diverted from Ysleta with its eight inspection booths to
21 BOTA with its six lanes, significant delays can be
22 expected, because BOTA is already experiencing significant
23 wait times. For Presidio, the situation is even more
24 dire, because the nearest alternative is El Paso.

25 But in terms of highway connectivity, we did

1 hear again about MEX-2 needing additional capacity. MEX-2
2 connects Del Rio and Eagle Pass in Mexico.

3 In the Laredo and Pharr region, we saw a
4 similar situation. If the World Trade Bridge closes with
5 its 19 inspection booths, the nearest alternative is
6 Columbia with its eight inspection booths. In Pharr, the
7 plans are expected to double the capacity of their Pharr-
8 Reynosa International Bridge from seven to 14, while all
9 the alternative facilities in that region have
10 significantly fewer inspection booths. And in the Laredo
11 region, we heard a lot about the capacity issues on Mines
12 Road, but the Laredo District is already working on Mines
13 Road.

14 So in addition to our desktop analysis, we also
15 looked at three case studies where the international
16 bridges actually closed for a period of time. So we
17 analyzed the network, how the network was used during just
18 a normal period before the bridge closure, and then we
19 looked at how traffic was diverted during the bridge
20 closure to visualize how -- to visualize the changes.

21 And so what we saw was that when the Bridge of
22 the Americas closed for cargo, it was very interesting
23 because northbound trucks crossed in Santa Teresa and
24 southbound trucks crossed in Ysleta. So the traffic made
25 kind of a loop and was dumped there on the I-10 going

1 through downtown El Paso.

2 When the Del Rio bridge closed, we saw that
3 southbound traffic used US 277 to cross in Eagle Pass.
4 And when the Pharr-Reynosa International Bridge closed, we
5 saw that there was an overall reduction in truck traffic,
6 but some trucks, northbound trucks, did divert to the Free
7 Trade International Bridge.

8 So the second component of our Port-to-Port
9 analysis was to identify the gaps in the network between
10 border crossings and the sea ports. Now, this is an area
11 where we don't have a reliable database to track movements
12 coming through the ports, their use of the network and how
13 they cross into Mexico. So we really rely on the
14 stakeholders to provide us with this information.

15 And we received a lot of input during the
16 stakeholder workshops and through our follow-up
17 interviews. We learned that there are currently
18 commodities that moves through Texas' ports that are
19 destined for Mexico. For example, there's a lot of energy
20 products moving from both the Ports of Harlingen and
21 Brownsville that cross into Mexico.

22 We learned that there's motor vehicle parts
23 that comes through the Port of Houston and crosses into
24 Mexico in Laredo. And then we also learned from
25 stakeholder that cargo from Asia and Latin America enters

1 through Mexico's Pacific Coast ports, and either move
2 inbound and cross on the Texas-Mexico border or it's
3 imported into Mexico. Value is added in Mexico, and then
4 either the intermediate or final product is exported to
5 the U.S.

6 Now, this -- although it's maybe difficult to
7 quantify the magnitude at the moment, stakeholders
8 mentioned in many of the workshops that this connectivity
9 between the ports and the border is going to be more
10 important in the future. And these are some of the
11 reasons that were shared with us.

12 Texas' sea ports believe that they are going to
13 benefit because many of the Gulf Coast ports in Mexico is
14 starting to experience congestion, and there's a need of
15 additional investment. So Texas' ports feel that some of
16 that traffic will be diverted to Port of Houston, to
17 Corpus Christi, and so forth. On the other hand, Mexico's
18 Pacific Coast ports see themselves as a competitive
19 alternative for the congestion in the Californian ports,
20 and also because of the issues with the Panama Canal.

21 We also learned about a lot of planned
22 investments in Mexico's road and rail corridors that will
23 link Mexico's Pacific Coast ports to the interior and to
24 the border. And then, finally, like Ms. Lagos has
25 mentioned also before, there's an expectation that

1 nearshoring will increase maritime shipments that will
2 cross the Texas-Mexico border.

3 So in conclusion, we received literally
4 hundreds of comments during the stakeholder workshops.
5 We're still in the process of analyzing and verifying the
6 information that we received.

7 So this slide just gives you an idea of some of
8 the connectors that was highlighted in the workshops.
9 It's not an exhaustive list, by any means. It just kind
10 of gives you an idea of some of the connectors that
11 stakeholders brought to our attention that's important to
12 this connectivity. One that I thought was very
13 interesting was this connector from US 57/I-35 to State
14 Highway 130 that will link the Port of Houston via
15 [inaudible] this proposed connector and US 57 to Eagle
16 Pass.

17 And this is my final slide. This is some of
18 the connectors that was recommended to us to link Mexico's
19 ports to the border. The Port of Matamoros is attracting
20 investments. So there's a link required between the Port
21 of Matamoros and Matamoros, Tamaulipas 5, and you know,
22 there's a number of other connectors that I will not
23 review at the moment.

24 But so this again is not an exhaustive list.
25 Our report will have a verified list of recommendations

1 that will enhance connectivity between the ports and the
2 border.

3 So with that, I'm going to hand over to my
4 colleague, Will.

5 MR. SMITHSON: Good morning, Madame Secretary,
6 Committee members. Good morning, buenas dias. Again, my
7 name is Will Smithson.

8 I'm going to go over the Region-to-Region
9 Study. Just keep in mind, Jolanda, our colleague, just
10 mentioned the Port-to-Port, and First and Last Mile.

11 This study is looking at connecting all the
12 ports whether they're land or water ports, and
13 encompassing the First and Last Mile. So this is a region
14 looking at 5,000 miles of network, serving several
15 millions of people on both sides of the border that we're
16 looking at.

17 And I'd like to start off by just reminding all
18 of us the vision of TxDOT, so forward-thinking leader
19 delivery mobility, enabling economic opportunity, and
20 enhancing quality of life for all Texans. The goals and
21 objectives you see here, the Region-to-Region Connectivity
22 Study goals and objectives, help TxDOT achieve that vision
23 for the residents and industries within the border
24 regions. It is through the lens of these goals and
25 objectives that the study team developed performance

1 metrics for which we are evaluating the border Region-to-
2 Region network.

3 With the increase of trading activity between
4 U.S., Texas and Mexico, and increase in nearshoring
5 activity that we've discussed, and the resulting rise in
6 commercial, industrial and warehouse development and the
7 land use changes we're seeing, this important section of
8 the state's highway network will struggle to support the
9 growing demand placed on it. And in short, this part of
10 the network needs to be beefed up.

11 Some of the key challenges that we see here.
12 Today, commercial vehicle traffic makes up 26 percent of
13 the traffic on this portion of the network. If you
14 compare that to the state, which is about 12 percent -- so
15 you can see there's a disproportionate amount of
16 commercial vehicles. And many of you, that is not news to
17 you. That number or that volume is expected to increase
18 by 65 percent between 2022 and 2050.

19 There's a huge lack of east-west multi-lane
20 arterials. Most of the network in this area is two-lane
21 facilities, lack of passing or overtaking, very little
22 shoulders. Most of -- over half of the demand within this
23 network -- the vehicular demand within this network occurs
24 on that portion of the network. There is not today true
25 resiliency and redundancy for I-10, for I-35, for US 77,

1 and for 281 today.

2 We're seeing an increase in at-grade rail
3 crossing incidents. And if you can imagine, with the
4 increase in truck traffic that would likely increase, I
5 imagine, with the nearshoring, that there will be more
6 frequent trains than we see today. Perhaps they would be
7 longer.

8 In addition to at-grade rail incidents, there's
9 about 200,000 vehicular crashes that have occurred over
10 the last five years, and a good portion of those are
11 truck-related. And some of those truck-related incidents
12 are due to bridge strikes, low vertical clearances.

13 I'm hitting the wrong button, folks. I'm
14 trying to go backward, and I need to go forward.

15 So what are we doing? We're evaluating the
16 needs of this network that I've just described.
17 Forecasted land use development patterns and resulting
18 traffic demand indicate that there will be a greater
19 dependence placed on this portion of the state's highway
20 network.

21 We are currently evaluating the capacity of
22 this network to meet that future growth. We're comparing
23 forecasts of highway demand growth with planned projects
24 and programs today to help identify gaps in that network.
25 We're conducting quantitative and qualitative corridor-

1 wide assessments. Technical assessments are based on
2 performance metrics related to the study objectives that I
3 mentioned earlier.

4 We've also went out -- as Claudia and Marvinna
5 mentioned, we went out to workshops collecting qualitative
6 corridor-wide assessments, qualitative and anecdotal
7 assessments from the users and the residents along the
8 border, from increased intense -- with our intense
9 stakeholder workshops and one-on-one interviews with
10 industry leaders and economic development councils, all
11 with the goal of identifying unmet needs and prioritizing
12 recommendations to address those needs.

13 The next two slides in your PowerPoint for this
14 printout are just high level findings or challenges and
15 potential recommendations we heard. As you're reading
16 through those, I just want to give a quick summary of some
17 specific things.

18 Overall, all the working groups requested or
19 suggested that we have better amenities on this portion of
20 the network, like you see on I-10, on some of the major
21 interstates: truck parking, rest stops, lighting, retail
22 services for travelers to support them as they travel
23 across this portion of the network. A lot of rerouting
24 due to low bridge clearances.

25 I mentioned lack of four-lane facilities;

1 they're looking for increased passing opportunities.
2 You've heard some bypasses as alternates. This can
3 dramatically cut down the travel time, distributing goods
4 between both Mexico and the U.S. and Texas. And they all
5 mentioned the continued investment in I-35, I-10, and the
6 future interstates, ports to planes, and I-69.

7 Couple more examples. US 90, US 83 are more
8 desirable route times between El Paso and Laredo.
9 However, these routes can cut off two to three hours of
10 travel time, but they're using I-10, a longer route,
11 because of some of those amenities I mentioned are lacking
12 on this portion of the network.

13 Everyone agreed -- most everyone agrees that
14 many of the rural routes should be used to divert and
15 distribute trade traffic. They are actually shorter
16 routes by the -- if you measure the way the crow flies,
17 but they lack those amenities and the facilities to
18 provide that type of movement of cargo.

19 El Paso, continue the Borderland Express. It's
20 an outer loop of -- a bypass of I-10. Redundance and
21 connectivity with the Border Highway East. And another
22 comment was to continue capacity and safety improvements
23 on US 67 and 90.

24 Laredo mentioned several facilities, non-
25 interstate facilities, SH 16, US 59, 44, SH 359, and

1 various operational and safety improvements. Eagle Pass
2 wants to continue the ring -- continue the completion of
3 the Ring Road. Stakeholders mentioned expanding capacity
4 on 57 as -- taking that around the south end of San
5 Antonio, tying into I-10 and 130. Improving the
6 connection from Juarez to Ojinaga.

7 The mayor provided an example of produce coming
8 from Chihuahua to San Antonio, which could go through the
9 Presidio -- through Presidio instead of Brownsville,
10 cutting off four to five hours from that trip. But due to
11 lack of cold storage facilities and other amenities and
12 maintenance issues on that route -- simply, sometimes
13 maintenance is a barrier to moving high volumes of
14 freight. There's an opportunity of traffic around
15 Chihuahua to go through Presidio instead of a longer route
16 to El Paso when distributing goods to the Northeast.

17 I've mentioned several of those that are on
18 your slide. Those are just some key findings that I
19 thought were interesting. I know many of you, I
20 recognize, were at some of these workshops and I
21 appreciate your input.

22 And that concludes my presentation at this
23 point.

24 SECY. NELSON: Will, I've got to ask you. I
25 wrote it down as quickly as you were saying it, but I'm

1 still shocked. So 60 percent increase -- tell me --

2 MR. SMITHSON: Sixty-five.

3 SECY. NELSON: Sixty-five percent increase in
4 the vehicular traffic --

5 MR. SMITHSON: Commercial vehicular.

6 SECY. NELSON: Commercial. Yeah. By 2060?

7 MR. SMITHSON: 2050. And --

8 SECY. NELSON: 2050.

9 MR. SMITHSON: -- to be honest, Madame
10 Secretary, that could come sooner. That's a conservative
11 forecast at this stage. Some of these routes could see
12 that number even more increase, if you go down to the
13 very -- this is looking at the longer, 5,000-mile network
14 as a whole, but there are pieces that could jump up beyond
15 that particular number.

16 SECY. NELSON: Commissioner, you better start
17 building those roads. Wow. Wow.

18 That's shocking. That should be the headline.

19 MR. SMITHSON: And remember, just a lot of at-
20 grade rail crossing in this portion. A lot of the
21 rural -- in any state, a lot of rural networks don't -- or
22 there's not enough volume of traffic to substantiate an
23 overpass or rail overpass.

24 SECY. NELSON: And commercial, the Texas
25 average is 12 percent, and today, it's 26 percent for

1 the --

2 MR. SMITHSON: That's correct. And you're
3 adding in Dallas, Houston. We all see a lot. There's --
4 25,000 vehicles -- 25,000 trucks in Houston and Dallas on
5 some of the highways.

6 SECY. NELSON: I know.

7 MR. SMITHSON: So adding that into the whole
8 pot, it's 12 percent for the state of Texas.

9 COMMISSIONER MEADE: Well --

10 SECY. NELSON: Commissioner?

11 COMMISSIONER MEADE: -- Madame Chair, as you
12 know --

13 SECY. NELSON: Tell me your name.

14 (General laughter.)

15 COMMISSIONER MEADE: Commissioner Alex Meade.
16 As you know, we live in an environment now where, you
17 know, consumer behavior is: convenience is key.

18 SECY. NELSON: Yes.

19 COMMISSIONER MEADE: Right? And so we don't
20 want to wait anymore. Right? Amazon can deliver
21 something within a day now.

22 SECY. NELSON: Uh-huh.

23 COMMISSIONER MEADE: And so as long as that
24 consumer behavior keeps, you know, relying on convenience,
25 I think we're going to see more distribution centers.

1 We're going to see more trucks on the road.

2 And it is going to put a lot of pressure on
3 TxDOT to make sure that we can deliver those
4 transportation, you know, objectives that we have or
5 obstacles that we going to encounter, because I don't see
6 us waiting -- or going back to the day where you wait two
7 days to receive a package, three days to receive a
8 package. People want things, you know, within hours.

9 SECY. NELSON: Right. Well, I want my fresh
10 fruit and vegetables, and I want them now. There are more
11 of us wanting them that way.

12 And they spoil, too. So those refrigerated,
13 that you mentioned -- yeah. Wow, thank you.

14 Other questions? I just had to make -- yes,
15 sir?

16 UNDERSECY. ALBA: (Speaking from the audience.)
17 Yes. Thank you, Madame Secretary. I just would like to
18 highlight --

19 SECY. NELSON: Identify yourself, please.

20 UNDERSECY. ALBA: Sorry?

21 SECY. NELSON: Identify yourself.

22 UNDERSECY. ALBA: Okay. My name is Fernando
23 Alba.

24 SECY. NELSON: Yes.

25 UNDERSECY. ALBA: Undersecretary for Industry

1 in the State of Chihuahua.

