



**Office of the Secretary of State
Border Commerce Coordinator Report 2019**

**Ruth R. Hughs
Secretary of State**

Introduction

In March 2019, Governor Greg Abbott appointed then-Secretary of State David Whitley as Border Commerce Coordinator (BCC) pursuant to Section 772.010 of the Texas Government Code. Secretary Whitley performed BCC duties through May 2019. In August 2019, Governor Abbott appointed Ruth Hughs as Secretary of State and on September 4, 2019, designated Secretary Hughs to serve as Border Commerce Coordinator.

The BCC's role is to facilitate communication and coordination of border initiatives among state agencies, local officials, and the federal governments of the United States, Mexico, and Canada. The Secretary of State also serves as Chief International Protocol Officer for the State of Texas and the Governor's Chief Liaison to Mexico and the Border Region of Texas.

This report covers the activities of Secretary Whitley and Secretary Hughs during their respective tenures as Border Commerce Coordinators in 2019.

I. Overview of Border Commerce Coordinator's Role and Responsibilities

Section 772.010 of the Texas Government Code outlines the duties and responsibilities of the State's Border Commerce Coordinator.

Pursuant to Section 772.010(a):

The [border commerce] coordinator shall:

- (1) examine trade issues between the United States, Mexico, and Canada;
- (2) act as an ombudsman for government agencies within the Texas and Mexico border region to help reduce regulations by improving communication and cooperation between federal, state, and local governments;
- (3) work with federal officials to resolve transportation issues involving infrastructure, including roads and bridges, to allow for the efficient movement of goods and people across the border between Texas and Mexico;
- (4) work with federal officials to create a unified federal agency process to streamline border crossing needs;
- (5) work to increase funding for the North American Development Bank to assist in the financing of water and wastewater facilities;
- (6) explore the sale of excess electric power from Texas to Mexico;
- (7) study the flow of commerce at ports of entry between this state and Mexico, including the movement of commercial vehicles across the border, and establish a plan to aid that commerce and improve the movement of those vehicles;
- (8) work to identify problems associated with border truck inspections and related trade and transportation infrastructure and develop recommendations for addressing those problems;

- (9) work with the appropriate state and federal agencies to develop initiatives to mitigate congestion at ports of entry; and
- (10) develop recommendations designed to:
 - (A) increase trade by attracting new business ventures;
 - (B) support expansion of existing and new industries; and
 - (C) address workforce training needs.

Section 772.010(c) reflects that the BCC will coordinate with other state agencies, local governments, metropolitan planning organizations, other “appropriate community organizations” along the Texas-Mexico border, and “comparable entities in Mexican states” along the Texas-Mexico border, to “address the unique planning and capacity needs of those areas.” Under this provision, the BCC “shall assist those governments, organizations, and entities to identify and develop initiatives to address those needs.”

Section 772.010(d) directs the BCC to work with (1) “private industry and appropriate entities of Texas and the United States to require that low-sulfur fuel be sold along highways in Texas carrying increased traffic related to activities under the North American Free Trade Agreement”; and (2) “representatives of the government of Mexico and the governments of Mexican states bordering Texas to increase the use of low-sulfur fuel.” In addition, Section 772.010(e) provides for the creation of the “Texas Good Neighbor Committee,” consisting of the mayors of “every municipality located in this state along the border between Texas and Mexico that has an adjoining sister city in Mexico.” The Good Neighbor Committee is tasked with advising the BCC on “key trade, security, and transportation-related issues important to the municipalities appointed to the task force”; meeting with mayors of Mexican cities to identify problems and recommend solutions; seeking assistance and input from private-sector stakeholders; and providing recommendations to the BCC in carrying out the BCC’s statutory duties.

This report is being submitted pursuant to Section 772.010(c) of the Texas Government Code, which requires that before January 1 of each year, the BCC “shall submit to the presiding officer of each house of the legislature a report of the coordinator’s activities under this subsection during the preceding year.”

II. Communications with Mexican Officials and Others Regarding Texas-Mexico Trade

In 2019, the Border Commerce Coordinator and representatives of the Secretary of State’s office frequently interacted with Mexican government officials and other border-affairs stakeholders regarding Texas-Mexico trade activities. These interactions have helped Texas and Mexico maintain a strong relationship that will help foster economic development, promote robust cross-border commerce, and enhance the efforts of their respective communities.

In March 2019, shortly after Andres Manuel Lopez Obrador began his term as president of Mexico, David Zapata (Assistant Secretary of State for Mexican and Border Affairs) met with representatives of the Lopez Obrador administration in Mexico City, on behalf of Secretary Whitley, to discuss opportunities for collaboration between Texas and Mexico. During this trip, Assistant Secretary Zapata also visited with John Creamer (Charge d’ Affaires, U.S. Embassy in Mexico) and other U.S. Embassy officials, emphasizing binational relations and cross-border

trade. In addition, Assistant Secretary Zapata identified areas of mutual interest and partnership in meetings with Mario Chacon (General Director for North America, Mexican Ministry of Foreign Affairs) and Lydia Antonio de la Garza (General Director for North America, Mexican Ministry of Economy). While in Mexico, Assistant Secretary Zapata addressed a State of Texas Mexico Office business forum for Mexican business leaders interested in investing in Texas, and he spoke with the CEO of the Mexican Business Council for Foreign Trade, Investment and Technology regarding investments in Texas and border-crossing times.

