

THE TEXAS-MEXICO STRATEGIC INVESTMENT COMMISSION

State of Texas Secretary of State
Nell Hays Conference Room, Room 413
Rudder Building
1019 Brazos Street
Austin, Texas

Thursday,
September 20, 2007
10:00 a.m.

MEMBERS PRESENT:

PHIL WILSON, SOS
DIANA BORJA, TCEQ
CARLOS RUBINSTEIN, TCEQ
RICHARD MARTINEZ, SOS
HELENA ESCALANTE, SOS
ALFONSO I. CASSO, SOS
JUSTIN FURNACE, Railroad Commission
AMY WARDER, TxDOT
AGUSTIN DE LA ROSA, TxDOT
ESTHER HITZFELDER, TxDOT

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P R O C E E D I N G S

1
2 MR. WILSON: I'm Phil Wilson, the Texas
3 Secretary of State. I'm going to call this meeting of the
4 Texas-Mexico Investment Council to order. Is it Council
5 or Commission?

6 MS. ESCALANTE: Commission.

7 MR. WILSON: Commission, the Texas-Mexico
8 Investment Commission to order. If we could start with
9 going around the room and saying who you are and what
10 agency you're with, that would be helpful to me and also
11 for our reporter, for legal purposes. So I'll start right
12 here.

13 MS. ESCALANTE: Thank you. I'm Helena
14 Escalante. I'm with the Office of the Secretary of State.

15 MR. MARTINEZ: My name is Richard Martinez.
16 I'm also with the Secretary of State's office.

17 MR. RUBINSTEIN: Carlos Rubinstein, Texas
18 Border Area Director, TCEQ.

19 MS. BORJA: Diana Borja, Office of Border
20 Affairs here in Austin, Texas Commission on Environmental
21 Quality.

22 MS. HITZFELDER: I'm Esther Hitzfelder with
23 Texas Department of Transportation, the International
24 Relations Office.

1 MR. DE LA ROSA: Agustin De La Rosa with the
2 Texas Department of Transportation, International
3 Relations Office.

4 MS. WARDER: I'm Amy Warder with the Texas
5 Department of Transportation, the Government Public
6 Affairs Division.

7 MR. FURNACE: Justin Furnace with Commissioner
8 Victor Carrillo's Office of the Texas Railroad Commission.

9 MR. CASSO: Alfonso Casso with the Office of
10 the Secretary of State.

11 MR. WILSON: Thank you all very much. I
12 appreciate you all being here this morning. This is my
13 first meeting doing this. I'm so excited.

14 We had an opportunity to go down to Mexico a
15 month ago almost now. It was part of a three-part trip,
16 where we had the Energy Summit in Mexico. It's our
17 seventh one, but Chairman Carrillo, and the Governor, and
18 myself went down there. It was a very effective trip to
19 talk about partnering opportunities for Texas and Mexico
20 and how to expedite that with both the private sector and
21 the public sector working together.

22 As part of that trip also, we had an Invest in
23 Texas seminar, where we dealt with Mexican companies who
24 are looking to invest in the United States. At one point,

1 the governor met with several high-level government
2 officials and CEOs talking about opportunities for Texas
3 and Mexico to look for, mutually beneficial partnering
4 relationships.

5 So I think we're off to a good start this year
6 when it comes to the possibility of what a Texas-Mexico
7 Investment Commission should look like, as far as our
8 goals. I think this is a very unique time and opportunity
9 for our state and I want to thank the agencies represented
10 here today. Texas, because of our collaborative nature
11 and having conversations around the table right now like
12 this when it comes to transportation, or environmental
13 issues, or trade, truly is an extraordinary time.

14 Mexico is our largest trading partner, \$58
15 billion a year. Since NAFTA, it's grown more than 100
16 percent as a result of that. I think 200 percent, as a
17 matter of fact. And so, that relation is very valuable
18 for Texas companies and what we're trying to do.

19 We have a 1,200-mile border. It has a lot of
20 unique challenges and characteristics, unlike any other
21 state in the United States. And so, what I have as a goal
22 of this meeting and ongoing meetings is to find ways in
23 which we can partner together to create an environment we
24 can work with other state agencies, our county and city

1 governments, and then our counterparts in Mexico to make
2 trade and investment as seamless and as easy as possible
3 within the federal and state requirements we have to deal
4 with.

5 Richard Martinez has just joined us. This is
6 day 2. Richard will be spending a lot of his time and
7 energy focused on this part of the process, working with
8 Helena in our Border Division with the Secretary of
9 State's office and that was Senator Shapleigh. I guess it
10 was last week, Scott, we went in there and I'm committed
11 to try to take a few trips to Mexico to meet with our four
12 counterparts for border states and talking about these
13 issues we'll be addressing today and how we can work for a
14 mutually beneficial partnership, whether it's in
15 transportation, environment, or other issues, energy.

16 Thought it was a good story on the House floor
17 yesterday on the D.C. tie, approach we've had three of
18 those in a line now. So what I would like to have happen
19 today, in the next few weeks, is to identify those
20 challenges, find what we can agree upon, and move forward
21 in Mexico and in those border areas about how we continue
22 to collaborate together.

23 We have a very unique opportunity, as I see it
24 out there, in relation to emerging technologies. Whether

1 it's dealing with actual, real problems or bringing
2 academic firepower into play so that we can have some
3 cultural exchanges where we can send faculty back and
4 forth in higher education in particular to focus on those
5 issues.

6 So what I want to do in the next couple of
7 minutes, before I actually in the nuts and bolts of what
8 we need to go through before I step out, is I'd like to
9 hear some of your thoughts and some of the vision each of
10 the agencies might have as we try to step forward
11 together. Justin, I'll start with you, if that's okay.

12 MR. FURNACE: That's fine.

13 MR. WILSON: Great.

14 MR. FURNACE: You know, most of what we're
15 focused on is really a lot of stuff that happened in that
16 trade issue, developing a lot of opportunities. With
17 regard to energy, there's a lot of unique requirements in
18 Mexico for ownership of minerals. In one area, I think my
19 commissioner feels that if each area deals with the
20 emergent technologies. With regard to one EMP exploration
21 company here in Texas, it did land a \$350 million contract
22 to drill wells in Mexico. They don't get mineral rights
23 per se, but they think they can make a profit off of
24 actually just drilling wells. A lot of the minerals in

1 Mexico, they're not able to get to because they don't have
2 the technology that we've developed, say in the Barnett
3 Shale area of Texas.

4 And so, with regard to emerging technology, I
5 think our focus is going to be to have some of these
6 companies that have this specialized expertise to realize
7 that there is the opportunity to go down there. While
8 they don't get the traditional contracts with the mineral
9 interests that pay, a lot of companies feel that they can
10 profit on the EMP side. They can go down there and be
11 beneficial. That is one focus.