2 SECY. NELSON: Thank you.

3 UNDERSECY. ALBA: I would like to share
4 basically a couple of figures that we are seeing in --
5 basically in Mexico. First of all, the commerce between
6 U.S. and Mexico have increased 80 percent from 2016 to
7 2023. So 2016 was around \$280 billion. Right now, it's
8 \$500 billion.

9 Right now, Mexico is the number one trade
10 partner with the U.S. --

11 SECY. NELSON: And we thank you --

12 UNDERSECY. ALBA: -- over China.

13 SECY. NELSON: -- for that, by the way. Yes.

14 UNDERSECY. ALBA: So -- and second, right now,
15 here in this room, we have the representatives for the
16 state, that represent over -- I would say, the figure
17 probably is around 25 percent of the trade between U.S.
18 and Mexico.

19 The State of Chihuahua is number one. The last
20 year, we exported \$70 billion. Then, it's Coahuila, which
21 has a representative here to. And then Nuevo León.

22 So the [inaudible] that I'm seeing is -- there
23 is a lot of interlink between the -- or similarities on
24 the companies located in Texas and these [inaudible]
25 trades.

1 We just came from Taiwan two weeks ago with our
2 governor. We saw a huge reception from Taiwanese
3 companies coming to the U.S. and also coming to Mexico.
4 The State of Chihuahua is the number one recipient of
5 Taiwanese investments in Mexico.

6 As I've been saying, that is -- investment has
7 been growing over the last few years, and right now, we
8 are working actively with Taiwanese companies trying to
9 relocate to Chihuahua. Some of those companies, their
10 corporate offices are here in Texas, either Houston,
11 Austin or Dallas.

12 So to conclude, I will say that the trade, at
13 least between Chihuahua and Texas and between Mexico and
14 Texas will grow over the next few years. Right now,
15 between -- let's say, between Ciudad Juarez and El Paso
16 [inaudible], we'll see these -- around 3,500 trucks per
17 day. And I'm seeing, for the new investment, that we are
18 coming, at least in Juarez -- we will increase 1,000
19 trucks in the next two years. Given that we have new
20 facilities coming, we'll be basically up and running in
21 the first semester of 2025 and over, let's say, 2025.

22 So everything that we're discussing here is
23 quite interesting for us. I'm seeing that there is a
24 border crossing that I haven't seen mentioned now, which
25 is the Tornillo -- the Guadalupe-Tornillo border crossing.

1 It is quite new. It's, let's say, to the southeast of
2 Ciudad Juarez.

3 It has, let's say, brand-new facilities by the
4 lack -- the whole infrastructure in the two sides of the
5 border. I will say, it's basically in the same state that
6 Presidio has right now. It lacks the basic infrastructure
7 to handle a big -- let's say, large amounts of traffic.

8 So having said that, I guess we can work
9 together to improve, let's say, this infrastructure,
10 crossing between the two states. And I will say that it
11 will grow, not decrease, but grow with the 20 or 30
12 percent, the crossing between at least Chihuahua and
13 Texas.

14 So thank you for your attention --

15 SECY. NELSON: Thank you. And that is exactly
16 why these conversations are so important. Your
17 participation is so important. We are very grateful --

18 UNDERSECY. ALBA: Thank you.

19 SECY. NELSON: -- for all of you --

20 UNDERSECY. ALBA: Thank you.

21 SECY. NELSON: -- being here representing
22 Mexico.

23 Gerry?

24 MR. SCHWEBEL: Good morning. Gerry Schwebel.

25 In your study, for the three of you all, one

1 area that I don't see that I think you should look at is
2 the -- I guess what would be called the buffer zone
3 between inside the gate and outside the gate. And I call
4 outside the gate hitting on 35 in Laredo. Inside the gate
5 is being on the bridge.

6 But in between, we have a community. And you
7 are mixing trucks with cars. And we talked about local
8 communities on the border, or smaller communities, with
9 the exception perhaps of, you know, El Paso -- but most of
10 these communities have got mobility challenges within the
11 community of all of that growth of traffic, trucks as well
12 as cars.

13 So what I think you all should look at, within
14 your study -- to look at the asset -- when you talk about
15 asset preservation, what you've got within the community,
16 and challenges to reduce that congestion. Because you've
17 got constituents, the people that vote, and they get upset
18 when they have -- they can't get to their schools on time
19 to pick up their kids. So the planning within the city is
20 something that I think we're looking for TxDOT to help us
21 in guiding us, not to give us the solution and being able
22 to pay for everything, but to help us.

23 Because these communities, like I said, have
24 limited capacity and staffing experience in planning. And
25 you know, even though you've had MPOs and you had RMAs,

1 but you also have a lack of understanding of what programs
2 are out there to leverage sources of funding for local
3 communities for addressing that congestion issue within
4 the community.

5 So my challenge, my point to you all is -- this
6 connectivity gets in and out, and we all have been working
7 on that, but within the cities themselves along the
8 border, the planning and understanding, the challenges
9 that border communities have is also something that I
10 think we need to be a bit more cognizant and be more aware
11 of.

12 SECY. NELSON: Really good point.

13 Any other questions, comments? Caroline?

14 MS. MAYS: Can I respond to Gerry? Yeah.

15 Definitely, Gerry, that's one thing that came up from the
16 last Border Master Plan.

17 And part of what Jolanda talked about earlier
18 is the Last Mile Connectivity. But the biggest challenge,
19 when you look at some of those, TxDOT is not the owner of
20 that infrastructure. And really, what we have been
21 encouraging, continuing to encourage is, working with the
22 MPOs, working with the local governments, for them to do
23 their own regional-level studies and assessment to figure
24 out what needs to be, you know, really done to address
25 those Last Mile regional issues.

1 Because we're looking at broader corridors,
2 I-35, 10, you know, 255, and that's what we are tasked
3 with looking at. But what you're talking about is really
4 more the regional level to be able to address those
5 community issues.

6 Several years ago, we worked with, you know,
7 Cameron to look at a regional study for the Permian
8 region. And that was very specific to that region and
9 really helped them [inaudible] over there at the district
10 understand what the local issues were within the Permian
11 region. So I think, really you're on it.

12 That's what I think we've been -- at least,
13 I've been preaching for many years that each of the border
14 regions really need to have their own plans, so they
15 understand, you know, those local issues. For instance,
16 El Paso, or you know, what are some of those local
17 regional issues that really needs to be dealt with at the
18 local level, in addition to the work efforts that we're
19 doing. Because we can't really go and superimpose
20 ourselves, do a study for the City of Laredo or for Webb
21 County.

22 But the MPO, the city and the county and that
23 community can come together and say, look, we really need
24 to address issues beyond, you know, let's say, a state
25 level, you know, within those communities. So you know,

1 again, this is a forum to bring it up, but I think we
2 really look to all our partners at the local level to be
3 able to address those issues kind of in their backyard.

4 SECY. NELSON: Well, thank you. Thank you so
5 much to this panel. Very, very good information.

6 MR. SMITHSON: Thank you all.

7 SECY. NELSON: Next, I would like to recognize
8 Sergio Vasquez, Border Program Manager for the Texas
9 Department of Transportation, and consultants Joseph Bryan
10 and Derek Barrs, to present a progress update on House
11 Bill 4422 relating to a study on enhancing border security
12 outcomes through public safety, technological and
13 transportation infrastructure improvements near Texas-
14 Mexico border crossings.

15 Sergio?

16 MR. VASQUEZ: Hi. Thank you, Secretary Nelson.
17 Good morning, all BTAC members. Good to be back here
18 with y'all.

19 So today, I'm going to provide a brief update
20 of House Bill 4422, along with the consultant team, Joseph
21 Bryan and Derek Barrs. So for today, we're going to
22 provide, first off, with a House Bill 4422 overview,
23 followed by a stakeholder engagement update. And the team
24 will then present the recommendations and funding needs,
25 as finalized by the House Bill 4422 working group.

1 So this is a little recap of what Texas House
2 Bill 4422 entails. So during the 88th Regular Session,
3 the Texas Legislature passed House Bill 4422. And what it
4 does -- it directs TxDOT to conduct a study on public
5 safety, border security, and transportation infrastructure
6 that amplifies Operation Lone Star efforts for commercial
7 motor vehicle crossings.

8 In addition, the House Bill 4422 directs TxDOT
9 to submit any recommendations on transportation safety,
10 security and border technology by December 1, 2024, and
11 all written reports and study findings will be submitted
12 to the Governor, Lieutenant Governor, and the Legislature.
13 The study is focusing on the enhancements of
14 transportation to maximize safety of communities near the
15 border and people using the highways near the border and
16 improved transportation efficiency.

17 So what does House Bill 4422 look like? House
18 Bill 4422 encompasses 60 miles from the border. This 60
19 miles is for all commercial motor vehicle border crossings
20 on Texas-Mexico border.

21 So we analyzed all 16 commercial motor vehicle
22 crossings. From those 16 commercial motor vehicle
23 crossings, 14 handled northbound and southbound CMV
24 traffic, and two handled southbound empty CMV only.

25 You see on the right-hand side a map, that all

1 the yellow ones are the northbound and southbound
2 commercial motor vehicle trucks traffic, and the red dots
3 are the two CMV that we analyzed that handle southbound
4 empty. We did this so we could get a holistic approach of
5 the border, and do complete need assessments and
6 recommendations.

7 So where are we right now in this study? As
8 you can see, we're at the final stretch of this study.
9 We've had a total of seven working group meetings. And
10 I'll go a little more further as to who participated in
11 the working group meetings.

12 But in addition, we've provided an update to
13 BTAC members twice in the past. This is going to be the
14 third update. So we've done a lot since April 2024, which
15 is when we had our last update. So we are here to show
16 what we've done for stakeholder engagement and what were
17 the final findings and study recommendations.

18 So House Bill 4422 study report was divided
19 into three distinct categories to ensure that we meet the
20 legislative intent. The first off was transportation
21 efficiency. We looked at how we can improve
22 transportation efficiency along the border to streamline
23 CMV connectivity and that will help reduce congestion
24 while mitigating safety concerns.

25 Then we also looked at the safety and security

1 along the border. We looked at the different initiatives
2 that are happening along the border that help support
3 Operation Lone Star. Next, we also looked at how we can
4 maximize inspection of commercial motor vehicles using the
5 border crossings.

6 Finally, the team also looked at the border
7 technology. We're going to show a little bit about what
8 current technology exists on the border and industry area
9 radius, and we're also going to show what upgrades and
10 alternative technology the working group has found over
11 the last couple of months, as we continue working on this
12 study.

13 So a little bit about stakeholder engagement,
14 who participated in this study, and whose recommendations
15 are being submitted to the Lieutenant Governor and
16 Governor's Office in the next couple of weeks. So House
17 Bill 4422 directed the Department to work with seven
18 distinct organizations. The seven distinct organizations
19 are the Texas Department of Public Safety, the Texas
20 Military Department, Texas A&M Transportation Institute,
21 local law enforcement agencies near the Texas-Mexico
22 border.

23 In order for us to -- we understand that
24 there's different needs and challenges throughout the
25 border. So we invited eight sheriffs and nine local

1 police departments throughout the border. We also had to
2 work with representatives of county governments from at
3 least noncontiguous counties to ensure we took a holistic
4 approach.

5 We invited all eight county judges that have
6 commercial motor vehicle crossings in their jurisdictions.
7 We also invited representatives of the transportation
8 industry. We invited five distinct transportation
9 industry that represented the entire Texas-Mexico border.

10 Last, but not least, we also invited an
11 independent, nonprofit applied research and development
12 organization. That was the Southwest Research Institute.
13 So that itself formed the Texas House Bill 4422 working
14 group.

15 Like I mentioned, the House Bill -- the working
16 group met seven times from December 2023 to November 2024.
17 The final working group was actually last week,
18 November 7. And then the most important thing that came
19 from that meeting is that the working group endorsed the
20 draft recommendations that we're going to show briefly
21 today.

22 Here, on the right-hand side, you'll see just a
23 picture of the people that attended in person. As you'll
24 see, we had in-person representatives from the Texas
25 Military Department, DPS, Texas A&M Transportation

1 Institute, some local law enforcement, transportation
2 industry, and then an non-applied research project,
3 alongside individuals that joined us virtually. So we've
4 had great participation throughout this study.

5 Stakeholder engagement. Besides contacting and
6 working with the working group as discussed by -- as
7 directed by the House Bill, we also conducted this study
8 in a -- we took a binational approach with conducting this
9 study. So as you can see, not only did we work with the
10 working group, but we also conducted roundtables,
11 interviews and site visits throughout the border.

12 We hosted binational workshops on the Mexican
13 side, and we hosted binational workshops in Juarez, in
14 Nuevo Laredo and in Reynosa. We also hosted county
15 workshops with all eight county governments, county
16 judges, local law enforcement, sheriffs. They told us
17 exactly where were the needs for technology, what were the
18 areas of concerns. And the team will later show on how
19 that looks like visually and where those projects'
20 recommendations are being recommended throughout the
21 border.

22 So as you can see, we spoke with 81 distinct
23 organizations for transportation from both sides of the
24 border, 34 Texas government agencies. This is a huge
25 safety and security bill, so we spoke with a lot of law

1 enforcement throughout the border, and some research
2 academia and nonprofits.

3 And this is just some of the pictures that we
4 took from our stakeholder engagement. As you can see, we
5 spoke with all county governments, all county judges.
6 Spoke with law enforcement and sheriffs.

7 So we -- the findings that the team is going to
8 show momentarily -- is take a holistic approach of all the
9 needs and challenges from the working group members, local
10 law enforcement, and county judges.

11 With that being said, I want to pass it over to
12 the team now so they can talk about the funding needs and
13 recommendations. Thank you.

14 Joe?

15 MR. BRYAN: Thank you, Sergio.

16 Good morning, all. I'm going to start with
17 some input from Mexican stakeholders. The border,
18 obviously, is a binational environment, and what happens
19 on one side affects what happens on the other side.

20 And as you heard from Sergio, we held workshops
21 in Reynosa, in Nuevo Laredo, and in Juarez. They were
22 very well attended and quite lively. We had folks from
23 the freight carrier world, from shippers, brokers, and
24 public agencies.

25 A few -- I'll highlight just a few of the

1 things that they communicated to us. One has -- the
2 Mexican carriers who are operating across the border are
3 quite sophisticated. They have in-cab cameras. They've
4 got telematics.

5 They know when a truck is going out of route.
6 They know when a truck is stopping when it shouldn't be
7 stopping. Some of them are able to actually shut down an
8 engine remotely. So they have control of their vehicles.

