



DEE MARGO
MAYOR

September 11, 2020

House Committee on Transportation
Representative Terry Canales, Chair and Representative Brooks Landgraf, Vice Chairman
Via email to Dylan.Matthews_hc@house.texas.gov

Re: Request for Information Interim Charge 3: Study the state's seaport infrastructure and the infrastructure at land ports of entry to facilitate international trade and economic growth. Examine seaport infrastructure and the auxiliary rail and roadway needs connected to each port as well as the port's ability to keep pace with oil and gas production. Make recommendations to maximize the economic flow of goods and products to and from seaports and study the feasibility and economic impact of dredging and widening Texas ports in order to remain competitive in international trade. Examine the infrastructure at international border ports of entry in Texas and identify transportation-related impediments to international trade that negatively impact the state. Make recommendations to reduce border wait times, facilitate economic growth, and expedite trade.

Dear Chairman Canales, Vice Chairman Landgraf and Committee members:

As the Mayor of the City of El Paso, I want to thank the Committee for allowing the City to submit this information in relation to the above interim charge. I appreciate the efforts of the Committee, during these extraordinary times, to continue with their legislative work which will be crucial to the economic recovery of our great State. El Paso, as a border city, believes that addressing the infrastructure needs of our ports of entry and removing existing impediments is crucial and a significant factor in expediting trade, which will in turn expedite the economic recovery of not only the State, but the nation as well.

Currently, of inland ports along the U.S. – Mexico border, both Laredo and El Paso rank among the top three in the amount of trade and commerce crossing north and south. Improvements to existing infrastructure and upgrades in technology at El Paso's ports of entries (POEs) are needed and will provide for a more effective and efficient means of getting commerce into and out of Texas. Additionally, the passage of the United States Mexico Canada Agreement ("USMCA")

is expected to increase the potential for jobs and trade for Texas and the United States and increase the volume of crossings at the POEs. According to projections from the Perryman Group, it is estimated that the USMCA will have a positive impact of \$17.6 billion on Texas' annual gross product and create 164,700 new jobs in the state. However, what will hamper the ability of Texas to capitalize on the economic opportunities provided by USMCA are inadequate POEs incapable of handling, efficiently, the increased volume of commerce. As Dennis Nixon, CEO, International Bank Commerce stated, "It does us no good to see increased trade at our ports of entry if we do not have the customs inspectors and infrastructure to process that trade." In order for the Texas POEs to take advantage of the opportunities presented by USMCA and remain competitive for this commerce, investing in necessary improvements will remove existing impediments and ensure that El Paso POEs can accommodate any increase in commercial traffic.

Listed below are transportation-related impediments to international trade that negatively impact the State. Recommendations on removing those impediments to allow the POEs to operate and function more efficiently, effectively, and securely are also provided.

TRANSPORTATION-RELATED IMPEDIMENTS TO INTERNATIONAL TRADE THAT NEGATIVELY IMPACT THE STATE

1. The existing design of the POE lanes no longer provides for the effective and efficient flow of both pedestrian and commercial traffic. Significant upgrades to existing infrastructure are necessary to accommodate existing traffic and any future increase in traffic flow.
2. The existing technology at the POE needs to be modernized, so that there is access to real time data that can be shared with all governmental entities. No consistent method for the collection of crossings and wait-time data exists.
3. Federal staffing levels need to be increased so that there is sufficient staffing to sustain operations at full capacity at federal facilities for the inspection and processing for crossings of both pedestrian and commercial traffic.
4. Increased investment is needed to conduct Non-Invasive Inspections (NII) screening technology to expedite inspections and reduce wait-times. NII systems allow Customs and Border Protection (CBP) officers to process and inspect shipments without physically opening or unloading them. During peak times, the existing NII system infrastructure at the POEs are not able to keep up with surges in traffic. Limited NII system processing capacity creates congestion and truck queueing inside CBP's cargo lots at Bridge of the Americas and Ysleta POEs causing delays to the industry.