12 And then, you know, if you branch that out,
13 obviously, the midstream sector would be pipelines and
14 refining and stuff. There's a strong healthy relationship
15 between Mexico and Texas in those two sectors and to
16 continue to foster that from our side, especially on the
17 refining side with LNG plants being built in Texas and in
18 Mexico, there should be a need for pipeline infrastructure
19 to get that LNG back and forth. So that is a subfocus as
20 well.

21 MR. WILSON: All right.

22 MS. WARDER: Actually, this is my first day.

23 MR. WILSON: Well, you should say something
24 anyway. Don't let that stop you.

1 MS. WARDER: I'd like to defer -- I actually
2 just met them. We just --

3 MR. CASSO: First day on the job?

4 MS. WARDER: Oh, no, on this committee.

5 MR. DE LA ROSA: Amy is going to be our
6 office's link with the federal affairs folks in TxDOT.

7 VOICE: Oh.

8 MR. DE LA ROSA: I don't know where to start
9 really. We, in TxDOT, have and are doing a lot of things
10 along our Texas/Mexico border. Last year, we submitted a
11 report to this Commission. Richard, if you haven't seen
12 that, I'd recommend that you take a look at that. It
13 covers a lot of the things that you mentioned earlier
14 about wanting to evolve economic opportunities for
15 transportation and our communications with our four border
16 states.

17 We have a variety of programs that we
18 participate in and coordinate through our office. As an
19 example, we have the Border Technology Exchange Program
20 that we administer. That's also a part of this report
21 that we submitted to the Commission. Basically, it's
22 highway money that the four U.S. border states receive.
23 With that, we work with the four border states to have
24 exchanges, to have more conferences. We had worked with

1 the states through their universities to establish what we
2 call transfer centers at the universities where they work
3 with the state transportation offices to provide training
4 and other assistance at those transportation centers.

5 MR. WILSON: How much money is that every year?

6 MR. DE LA ROSA: Not a lot. We --

7 MR. WILSON: Well, to TxDOT, it may not be a
8 lot, but to everybody else it may be.

9 MR. DE LA ROSA: I think we get around 40,000.

10 MR. WILSON: Okay.

11 MR. DE LA ROSA: We haven't received any in the
12 last couple of years, but the good thing about it is that
13 money doesn't go away at the end of the fiscal year. We
14 hold it until we utilize it. So we have a current balance
15 of about \$120,000 or \$130,000.

16 MR. WILSON: See that's a great example of when
17 we're going to take these trips hopefully to the four
18 Mexican border states, they're probably aware of it, but
19 it's always good to re-highlight an initiative like that
20 with these other activities. My goal with all of you all
21 together is to have some real executable point-to things
22 because that's a real tangible thing we're able to do.
23 We're not just having a white paper we shift across the
24 board to say, Wouldn't this be a good idea if.

1 I would like at the end of this year that we're
2 able to point to -- and we do have a large volume of
3 things to discuss today and those are some of the things I
4 hope we can get to -- the executable, great ideas. We can
5 pick four or five things and say, Look what we did this
6 year. We had this technology transfer exchange. We had
7 whatever else may come up. That's fantastic.

8 MR. DE LA ROSA: And we're also participating
9 in a variety of bi-national committees that deal with
10 transportation issues along the U.S.-Mexico border. You
11 may or may not have heard about the Joint Working
12 Committee. It's a U.S.-Mexico committee that deals with
13 transportation on the border. They look at all of the
14 issues regarding time delays and trying to facilitate
15 commercial trade, expedite procedures at the border
16 crossings.

17 The bi-national bridges and borders group, they
18 look at existing and proposed new crossings. We
19 participate in that. At the Border Governors Conference,
20 we're also one of [indiscernible] which a lot of the folks
21 here are also there.

22 You know, like I said, there's a variety of
23 things that our office kind of oversees. We work with our
24 border districts to assist them in communicating and doing

1 the coordination with Mexico. TxDOT initiated a big bond
2 back in the early '90s of committing like \$1.8 million for
3 the border districts to develop the infrastructure down
4 there. As of last year, I think they've already
5 contracted like 1.4, but because of the increasing costs
6 of labor and all that, I think the actual cost is a little
7 over \$2 million. The commission is committed to go
8 through bonding so they can get it all done.

9 Another program that we've done through the
10 appropriations from the federal highways, from the DOT,
11 was what we call the Coordinating Border Infrastructure
12 Funding Program. CBI monies, all border states received
13 an allocation based on a certain formula. Texas received
14 like \$200 million. All those monies were distributed down
15 to the three border districts to fund projects that are
16 going to facilitate the movement of traffic along our
17 borders.

18 So those are the type of things that we do or
19 are overseeing, and what the department is engaged in down
20 at the border.

21 MR. WILSON: That's great.

22 MR. DE LA ROSA: So what we're going to do is
23 we're looking at the report we submitted last year. We're
24 going to update that.

1 MR. WILSON: Great.

2 MR. DE LA ROSA: Hopefully within the next
3 couple of weeks, we'll send you an updated status of where
4 we are on some of the things we reported on last year.

5 MR. WILSON: Fantastic, that's great.

6 MR. DE LA ROSA: Anything else, Esther?

7 MS. HITZFELDER: I think you did a good job.

8 MR. WILSON: TCEQ?

9 MS. BORJA: I'm Diana Borja. I'm with the
10 Office of Border Affairs. What we do is we -- our most
11 time is spent on something we call Border 2012. This is
12 something that's in the La Paz agreement between the U.S.
13 and Mexico. In this program, Border 2012, it's now been
14 set up so that at organizing events and meetings, state,
15 federal, and local people are there at the same time.

16 This is modeled after something that we did do
17 in El Paso-Juarez, Dona Ana County, New Mexico. That area
18 is not nonattainment where air quality was and what was
19 started was a bi-national group that worked on reducing
20 the air pollution. It was state, federal, and local
21 people there.

22 So that's what we do now all along the border.
23 We have these task forces, air, water, waste,
24 environmental education, environmental health, emergency

1 preparedness. Anyway, in these also, in some of the task
2 forces, we have the mayors as the chairs of these task
3 forces. So we have, in the Amistad Task Force, the mayors
4 of Del Rio, Eagle Pass, Piedras Negras. Falcon, we have
5 the mayor of Nuevo Laredo. Gulf, we have the mayors of
6 Matamoros, Brownsville.

7 That's changing now, but anyway when you have
8 the mayors as chairs, the city people who attend, and you
9 have experts there, and you have access to a lot of
10 meeting space. We have done a lot of technology transfer
11 through these things. An example, Nuevo Laredo was the
12 first city along the border of Texas, the first Mexican
13 city, to have a treatment plant. This was years ago that
14 they got it. Well, now they've collected all this sludge,
15 more sludge, more sludge.

16 And so, they asked us, what do you all do with
17 all this sludge. We brought people from Matamoros,
18 Reynosa, Nuevo Laredo, several other Mexican cities to see
19 what's done here at Hornsby Bend, the city of Austin.
20 It's an amazing program there if you've ever been to see
21 it.