In September 2019, Secretary Hughs met with Alfredo Miranda (Deputy Chief of Mission, Mexican Embassy in the United States) during a visit to Washington, D.C. Secretary Hughs and Ambassador Miranda agreed on the importance of the United States-Mexico-Canada Agreement (USMCA). They also discussed areas of potential future collaboration between Texas and Mexico.

Later that month, Secretary Hughs traveled to Mexico City, where she visited with Christopher Landau (U.S. Ambassador to Mexico). Secretary Hughs and Ambassador Landau expressed the importance of supporting the infrastructure development of border crossings to expand cross-border commerce and trade. Additionally, Secretary Hughs and Ambassador Landau emphasized the need for Texas and the U.S. Embassy to work collectively to promote economic development.

During her visit to Mexico City, Secretary Hughs convened meetings with high-level officials in the Lopez Obrador administration. The timing of Secretary Hughs' visit—only a few weeks into her appointment as Secretary of State and designation as BCC—highlighted the importance of Texas' cultural and commercial relationship with Mexico. Secretary Hughs discussed economic and infrastructure development with Jesus Seade (Undersecretary for North America), Ambassador Mario Chacon, and other Mexican Ministry of Foreign Affairs officials. Secretary Hughs also met with Luz Maria de la Mora (Undersecretary for Foreign Trade), Lydia Antonio de la Garza, and other officials in the Mexican Ministry of Economy, where Secretary Hughs was briefed on the Mexican government's plans to enhance foreign investment—particularly from Texas—in their country. And Secretary Hughs spoke with Dr. Gabriela Diaz Maraboto (Customs and International Affairs Central Administrator, Mexican General Customs Administration), who helps oversee the day-to-day management and development of border crossings. Dr. Diaz Maraboto conveyed Mexico's interest in expanding the Unified Cargo Processing program to additional ports of entry. Throughout these meetings, Mexican officials voiced their support for the USMCA's ratification.

While in Mexico City, Secretary Hughs connected with representatives of Mexico's Business Coordinating Council, a private-sector entity composed of major business, banking, and agricultural groups. Secretary Hughs and the Council's representatives talked about the USMCA and stressed the importance of maintaining direct lines of communication to promote business opportunities and project partnerships.

In October 2019, Secretary Hughs met with Martha Barcena (Mexican Ambassador to the United States) in Laredo. Secretary Hughs and Ambassador Barcena enjoyed a robust conversation about cross-border commerce, challenges for economic growth and infrastructure development, and the status of the USMCA. Both leaders expressed an interest in establishing a high-level economic

dialogue between Texas and Mexico to promote and strengthen the existing bonds between their communities.

While in Laredo, Secretary Hughs also visited with Kathryn Flachsbart (U.S. Consul General in Nuevo Laredo). Consul Flachsbart is assigned to cover a large area of the Texas-Mexico border from Laredo/Nuevo Laredo to Del Rio/Acuña. During their meeting, Secretary Hughs and Consul Flachsbart discussed enhancing communication between their offices, particularly on border infrastructure, trade, and commerce, and pursuing appropriate opportunities for partnership in these areas.

Since becoming BCC, Secretary Hughs has met with five of the eleven Mexican Consuls General serving in Texas. These meetings have focused on identifying opportunities to strengthen economic ties between Texas and Mexico. Secretary Hughs plans to meet with all of the Mexican Consuls General in 2020. Secretary Hughs also participated in a meeting between Governor Abbott and Pablo Marentes (Mexican Consul General in Austin), where the parties stressed the importance of the USMCA and efforts to enhance the strong cultural and economic relationship between Texas and Mexico—all of which will remain an integral part of the BCC's discussions with Mexican officials and border stakeholders in 2020.

Likewise, the BCC continued efforts to strengthen Texas' relationship with the four Mexican states along the Texas border. In Spring 2019, Secretary Whitley visited several border cities and hosted meetings with economic development leaders and government officials from Texas and Mexico. Secretary Whitley also connected with representatives from the four Mexican border states regarding collaboration on managing cross-border crossings and furthering the economic relationship between Texas and the four states. Secretary Hughs is committed to renewing these efforts in 2020 and continuing to strengthen ties between Texas and Mexico by meeting with the four Mexican states along the Texas-Mexico border next year.

III. Border Trade Advisory Committee

The Border Trade Advisory Committee (BTAC) was created in 2001 to develop strategies, and make recommendations to the Texas Transportation Commission and the Governor, for addressing critical border trade and transportation challenges. The Border Commerce Coordinator serves as BTAC's presiding officer. In 2019, Secretary Whitley and Secretary Hughs convened BTAC meetings in Austin on May 21 and October 17, respectively.