9
10 When you can manage a fleet as well as that,
11 you can actually -- then you can react to the conditions
12 on the ground. But nevertheless, there are actually
13 obstacles to doing that. So the bills of lading that
14 they -- that you're running a shipment under, they tell
15 you, this is the crossing you have to use.

16 You're coming up to that crossing. It's
17 congested. If there's an alternate crossing, you might
18 want to use it and you may not be able to. So there are
19 commercial obstacles to be able to do things the way your
20 technology actually enables you to do.

21 Also, TxDOT is developing a program for
22 training Mexican drivers and Mexican fleets in how U.S.
23 regulations work. There is a lot of enthusiasm for that.

24

25 So when that was put forth, they actually were

1 asking, can you do this? And the answer was yeah, that's
2 under development. And they very much would like to see
3 more of it and want to get involved.

4 So I'm going to move to top priorities for the
5 stakeholders. These are -- this came from our working
6 group. They are organized with -- this is color-coded.
7 Right?

8 So what you're seeing in green are safety and
9 security. What's in red is technology. What's in blue is
10 transportation infrastructure and efficiency.

11 If you take a quick look at this, you might
12 say, gee, there's not as much blue as I might have
13 expected. Well, what the working group did was, they
14 evaluated the trade-off between feasibility and impact.
15 So on the -- so are you going to be able to make a lot of
16 difference with the investment? And the point of view on
17 the transportation infrastructure side was, a lot of
18 impact, but it's pretty costly. And so there's a question
19 of money.

20 But what you also saw a great deal of was
21 emphasis on the technology and the safety and security
22 side. The number one thing here is improving lighting,
23 because it helps with safety and it helps with security as
24 well. You're seeing -- they call for monitoring devices,
25 like license plate readers.

1 Some of these you're going to hear about from
2 my colleague, Derek Barrs, here in a minute. There's an
3 important need for the installation of high-speed
4 connections, because that enables the other technologies
5 to be able to work and helps the border to function as a
6 system. And there's a call for roadside inspection
7 because when you're looking -- when you're trying to
8 inspect trucks, it's not just the border. You want to
9 see -- you want to inspect them also once they're inside
10 the communities too, because that's part of the safety
11 picture.

12 On the transportation side, which is what I'm
13 going to focus on, there are eight key findings, but I'm
14 going to focus on the ones -- the three that run right
15 across the middle. The first are that new routes and new
16 CMV crossings are called for throughout the border.
17 Everybody is looking for that. Everybody is proposing
18 that.

19 The funding availability can slow down the --
20 can slow down delivery. You want to do it now, but it's
21 going to take a while till we'll actually be able to
22 accomplish it.

23 Also, local roadways play a very important part
24 in being able to get vehicles off the crossings into -- up
25 to the freight facilities and on to the highways. And

1 you've been hearing about that in the last couple of
2 minutes. So investment, therefore, at every level of
3 government is called for, but the counties and the
4 municipal budgets are just not up to the task of being
5 able to perform the role of a national gateway.

6 So there's a need for funding that gets down to
7 the local level. And this is one of the key messages that
8 the stakeholders want communicated to the Legislature who
9 is sponsoring this report.

10 Some of the select -- some of the key
11 transportation recommendations. There's a bunch of
12 capital projects which I'm going to show you in the next
13 couple of slides.

14 So on this one, I'm going to focus on two
15 things. First, that there is a substantial treatment of
16 specialized cargo, oversized/overweight, hazardous
17 materials. There's a lot of it moving around the border.
18 So there are provisions built into, and recommendations
19 built into the -- built into this study from that.

20 And a very important thing has to do with the
21 connectivity, both north-south and east-west. The north-
22 south is getting to and from the border itself, and
23 getting out to the highway system and going out and
24 supporting trade. But the border operates as a system.
25 So you need that east-west connectivity to be able to join

1 up and make it work.

2 And on top of that, for security purposes,
3 those are the patrol routes. You need to be able to run
4 up and down the border, because you're running from place
5 to place, and you can't just be stuck in one. So the
6 connectivity in all directions is crucial to be able to
7 make things work the way it needs to.

8 Transportation capital projects. There are
9 four major types. There are new CMV routes, new and
10 improved interstates, new and expanded CMV crossings --
11 there's just a few of them, but they're important. And
12 new CMV lanes.

13 There are, round numbers, about 54 of the new
14 CMV routes. There are about 67 projects, I should say --
15 projects related to new and improved interstates. There
16 are a handful of new crossings, and there are 200 -- over
17 200 CMV lanes that are being put forward as projects in
18 this study.

19 If you look at the math, you'll see that they
20 are -- these things are color-coded. For El Paso, you
21 won't see the new crossings, but you'll see the green, the
22 blue, and the orange showing up there. I don't expect you
23 to be able to see this on the slide, but you have
24 handouts. You can kind of look at that in greater detail.

25 Roughly half of the projects land in the Laredo

1 region, and it's because in a lot of ways, it takes the
2 brunt of the crossing activity. And it's where the --
3 where a lot of the re-shoring pressure is coming --
4 although it's coming everywhere. But Laredo is kind of
5 the front line, and there's a lot of activity being called
6 for there.

7 Rio Grande Valley is a more complex environment
8 because there are so many different crossings there, and
9 there's a lot of interactivity. So the east-west activity
10 is very important in the Rio Grande Valley, and a lot of
11 the new CMV lanes that are being called for are actually
12 in the Rio Grande Valley.

13 Derek, do you want to pick it up from here?

14 MR. BARRS: Madame Secretary, thank you very
15 much.

16 While I'm going to go through some of the
17 safety and security findings -- before I do that, though,
18 Sergio, when he was going through a while ago, just so
19 we -- he was talking about all the pictures and so forth,
20 our stakeholders and stuff. But he failed to mention he's
21 in almost every picture.

22 (General laughter.)

23 MR. BARRS: But that's what good consultants
24 do, though. They take care of their client the right --
25 anyways.

1 So safety and security findings. DPS, as
2 you'll see, facilities are jointly managed by TxDOT and
3 DPS, requiring coordination for maintenance improvements.
4 It's very important to make sure that they're kept up
5 with. And we found some issues as we went through that.

6 But every border crossing is operating below
7 staffing levels of where they've been in the past, of
8 being able to effectively and efficiently be able to
9 inspect commercial motor vehicles that need to be
10 inspected from a safety standpoint. Technology to improve
11 inspection effectiveness, as I mentioned earlier, is not
12 there.

13 I want to go through in a few minutes and talk
14 about some of the technologies that are not operational
15 but need to be operational to be able to identify the
16 trucks that need to be inspected at that level, instead of
17 just basically, you know -- I call it blue truck Thursday.
18 If it's a blue truck, I inspect that truck on Thursday,
19 and that's the way we used to do it back in the day before
20 you have technology to be able to do that.

21 And John, you know that's probably true as
22 well.

23 And you'll see some of the inspections and some
24 of the information that we have related to CMV findings
25 for criminal activity. And then also, down at the bottom

1 here, you'll see violations related to top violations that
2 are seen during inspection processes by DPS staff, and
3 then the ones who have crossings with the most violations.

4 And as you'll see, some of the top violations
5 for inspections are braking systems. And there are
6 technologies out there to identify those braking systems
7 that are out there.

8 And Madame Secretary, as you mentioned earlier,
9 with increased truck traffic, we're going to continue to
10 see that, not only in the interior, but you're going to
11 see this as trucks are coming across the border as well.
12 So we need to make sure that we're identifying the correct
13 trucks to do inspections on, before they get out onto our
14 roadways.

15 The next thing you're going to see in your
16 packet here will be the border profiles. This is just an
17 example of a border profile that we have here, that you'll
18 see in your packet. It gives an overview of that
19 particular crossing, all the way from the security
20 profile, the trucks that are coming through, the number of
21 inspections, vehicles that are being placed out of
22 service, a picture of that facility.

23 And then on the back side, you'll see the
24 technology, whether there's technology that is available
25 or not there -- not there or is available. In this

1 particular example that you have, there's no Texas DPS
2 technology at this particular crossing. And then you'll
3 see the types of crashes that are occurring and where
4 they're within that two-mile buffer. That's what that is.

5 And you'll see where it talks about CMV
6 crashes. And then we go into safety transportation types
7 of violations. From a safety standpoint, they're being
8 discovered.

9 Time and time and time again, you're going to
10 continuously see lighting, braking, tires, things of that
11 nature that is constantly -- and all the way down, from
12 the driver to hours of service, if it's applicable for
13 those drivers. And it has a breakdown of those, as you go
14 through this.

15 So some of the other recommendations -- some of
16 the recommendations that we have from a safety standpoint,
17 you're going to see this in security as well. Enhanced
18 personnel. We'll say, well, we're adding personnel in
19 here, but you have to have personnel. It's labor-
20 intensive.

21 When you have technology, it needs -- it's
22 labor-intensive to be able to identify that. And we
23 talked about some of the findings we found at DPS
24 facilities where they're low on personnel to be able to
25 effectively do their job. So you'll see staffing is going

1 to be listed there in higher numbers.

2 And then providing training to CVE Troopers,
3 Commercial Vehicle Enforcement Troopers. That's DIAP.
4 That's drug interdiction type training that needs to be
5 enhanced with all of our Troopers and officers that are
6 working in those particular regions.

7 And then also create an agency grant program
8 for CVE Troopers. That means Commercial Vehicle
9 Enforcement Officers, where local agencies -- how
10 important it is for them to be able to have the
11 opportunity to have an MOU with Texas DPS. There's a lot
12 of agencies now that have that.

13 There are more in the interior, and not along
14 the border. Being able to open up that opportunity for
15 local law enforcement to have a CVE program where DPS
16 is -- doesn't have the resources to be able to do that.

17 And then also, from an infrastructure and
18 facilities standpoint, having a design for the Texas
19 facility to be standard, looking at installing virtual
20 weigh-in-motions and pull-off sites that are safe, install
21 static scale locations for more inspection [inaudible] and
22 inspection sites. And then inland facilities, and then
23 upgrade facilities that need to be upgraded on the border.

24 Okay. Safety and security projects. And
25 you'll see on the map here that we have, the red dots

1 basically are going to be what we've heard from our
2 working groups. We continue to hear from our working
3 groups the importance of being able to have all the things
4 that I've mentioned before: highway lighting, virtual
5 weigh-in-motion, inland facilities, border crossing
6 facility updates, construction, and then static scales,
7 again to be able to more effective in the way that they
8 screen trucks across the border.

9 And that's where these red dots are that you'll
10 see on the maps that you have listed in the packet and on
11 the screen here. What you do not see is -- you will not
12 see staffing that is included in here, because DPS may put
13 different staffing at different locations. So they're not
14 specifically going to be on this particular map.

15 And I talk about highway lighting. Me being a
16 former law enforcement officer for 30 years, I know the
17 importance of making sure that you've got good, safe
18 lighting on the highway, and how dark it can be on the
19 side of the road, trying to do an inspection. What we saw
20 along the border is the lack thereof, and we heard from
21 our stakeholders -- being able to have lighting more
22 effectively for those folks.

23 Next page. All right. Technology findings.
24 We talked about technology before.

25 We've heard that in other -- I've heard that in

1 other presentations before about how important it is to
2 have technology, but we do not have the types of
3 technology that are making things -- again, I use this
4 term: effective and efficiently. We do not have that at
5 these border crossings, to be able to identify the trucks.

6 We're talking about border trade here. We talk
7 about that in the report, but when I'm just inspecting
8 trucks to be inspecting trucks, and I don't know if
9 there's a violation or not, I'm wasting commerce time of
10 being able to move back and forth more efficiently by
11 doing blue truck Thursday.

12 So again, if we have technologies to identify
13 vehicles that are over-height, that are overweight, they
14 have issues with their tires, with tire pressure anomaly
15 systems, thermal brake cameras to be able to identify when
16 we have brake problems. We saw those being high issues of
17 safety concerns on inspections that are taking place,
18 tires and brakes, and then being able to determine,
19 through USDOT readers, to hit FMCSA databases to determine
20 if a truck is out of service or not, and license plate
21 readers as well.

22 And so that -- or this little dots here tells
23 you -- the green tells you, we've got a lot of work to do.
24 But the dollar amount that we've come up with of what it
25 will take is a lot of money, you know, \$11 million, but in

1 the grand scheme of things, when you see it, it's not as
2 much as some of the numbers that I've seen before on the
3 screens.

4 Border technologies. Again, we heard from our
5 stakeholders. Our stakeholders are extremely valuable
6 throughout this process. I cannot stress that enough, and
7 I know Sergio has mentioned that before.

8 But our law enforcement partners and DPS
9 partners through this entire process of being able to
10 identify where they think the needs are when it comes to
11 license plate readers and all the other technologies that
12 I've mentioned before, they've placed all these other dots
13 on the map to say this is where we need additional
14 technologies to help us to be able to do our job from a
15 safety and security standpoint. And you'll see that.

16 And then the next slide is going to show what
17 we actually have or do we do not have. So up on the map,
18 on the left-hand side over here, you'll see a previous
19 map. Got a lot of stuff outside that 60-mile border zone
20 here of camera systems and dynamic message board systems.

21 We're trying to fill in the gaps with the blue
22 dots here to be able to identify where some of the other
23 needs are going to be more efficient and effective along
24 the border to fill in some of those gaps that you'll see,
25 that you've seen here. Excuse me.

1 And now, I want to just kind of tee it off
2 with -- we're talking about technology, connectivity,
3 fiber, things of that nature that we need for -- I'm
4 sorry -- one thing that I think we have heard is a border
5 communication center. The border communication center is
6 something that we will be able to have all this
7 information that we've talked about, from traffic
8 management to law enforcement efforts. All the efforts
9 that are going along in the border would come into a
10 communication center and then be distributed out.

11 Being able to have that type of center -- so on
12 the left-hand side here, you'll see kind of a drawing of
13 what it looks like. You have a border facility, I'll say,
14 where the big truck is on the bottom, tracking that truck,
15 knowing where that truck is going, and then providing
16 messages to him through an in-cab notification system.
17 We've got roadway system information, where that can go
18 into the border communication center, then be pushed out
19 to all the partners that need the information.

20 We heard time and time again the importance of
21 being able to share information along the border related
22 to safety and security needs, whether that's through,
23 like, the Border Czar with Mr. Banks and his team, and
24 other State officials with DPS and so forth. But we
25 really need to try to figure out, through what we heard

1 from the working group, how we can make this more
2 efficient and effective, again, of being able to share
3 information.

4 I call it kind of a traffic management center
5 on steroids, Madame Secretary. So from there, I'm going
6 to turn it over to Joe to round us out. Thank you very
7 much.

8 MR. BRYAN: Thank you, Derek.

9 So what does this all add up to? There's a --
10 we've got 32 policies, 23 programs. You can see how they
11 break out on the transportation safety and technology --
12 safety and security technology side, a little bit below.
13 But it's 570 projects.