22 Anyway, right after that, Nuevo Laredo did an
23 application to the BECC and they've already started some
24 activity related to the sludge. Now, that's real

1 important to us because without that it may be going into
2 the Rio Grande.

3 MR. WILSON: We share that river, absolutely.

4 MS. BORJA: That's our drinking water, their
5 drinking water.

6 MR. WILSON: That's right.

7 MS. BORJA: So that's an example of one, but
8 there have been many others that we've done with them.
9 Industrial pre-treatment, they're all -- because of
10 [indiscernible], they are all getting more advanced
11 treatment systems than what they had, but it's very
12 important in some of their system that there be industrial
13 pre-treatment. If the Matamoros, or whatever, discharged
14 straight into their system, well, it's going to mess up
15 their system, the treatment plant.

16 So they're looking at investing in treatment,
17 what our cities do. So we're sharing that technology.
18 We're also sharing it with the states, at the state level,
19 not only with the cities. They've also come over and
20 looked at our landfills, our recycling systems, what we do
21 in the cities. The stronger we can make those cities
22 along our border, and those states, the better it is for
23 us and for them.

24 That's our attitude with them, that we are also

1 having -- and in fact, there's one going on today --
2 emergency preparedness exercises. We're having quite a
3 bit. It includes EPA and the EPA counterpart and it's
4 also looking at such things as being able to cross the
5 bridge easily in an emergency, looking at the technologies
6 they have, communication systems that work. So we don't
7 get caught up in the things that happened in Louisiana and
8 New Orleans.

9 Those things have happened on the border,
10 communication systems that don't communicate. It happened
11 in one of our exercises where our fire department people
12 went to the Mexican side during this exercise, but they
13 didn't want to be under the jurisdiction of the Mexican
14 side. Well, if you're on their side, guess what? You are
15 under their jurisdiction. It's the same over here. So
16 it's that whole jurisdiction thing and we're working on
17 that.

18 It's real important because for a while we were
19 just sure that we were going to get a big hurricane here
20 in South Texas. So there's a lot of activity around that.

21 So it's, again, treating the border in these kinds of
22 situations as if it's seamless in an emergency
23 preparedness.

24 So those are some examples, but we have things

1 that we're doing with their schools as far as
2 environmental education. Their teachers are coming over
3 and we're providing some training. They are also sharing
4 success stories that they have. They do a lot better at
5 environmental education of the public than I think we do.

6 They have some very unique things that they do and so
7 they've sharing that with us, too. So it's a transfer
8 exchange.

9 MR. RUBINSTEIN: Just to echo what Diana said,
10 one of the things that we do as well is actually try to
11 prevent a bilateral irritant for coming back up again and
12 that's the water issue with Mexico. It's a problem that
13 plagued us for 13 years, from 1992 to 2005, when we were
14 able to settle the previous water debt. Mexico,
15 unfortunately, is establishing a new one. It will
16 actually be, to the extent that they don't take any
17 definitive action in the next week, it will be a new debt
18 on October 1.

19 MR. WILSON: Okay.

20 MR. RUBINSTEIN: That's a real serious issue
21 because it ends up clouding the ability to interact in a
22 positive way with Mexico on other issues. It has a
23 history of becoming very hot and contentious, a bilateral
24 irritant.

1 We have been working with the Department of
2 State to make sure that they communicate with Mexico how
3 important it is to get water that is due to us and to our
4 farmers. They have responded by stating that by the end
5 of this cycle, which is by the end of September, that they
6 will take definitive action to deliver the water that's
7 owed to Texas. That's over a quarter of a million acre-
8 feet right now.

9 MR. WILSON: Helena, I'll let you report in a
10 minute.

11 MS. ESCALANTE: Okay.

12 MR. RUBINSTEIN: It's a serious issue. When
13 President Bush met with President Calderon, it was on his
14 agenda. We got a letter from Mexico just before the
15 meeting committing to specific action, but true form of
16 that action has not materialized yet. So that's the
17 negative side of it.

18 MS. ESCALANTE: May I ask a quick question?

19 MR. RUBINSTEIN: Sure.

20 MS. ESCALANTE: The amount of water that is
21 owed right now, is it feasible to be given to the United
22 States between now and the deadline?

23 MR. RUBINSTEIN: It is no longer feasible for
24 them to deliver it from their tributaries. It is more

1 than feasible for them to transfer it from either
2 reservoir.

3 MS. ESCALANTE: Okay.

4 MR. WILSON: Yes, they've got reservoirs.

5 MS. ESCALANTE: Okay.

6 MR. RUBINSTEIN: Big time, they really do.

7 MR. WILSON: They've had as much rain as we've
8 had so it's all built up down there.

9 MR. RUBINSTEIN: Yes. Unfortunately, and
10 that's the point we're making to the Department of State,
11 that there's absolutely no condition in the treaty that
12 justifies this deficit. You could have argued between
13 1992 and '97 and '97 to 2002 that conditions that
14 presented themselves made it difficult to comply for
15 Mexico. That's not true this last five years.

16 And so, I really expect that to the extent that
17 this continues to go south, and that Mexico doesn't take
18 the necessary steps to correct it, that we're going to
19 start hearing some real rumblings from our farmers in the
20 Valley. As you may be aware, they have actually sued
21 Mexico under NAFTA in the past. My understanding is that
22 today or tomorrow they will be filing an appeal in the
23 Canadian court to the previous NAFTA decision from the
24 previous debt. So we get to work on the negative side as

1 well, to try to keep something bad from happening.

2 MR. CASSO: What is their reason for not
3 raising? What are they saying now? What are you hearing?

4 MR. RUBINSTEIN: There's nothing that they say
5 that makes sense. None of it makes sense. They're just
6 saying, what they're saying now is troublesome because
7 what they're saying is let's wait out the weather. It's
8 hurricane season. Maybe we'll get a storm. Maybe it will
9 rain below the most proximal dam, you know closest to the
10 Rio Grande. To the extent that that does, we don't have
11 to release from the interior and over-deliver.

12 Well, there's no such thing as over-deliver
13 under the treaty. The treaty only speaks to under-
14 deliveries, but not over-deliveries. There's no cap. And
15 so, they're managing the system to make sure we don't get
16 a single drop more than we're entitled to. They're
17 cutting it way too close. I will tell you that the
18 meetings that we've had this spring and summer have been
19 contentious.

20 MR. WILSON: Okay.

21 MR. RUBINSTEIN: Okay.

22 MR. WILSON: This is kind of my last thing
23 before I get dragged off to another meeting. You've got a
24 whole list of things you all are going to talk about. I

1 think it's very important that one thing we take out of
2 this today is I'd like to start a master document that has
3 a couple things, actually three.

4 One, I would like -- you all have just
5 identified some very significant brags or successes. I
6 think it's important to pick just three, four, or five,
7 whatever the number is that you want to identify, to say,
8 over the past couple of years, we have done x. It's been
9 successful related to some of these agenda items.

10 I think it's always good for us to have that at
11 our collective fingertips -- and we'll make sure to share
12 it with you once we've put it all together -- to say,
13 what's been going on to brag about. So there are
14 successes.