RECOMMENDATIONS

1. Providing for a consistent method for collecting real time data on wait times for crossing the POEs, both southbound and northbound crossings would provide for more efficient and effective crossings. HB 260, which was filed last session, would have been a step forward in this direction. The bill would have required Texas Department of Transportation in collaboration with the Texas A&M Transportation Institute to develop and maintain a publicly accessible web portal designed to provide real-time information regarding motor vehicle movements at POEs

between Texas and the United Mexican States and in surrounding areas for the purpose of alleviating cross-border motor vehicle traffic congestion.

2. Expanding federal areas for increased throughput, for both commercial and non-commercial crossings will reduce processing wait-times.

3. For commercial traffic, the expansion of innovative programs such as the joint effort between U.S. CBP and Mexican Customs known as Unified Cargo Processing program (UCP). UCP is a program that was developed and implemented by CBP in collaboration with Servicio de Administración Tributaria (SAT) [Mexican customs]. This program allows Mexican customs officers to be located on CBP grounds working side by side with CBP officers to jointly inspect and process shipments of cargo destined for the U.S. This program is currently in place in El Paso at the Ysleta POE and is being offered to only FAST trucks (pre-certified shipments). It has proven to be a useful initiative by allowing for both Mexican and U.S. inspections to take place simultaneously in one location and thereby reducing wait-times. Qualifying trucks are not required to stop for inspection in Mexico at Mexican customs and are allowed to cross the bridge and continue to the U.S. with fewer delays.

4. Make more funding available for border cities for POE projects that the local communities see as priorities for enhancing and facilitating trade. Explore the possibility of replicating the funding structure/mechanism in place for Category 12 Strategic Priority funds which assist the Permian Basin area state highways impacted by the energy sector and implementing a similar program with Coordinated Border Infrastructure funds available to all border communities impacted locally by additional international truck traffic on local and state roads and at the POEs. Some of the key priorities for our area that could be supported by these funds and would enhance and facilitate trade include: repair, maintenance and safety enhancements to the most heavily impacted local roads from additional international truck traffic, the redesign of CBP facilities at Bridge of the Americas and the Ysleta bridge to add more primary inspection booths as well as redesigning the cargo lot inspection areas to improve the flow and movement of trucks to avoid queuing and reduce delays.

5. Integration of operations and monitoring conducted by traffic management and operations centers managed by local, state and federal agencies and share information (wait-time data, camera feeds, incident detection and management, etc.) with the public.

6. Continue supporting the investment in new technologies such as Intelligent Transportation Systems (ITS) in managing queueing and congestion near land POEs. The City of El Paso is currently working with the Texas Department of Transportation to design and implement an ITS program, funded with state transportation dollars, that will help improve security measures and expedite the movement of people and goods across the border. These improvements are limited to the Bridges of the Americas and Ysleta POEs. This program is being closely coordinated with federal, state and local law enforcement agencies to address current and anticipated security and operational needs. It would take an estimated \$12.75M to include the Paso del Norte and Stanton bridges and have a fully integrated ITS program in El Paso. Port conditions, wait-time

information and camera feeds would all be shared with traveling public. Integration with Mexican ITS program critical for region.

In summary, infrastructure and technology shortcomings have created impediments to the effective and efficient flow of commerce between Texas and Mexico. Passing legislation this session that will provide the necessary financial tools and technology for the removal of these impediments is critical in order to keep the POEs competitive with POEs located in other states and will ensure that these POEs are utilized to their full potential. This will be crucial in the economic recovery of Texas.

If additional information is needed on this issue, please contact the City's legislative attorney, Lupe Cuellar, at 915-555-1702 or at CuellarG@elpasotexas.gov. Thank you for your leadership and efforts in preparing for the upcoming legislative session in these most difficult of times. Such efforts will keep the great State of Texas, safe and strong.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dee Margo", with a stylized flourish at the end.

Dee Margo

Mayor, El Paso, Texas