14 Now, there are -- 330 of them are
15 transportation, which is not going to be a surprise, but
16 there are -- 84 of them are in safety and security, and
17 156 are in technology. They're technology deployments.
18 So there's a lot that's being called for that would really
19 transform the border environment.

20 What's this going to look like? What's the
21 bottom line here? It adds up to about \$30 billion.

22 The bulk of it is in transportation
23 infrastructure, again, not a surprise, but the -- look at
24 the safety and security and the technology cost. That's
25 only about \$3 billion. Out of the -- you know, the larger

1 scheme, it's only about 10 percent of the whole thing.
2 It's a lot of bang for the buck.

3 Things like that border communication center
4 Derek was just talking about, that transforms the
5 management of the border. And you want to manage it,
6 because it's going to grow like crazy.

7 What are the breakdowns in terms of timing? A
8 lot of it is long term. That's what you're seeing in the
9 red, that the timeframes here are next two years, two to
10 four after that, and five to 10, and then after 10.

11 So you know, 60 percent of it, about that, is
12 in the long term, but look at what happens in the next few
13 years. It's about 10 percent of the program. It's about
14 \$3 billion -- is over the next two legislative sessions.
15 A lot of that is in the technology side, and as we're
16 saying, a lot of bang for that buck.

17 Sergio, take us home.

18 (General laughter.)

19 MR. VASQUEZ: With that being said, thank you
20 two for sharing.

21 So we have a lot of information that was shared
22 today. Over the next couple of weeks or days, TxDOT will
23 be finalizing this report, as we have a legislative
24 deadline by December 1, 2024. I know the team shared an
25 example of the border crossings, but we have one for each

1 commercial motor vehicle crossing. So if you want one for
2 your specific bridge system, you know, we'll forward that
3 to you.

4 But with that being said, we're here for any
5 questions or any feedback. Thank you.

6 SECY. NELSON: I'm curious. Looking at the \$30
7 billion, how much federal money can you leverage? Surely
8 there's federal money that's available for this.

9 MR. VASQUEZ: Okay, I'm going to pass it over
10 to Joe, since he looked at the funding needs.

11 MR. BRYAN: The answer is probably a fair
12 amount of it. The way this is laid out in the report is
13 with a variety of options. We recognize, because of
14 the -- because of our charge, that this -- to be able --
15 for Texas to be able to do as much as Texas could, but
16 there are many federal programs that can contribute to
17 this in a wide variety of ways.

18 SECY. NELSON: Well, give me a percentage, fair
19 market --

20 MR. BRYAN: I don't have a percentage because
21 it's --

22 SECY. NELSON: Ninety percent?

23 MR. BRYAN: -- you can't, because there are
24 many options as to how to go about it. But the short
25 answer should be a substantial amount. And you know,

1 frankly, post-election, odds are it might be even bigger.

2 SECY. NELSON: I suggest, when you go before
3 the Finance Committee and the Appropriation Committee, you
4 have a real good idea of how much federal money --

5 MR. BRYAN: Well, that is available, ma'am.

6 SECY. NELSON: Good. Okay.

7 Other questions?

8 MR. SCHWEBEL: Question, Madame Secretary.
9 This is Gerry Schwebel. Even if Joe tried to really get
10 this group riled up, you just riled me up, Joe.

11 MR. BRYAN: Thank you, Gerry.

12 (General laughter.)

13 MR. SCHWEBEL: This profile that you've given
14 us here, where you're talking about DPS violations, and
15 you take 21 percent. This is one -- it's just one border
16 profile. Twenty-one percent of vehicles out of service.

17 And I just want people to understand what --
18 you take a truck out of service. It's not a -- it's not
19 just a ticket. Is it --

20 MR. BRYAN: Shut down.

21 MR. SCHWEBEL: -- it could be perishables. It
22 could be just-in-time delivery parts.

23 MR. BRYAN: Yeah.

24 MR. SCHWEBEL: It could be anyone. And I think
25 we need to find a balance between understanding the impact

1 of taking a vehicle out of service versus really just a
2 violation -- that we all want safe trucks, but there is
3 programs out there that, quite frankly, when you talk
4 about work to do, you know, including in our particular
5 case on the cross-border business, CTPAT certification.

6 What is DPS going to accept a CTPAT-certified
7 vehicle, you know, as a safe vehicle? And I think we've
8 got those programs that are there, but we have agencies
9 that are trying to replicate or do things that impact
10 border commerce. And that's one of the things that I
11 think we've got to be able to put it on the table and be
12 more frank and have open discussion, where it impacts
13 commerce and trade.

14 So I don't like to see 21 -- 20 percent or
15 30 percent or 10 percent vehicles out of service. I want
16 all of these trucks to be safe. But we've got to work
17 with the transportation sectors in making sure that they
18 are going to be CTPAT-certified.

19 In Laredo, we just opened up an office, a CTPAT
20 certification office. It took us years to get that.
21 Okay? But it was disingenuous to go ahead and tell people
22 get CTPAT-certified when the federal government was not
23 allowing inspectors to certify these trucking companies.

24 So those are the kind of things that we've got
25 to correct before we just throw out a number and say,

1 these vehicles have violations, and these are the numbers.
2 It sounds great in optics, but the reality is that we're
3 got to start in understanding what the root of the problem
4 is. And there are some programs there right now that will
5 protect us and have safe trucks.

6 And stopping vehicles and just putting out a
7 violation -- I would encourage you to do a study, just
8 like you do with how many violations there are in Tarrant
9 County, in Harris County, and in Dallas County. And I'd
10 like to see how many of those vehicles are showing
11 violations or put vehicles out of service.

12 MR. BRYAN: Gerry, let me make one point, and
13 I'm going to let Derek pick up on this too.

14 MR. BARRS: The --

15 MR. BRYAN: But the --

16 MR. BARRS: All right. Go ahead.

17 MR. BRYAN: The rate of inspection is very low.
18 So what's happening is the trooper is seeing a truck
19 that, to his eye, looks like something's up. All right.

20 And so they're focusing on the ones that are
21 most likely to have a problem that's going to be -- that's
22 going to put them out of service. If you had a better
23 means of screening, higher percentages, the percentage
24 that ended up out of service would drop.

25 Is that right, Derek?

1 MR. BARRS: That would be the -- there's
2 different programs, Gerry, that are out there, of course,
3 of being able to screen trucks, that are efficient.
4 There's -- you have a -- you have pre-pass. You have a
5 drive-by system, where you have companies who are -- when
6 you sign up to be a part of these companies, and you're
7 supposed to be a premier carrier, where you'd potentially
8 be able to get a bypass if you went through a weigh
9 station, something to similar that, what you're talking
10 about, from your side.

11 However, you know, I think it starts inside the
12 company. We think it starts inside the company, verifying
13 and making sure before they have good pre-trip and post-
14 trip inspections when they go out on the roadway. And
15 then also, you know, they have processes that are in
16 place.

17 It comes down to training as well. But there
18 are programs, there are companies that are out there that
19 they can sign up for to say, hey, this is that premier
20 carrier. And they do take care of that stuff. And then
21 when they -- we screen them through these other
22 technologies that I've mentioned before, then of course,
23 they would get that bypass to be able to keep the commerce
24 moving.

25 The numbers that you talked about with, say,

1 the 20 percent, that 20 percent is nationwide of vehicles
2 being placed out of service. Actually, in a lot of places
3 that you will see, Texas has some lower out-of-service
4 rates in all areas, compared to the national average.

5 And I have said this before in multiple
6 meetings across our border zone. Texas does a phenomenal
7 job when it talks about the training that they have for
8 their Commercial Vehicle Enforcement Troopers and their
9 local agencies in the interior as well that do CMV
10 enforcement, because they are -- I mean, they're trained
11 top-notch, anywhere across the country. So they're
12 finding violations.

13 But again, as I mentioned, a lot of their --
14 the percentages are still lower. But they're finding
15 violations, but they're placing less vehicles out of
16 service in -- compared to the national average, is what
17 I'm saying.

18 SECY. NELSON: Good point.

19 MR. SCHWEBEL: May I ask a follow-up question
20 on that?

21 SECY. NELSON: Sure.

22 MR. VASQUEZ: Yeah. I do want to add
23 something, to talk about the root of the problem. We've
24 heard what you just mentioned on the Mexican side, and
25 that's where Derek mentioned that commercial motor vehicle

1 driver training program. Because in a lot of this, it
2 says we heard that they don't know what they're looking
3 for when they're coming over.

4 So we think having that type of training for
5 them, so they know exactly what DPS is looking at before
6 they're crossing over will help facilitate that process,
7 moving forward. So that's something that we heard and we
8 did include in the report.

9 It's one of the recommendations that Derek also
10 mentioned.

11 SECY. NELSON: Smart.

12 Gerry, follow-up?

13 MR. SCHWEBEL: As a follow-up -- this is Gerry
14 Schwebel again.

15 And I don't know, John, if you know the answer
16 to this question or not. DOT, USDOT also does their
17 inspections of trucks. How do the numbers -- do you know
18 how the numbers of USDOT compare to DPS numbers in regards
19 to violations for out-of-service vehicles?

20 MR. BARRS: I would say the national average in
21 general, which encompasses both DPS and FMCSA inspectors,
22 are going to be somewhere in the same neighborhood, based
23 off the data that I've seen. You can pull that on a
24 system called ANI out of FMCSA. They have a breakdown
25 between State agency and then FMCSA that does inspections,

1 and they are usually about the same.

2 But I can get that for you, so you take a look
3 at it, just to make sure. But normally, it would be the
4 same.

5 MR. SCHWEBEL: I would just encourage more
6 stakeholder input in regards to the stopping --

7 SECY. NELSON: John?

8 MR. ESPARZA: If I may, John Esparza, President
9 of Texas Trucking Association.

10 That is what we see also. They're relatively
11 the same. And I think something to point out for the
12 folks, especially for the focus that we've had on the
13 border, when you talk about the percentage of out of
14 service, if you think about the amount of attention on
15 motor carriers at the border, ground service numbers at
16 the border are actually lower than they are anywhere else
17 in the country.

18 So we have -- what you see is really good
19 equipment, by and large, that's moving cross-border. And
20 that's been a focus for some time for the industry, most
21 certainly, and for the enforcement community.

22 And the second thing I'll mention about that,
23 and what we could use absolute help from our Texas
24 Legislature in as well, is ensuring that CMV, the
25 commercial motor vehicle enforcement inspection becomes

1 and maintains to be a priority for our law enforcement
2 community. Department of Public Safety -- the service
3 Texas DPS has specialized and so long that they've become
4 a national standard for it. It's something that we work
5 together and proudly communicate to the rest of the
6 states.

7 If we -- but if we in any way decrease that as
8 a priority within the agency, then we're going to see the
9 negative output of that. And we're not seeing that today.
10 We're seeing a continued partnership in the training that
11 we're talking about.

12 And I think that's why that's going to be so
13 important to continue to focus on the quality of the CMV
14 inspectors, the MOU you're been talking about, and all
15 that operating under the auspices of DPS. Because if you
16 get that incorrect out in the field, all that does is
17 continue to compound delays, compound frustration for the
18 business sector, for the safety of these communities.

19 It's so important that we get this right. And
20 we're on the precipice, I think, of getting it right or
21 moving in a direction where that's going to get worse.
22 And that's something that just can't get worse.

23 SECY. NELSON: I hope you're communicating that
24 right now.

25 MR. ESPARZA: We are.

1 SECY. NELSON: Good, good.

2 Yes, Jake?

3 MR. GIESBRECHT: Yeah. This is Jake from
4 Presidio.

5 And I like what Gerry said about the CTPAT. Is
6 there anything that we're doing with the CBSA and DPS and
7 CTPAT, getting proactive approach to get some of the
8 vehicles certified where we can have a pre-pass system
9 coming in?

10 SECY. NELSON: I think Ruben's got the answer
11 to that.

12 MR. GARIBAY: Yeah. I'm a trucker. I'm OEA-
13 certified in Mexico and CTPAT on the U.S. side. And there
14 is a little bit of confusion there.

15 CTPAT and OEA is strictly supply chain
16 security. It is not to be confused with vehicle
17 inspections or mechanical integrity. You know, pre-pass
18 could be, like, the most equivalent to it.

19 I would agree that, you know, pre-pass should
20 be at the border. But other than that, it's not to be
21 confused -- they're completely independent programs.

22 MR. SCHWEBEL: Can we incorporate that into
23 CTPAT certification?

24 MR. GARIBAY: Not really, because again it's a
25 supply chain security aspect and practices. The

1 mechanical inspection is strictly with the vehicle, the
2 trailer, you know, the cargo, but it's -- it is, again, so
3 different.

4 The inspectors are so different, that to be
5 able to compound it would actually be a failure on both
6 programs. So yeah. It's just pre-pass. You can get pre-
7 pass at the border.

8 That would be a big plus, plus the training on
9 the Mexican side completely for that. We've got something
10 that we installed at our facility on the Mexican side as
11 well. But it really starts with having programs that
12 could possibly be held -- like, training programs could be
13 held at the border to train some of the inspectors on the
14 Mexican side.

15 That would be, you know, something that would
16 be helpful for maybe some of the smaller companies that
17 don't have the infrastructure that we do.

18 SECY. NELSON: Yeah.

19 MR. GIESBRECHT: I guess, to follow up --

20 SECY. NELSON: Let me do John first, and then
21 back to you. How's that?

22 MR. ESPARZA: Thank you. And real quick, I
23 think it's also important to find out -- John Esparza,
24 President of Texas Trucking.

25 The pre-pass that he's mentioning is the

1 premier service in the country. And the reason why is
2 because it's a unique partnership, one of which I do serve
3 on the board with my counterpart, Captain Omar Villarreal,
4 Texas DPS.

5 It consists of multiple states, a partnership
6 with state entities and the business community, the
7 trucking community, so that that product is something that
8 motor carriers -- they pay to get that. But they also
9 know that it's in partnership with approximately 30-some-
10 odd states around the country. And that makes it viable
11 when you have this quasi-state and private sector getting
12 together as a board to manage and govern that entity.

13 I think that's why it's been around since the
14 1990s. Started in -- with partnership with the University
15 of Texas. It's just a really good program and it's been
16 doing very well. And I would agree, that it should be on
17 the border.

18 SECY. NELSON: Sounds like it.

19 Back to you.

20 MR. GIESBRECHT: Okay. Yes. I understand the
21 CTPAT and that program. I am certified. But I'm also an
22 inspector for the State of Texas, for DPS, for the trucks.
23 So I understand the difference.

24 My question was -- a little different, was
25 what -- are we doing anything to be able to get CBSA in

1 partnership with our DPS inspection? I realize the CTPAT
2 [inaudible]. We all realize that.