15 I'd like to identify our goals/challenges, some
16 of the Mexico, some of the other issues that you all have
17 brought up, that you all are talking about this morning.
18 Once again, this needs to be a manageable amount. I want
19 this to be a non-bureaucratic tribe. I want this to be
20 one of those things we can't point to at the end of a
21 year, a year and a half, and say, we have these brags,
22 here they are, and these were our goals and challenges.

23 And then, what we need to work on collectively
24 off of this is a strategy for success to execute on those

1 goals and challenges, where there are some real attainable
2 points. Whether it's some trips to the four border
3 states, whether it's releasing in the water, and what
4 we're going to do is a plan to point to those steps we
5 need to take together collectively through our agencies,
6 the Secretary of State's office, working with the
7 governor's office, and respective commissions in the
8 process.

9 I would like to spend some time traveling. I
10 would like some of you all to go, if you're able to do so,
11 to both the border and to some of our neighboring states,
12 and to take our goal/challenge sheet and make that a plan
13 for doing things. And then, we can hopefully point to it
14 at the end of a year, or a year and a half from now, that
15 we had these things per area and we have some successes
16 that we can point to, back to our original successes that
17 you all have already collectively done in these agencies.

18 So that's kind of my wish. Did I miss
19 anything? So I look forward to working with you very much
20 and you all have got a hard day's work ahead of you. So
21 I'll let you get off to it.

22 MS. ESCALANTE: All right. Thank you for
23 coming.

24 (Pause.)

1 MS. ESCALANTE: Well, thank you for all this
2 information that you gave us. We have, like he said, a
3 full agenda to work on. Let's get started from the very
4 beginning with number one. This is, as I see it, we will
5 be talking a lot in terms of what you have done and what
6 goals and challenges we have ahead of us in each of these
7 points.

8 Briefly before going into that, we have, let's
9 see -- do you have a list to see how many agencies are
10 here today? We have Railroad Commission --

11 MR. CASSO: Let's see. We have the sign-in
12 sheet.

13 MS. ESCALANTE: -- TxDOT --

14 MR. CASSO: TCEQ environmental, TxDOT.

15 MS. ESCALANTE: -- TCEQ. Who are we missing?
16 Are you talking about State Health Services?

17 MR. CASSO: We're missing the Water Development
18 Board and we've missing the Health Services Department,
19 Department of State Health Services.

20 MS. ESCALANTE: Okay.

21 MR. CASSO: So it looks like those are the two
22 and that's it.

23 MS. ESCALANTE: Okay. Maybe we can get
24 together with them later and talk about these issues.

1 As the secretary was talking about putting
2 together the master document, something that is certainly
3 workable and not an enormous document, I wanted to ask
4 you, what do you think would be a good number to work with
5 in terms of successes? Do you think you can identify a
6 couple per agency? Would that work well? That way, if we
7 have five agencies, we would have ten initiatives total
8 and I think that is manageable. Do you agree?

9 (No response.)

10 MS. ESCALANTE: Okay. Very, very good. Well,
11 let's get going. What we have done in terms of the agenda
12 is literally take the mandate and translate it into
13 discussion points. The first mandate, if you may, of the
14 Strategic Investment Commission is to represent government
15 agencies within the Texas-Mexico border region to help
16 reduce regulations by improving communication and
17 cooperation between federal, state, and local governments.

18 Needless to say, I think we are all the representatives
19 that deal with these issues. And so, to that extent, is
20 there anything that you would like to add or any other
21 persons that you think would be important to have in here
22 that we can add to a future discussion from other areas?

23 MR. MARTINEZ: It would seem to be, because of
24 cooperation with the federal level, maybe some

1 representative from state and Fed should be here.

2 MS. ESCALANTE: That's a very, very good point.

3 Do you --

4 MR. RUBINSTEIN: It might be appropriate to the
5 extent that you're able to identify types of activities
6 that, for example, BECC and NADBank are involved in, and
7 Diana would probably be the better lead for that. At some
8 point, you may want to actually have a meeting or a
9 discussion with the directors of BEC and NADBank as
10 well --

11 MS. ESCALANTE: That's right.

12 MR. RUBINSTEIN: -- just to help promote the
13 activities that have been identified under 2012, I would
14 suspect.

15 MS. ESCALANTE: That's a very good idea. Maybe
16 we can have Jorge and -- goodness, I just went blank.
17 Forgive me. Who is the head of BECC?

18 MR. RUBINSTEIN: I can picture him. I have a
19 meeting with him next week.

20 MS. ESCALANTE: Anyway, the directors of BECC
21 and NADBank, all right. Are there any other ideas that
22 come to mind for that?

23 (No response.)

24 MS. ESCALANTE: Esther, do you think somebody

1 from the Federal Highway Administration or some of the
2 contacts that you gave me on Monday when we met, do you
3 think it would be important, pertinent, to have them here
4 so that they could provide their point of view?

5 MS. HITZFELDER: I'm not sure in this forum.
6 We meet with them regularly. In effect, TxDOT and FHWA --

7 MS. ESCALANTE: You're one and the same?

8 MS. HITZFELDER: -- well, no, but we work very,
9 very closely together. The groups that we work on with
10 like the JWC is actually chaired by FHWA and their Mexican
11 counterparts. So, I mean, if you all would like someone
12 from FHWA to address the group, I don't see a problem with
13 that. I don't know.

14 MR. DE LA ROSA: Well, within the Federal
15 Highway Administration, they have an individual, and they
16 worked with a faction a couple of years ago, and I think
17 you probably took part in some of those meetings, this
18 Border Partnership Group that they put together.

19 MS. ESCALANTE: Yes, I remember. It was right
20 across the street.

21 MR. DE LA ROSA: Yes, and it was, border or
22 those folks dealing with border issues. We used to meet
23 about once a quarter and then right now I think they said
24 all they're going to do is put together a newsletter that

1 they send out with updates and things.

2 I'm looking at this number one, and I'm trying
3 to understand, what it is trying to tell us. To me, it
4 sounds like they want this commission, us or this
5 commission, to represent government agencies within the
6 Texas-Mexico border region to help reduce regulations by
7 good communication and cooperation between state and
8 federal. So, I mean, that's what we want to accomplish,
9 right, as a commission?

10 MS. ESCALANTE: Right.

11 MR. DE LA ROSA: Yes.

12 MR. CASSO: It's rather vague. Also, somewhat,
13 and then where do the locals fit in? Here we are, we're
14 the state --

15 MR. DE LA ROSA: That's a good point.

16 MR. CASSO: -- and then you mentioned getting
17 feds, but where are the locals.

18 MR. DE LA ROSA: That's a good point because in
19 reading last year's notes when Buddy Garcia was here, he
20 mentioned that this particular commission was supposedly
21 put together, or at least was Senator Shapleigh's
22 brainchild --

23 MS. ESCALANTE: Right.

24 MR. DE LA ROSA: -- and that he mirrored it

1 after the Arizona Sonora Commission, the Arizona-Mexico
2 commission. If you look at that particular commission, I
3 have a kind of little fact sheet of that thing, it does
4 include, it says, membership of that Arizona-Mexico
5 commission, it says, "Commission membership consists of
6 several hundred public and private sector agencies from
7 throughout Arizona, including state agent directors,
8 corporate executives, small business owners, health care,
9 and education." So there are a lot more public and
10 private type members within that commission. You know, if
11 you wanted to mirror this one, we could do that.