The Mexican states along the Texas-Mexico border were invited to attend the BTAC meetings and participate in the committee's discussions. Representatives from the states of Coahuila and Nuevo Leon attended the May 2019 meeting—Guillermo Gonzalez for Coahuila and Noe Garza Flores for Nuevo Leon. Representatives from the states of Nuevo Leon and Tamaulipas attended the October 2019 meeting—Mr. Garza Flores for Nuevo Leon and Claudia Lagos for Tamaulipas. In connection with BTAC's October 2019 meeting, Secretary Hughs visited separately with Secretary Lagos, Tamaulipas' Deputy Secretary for Economic Growth and Foreign Trade, to explore areas of collaboration between Texas and Tamaulipas. Consul Marentes and Jorge Salcido (Consul for Political Affairs, Consulate General of Mexico in Austin) also attended BTAC's October 2019 meeting on behalf of the Mexican government. BTAC will continue to engage with the Mexican

federal government and the four Mexican states along the Texas-Mexico border in 2020. The next BTAC meeting is scheduled for January 21, 2020.

As chair of BTAC, Secretary Whitley toured international bridges in Cameron County, Pharr, Anzalduas, Laredo, and El Paso. During these visits, Secretary Whitley met with bridge directors, exploring opportunities in which BTAC could provide appropriate support to help the bridges meet their challenges and needs. In addition, the State of Texas hosted a meeting in Laredo of the Regional Binational Border Crossings Group, a binational entity that oversees infrastructure development plans for border crossings. Secretary Whitley led the Texas delegation at this meeting and helped welcome attendees to Texas.

In October 2019, Secretary Hughs toured the Laredo area where major infrastructure developments are being undertaken. While there, Secretary Hughs received a briefing from the Laredo Bridge System Director about the status of these critical projects, which will lead to increased cross-border commerce. Secretary Hughs also discussed border-crossing infrastructure development with Mexican government officials during her visit to Mexico City.

In 2019, BTAC continued to develop the Texas-Mexico Border Transportation Master Plan (BTMP). Regional meetings were held in several border cities—including Brownsville, Laredo, Eagle Pass, and El Paso—to gather feedback from residents and stakeholders on the BTMP. The information obtained during these regional meetings has been indispensable to the work of the Texas Department of Transportation (TxDOT) and its consultant HDR in developing the BTMP. TxDOT and HDR later presented BTAC members with an economic and demographic analysis of the border area, utilizing information obtained in the regional meetings. This analysis and the regional-meeting feedback will continue to serve as a critical resource for Secretary Hughs and BTAC members as they guide the further development of the BTMP in 2020.¹

IV. Communications with Canadian Officials and Others Regarding Texas-Canada Trade

The Border Commerce Coordinator also interacted with Canadian officials and other stakeholders this year regarding Texas-Canada trade activities. In October 2019, Secretary Hughs met with Rachel McCormick, who had been appointed the previous month to serve as Consul General of Canada in Texas. (The Consul General position was vacant for most of 2019.) Secretary Hughs and Consul McCormick discussed energy issues and trade relations between Texas and Canada.

The BCC looks forward to advancing the Texas-Canada economic relationship in 2020. To that end, the BCC plans to meet with the Canadian Ambassador to the United States (once a new Ambassador is appointed) to further the strong economic and cultural ties between Texas and Canada. The BCC also will consider appropriate opportunities to travel to Canada in 2020 to visit key stakeholders and support Texas' economic investments in Canada.

¹ The research and materials presented to BTAC members during the committee's 2019 meetings, including information pertaining to the Master Plan and its 2019 activities, are available on BTAC's website, <https://www.dot.state.tx.us/move-texas-freight/committees/border/meetings.htm>.

V. The North American Development Bank

The North American Development Bank (NADB) has planned, implemented, and completed infrastructure projects along the Texas-Mexico border. Section 772.010(a)(5) of the Texas Government Code directs the BCC to “work to increase funding for [NADB] to assist in the financing of water and wastewater facilities.” In Spring 2019, NADB officials briefed Secretary Whitley on the Bank’s current projects and needs. Following this meeting, Secretary Whitley provided a letter of support for H.R. 132, the North American Development Bank Improvement Act of 2019, introduced in the U.S. House of Representatives in January 2019. H.R. 132 proposes the first general capital increase in NADB’s history by authorizing the U.S. Department of Treasury to subscribe to 150,000 additional shares of capital stock from NADB, representing an infusion of \$1.5 billion of paid-in and callable capital. The bill also allows NADB to finance natural gas projects, combined cycle power plants, and the expansion of and new construction of international land border crossings. Secretary Whitley’s letter of support for H.R. 132 was sent to Ambassador Robert Lighthizer (U.S. Trade Representative) and the entire Texas Congressional delegation in April 2019.

VI. Continued Work with Federal, State, and Local Officials and Stakeholders

In addition to the BTAC efforts and other functions described in this report, the Border Commerce Coordinator looks forward to continuing to work with public officials and other stakeholders on border issues, consistent with Section 772.010 of the Texas Government Code. To that end, the BCC hopes that the border interagency workgroup can meet in 2020. The BCC also will continue engaging with mayors and other local officials to address trade, security, and transportation-related issues impacting the Texas-Mexico border.