3 And here, the question is more are we doing
4 anything with the CBSA program, where we could do a pre-
5 pass system with the CBSA program and DPS, in order to
6 come into the country?

7 MR. BARRS: It's not been, in the last 15 years
8 that I've been a part of CBSA. No, that has not ever been
9 a discussion related to combining those two together,
10 based off of what the gentlemen said over here. Because
11 they are so different, compared to -- you have a safety
12 component with truck safety and so forth, and then the
13 program you're referring to. So it has never been brought
14 up as a discussion with CBSA.

15 It doesn't mean that it cannot be brought up,
16 and it surely can be brought up with someone with DPS at
17 one of their region meetings and brought up to the
18 executive level. That can occur.

19 SECY. NELSON: All right. Great discussion.

20 Any other questions for this panel?

21 (No response.)

22 SECY. NELSON: Okay. Thank you very much.

23 MR. BARRS: Thank you so much, Madame --

24 MR. VASQUEZ: Thank you.

25 SECY. NELSON: All right. Well, this morning's

1 first panel on Texas Economic Development will spark a
2 discussion on what different organizations are doing to
3 promote international trade and economic development in
4 the state of Texas.

5 I'm going to call them up and it's a little
6 awkward, because you have to have your back to someone.
7 So we're going to ask them to sit in these chairs, but
8 y'all might look right, look left.

9 The first I want to recognize is our Executive
10 Director at the Texas Economic Development and Tourism
11 Office, Adriana Cruz. We have David Zapata, Vice
12 President of International Affairs and Economic
13 Development at the Texas Association of Business. And we
14 have Aaron Demerson, President and CEO of the Texas
15 Economic Development Corporation.

16 To moderate this panel -- and if you don't know
17 Carlos Ealy, he is my Assistant Secretary at the Secretary
18 of State's Office. He is Assistant Secretary for Mexican
19 and Border Affairs. And he keeps me very busy, and is my
20 Spanish tutor also.

21 Carlos, I'm turning it over to you. This is a
22 great panel, and I'm very anxious to hear the discussion.
23 So take it away.

24 MR. EALY: Thank you. Thank you, Secretary.
25 It's an honor for me to be able to be up here with some of

1 the leadership of some of our state's top economic
2 development organizations. So thank you for joining us.

3 Economic development organizations in our state
4 are vital for promoting partnerships and fostering
5 relationships. I know you guys do a lot of services for
6 businesses like navigating global markets, connect with
7 buyers and investors, and facilitate cross-border trade
8 and investment. I know that these organizations promote
9 the benefits of trade, which ends up leading to lower
10 prices for consumers and access to new technologies.

11 By cultivating strong binational relationships,
12 these organizations contribute to regional stability,
13 cooperation and prosperity. And through their
14 initiatives, they're positioning our state as a global
15 leader in trade and investment, driving economic growth
16 and strengthening connections with key partners.

17 Today, we have the privilege of hearing from a
18 distinguished group of panelists and leaders who are
19 driving this process. We have an incredible lineup of
20 panelists who will share insights and experiences on what
21 it takes to keep Texas not just growing, but thriving.
22 We're thrilled to have you join us for what promises to be
23 a fascinating conversation on the future of one of the
24 most vibrant and rapidly growing economies in the nation,
25 and I would say, in the world.

1 We'll start today's panel with a brief
2 presentation of activities that these three organizations
3 are doing to promote trade and economic development in the
4 state of Texas, and then we'll dive into some questions.

5 So first, I'd like to introduce our panelists.
6 First, we have Adriana Cruz, who is the Executive
7 Director of the Economic Development Tourism Office in the
8 Office of the Governor, where she promotes Texas as the
9 best state for businesses large and small, as well as the
10 premier destination for national and international tourism
11 and trade. With over 20 years of experience in economic
12 development, Adriana served as the president of the
13 Greater San Marcos Partnership, and she also held the role
14 of vice president of global recruitment at the Austin
15 Chamber of Commerce, overseeing significant corporate
16 relocations and expansions. She has a BBA in marketing
17 from The University of Texas.

18 Thank you, Adriana.

19 Next, we have Aaron Demerson who is the
20 President and CEO of the Texas Economic Development
21 Corporation, where he promotes Texas as a leading business
22 destination to corporate decision-makers and site
23 selectors -- site selection consultants. Previously, he
24 worked as the commissioner representing employers at the
25 Texas Workforce Commission, advocating for over 660,000

1 employers and 3 million small businesses.

2 MR. DEMERSON: Carlos, a lot of that
3 information, that bio, is in that booklet. So.

4 MR. EALY: It's what?

5 MR. DEMERSON: That bio -- that bio is in that
6 booklet that you guys have there as well, the entire bio.

7 MR. EALY: Oh.

8 MR. DEMERSON: You can keep mine short, in
9 other words.

10 MR. EALY: All right.

11 (General laughter.)

12 MR. EALY: So I'll just quickly introduce
13 David. Also, so we can get back some of the time.

14 David is the VP of International Affairs and
15 the Executive Director -- very important -- of the Mexico
16 Trade and Investment Policy at the Policy Council at the
17 Texas Association of Business. And he previously served
18 as the Assistant Secretary of State for Mexican and Border
19 Affairs. So it's a great role.

20 MR. ZAPATA: [inaudible]

21 MR. EALY: That's the best one.

22 He was also the appointment manager for Texas
23 Governor Greg Abbott and the outreach director at the
24 Republican Party of Texas. And he has a master's degree
25 in urban management and public affairs and a bachelor's

1 degree in political science from St. Mary's University.

2 So welcome, the three of you.

3 We're first going to start with the
4 presentations, and Adriana will go first. So I think --
5 that's your presentation. Right?

6 MS. CRUZ: Multitask with many things, but good
7 morning, Secretary, Committee members. It's an honor to
8 be here with you today. Carlos, *buenos días*.

9 And I'll go through this presentation quickly.
10 So an introduction to our office. It's my honor to serve
11 as the Executive Director of the Texas Economic
12 Development and Tourism Office in the Office of Governor
13 Abbott. The mission of our office is to positively impact
14 the economic prosperity of all Texans, and we do that in a
15 number of different ways.

16 Primarily, we market and promote the state of
17 Texas as a premier business location and tourism
18 destination. We facilitate new jobs and investment
19 through location expansion and retention of national and
20 international investment, and we help our Texas companies
21 to export to external markets. We also have a Small
22 Business Division.

23 These are some of the divisions in our office.
24 The creative industries are important to our state.
25 We've got the Music Office, the Film Commission, Tourism,

1 Workforce Investment Council, the new Texas CHIPS
2 Division, which is overseeing some of the new legislation
3 that passed last session, and our incentive programs are
4 housed in our Economic Development Finance team.

5 Within our Business and Community Development
6 Division, we have the International Business and Trade
7 Program. Our program manager, Shirley Temple, is here.
8 She is a great leader for this department within our
9 office.

10 And really, the purpose of the International
11 Business and Trade group is to assist Texas companies that
12 are looking to do business internationally, and to help
13 foreign companies that are looking to do business in Texas
14 and are looking to either expand or relocate to Texas.

15 And we have several initiatives, the Texas
16 Export Assistance Program, our International Business
17 Development missions, which we do in partnership with the
18 Texas Economic Development Corporation, who we're going to
19 be hearing from in a moment.

20 And we also oversee international offices. We
21 have an office in Mexico, the State of Texas Mexico
22 Office, which I'll talk about in a couple of slides, and
23 then a new State of Texas Taiwan Office, which we have
24 just opened. But international trade is so important to
25 our state, and I commend the work of this Committee and

1 everything that you all are doing to ensure that trade
2 across our border continues and is effective and
3 efficient.

4 Texas ranks -- and you all know these
5 statistics, but I'm going to say it anyway for those in
6 the audience -- Texas ranks as the number one exporter,
7 the number one exporting state in the nation, and has for
8 22 years in a row. We lead the nation in jobs supported
9 by exports, more than a million jobs. We are also the
10 number one state for foreign direct investment.

11 And Gerry is not here -- oh, there he is.
12 Gerry, Port Laredo is the number one port in the United
13 States. And hooray. And not inland port, because that
14 was the ranking a couple of years ago.

15 It is now the number one port of all ports in
16 the United States. And so the cross-border trade is
17 something very, very important for our state.

18 The top trading partners, you all in this room
19 know this. Mexico is our top trading partner and has been
20 for 16 years. These are five-year figures.

21 So 2019 to 2023 -- or 2016. But Mexico, 1.2
22 trillion over five years. In 2023, it was \$272 billion.
23 It makes up 34 percent of the total U.S. trade with
24 Mexico.

25 Number two is Canada, and our Canadian Consul

1 General is here as well. So the trade route between
2 Mexico, Canada and the United States, of course, goes
3 right through Texas.

4 This is just some stats, and I know those
5 numbers are very small, but you have them in your packet.
6 But from 2016 on, Texas has been operating in a trade
7 surplus. So some interesting statistics that we have come
8 across.

9 And now, some of the activities that our office
10 does, and Joe Magruder is part of our existing industry
11 team, who works with our Texas companies looking to do
12 business abroad. And Joe is sitting over there.

13 But we attend international trade shows, and we
14 take Texas small businesses with us. And so it's a way
15 for a Texas small business, a manufacturer, an exporter,
16 to be able to access international markets. And then some
17 of the results, you know, over -- from fiscal year '23 to
18 '24, we took 38 Texas businesses with us, \$12 million in
19 actual sales, and millions, hundreds of millions of
20 dollars of potential sales for these small businesses.

21 This is a photo of Governor Abbott doing the
22 ribbon-cutting for the State of Texas Taiwan Office -- a
23 wonderful announcement. We did this in July of this past
24 year, this year. This is the first foreign office that
25 Texas has opened since 1995, outside of the Mexico Office.

1 And the purpose is to help us promote investment in Texas
2 and generate jobs by Taiwanese companies and to help Texas
3 communities and Texas businesses do business in Taiwan.

4 The State of Texas Mexico Office, we have
5 offices in Monterrey and in Mexico City, established in
6 1971.

7 And James Taylor is here. He's the Director of
8 the State of Texas Mexico Office. And similarly, that
9 office's purpose is to promote investment in Texas by
10 Mexican companies and to promote trade with Mexico and to
11 help Texas communities and companies do business in
12 Mexico.

13 And then just some of the statistics on the
14 Texas-Mexico relationship, which are so important. I've
15 already mentioned 272 billion in 2023 in trade and
16 significant foreign direct investment from Mexican
17 companies here in Texas as well.

18 And that concludes my presentation on our
19 office's activities.

20 MR. EALY: Thank you, Adriana. So I think the
21 figures are outstanding. So I know with Governor --
22 Governor Abbott's leadership and his Economic Development
23 team, led by you, those figures are just increasing every
24 day. So thank you for that.

25 We'll now turn it over to Aaron for his

1 presentation. Aaron helps coordinate the Governor's
2 economic development missions to Asia and other countries,
3 along with Adriana. So I know he knows a lot about
4 economic development.

5 I think the last time we met -- we saw each
6 other -- it was at Texas-Coahuila signing. So I know you
7 also know a lot about our border [inaudible].

8 So please, Aaron.

9 MR. DEMERSON: All right. Thank you, Carlos.
10 Appreciate it.

11 Madame Secretary, thank you for allowing us to
12 be here, members of the Committee -- as well as Caroline
13 here, a number of other folks.

14 Marc, thank you for having us here at your
15 house as well. Excited about today. I say, buenos días.
16 I'm excited this afternoon -- is it past 12? We're still
17 here.

18 Just to point out -- sitting around this room,
19 looking at the room and the excitement here, Adriana and I
20 have known each other for a long time. And she -- there
21 is no better economic developer in the United States than
22 Adriana Cruz. We are blessed here in Texas to have her
23 doing that work.

24 I see Commissioner Meade there, Alex, that
25 we've worked with over the years.

1 And I mention some of these names because of
2 the relationships that we have, and that's the excitement
3 that we have here in Texas. Caroline mentioned years ago,
4 when you first became a partner in the logistics part of
5 things, that's Texas' strength. We're in the position to
6 do a number of different things based on those
7 relationships that we have.

8 I'm the President-CEO of the Texas Economic
9 Development Corporation. I took that position about a
10 year ago. Actually, the independently funded 501(c)(3)
11 organization that -- where we actually have the
12 opportunity to assist with marketing and promotion of
13 Texas. We assist those efforts of Adriana and her team --
14 the Economic Development and Tourism team, where it moves
15 on the ground at the State level, that takes care of all
16 that business.

17 We're the organization, where the Director is
18 appointed by Governor Abbott, that actually raises the
19 funds to allow us to do those things. We travel the
20 world, both domestically and internationally.

21 Madame Secretary has been on all those trips
22 with us. Thank you for being there as well.

23 But we're in the position to finance those
24 activities through the Corporation. And so a lot of our
25 investors are made up of Fortune 500 companies,

1 independently -- private sector focused as well.

2 And I see a number of our members, even a part
3 of this organization, this Committee, as well as Ruben --
4 thank you for being here -- Teclo -- El Paso, Laredo. All
5 those are part of what we're doing at the border and
6 Brownsville. And that allows us to take care of business
7 in big, big ways.

8 But we're the funding arm behind those
9 activities and delighted to do that work, and Adriana and
10 her team, as we make a difference going forward.

11 Thank you.

12 MR. EALY: Are we going to show a video, or --

13 MR. DEMERSON: I don't know if we have a video.
14 Team, do we have a video? Let's show a video.

15 FEMALE VOICE: Yes.

16 MR. DEMERSON: Let's do it. You may have to
17 start it over, because we don't see the sound --

18 (Video plays.)

19 MR. DEMERSON: All right. The video says it
20 all.

21 (General laughter.)

22 MR. EALY: That was a very cool video. So
23 thank you, Aaron, for your presentation.

24 Now, I'll turn it over to David. David, I do
25 want to point out: he leads -- he has led efforts at the

1 Texas Association of Business to sign MOUs, I believe
2 seven MOUs with some of the major Mexican chambers of
3 commerce.

4 So what can I say? He's an expert in Mexico.
5 I had some pretty big shoes to fill when I came onto this
6 job.

7 So David, please?

8 MR. ZAPATA: Well -- oh, there you go. Thank
9 you.

10 Carlos, thanks so much for your words. I think
11 you are doing a great job. So keep at it.

12 Madame Secretary, thank you for the invitation
13 to TAB. You are a member, and we appreciate your work
14 [inaudible] the business community in Texas throughout
15 your career.

16 TxDOT team, as always, thank you for the
17 amazing work you do in keeping this conversation moving
18 forward. It's an honor to be here with you champions of
19 trade and economic development for the state of Texas. A
20 lot of the success that the state has had is because of
21 the efforts of the Governor to do [inaudible]. So it's a
22 great honor to share the panel with you all.