12 MS. ESCALANTE: Right.

13 MR. DE LA ROSA: So maybe it would be
14 advantageous for someone, you know maybe from your office,
15 to coordinate with those guys and see, well, how are you
16 guys organized, what do you do, and how are funded, if you
17 do have some sort of a funding source. You know, they put
18 together what their goals and objectives are. They
19 started in '59. The mission includes quality of life in
20 the region and it continues to drive their efforts down
21 there.

22 They form "a strong cooperative relationship
23 with Mexico to facilitate the movement of goods, services,
24 people and information" through Mexico and Latin America.

1 And then, we also have some significant accomplishments
2 that they've done. So, here again, as far as membership
3 of this commission, if we want, I don't know who all
4 should get involved with this thing to be able to move
5 forward.

6 MS. ESCALANTE: Right.

7 MR. CASSO: I think the key word here is reduce
8 regulations.

9 MR. DE LA ROSA: Yes.

10 MR. CASSO: That's the deliverable so to speak.
11 What can we point out and say, well, we helped reduce
12 these regulations by representing these agencies at the
13 federal, state, and local level.

14 MS. ESCALANTE: Right. Sometimes, I don't know
15 if you can necessarily pinpoint to reducing a regulation,
16 but reducing the bottleneck through dialogue. For
17 example, you have done a remarkable job in past years in
18 trying to reduce that bottleneck and the problems that
19 were caused with the water, and eventually freed it up to
20 where the problem was solved. So I think that's also a
21 very valuable point that we need to look at. If we cannot
22 change the regulation, at least we can make it a little
23 bit more effective and free flowing.

24 MR. RUBINSTEIN: Helena, you could also apply

1 it to processes, maybe expedite processes as well. And
2 then, I go back to BECC and NADBank. What is it that you
3 can do to expedite the review of projects that could
4 happen along the border so that we can get the funding for
5 them in a quicker manner? I mean, maybe if we gave
6 ourselves that latitude and that interpretation, it may
7 make it a little easier. For example --

8 MS. ESCALANTE: What -- I'm sorry.

9 MR. RUBINSTEIN: No, go ahead.

10 MS. ESCALANTE: What are the main challenges
11 that you can identify when working BECC and NADBank?
12 These are things, for example, that you would like to
13 change.

14 MR. RUBINSTEIN: They've done a really good job
15 since they merged in trying to spend money on issues. In
16 fact, now we're actually looking at what they're spending
17 money on and asking ourselves, does that really apply,
18 like the latest bridge project. So I think the challenge
19 now is going to be letting the changes that they've made
20 since they've joined up together take hold and make sure
21 that they're funding is not threatened, as it was, what, a
22 year or two years ago, Diana.

23 MS. BORJA: Yes.

24 MR. RUBINSTEIN: So I think that that would be

1 the challenge now, make sure that they're maintained whole
2 so that the improvements that they've made to their
3 processes can take hold and they don't lose their funding.

4 MS. ESCALANTE: Okay.

5 MR. RUBINSTEIN: That would be, I think the
6 challenge. Wouldn't you agree?

7 MS. BORJA: Yes. One thing, too, BECC and
8 NADBank both approached us in the governor's office about
9 sending a letter, a timely letter, to Congress, the House
10 and the Senate, on trying to secure current funding. They
11 approached all the other U.S. states as well. To date,
12 Governor Perry's is the only letter that went. California
13 is working on theirs. Arizona is trying to organize
14 theirs and so is New Mexico. Texas is the only one who
15 has sent a letter to date. All four states want the BECC
16 and NADBank to succeed, but they just haven't gotten their
17 act together.

18 MS. ESCALANTE: How long ago did you send it?

19 MS. BORJA: Weeks ago, I'm not sure.

20 MS. ESCALANTE: Can we get a copy of it just
21 for our files, please?

22 MS. BORJA: Yes.

23 MR. CASSO: So Texas is the only one so far?

24 MR. RUBINSTEIN: So far.

1 MS. BORJA: Yes.

2 MR. CASSO: Is anybody coordinating with the
3 other states at all --

4 MS. BORJA: Oh, yes.

5 MR. CASSO: -- as to --

6 MS. BORJA: Oh, yes.

7 MR. RUBINSTEIN: In the Boarder Governors
8 Conference joint declarations for last year and this year,
9 from the water table, it's been included as a declaration
10 as well for new points.

11 The other one that we might want to add as a
12 subset to it, because it does impact the economy of the
13 Valley in particular, is funding for IBWC and CELA, for
14 flood protection. To the extent that those don't happen
15 and it has an effect on insurance rates down there, then
16 that may impact the ability for that area to continue to
17 grow, and that will impact the economy of the state as
18 well. So that may be something else we might want to
19 consider.

20 MR. CASSO: With the levees and all of that,
21 yes.

22 MS. ESCALANTE: And the funding, how much are
23 we talking about? Who do we need to approach? How do we
24 need to go about it?

1 MR. RUBINSTEIN: I think IBWC is requesting, it
2 has to be federal, 100 percent federal. I believe the
3 latest projection was upwards of 140 million for the whole
4 system. Is that the number you recall? Right, it's in
5 that range?

6 MS. ESCALANTE: I'm sorry. 140 million, you
7 said?

8 MR. RUBINSTEIN: 140 million.

9 MS. ESCALANTE: Okay.

10 MR. RUBINSTEIN: The consequences of not
11 getting that is that those counties along the border that
12 are supposed to be protected by the levees will be
13 decertified for flood protection and you can imagine what
14 that's going to do to growers, the cost of insurance,
15 forget it.

16 MR. CASSO: The insurance rates would just be
17 astronomical.

18 MR. RUBINSTEIN: And that would have a real
19 negative effect. Yes, and that's a big issue right now.

20 MR. CASSO: A huge issue.

21 MR. RUBINSTEIN: Yes, huge. We included that
22 as one of our declarations as well for the BECC.

23 MS. ESCALANTE: When you say that they will be
24 decertified, are we talking on a specific timeline?

1 MR. RUBINSTEIN: I think they're already
2 actually decertified.

3 MS. ESCALANTE: Oh.

4 MR. RUBINSTEIN: Yes. I think El Paso was
5 decertified, but the new rates didn't kick in. So they
6 put their efforts in improving the levees up to par there.
7 In fact, I was on their levees last week. Hidalgo
8 County, Starr County, and Cameron County are the ones that
9 are in the most pressing need now.

10 MS. ESCALANTE: Okay.

11 MR. RUBINSTEIN: When the new rates would come
12 into effect, I do not know. I can find out and let you
13 know.

14 MS. ESCALANTE: Okay.

15 MR. RUBINSTEIN: I can get Carlos Marin to give
16 us an update on those things --

17 MS. ESCALANTE: That would be great.

18 MR. RUBINSTEIN: -- and then we can just add it
19 for support of that.

20 MS. ESCALANTE: Is there anything that we can
21 do in terms of support, like sending a letter or
22 something?

23 MR. RUBINSTEIN: I'm sure that there is, but it
24 would be at the federal level.

1 MS. ESCALANTE: Sure, if you'll just let us
2 know --

3 MR. RUBINSTEIN: Sure, I'll get with Carlos on
4 that.

5 MS. ESCALANTE: -- we'll be glad to send one
6 out.

7 MR. RUBINSTEIN: Sure. We'll take that on.
8 That's not a problem.

9 MS. ESCALANTE: Okay. Let's see. How about
10 you, did you go to the trade mission in Mexico, to the
11 energy?

12 MR. FURNACE: We did. It was fantastic. In
13 fact, I think early reports were that it was the largest
14 trade mission to Mexico ever by any state. So we had 150
15 participants.

16 MS. BORJA: Bigger than California?

17 MR. FURNACE: What?

18 MS. BORJA: Bigger than California?

19 MR. FURNACE: Bigger than California.

20 VOICE: Wow, that's fantastic.

21 MS. ESCALANTE: Yes.

22 MR. FURNACE: So it was a very, very
23 informative trade mission. I think the governor's
24 appearance at that mission really lent it a lot of

1 credence to our idea of trying to get it to the PEMEX
2 director and all these folks who actually come and speak.

3 And then afterwards, we'd meet with
4 Commissioner Carrillo and the governor and secretary of
5 state. We'd have private meetings to discuss issues and
6 even ended up meeting with President Calderon at Los
7 Pinos. That was a terrific addition. In the past, you
8 know, we haven't been able to get that.

9 It opened it up, I think, on this side of the
10 road, for a lot of private companies to realize that there
11 are opportunities for investment because the issue that we
12 deal with in energy is the fact that all generators are
13 owned by the state. That's a big hurdle to overcome. So
14 a lot of companies, I think, have this idea that there's
15 just no opportunity there. That's not necessarily the
16 larger companies, but smaller independent ones.

17 So getting the word out with regard to that,
18 the latest contract process, the continued agreement with
19 a million-dollar contract, it is primarily on the border
20 that they're taking the --

21 MS. ESCALANTE: The one for drilling?

22 MR. FURNACE: Yes, the one for drilling, right.
23 This is on the [indiscernible]. They're taking the
24 geology that they've already done on the border and

1 they're not even having to do geology. They're just
2 simply going across the border and guessing based on what
3 they see right across the river. I think seven out of ten
4 are producing wells.

5 They're also bringing horizontal drilling.
6 They drilled the first horizontal and the first
7 multi-lateral well in Mexico. So obviously PEMEX has a
8 lot to learn on the EMP side from us because they've got a
9 lot of reserves and the primary field is just steady
10 decline. Mexico and Canada are our two biggest. We
11 import more oil and gas from them than anyone else. So
12 it's in our best interests to keep their production high.

13 They've got a lot of deep water reserves that
14 they just don't know how to get to either. They are
15 working, some companies, to try to access these deep water
16 reserves. On the EMP side, I think the midstream side,
17 the pipeline side, there's a lot more opportunity there
18 and folks realize that they can make a profit in the way
19 that they make a profit here in Mexico.

20 And so, I think the word on that has been
21 pretty good and most of those companies need that, but a
22 lot of companies their eyes were opened in this trade
23 mission, and in every trade mission, as far as on the
24 exploration and production side.

1 MS. ESCALANTE: Very, very good. Are there any
2 particular challenges that you can identify?

3 MR. FURNACE: Yes, I mean, when you're dealing
4 with small or mid-sized independent producers, the
5 stereotype of stability comes up. You know, they're going
6 to go in there, because it's a rather large investment.
7 Each one costs millions of dollars to do it. There's a
8 fear that they're going to have an outlay of a lot of
9 capital and never see the returns.

10 So that's why a lot of the questions came from
11 a Lewis representative who was there talking about the
12 contract. He said, We might not get paid? No, yes, you
13 know, we submit a receipt and it works like clockwork.
14 And so, the challenge I think would be to dismiss that
15 stereotype that there's no stability in doing energy work
16 if you go down there.

17 And so, that would probably be the biggest
18 challenge in my view, is to get the word out that the
19 companies are making a profit. Plus, not necessarily part
20 of the Railroad Commission's viewpoint, we are putting
21 them together. We put together one because my boss was
22 the chair on that energy planning council, wind energy.
23 That's something that we are very, very interested in.

24 We put together one tour of a wind farm for

1 them and we are working on a second tour with some private
2 companies to get some of the contacts we made in various
3 energy sectors down there to come up and tour one of our
4 wind farms.

5 MS. ESCALANTE: When is that going to happen?

6 MR. FURNACE: Well, we're at the beginning
7 stages right now. We're trying to catch it in the fall so
8 it's not so hot. It will either be the fall or the
9 spring. I'm working with a representative from Airtricity
10 to find out when they're going to have two farms, one
11 completely online and one in various stages of being built
12 that are relatively close so that we can go to one being
13 built and we can go to the final product. They're very,
14 very interested in that aspect.

15 Another aspect, I guess, and just
16 energy-related, El Paso Electric posed a question to the
17 head of the CRE, I think, C-R-E is the electric down
18 there, about interconnecting the grids between Juarez and
19 El Paso to provide reliability on both sides of the
20 border. He was very open to that. He said that would be
21 a terrific idea. So that's another opportunity that I
22 think came out of the trade mission, just having someone
23 in the position to make decisions there and having
24 investment companies there that would ask direct

1 questions.

2 MR. CASSO: And that would satisfy item 8.

3 MS. ESCALANTE: Right. You're right, that's
4 explore the sale of excess electric power from Texas to
5 Mexico. That has been done mainly in the area of
6 Tamaulipas. Right?

7 MR. FURNACE: That's my understanding, right,
8 my understanding, yes.

9 MS. ESCALANTE: There's going to be a ceremony,
10 I believe it's October 10.

11 MR. CASSO: There was one mission that Buddy
12 attended. Remember?

13 MS. ESCALANTE: Right.

14 MR. CASSO: And then, Nuevo Laredo and Laredo
15 have one. It came out in the paper yesterday.

16 MS. ESCALANTE: And there's one coming up in --

17 MR. CASSO: There's three and another one.

18 MS. ESCALANTE: -- in Mission on October 10
19 this year. They share a line with D.C. tie.

20 MR. CASSO: Yes, this is one that was involved.

21 And that was what I was going to say earlier, that, you
22 know, going back to item 1, we do see regulations. From
23 what I read yesterday, they said that the Feds haven't
24 really gotten involved yet and that's what they fear, that

1 the Feds may get involved and once they do it has to do
2 with the environment in Mexico and so forth. So it's
3 something we may want to keep an eye on because if the
4 feds get involved, it's probably going to change things
5 somewhat.