23 Also, hello -- great to see the Cónsul General
24 of Mexico, Humberto Hernández-Haddad, and Consul General
25 of Canada, Susan Harper. Again, it's -- as North

1 American -- as a North American region, together, we are
2 stronger.

3 So my name is David Zapata. I'm the VP of
4 International Affairs for the Texas Association of
5 Business. I have the pleasure of knowing a few of you,
6 but there's several that I haven't met yet.

7 So I want to take this opportunity to tell --
8 share a little more information about me, but also
9 specifically about the Texas Association of Business, or
10 TAB, so that you know some of the efforts that we have
11 established to foster and strengthen the Texas-Mexico from
12 the private sector perspective. I mean, the Governor has
13 done a great job of doing it from the government to
14 government, so we've been trying to support that from a
15 private sector perspective on that front.

16 So who is -- what is TAB? So our name can be a
17 little misleading. So the Texas Association of Business,
18 we are actually the State Chamber of Commerce, which has
19 been around for almost 100 -- for 100 years now, more than
20 that. So a long history of representing the private
21 sector interests in our state.

22 We have about 1,200 member companies from all
23 over Texas that represent big industries as well as small
24 business as enterprises, from Dallas, from the border,
25 from west, from east. So that's the importance of our

1 organization, that we truly have a statewide membership
2 that represents all interests from our state. We also
3 have about 252 chamber member partners.

4 What does that mean? It is that to add to our
5 1,200 membership, we also incorporate our partnerships
6 with local and regional chambers of commerce and their
7 membership. So that we can truly say that we represent
8 and that we try to stay on top of issues of interest to
9 the private sector community in our state.

10 What is our role, more or less? As we are the
11 statewide chamber of commerce, we serve as the hub
12 organization of intelligence, of coordination, for the
13 Texas private sector. As we approach the next legislative
14 session -- by the way today's the first day of filing this
15 year.

16 So good luck to all of us.

17 (General laughter.)

18 MR. ZAPATA: We do our best to bring together
19 private sector business leaders to identify what are the
20 issues of interest of the moment and what is the private
21 sector doing to do about it, either advocate for it or
22 sometimes try to fight against it. That's what we try to
23 do.

24 Also, we have the pleasure, as I mentioned
25 earlier, of working together with the great leaders of our

1 state in trying to support and help in promoting our
2 state, as what we are, the place for foreign investment, a
3 place where companies come in to be successful. So we try
4 to support the great job that they do, and in doing that,
5 we have the pleasure of working together with Adriana's
6 team, with Aaron's team, with the Secretary, Secretary
7 [inaudible], and other leaders at the regional level as
8 well.

9 So what do we do exactly? So we do -- I
10 will -- not only, but I will highlight three things. We
11 educate people. I think that we do have business issues
12 [inaudible] at the moment. That's very important.

13 We also facilitate connections of business
14 relationships. But our number one priority is advocacy.
15 We advocate for the issues of interest of our members and,
16 we believe, the private sector of the state of Texas.

17 Now, when it comes to the Texas-Mexico
18 relationship, we believe that that's an issue of priority
19 that we need to advocate even more so to mention
20 everything that we're doing, support the strengthening,
21 and the -- making them more efficient, that relationship
22 between Texas and Mexico and our border states alone. And
23 Mexican states, as well.

24 So you know these numbers. I'm not going to
25 repeat them. But it's basically -- we are -- Texas-Mexico

1 is the number one trading partner.

2 We are the number one trading partner, as well.
3 Over California, I will say that. So I'm happy to always
4 make that note.

5 So we believe the Texas-Mexico region is
6 important, because one, it's an important economic
7 component of Texas' economic success, but also for the
8 future as we move forward and we hear of these nearshoring
9 trends and all these things that are happening that we
10 have talked about today. We can be even stronger
11 economically to make the region, together with Mexico and
12 Canada, an even richer, more successful area for all of
13 us.

14 So I also want to highlight, as we talk about
15 the Texas-Mexico region, we also talk about important
16 partners on the Mexican front. Our four Mexican border
17 states, Chihuahua, Coahuila, Nuevo León, Tamaulipas, which
18 I believe have representatives from all of them. So thank
19 you.

20 I'm glad to see all of them here. I think it's
21 a pleasure to have them. I think all of them, on their
22 own, are important components of the Texas-Mexico
23 relationship. All -- on their own, they have been very
24 successful in being states that are the top trading
25 partners within the entire U.S.A.

1 So we can see in this map from the
2 Latinometrics that -- at the top of it, Chihuahua,
3 Coahuila, Nuevo León, and I think -- except Tamaulipas.
4 So our four Mexican border states are the top exporters
5 into the U.S. So again, we see that these states are very
6 strong economically on their own, and together with Texas,
7 we can be even stronger.

8 So now that I've shared some information about
9 TAB and some of the stuff that you probably know, I'd just
10 like to mention that we have as well -- is that we have
11 staff -- because we believe the importance of the Texas-
12 Mexico relationship on the same thing that we do on the
13 Texas side, the staff have a relationship with the State
14 government leaders. We also have one with our border
15 state leaders. Carlos mentioned some of the work that we
16 did in Mexico.

17 Before I move into the private sector, I'll be
18 quick. We also have the pleasure and honor of hosting
19 three out of the four Mexican border Governors in our
20 offices to talk about trade. We have the pleasure in
21 having Governor Samuel García, Governor Manolo Jiménez,
22 and Governor of Tamaulipas, Américo Villarreal in our
23 office to talk about fostering a trade relationship with
24 his team and his office in the respective states.

25 We also have some good communication with

1 Governor Campos that we want to continue furthering,
2 exploring even more so, and her team. So again -- and we
3 also have had the fortune and the work to have a --
4 actually an MOU with the State of Nuevo León, which is a
5 strong business partner for our state. So we have done a
6 lot of work to have these strong relationships, private
7 sector of Texas, with state governments on the Mexican
8 side.

9 Now, even though -- the importance of us being
10 here -- and by us, I mean TAB. I just want to highlight
11 this point, and it's that as much as it's important to
12 know that there's border businesses doing an important job
13 of fostering these relationships. Because we are the
14 statewide chamber of commerce, we're able to bring this
15 message to a more mainstream audience. And by mainstream,
16 I just mean a wider audience.

17 So I think it's important to have the
18 significance of this relationship being highlighted at a
19 statewide level to all members, so that people understand
20 that this is not just -- that trade with Mexico is not
21 just good for the border; it's good for the entire state.
22 We follow the very principles that we had in BTAC a few
23 years back when we thought that we needed to invite the
24 Mexican partners to be part of the conversation. Well,
25 it's the same thing with the private sector side.

1 So what did we do? We invited and we started
2 working with all of our Mexican business partners. So
3 over the last two years, we fostered these relationships,
4 that we were able to finalize and celebrate and with
5 [inaudible] seven MOUs.

6 And you can see the -- those organizations. So
7 I'm sure that many of you know who these groups are. SES-
8 AA [phonetic], COMCA Concamin [phonetic], Caentra
9 [phonetic], some regional groups. So we have consistent
10 conversations with these organizations to try to identify
11 what are the issues that are important to the business
12 community along both sides of the border, and try to
13 identify what are the ways that we can best move to
14 advocate for our financial interests.

15 This is my last slide. So what do we want to
16 do with these relationships, with these binational private
17 sector relationships, conversations that we have, is -- we
18 want to identify an agenda of policy issues that will make
19 trade with Mexico and Texas and the U.S. better, more
20 efficient. Some of the issues that come to mind are USMCA
21 advocacy. The USMCA is coming up for review in 2026.

22 So we want to build up a full agenda of things
23 that we can do together to promote, foster and advocate
24 for things that will make it better. We want to highlight
25 the need for alignment.

1 So what are the things that we talk about?
2 CTPAT, inspections, unified cargo processing. From the
3 private sector side, we want to advocate to the respective
4 leadership at the federal levels to make sure that they
5 know that, hey, we want to support this [inaudible] both
6 of our trade relationship better.

7 And more importantly, I'm happy to say this,
8 because I know I had this conversation with Caroline
9 before, is the importance of border infrastructure
10 funding. From the private sector side, we want to be
11 partners with you to make sure that we advocate together
12 for these projects, important projects that we have talked
13 about today, receive the proper funding.

14 So from our organization, we want to be
15 constructive partners to stakeholders in supporting
16 bringing more funding to achieve the implementation of the
17 Border Master Plan and the other projects that we have
18 today.

19 And so covered a lot of the things [inaudible],
20 but we do -- but we think that the Texas-Mexico
21 relationship is so important, that we need to be invested
22 in.

23 MR. EALY: Thank you, David.

24 So I had some pretty good questions lined up,
25 but we're really behind time, and there's another panel

1 coming. So I will ask all of you the same questions, the
2 same question, one question.

3 What do you foresee as the biggest challenges
4 that Texas has? And we've talked the economic momentum
5 that Texas has right now. So what's the biggest challenge
6 that we're going to have in maintaining that momentum?

7 So I'll start with you, Adriana.

8 MS. CRUZ: Thank you, Carlos.

9 I think some of the challenges that are being
10 reviewed by this Committee are significant and very, very
11 important. Infrastructure, of course. We're seeing the
12 growth of the economy.

13 We're seeing our population grow. We are the
14 fastest growing state in terms of population, not just the
15 birth rate, but in migration of people relocating to the
16 state for business opportunities, for job opportunities.
17 And so keeping pace with that growth from an industrial
18 side, from the population growth side, from a -- the
19 infrastructure, making sure that the infrastructure is
20 there to support that.

21 We are seeing a lot of friendshoring,
22 nearshoring, as supply chains. We all learned a lot
23 during 2020, and COVID, you know, highlighted the need for
24 supply chain resiliency and national security. And so
25 we're seeing a lot of that investment come to the United

1 States. And we need to have the infrastructure to support
2 that.

3 Very interestingly, it was two weeks ago, I
4 think, Marc, the House Transportation Committee had a
5 hearing and invited me to testify to talk about the
6 economic impact of the investment that the Legislature has
7 made. Historic investments in transportation
8 infrastructure of 140 billion, and then most recently,
9 148 billion, in addition to another 200 billion that went
10 to the ports. And they wanted to hear, what is the
11 economy doing as a result of that?

12 And so the statistics that I just shared -- you
13 know, Texas continuing to be the leading exporting state
14 in the nation. All of that is reliant on the robust
15 infrastructure network that we have to have and we have to
16 keep upgrading and keep in place, and you know,
17 modernizing so that we can continue to lead the nation in
18 job creation and economic resiliency and in trade.

19 MR. EALY: Perfect. David?

20 Thank you for your answer.

21 MR. ZAPATA: Everything Adriana said.

22 (General laughter.)

23 MR. ZAPATA: And then just to -- very quickly,
24 to add, just being aware that we had a change of
25 government in Mexico. We're having a change of government

1 in the U.S.

2 And then to add, when I talked with the four
3 border states, each of those border states has a different
4 political party, different government, so just being aware
5 that we need to be engaged and manage those changes as
6 best as we can, being engaged with all of them so that we
7 can navigate whatever comes with the new administration as
8 best as possible.

9 MS. CRUZ: And before Aaron answers, I just
10 want to express my thanks on being able to work with these
11 partners, because Texas does economic development like no
12 other state in the nation because we are like no other
13 state in the nation. It is very much a partnership.

14 And these partners, David and Aaron, you've
15 talked about -- he's doing a great -- you had big shoes to
16 fill. I had big shoes to fill, because he was the
17 executive director before me. So --

18 MR. DEMERSON: Am I last? All right. It's
19 appropriate then I'll close out.

20 I was in Mexico City years ago, and I always
21 share this story. But it was a grandmother that's
22 generally sharing -- a grandmother that was sharing with
23 her grandson the best way to be successful with a show and
24 tell presentation.

25 She said, *mi hijo*, in order to be successful,

1 you need to do three things. Number one, you need to make
2 sure that you speak loud so they will hear you. You got
3 that?

4 Make sure that you speak clearly so that
5 they'll understand you. He said, I got that.

6 She said, last and most important, you need to
7 make sure that you finish fast so that they'll clap for
8 you. And so --

9 (General laughter.)

10 MR. DEMERSON: -- I want to make sure we finish
11 fast here. We're going to wrap up.

12 Exciting times here in Texas. Again, I get
13 excited about what's around this room.

14 Madame Secretary, your leadership -- you know
15 where we're headed. You know where Governor Abbott wants
16 us to go. You know where we're going as a state.

17 And so the combination of individuals in this
18 room, Adriana's leadership -- she talks about big shoes.
19 And I'd say, she's done it better than I could, moreover,
20 than ever. And so she's done a fantastic job.

21 With the leadership that we have among us here,
22 that's our opportunity, not only looking at many
23 challenges as infrastructure, water, labor. All those
24 things are important. And we know that, but the
25 opportunities that we have as we come together and

1 convene -- the Corporation can serve as one of those
2 opportunities as well.

3 We can convene, Commissioner Meade, with
4 conversations. We go out to the border regions and we're
5 talking about these issues. We're coming around the table
6 and we take it from a talking standpoint to an action
7 standpoint, then we're all about success.

8 But I'm excited about what's in the room,
9 what's taking place, the leadership that we have that's
10 here, and all those challenges that we have here in Texas.

11 As Adriana said, Texas does it -- nobody does
12 it like Texas, and we're going to have solutions at the
13 end of the day. So thank you again for the opportunity.
14 I appreciate the relationships. These are our brothers
15 and sisters.

16 The Governor says, Adriana and I are twins, you
17 know. I don't where he got that from, but we're twins
18 from the standpoint -- but it's all towards -- pushing
19 towards Texas that's number one. The future is Texas.
20 You hear that over and over.

21 But it's all of us coming together, all those
22 names that have been mentioned in this room that allows us
23 to go forward. And when we have great relationships with
24 a leader like Madame Secretary who -- David reached over
25 when she was asking that question about Appropriations

1 Committee, well, she was over Senate Finance. So from
2 that standpoint, she knows what's out there.

3 And so we're continuing to appreciate the
4 relationships. And I see Joe, as far as the time, as far
5 as [inaudible] look the same. They are twins. But just
6 appreciate the relationships that we have.

7 And last, I will close out with our investors.
8 I don't take that for granted. The work that we're able
9 to do is because of folks like Ruben, Teclo, and many
10 others that are in this room that are members of the Texas
11 Economic Development Corporation. And so if you're not a
12 member, see me about that, because we're doing some
13 phenomenal things to move the state forward.

14 Thank you for the opportunity.

15 MR. EALY: Thank you, Aaron. You said the
16 future is Texas, and just to close out, I attended a few
17 panels last week, one at SMU and one at UT. And I heard
18 four statistics that really made me think about, you know,
19 what our state is going through.