6 VOICE: Yes.

7 MS. ESCALANTE: When you say, the environment,
8 you mean the environment as TCEQ sees it --

9 MR. CASSO: Well, there were --

10 MS. ESCALANTE: -- or the overall --

11 MR. CASSO: -- the article was saying that
12 since we're going to be buying excess power from Mexico --
13 right now, it's the other way, we're using some -- that a
14 lot of our environmentalists are going get involved
15 because Mexico's environmental laws are lax compared to
16 ours. And so, you know, that's what the article was
17 stating yesterday. The one that Scott Haywood reported to
18 us.

19 MS. BORJA: Can I bring something that may or
20 may not figure?

21 MS. ESCALANTE: Yes.

22 MS. BORJA: It's Diana Borja, TCEQ. There's a
23 program that's now funded by the legislature at \$45
24 million. It used to be called, the acronym was NIRAP.

1 Now, it's Aircheck Texas. In this one, in those counties
2 where they're non-attained in Texas, the Dallas, Houston,
3 and the near non-attainment, Austin, San Antonio, and so
4 on, the point is that you notice those are the big
5 population centers in Texas.

6 What they had is this program to try to take
7 the old cars off the road and destroy them. That's really
8 important because one of the complaints we get from Mexico
9 is you're almost at the end of the life use of your cars,
10 and then you take them to Mexico, and you sell them there,
11 and they buy them, and they're dirty cars, polluting cars,
12 and they're ready to fall apart. We do the same with our
13 tires is what they say.

14 It comes up in every Border Governors
15 Conference. They want to have programs against wealth. In
16 this program, if you are earning at 300 percent of
17 poverty -- so it's not at poverty level, it's higher --
18 there are state employees who apply for this program, and
19 they will help you fund a new car or a car that's a year
20 old, or they will help you retrofit the car. When they
21 help you fund a car, your old car, let's say it's two
22 years old or older, it's taken off and it is destroyed,
23 scrapped.

24 I wanted to tell that to Mexican participants

1 at the environment water table because these areas are the
2 most populous areas of the state, where at least we have
3 that going. Yes, it's not statewide. It's just on the
4 border, but we are doing that. That's a concern they have
5 about how we help pollute their areas by taking our used
6 cars over there.

7 They have said that after Katrina they had
8 quite a few cars from New Orleans that had been inundated
9 and practically destroyed in the hurricanes. They were
10 taken and sold over there in Mexico.

11 MS. ESCALANTE: It's a huge problem. A lot of
12 cars that hold salvage title, that here would be useless,
13 that are ready to go to be destroyed, are illegally
14 entered into Mexico and sold there. What happens is that
15 if you are, say, a Mexican farmer that doesn't have too
16 many resources to buy a new car, because unfortunately
17 taxes on new cars make them almost impossible and not
18 affordable for everybody, and you have a car that on the
19 outside looks good, and it may run -- you don't know for
20 how long -- but you can afford it, then you're going to go
21 with it.

22 They'll sell it to you as is, no warranties,
23 nothing. Nothing comes with it. It's as is. Here it is.
24 I'm not responsible if it breaks down half a block from

1 here. And so, those are cars that you don't know what the
2 emissions are on those. Definitely, you don't know what
3 state they're in engine-wise.

4 At the same time, there are some cars, I won't
5 say all, but there are some cars that have been used in
6 the United States to commit a crime, and then they end up
7 in Mexico and nobody can find them. And so, it's an
8 enormous problem down there.

9 MS. BORJA: Anyway, so these are one of the
10 good things that the state is doing right now.

11 MS. ESCALANTE: That is great.

12 MS. BORJA: Aircheck Texas is the name of the
13 program.

14 MS. ESCALANTE: Absolutely, that is a great
15 program.

16 MR. RUBINSTEIN: On the electrical side as
17 well, one of the things that, if you want to highlight a
18 success between those countries, in the last two or three
19 years there's been a lot of work done on emergency power
20 generation, a lot of work on Amistad, when either country
21 needs it or calls for it; the utilization of the available
22 waters over there to mitigate the emergency, particularly
23 the shrinking when we are going to have brownouts or
24 extreme cold, when there's not going to be sufficient

1 power.

2 They're about to reduce that agreement to
3 writing. We've been testing it on the lakes and it's been
4 very, very effective. Again, this is something that has
5 worked. Both countries had to be at the table. So you
6 might want to highlight that success as well.

7 MS. ESCALANTE: When you say, they're about to
8 reduce the agreement?

9 MR. RUBINSTEIN: To reduce it to writing.

10 MS. ESCALANTE: Oh, okay.

11 MR. RUBINSTEIN: Yes. In other words, we've
12 been working with an interim policy. It's okay. This is
13 what happens when you make a call for the emergency power
14 generation. This is what we're going to do with the
15 waters. This is what we're not going to do. We've worked
16 out all the kinks. And so --

17 MS. ESCALANTE: So now it's ready to go?

18 MR. RUBINSTEIN: -- it's ready, yes. That's a
19 success for both sides.

20 MS. ESCALANTE: Definitely.

21 (Pause.)

22 MS. ESCALANTE: Anybody else, is there anything
23 on this point? I think, since a lot of these things
24 overlap --

1 MR. DE LA ROSA: I just want to mention real
2 quickly --

3 MS. ESCALANTE: Sure.

4 MR. DE LA ROSA: -- you know, once again --
5 Agustin De La Rosa with TxDOT -- I want to go back to what
6 I think this one is saying. This is how I interpret it.
7 It's saying that this commission is going to represent
8 government agencies within the Texas-Mexico border, which
9 is TxDOT, TCEQ, and this commission is going to represent
10 this agencies to help TARC to reduce regulations or by
11 communicating, cooperating with federal, state, and local
12 governments.

13 One of the things we did last year, in that
14 report I mentioned earlier, is that we identified some
15 legislative issues that we asked that we needed some
16 assistance on. Out of those five, I think there were two
17 that were actually acted on during this legislative
18 session. One of them was that we were asking for the
19 Railroad Relocation Fund to be funded, which unfortunately
20 it wasn't. That was one of the five.

21 I'll have Esther very quickly identify those
22 two and what they were since she's the one who kind of put
23 this together. Those are the types of things that we're
24 asking this commission to do. So that's what we did. We

1 did have some success and we'll look at the other three
2 and see if we are going to also try once again to write
3 those for this coming year.

4 MS. ESCALANTE: Yes, I think that is an
5 excellent point. I think you can tie that very well to
6 what the secretary was saying about putting together the
7 goals and challenges and then specific points, but going
8 beyond the specific points maybe also make some
9 recommendations to the legislature to bring up during the
10 next legislative session and address those specific issues
11 that somehow or other are not quite where they need to be
12 right now.