20 So first of all, there's a 30 percent increase
21 with Mexico in trade in the past four years. And 70
22 percent of all trade with Mexico goes through a port of
23 entry in Texas. And also, so we can see the importance to
24 Mexico, 57 percent of all our exports are produced in the
25 northern states, and 45 percent of all exports are

1 produced in the four border states with Texas. So we know
2 that Mexico is taking the relationship seriously, because
3 almost half of everything produced is in those four border
4 states.

5 I just want to close out with a quote from
6 Gerry Schwebel. He said it on Friday -- he said the ports
7 of entry are not just bridges; they're logistic platforms.
8 And we can see that with these statistics, with 70
9 percent going through Texas port of entries.

10 Thank you all very much.

11 (Applause.)

12 SECY. NELSON: Good job.

13 Are there any questions or comments for the
14 members of the panel sitting before us?

15 I would like to comment, because I've been able
16 to look at us, Texas, from over there in that Capitol
17 building, but now, I'm able to look at us from a different
18 perspective. And it has been my observation that -- it's
19 not bragging if it's true, but Texas does economic
20 conversation better than anybody. And it's because there
21 are such wonderful interactions, inter-communication
22 between the business sector, on different levels, and I've
23 watched us now, what we do as a state to promote our
24 businesses.

25 Well, it's not just us. Sitting around this

1 table are our brothers and sisters from right south of the
2 border. And we are partners together. And as one
3 succeeds, the other succeeds.

4 Now, I've heard a lot of talk about funding,
5 and David, you mentioned -- or Aaron, maybe it was you --
6 I did write that ledger for eight years, and I can tell
7 you this. It's an education process.

8 And the one piece of advice I would leave you
9 all with -- and these panelists right here know this.
10 They do it all it all the time. But it is a constant
11 education process. And we know why it works.

12 People who are in business know how important
13 it is to have the transportation there to get your goods
14 from one place to the other, and communication with, you
15 know -- the border connection here makes us all
16 successful. We are -- we're benefitting from this
17 wonderful economic growth because we're communicating well
18 and working together.

19 So my admonishment to everybody in this room is
20 make sure the people across the street at the Capitol
21 understand, understand. It's obvious to us, because we're
22 living and breathing it, but it's a constant education
23 process. Good economic development happens not by
24 mistake.

25 So that's my preaching for today. Thank you

1 all for what you do. Thank you, and keep it up. Keep it
2 up.

3 Carlos, good job. You had all those great
4 questions. What?

5 (Applause.)

6 SECY. NELSON: All right. We're going to move
7 to our second panel. We will have a Binational Panel on
8 Manufacturing and Logistics companies, the needs and
9 challenges of cross-border trade and how to make it more
10 efficient. What a great topic of discussion.

11 I'm going to recognize Marco Rodriguez, head of
12 External Affairs, Public Policy and Sustainability at
13 Daimler Truck; Edgar Guillaumin, Vice President -- thank
14 you -- of Public Affairs at Constellation Brands; and
15 Jason Brown, Senior Manager of Logistics Operations at
16 Toyota North America. To moderate this panel, we have
17 research scientist and International Trade and Border
18 Transportation Division head at the Texas A&M
19 Transportation Institute, Juan Carlos Villa.

20 Juan Carlos?

21 MR. VILLA: Thank you, Madame Secretary.

22 SECY. NELSON: It's all yours.

23 MR. VILLA: Thanks, everyone at TxDOT, and
24 especially the three panelists that traveled throughout
25 the world to come here. Thank you. Thank you for being

1 here. And we're running a little bit late, but not that
2 much.

3 So the main agenda is -- they're going to have
4 a few minutes to have presentations of their companies,
5 although most of you know them. They're very important --
6 trucks, cars and beer. You know, what else can we --

7 (General laughter.)

8 MR. VILLA: So after the brief presentations,
9 we'll open the floor for some Q and A, because the idea is
10 to have a dialog with these presenters here.

11 So with that, you know, why don't we start with
12 Marco?

13 MR. RODRIGUEZ: Thank you very much, and thanks
14 for inviting me. I'm going to have -- I'm going to play a
15 video here, and it will explain better what's Daimler
16 Truck North America, although most of you already know it.

17 (Video plays.)

18 MR. RODRIGUEZ: So that's basically us, Daimler
19 Truck North America. We make the trucks that move the
20 economies, that move all the goods that we have on our
21 hands right now. That's important for business.

22 If you take out the trucks from the streets, in
23 one week, the economies will fall apart. So that's
24 important.

25 That's our footprint on the screen. There are

1 several plants, manufacturing sites here in the U.S. and
2 also in Mexico, although the biggest shipments come from
3 Mexico to the U.S., around 1,000 northbound vehicles, and
4 that's our challenge.

5 Our operations in Mexico, from [inaudible] here
6 from Mexico City to the large northern trucks that come
7 from Mexico to the U.S. The size of the company is big.
8 We represent 60 percent, almost 60 percent of production
9 nationwide in Mexico, and 62 percent of exports nationwide
10 of these vehicles, which is huge. That's the importance
11 of Daimler in the region.

12 There's two challenges, first internal, like
13 the supply chains. We do our best to stabilize our supply
14 chain. We know the challenges we face are many: the
15 microchips, semiconductors, things like that. We did our
16 best to stabilize that, although it's still in progress.

17 We have also some challenges in transit, and
18 mainly, the working hours of the border, right. The World
19 Trade bridge, it's closed around 21 hours a week. So for
20 manufacturers like us, those are key elements, because we
21 basically have three shifts and a lot of plants.

22 So even though we make our best to stabilize
23 the supply chains, we cannot control the hours of the
24 border. So we cannot avoid trying to cross during closed
25 hours, especially weekends. So if a truck is stopped in

1 the line and it gets to the border on Saturday, let's say,
2 almost by the time of closing, we need to wait until
3 Monday, and that means that we shut down plants.

4 Right now, the volumes are kind of low compared
5 to previous years, but it's coming up. So I think right
6 now our proposal is to evaluate how we can manage a
7 program to have open borders for commerce, 24/7. I know
8 there's many challenges around.

9 I know you might think about resources. You
10 might think about security. You might think about volume.

11 And all those challenges are for us to take in
12 consideration of putting in place some proactive measures.
13 Otherwise, with all these numbers increasing -- we heard
14 65 percent of the commercial vehicles increase in the next
15 20 years. We'll face it, and if we cannot field the
16 trucks, we cannot keep up with commerce in the region.

17 So that's my proposal. Thank you.

18 MR. VILLA: Thank you very much, Marco. And
19 you already answered some of the questions that we had.
20 But we can still have -- some of the challenges at the
21 border. Hours of operation is -- that's one of the main
22 challenges that you mentioned.

23 So let's move on. Jason -- let's move on to
24 the section that has the videos, in that order. So please
25 go ahead.

1 MR. GUILLAUMIN: Okay. Thank you very much.
2 Please visualize one case of beer [inaudible].
3 I can give you some good options here.

4 (General laughter.)

5 MALE VOICE: Cold?

6 MR. GUILLAUMIN: Cold, of course. And so one
7 beer case, 24-pack. Then one million every day is
8 crossing the border from Sonora, from Coahuila, to Texas.

9
10 One million cases every day from our brewery in
11 Nava to the United States. That means 120 rail cars, and
12 around 90 trucks every day. So that is the volume that we
13 move with you guys in Texas.

14 Constellation Brands is the largest U.S.-based
15 company in terms of alcohol. We have three divisions.
16 One is wine, second, spirits, and the third one is beer.
17 Right now, the largest one is beer.

18 And we operate under a consent decree from
19 Department of Justice in which we acquired, 10 years ago,
20 the brands Grupo Modelo, Corona, Modelo, Pacifico,
21 Victoria, in particular. And we developed a truly
22 binational business model in which we source the grains,
23 barley, malt, hops, from the United States, from Idaho,
24 Montana, North Dakota, Washington State. And we ship all
25 the grains down to Mexico, including aluminum from Texas,

1 including minerals for glass from Texas, to our brewers in
2 Mexico.

3 We produce the liquid and we ship back to the
4 United States. We are licensed just for the United States
5 market. So that is our binational business model.

6 And we have been talking about analysis,
7 statistics, projects which it's -- I think it's great.
8 And let me talk about the reward of all the jobs you have
9 been doing here.

10 Constellation Brands has a particular interest
11 in Texas for four reasons. One, energy. Our brewery
12 operates with natural gas coming from Texas. We cannot
13 run the brewery without the support of the energy industry
14 of Texas.

15 Second, markets. Texas is the second-largest
16 market for Constellation Brands in beer. Thank you very
17 much for your contribution.

18 (General laughter.)

19 MR. GUILLAUMIN: Logistics. We move, as I
20 mentioned, 120 rail cars every day, and around 90, close
21 to 100 trucks every day, back and forth. Final product,
22 but also the raw material, grains, and aluminum and
23 minerals to our brewery.

24 Our water. We share a [inaudible] boundary
25 watershed, which is real important, and we are working

1 real hard to preserve and [inaudible]. All this business
2 represents for Texas a total economic impact of \$5
3 billion. This is what Constellation does in Texas.

4 If we talk about jobs, at the end of the day,
5 all this work should be reflected in jobs, in quality, in
6 better conditions for the people. And we generate
7 direct -- and induce around 34,000 jobs in the state of
8 Texas, which are marketing, distribution, restaurants,
9 bars, you name it. In terms of wages and benefits,
10 \$2 billion for Texas. For the state's level in terms of
11 taxes, we generate around \$675 million.

12 So that's the economic impact of just one
13 company. If we combine all the companies that we cross
14 the border every day back and forth, that's the reward
15 that this group is working. Because at the end of the
16 day, as I mentioned, the most important thing is to create
17 better conditions and economic prosperity for the region.

18 MR. VILLA: Great, great. Thanks very much.
19 That was amazing, Edgar. And we'll come back to
20 questions.

21 I just heard from Caroline and Claudia that we
22 have time. So that's very good news.

23 So now, Jason. Let's go to the cars.

24 MR. J. BROWN: All right. Thank you.

25 And Secretary Nelson, Texas DOT, and committee

1 members, thank you very much for the opportunity to be
2 here today. It's an honor. I appreciate the opportunity
3 to collaborate with you all.

4 If we have my slides up next? There we go. So
5 next slide.

6 So just covering Toyota from a global
7 perspective -- first, we're the world's largest auto
8 maker. We have a total of 68 manufacturing facilities
9 across the globe, 20 R&D sites, with 13 manufacturing
10 facilities in North America, and five R&D sites. We
11 employ 375,000 team members globally and produce and sell
12 about 9 million vehicles per year. That's as of the end
13 of 2023.

14 When you look at Toyota, Toyota's presence in
15 the United States, you know, our philosophy is to build
16 cars and trucks where we sell them. So we have a total of
17 10 plants in the U.S. We've been manufacturing vehicles
18 here for 37 years.

19 And 70 percent of the vehicles sold in the U.S.
20 are produced in North America. And to date, since we've
21 started, we've produced over 45 million vehicles in North
22 America.

23 If we look at Texas, as you probably know, our
24 corporate headquarters is located in Plano. That's where
25 I work from. We also have Gulf States Toyota located in

1 Houston, and our San Antonio plant that produces the
2 Sequoia and the Tundra.

3 In total, direct and indirect employment for
4 those sites is 26,000 team members in Texas. That
5 includes about 10,000 of our dealer network, as well as
6 over 5,000 suppliers that support the San Antonio plant.

7 Now, diving into our supply chain, we strive to
8 be a global leader in supply chain logistics , founded on
9 the Toyota production systems. So we use the TPS model,
10 not only in how we produce and operate our manufacturing
11 facilities, but also how we run our supply chain.

12 Within our network, we have a total of 11 in
13 our cross docks and separation centers. And these
14 facilities serve as consolidation points, receiving parts
15 from suppliers and then combining them together on routes
16 going to our NAMCs. So this is kind of the overall
17 network we have in the United States.

18 In total, we have 417 million miles we travel
19 on U.S. roadways each year. Most of our supply chain
20 network is over the road. We do some overseas, some rail,
21 but most of it is via truck.

22 As far as our approach to planning logistics,
23 it really comes down to maximizing what's in the truck,
24 and then minimizing the amount of miles each truck has to
25 travel. If we can do that effectively, we reduce lead

1 time and minimize costs and minimize carbon footprint. So
2 this is our focus, and it also applies to our Mexico
3 supply chain.

4 About three years ago, we started to manage our
5 Mexico supply chain from our Mexico suppliers to the U.S.

6 And that's one of my functions, why I'm here today.

7 Historically, our suppliers have done that for us.

8 But the map on the left shows the concentration
9 of our Mexican supplier locations, and the darker shades
10 there are higher concentration. So we have a cross dock
11 located in San Luis Potosi that is a consolidation point
12 for those Mexico suppliers. And then with that route
13 planning focus to minimize miles, most of our crossings
14 then happen in Laredo. About 95 percent of those are
15 Laredo crossings.

16 So my group manages 75 daily routes, pick-ups
17 from 55 Mexican suppliers. These routes go to nine plants
18 across seven U.S. states, not just San Antonio, but across
19 the nation.

20 As we consider challenges and considerations
21 for this Committee, you know, one of our key focus areas
22 is establishing reliable transit times. As you can
23 imagine in the automotive business, just -- for just
24 missing one part can shut an entire plant down. So every
25 single truck is very, very critical for us.

1 And so having reliable border crossings is
2 essential. And if we have things like outage of custom
3 systems, we have big delays at the border. Sometimes it
4 is five to eight kilometers long, which adds a lot of
5 time.

6 And then sometimes there's abnormal events.
7 There's weather or there's an overhead structure that
8 collapsed in Nuevo Laredo a few months ago. Those types
9 of things cause a big delay and impact for us. And also
10 limitations of border hours.

11 So things we'd like to encourage the Committee
12 to consider is, with Laredo being our primary crossing
13 point, continue to build capacity there. The connectivity
14 of, you know, Columbia Bridge to the I-35 corridor would
15 help make that a more viable crossing. I think I heard
16 earlier there's some effort around that, which is really
17 good.

18 We leverage the fast lanes, so one of the
19 struggles we have is, on the Mexico side, sometimes the
20 backup goes beyond where the fast and normal traffic
21 converges. So we end up waiting even with fast
22 certification. If we can segregate those crossings, then
23 we think that would be helpful.

24 And then continue to invest in the World Trade
25 Bridge, as you have. And then, as before -- mentioned

1 before, if we could operate 24 hours a day, that would
2 really help our supply chain, you know, our trucks
3 traveling day or night. And if we can operate 24 hours a
4 day, that would help just take advantage of the existing
5 infrastructure of the state.

6 Thank you very much.

7 MR. VILLA: Great. Thanks very much, Jason.

8 And Edgar, your challenges. You know, we
9 already heard from Marco and Jason, so what are the key
10 challenges? Then we can open the floor for Q and A.

11 MR. GUILLAUMIN: Absolutely. I think we had
12 the really hard experience back in December when we had
13 the Eagle Pass border shut down. Right? We cannot afford
14 a border shutdown.

15 If you see the numbers, statistics here, that
16 the train every minute is huge, and the impact and the
17 disruption on the entire supply chain, it's enormous. So
18 we can -- [inaudible] and we can implement improvements in
19 timing the first step. We have to keep the border open,
20 and we promote safety and secure borders and efficient
21 borders. Right?

22 And sometimes it's a federal jurisdiction. But
23 I guess, in this table, we have the right voice to say,
24 hey, we can work together. We can find a solution
25 together, but certainly, we cannot afford a shutdown.

1 MR. VILLA: Thanks. Thank you, Edgar.

2 So we have heard from the three panelists, you
3 know, some of the key challenges. But again, I would like
4 to open the floor for the Committee members for any
5 further questions or discussion.

6 Gerry, you're very quiet today.

7 (General laughter.)

8 MR. SCHWEBEL: Gerry Schwebel. I want to
9 follow up on Mr. Guillaumin's comment.

10 I think it's very important for this Committee
11 to understand that this year, we actually, you know -- the
12 Free Trade Commission finally reached a trade -- Decision
13 5 memorandum, established protocols for our ports of entry
14 that prevents or eliminates -- does not permit bridge
15 closures or port of entry closures, unless national
16 disaster or -- there's specifications.

17 But it becomes increasingly important that
18 everybody understand what that decision means for the
19 countries, Canada, U.S. and Mexico, because there's
20 northern border issues and there's southern border issues.

21 But the closure of a port of entry and the economic
22 impact has got to be the last resort, not a political
23 resort.

24 So therefore, that's something that Texas,
25 which has more ports of entry than any other state, be

1 very much engaged and be involved in understanding what
2 this Decision 5 means, to have established protocols that
3 the three governments need to abide by. And it's a result
4 of exactly the example on Mr. Guillaumin -- what happened
5 in Eagle Pass.

6 And it's happening in other parts where there
7 have been an attempt or a threat to close a port of entry
8 for a particular reason. It's got to be all now done
9 through a decision of three countries. The Free Trade
10 Commission, primarily, will have those protocols. So
11 that's encouraging.

12 And thanks to the private sector companies
13 like, you know, Constellation Brands that deliver that
14 message, what the economic impact was of that closure.

15 What did it cost your company when that bridge
16 was closed?

17 MR. GUILLAUMIN: All -- that was about \$45
18 million.

19 MR. SCHWEBEL: How much?

20 MR. GUILLAUMIN: Forty-five.

21 MR. SCHWEBEL: Forty-five?

22 MR. GUILLAUMIN: Million dollars.

23 MR. SCHWEBEL: Million dollars. Okay. But
24 that's just one company.

25 Can you imagine? You multiply that to other

1 companies, especially to our ports of entry -- that's what
2 it's about.

3 And I think, when we talk about what we're
4 doing in Texas, doing right, Madame Secretary, is that
5 we're doing right because we also have a balance of trade
6 where we almost have equal imports as well as exports.
7 The exports is what creates jobs, you know.

8 And our number two and three competitors
9 basically would be Michigan and California. They're
10 primarily importers. They're not exporters. So that's
11 what's happening.

12 As we go forth in this new administration,
13 we've got to make sure that we are talking up trade, and
14 that the message of the impact of trade for the economy,
15 like Texas, is going to be, you know, extremely important
16 as we go into the review of the USMCA, which is really
17 what everything that we're doing today is all about. So I
18 just want to make sure that all of our Committee -- my
19 colleagues on this Committee are talking up trade, have an
20 opportunity to deliver the right message of the importance
21 of the right infrastructure -- that Adriana is so right,
22 spot on.

23 Without that, you know, we don't want the trade
24 to be stopping at our port of entry, but we want it to
25 flow securely and safely as possible, if we have adequate,

1 you know, truck -- I mean, our priority is binational
2 planning of connectivity and supply chain continuity and
3 fluidity as well.

4 SECY. NELSON: Thank you.

5 MR. VILLA: Thank you, Gerry.

6 Anyone else from the Committee?

7 SECY. NELSON: I'd like to ask a question of
8 Toyota maybe. So Constellation presented a number to us
9 of statewide taxes generated and paid taxes in Texas.
10 Correct? \$674 million. Thank you very much.

11 MR. GUILLAUMIN: Likewise.

12 (General laughter.)

13 SECY. NELSON: But I'm wondering -- a
14 hypothetical. I don't expect Toyota to pull this out of
15 your brain, but you know, it would be very interesting to
16 know similar numbers from other large companies. Because
17 this in and of itself is a very persuasive argument for
18 continuing the kind of cooperation that we have had.

19 If you want to just be purely selfish in Texas,
20 when we're writing the budget and we're looking for money
21 to put into transportation needs and education needs and
22 other needs that will help us with economic development,
23 help all of us, and certainly how our neighbors to the
24 border as well, lift all boats. That's a hard number,
25 just from one company. Wow.

1 So you know, Toyota, I know you're a big
2 company in Texas. That would be a very interesting number
3 to have as well, to know how much taxes you're paying to
4 help us with our transportation needs and our education
5 needs and everything that helps us with our economy, both
6 Texas and our neighbors to the south.

7 MR. J. BROWN: Yeah. Thank you for the
8 question, Secretary Nelson.

9 I don't have that number, but I can certainly
10 provide it --

11 SECY. NELSON: But you can get it, yeah.

12 MR. J. BROWN: -- and I'll get it for you.

13 SECY. NELSON: Yeah. Great.

14 Other questions, comments? Yes, John?

15 MR. ESPARZA: I just want to also point out --
16 John Esparza, Texas Trucking. When you were asking a
17 question about cost -- and it sounds like a business cost,
18 \$45 million. Inside that cost -- and what we ask from all
19 of our companies, whether they're small companies or large
20 companies, Toyota, Daimler, you name it -- also inside
21 that cost, when we talk about delays at the border, our
22 cost for ensuring that this load safely moves. So we're
23 talking about additional costs for overnight, additional
24 driver cost, additional driver hours.

25 These are all things that -- oftentimes,

1 penalties for not delivering on time. So these costs
2 aren't just a "business expense." This is an expense to
3 get that load moved, as intended, safely from point A to
4 point B.

5 And I think that often gets overlooked, and
6 appreciate the panel for their commitment to safety there.

7 SECY. NELSON: Yeah.

8 MR. VILLA: Thank you, John.

9 I was thinking also about the -- not only the
10 travel time or the delay, but also a study that Joe Bryan
11 and I did years ago, was not only the travel time, but the
12 travel time reliability, because that's also what impacts
13 the inventory. And then you can go on and on and on and
14 on.

15 So with that, I would like to ask the panel for
16 any specific recommendations that you might have, either
17 changes in technology, changes in processes that you would
18 see benefitting your supply chain?

19 MR. RODRIGUEZ: I mean -- very quick, we are a
20 USMCA region and still the systems to [inaudible] are
21 different from country to country. You know, it's a big
22 shot, but it would be really useful to try to modernize
23 all of the processes of imports and exports through
24 optimized fleet time.

25 Thank you.

1 MR. VILLA: Jason, any [inaudible] or changes?

2 MR. J. BROWN: I think the main changes I
3 suggest, I covered in the last slide, which is really
4 around the infrastructure around Columbia Bridge and
5 helping that to make that a more viable crossing. And the
6 border hours.

7
8 MR. GUILLAUMIN: And I will say, as far as the
9 joint inspection in every single port of entry. Right?
10 In some, you have trucks, but you have for a train or vice
11 versa. So if we can standardize joint inspection with
12 Mexican Customs, [inaudible].

13 MR. VILLA: Great. Yeah. Those are very good
14 recommendations, and then we'll take that into account in
15 our different studies and analyses that we have been
16 doing.

17 So with that, Madame Secretary, I think we can
18 finish this panel.

19 SECY. NELSON: Thank you all. Thank you very
20 much. All right. Well --

21 (Applause.)

22 SECY. NELSON: Thank you all for the
23 outstanding presentations today.

24 I'd like to open the floor for discussion, if
25 there's any outstanding issues or comments or questions or

1 feedback, suggestions for future topics this Committee
2 should consider for our next meeting. Anybody?

3 Yes, sir.

4 SECY. GONZÁLEZ VALDEZ: Madame Secretary, after
5 listening to all this --

6 SECY. NELSON: Tell us who you are.

7 SECY. GONZÁLEZ VALDEZ: Marco González.

8 SECY. NELSON: I know, Marco.

9 SECY. GONZÁLEZ VALDEZ: Secretary of Regional
10 Development and Port Director of Columbia.

11 SECY. NELSON: Perfect.

12 SECY. GONZÁLEZ VALDEZ: After listening to all
13 these positive comments about trade and security, I would
14 like to propose from our state Governor, Samuel García,
15 that you could see Columbia as a pilot project to have a
16 one mile before secure zone. Our small border makes it
17 ideal to have a one-mile secure zone from both sides. And
18 that way, we could guarantee how borders should be
19 guarded, and especially guaranteeing international
20 commerce 24 hours.

21 So the positive side of this, that we have
22 state jurisdiction on our border. The federal government
23 is not involved -- our federal government. So we could
24 work with Texas really fast and get this thing going on.

25 SECY. NELSON: Thank you very much. Thank you.

1 Other -- yes, sir?

2 UNDERSECY. ALBA: Yes. Thank you. Once again,
3 my name is Fernando Alba.

4 I just want to mention that we have a project,
5 a pilot project, in the state of New Mexico, which is
6 something that we call the pre-dispatch. And the pre-
7 dispatch is -- basically, we have a large facility just in
8 the border between Chihuahua and New Mexico. And this
9 facility has CBP and ANAM on the same place.

10 So basically, every truck that comes out of
11 that large Foxconn facility that Foxconn is building that
12 Dell Computers are sending here to Austin, every truck
13 that comes out of that place is already, let's say,
14 validated by CBP and ANAM. We don't have that project
15 along the border.

16 So we would like to propose to you a -- analyze
17 a pilot program between Texas and Chihuahua to install
18 this pre-dispatch. It worked pretty well until COVID.
19 After COVID, all the requirements and everything that
20 happened, it shut down.

21 But we are working actively to open up once
22 again between New Mexico and Chihuahua. So just to leave
23 this idea. Hopefully, we can follow up. It will help a
24 lot on infrastructure and acceleration of every truck
25 coming to the U.S.

1 SECY. NELSON: Thank you.

2 UNDERSECY. ALBA: Thank you for that.

3 SECY. NELSON: Okay. Anybody else? Gerry?

4 MR. SCHWEBEL: Can I make an announcement,
5 Madame Chair? Gerry Schwebel.

6 SECY. NELSON: Sure.

7 MR. SCHWEBEL: I just wanted to make an
8 invitation. As I have said to the Committee, you know, we
9 need to make sure that we're talking up trade. And the
10 state of Texas has been the leader in that.

11 In San Antonio, on December 2, San Antonio will
12 host its first Lone Star Trade Summit post-election, you
13 might say -- you know, Mexico as well as U.S. And it will
14 be in the process. The intent of that Lone Star Summit --
15 Trade Summit is to tell the story of where it all began.

16 On October 7, 1992, the North American Free
17 Trade Agreement was signed in San Antonio. And that
18 really kicked a lot of the stuff that we're talking about
19 in regards to the economic impact of the trade agreement.
20 But the purpose is to begin the process of having a
21 series of ongoing events during the course of next year,
22 which will lead us into the review of the USMCA in the
23 fall of next year so that we're talking up and going with
24 the momentum that trade is good, that the trilateral
25 relationship is strong, and that we all need to be part of

1 contributing to that whole dialog and discussion.

2 And Texas has the most at stake, the most to
3 gain from that strengthened relationship. So I hope,
4 by -- you know, many of you -- if you're interested, I can
5 give you a QR code here and that will be December 2 in San
6 Antonio. And we'll be talking and inviting our friends
7 from Mexico and our friends from Canada, basically driven
8 on the private sector side.

9 But for next year, they have a lot more to
10 come. Thank you, Madame Secretary.

11 SECY. NELSON: Great. Thank you.

12 Other -- oh, yes?

13 FEMALE VOICE: Commissioner New had a comment.
14 Commissioner?

15 SECY. NELSON: Commissioner?

16 COMMISSIONER NEW: The thing I want to share
17 is, I guess I've been attending these for seven years.
18 And we're making remarkable progress toward productivity
19 of the meetings and really learning where we need to make
20 things happen.

21 So in Houston, we realized that they're
22 doubling their business every seven years, seven and a
23 half years. We listened to the information on the number
24 of train cars and the number of trucks coming. We
25 listened to ideas like the secure safe zone on the

1 Columbia Bridge. But these are big items that help us
2 make good decisions about transportation.

3 And so Madame Secretary, I land you compliment,
4 and then to the group, really, the staff at TxDOT, for
5 making these better, as time goes by.

6 And for the long term people, like Gerry and
7 others, that are pushing for trade and making us be
8 thoughtful. So just wanted to share some of the thoughts
9 I've had from listening today. Thanks.

10 SECY. NELSON: Thank you, Commissioner.

11 Anybody else?

12 (No response.)

13 SECY. NELSON: All right. Well, then, the next
14 BTAC meeting will be on February 11. Put it on your
15 calendar.

16 The Chair would like to recommend that this
17 Committee hold its next meeting in Eagle Pass, Texas. We
18 have a standing invitation, and if there is no objection,
19 then -- once again, I just want to extend my gratitude for
20 hosting and this wonderful building.

21 Special shout-out to the Department of
22 Transportation for their outstanding work and for
23 graciously hosting us here today. With that --

24 MALE VOICE: Teclo Garcia --

25 SECY. NELSON: I get it. Okay. Thank you.

1 That was a little side note.

2 I have to thank my wonderful staff too.

3 The time is 12:09, and would I have a motion?

4 MR. GARCIA: (No audible response.)

5 SECY. NELSON: Teclo Garcia moves to adjourn.

6 Is there a second? I want to give new members
7 an opportunity. Is there a second? That's how we do
8 things.

9 MR. CALVO: (No audible response.)

10 SECY. NELSON: Okay. I heard a second over
11 here.

12 All those in favor of adjourning, say aye.

13 (A chorus of ayes.)

14 SECY. NELSON: Anybody opposed?

15 (No response.)

16 SECY. NELSON: If not, this hearing is
17 adjourned until our next meeting in Eagle Pass on
18 February 11. Thank you all so very much.

19 (Whereupon, at 12:10 p.m., the meeting was
20 adjourned.)

C E R T I F I C A T E

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2
3 MEETING OF: TxDOT Border Trade Advisory Committee

4 LOCATION: Austin, Texas

5 DATE: November 12, 2024

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 165, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Elizabeth Stoddard before
10 the Texas Department of Transportation.

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