13 MR. RUBINSTEIN: You know, your comments remind
14 of something that could probably fit in as well, and I
15 agree with a lot of those issues. Perhaps, we want to
16 include the governor's initiative on piloting
17 desalinization. In the pilot project that's going on in
18 Brownsville right now, they're testing five different
19 technologies -- again, I'm borrowing from the comments you
20 made -- they're testing five different technologies to
21 identify what will be the most economic way for Texas to
22 develop fresh water from sea water -- Brownsville is the
23 pilot project -- with the intent of exporting what is
24 mined.

1 MS. ESCALANTE: Okay.

2 MR. RUBINSTEIN: So maybe that will be another
3 one you want to throw in. If you want to do that, we
4 could help get a write-up from Bill Norris that can
5 support whatever findings you want to include.

6 MS. ESCALANTE: Okay.

7 MR. RUBINSTEIN: Again, I'm borrowing. That
8 may need or require changes in the regulations as well.

9 MS. ESCALANTE: Sure, if you can get us that
10 information --

11 MR. RUBINSTEIN: Sure, I'll do that.

12 MS. ESCALANTE: -- that would be fabulous.

13 MR. RUBINSTEIN: Okay, I'll do that.

14 MS. ESCALANTE: Okay. Esther, you wanted to
15 say something?

16 MS. HITZFELDER: Well, the two issues that we
17 put in the report last year that legislation was passed on
18 were county corridor planning that will allow rural
19 counties to regulate development around future
20 transportation corridors. Now, this is something that
21 urban areas and counties that have large populations can
22 do, but rural counties that did not have large populations
23 previously did not have this kind of authority.

24 So if you're planning to put a highway through,

1 there was no regulation on developing land. And then, all
2 of a sudden when you finally get to the point, after the
3 environmental assessments and everything else, of wanting
4 to go ahead and build your road, if somebody has done a
5 big development right in the middle of it, all of a sudden
6 you have a problem.

7 So that was one of the things that was
8 accomplished in the last session. While that benefits the
9 entire state, it definitely benefits the border areas,
10 especially since so much of the border area is very rural,
11 but it definitely connects to the rest of the state with
12 all of the international trade that goes through.

13 The other issue that was in the report that had
14 legislation passed to address it is governing utility
15 relocations. Utilities, by law, can be located in highway
16 right of way, but there was some legislation that passed
17 that made it beneficial to the state and to the utility
18 companies to make it more expeditious to get them
19 relocated when a highway project was being done.

20 We can put a lot more details about this in the
21 report that we actually --

22 MS. ESCALANTE: In the update?

23 MS. HITZFELDER: Yes.

24 MS. ESCALANTE: Okay.

1 MS. HITZFELDER: The other issues that are
2 still pending. One of them that is very important for the
3 border area is the rail relocation --

4 MR. CASSO: The what?

5 MR. RUBINSTEIN: The rail relocation.

6 MR. CASSO: Oh.

7 MS. HITZFELDER: -- because there are several
8 areas where we had it in our plans to do, where it's
9 coming across the border and it's going right through the
10 middle of urban areas.

11 MR. RUBINSTEIN: Like in Laredo

12 MR. CASSO: Yes, that's the --

13 MS. HITZFELDER: Yes, Laredo, Brownsville, El
14 Paso, yes, it's all over the place. Every year, there are
15 more trains with more trade coming across that border.

16 MS. ESCALANTE: So that actually is a great
17 point to go to number 2 to examine trade issues between
18 the U.S. and Mexico and to jump also to number 3, study
19 the flow of commerce at ports of entry between the state
20 and Mexico, including movement of commercial vehicles
21 across the border, establish a plan to aid that commerce
22 and improve the movement of those vehicles. So how can
23 we --

24 MS. HITZFELDER: Well, what I can say about

1 that right now is there comes in a number of reports that
2 TxDOT and COGs have submitted, some of them in conjunction
3 with the Secretary of State's office, specifically about
4 these issues. And so, a lot of the information has been
5 compiled.

6 As far as studying trade, TxDOT very recently
7 updated the study that we can get you all. It's called
8 the NAFTA study update. I don't know if you all remember
9 back around 1998, TxDOT did a very large study, The
10 Effects of NAFTA on the Texas Highways.

11 MS. ESCALANTE: I don't know. I wasn't born
12 then.

13 MS. HITZFELDER: It's a study that --

14 MS. ESCALANTE: Just kidding.

15 MS. HITZFELDER: We just finished an update of
16 that study, which just has all of the trade facts in
17 there, and what infrastructure it goes on, and how much,
18 and what are the projections, and all of that.

19 MS. ESCALANTE: It sounds like it's very much
20 in-depth.

21 MR. DE LA ROSA: There is just so much going on
22 right now as far as trade and looking at it to facilitate
23 that movement. There's also, more than what Esther just
24 mentioned, there's a new study that we're about to kick

1 off -- in fact, it kicked off in September -- dealing with
2 the future corridors from China and Asia that are going to
3 be impacting the West Coast, the Mexican Pacific Coast,
4 and how that's going to be routed to Texas.

5 You know, right now we're getting -- you look
6 at different studies and you get different numbers --
7 anywhere from 60 to 75 percent of the NAFTA traffic comes
8 through Texas. Not all of it stays here. A good majority
9 of it goes out to the other states. How all that
10 additional trade that's anticipated by 2030, the
11 renovation of the Panama Canal, the expansion of that
12 canal, how is that going to impact the Portuguese trade
13 and all that. So there's a lot of stuff going on in trade
14 and how do we facilitate that.

15 Plus, there's other programs that have been
16 incorporated like the FAST, Free and Secure Trade. FAST,
17 it's --

18 MS. ESCALANTE: Free, and secure trade.

19 MR. DE LA ROSA: -- Free and Secure Trade, the
20 FAST program. And then, you've got the SENTRI program,
21 which is another acronym, but that's for personal crossing
22 of the border.

23 MS. ESCALANTE: FAST is for commercial and
24 SENTRI is for personal vehicles. Right?

1 MR. DE LA ROSA: Yes, FAST is for commercial
2 and SENTRI is for private vehicles. And then, you've got
3 the ACE, the Automated Commercial Environment.

4 MS. HITZFELDER: Which is the paperwork for --

5 MR. DE LA ROSA: The manifests, and identifying
6 the driver, and what are they crossing, and whatever.

7 MS. HITZFELDER: Okay.

8 MR. DE LA ROSA: So, you know, there's a lot of
9 stuff that's going on. Some of that, we have identified
10 in that report that we submitted last year. I mean, it's
11 not in great detail, but we can always provide additional
12 information on specific programs, new FAST lanes that have
13 been built, new SENTRI lanes that have been built along
14 the border, the ones that are being planned.

15 MS. ESCALANTE: That would be very interesting
16 to have, if you can give us that information.

17 MR. CASSO: Because Gus is absolutely right.
18 There's a lot of studies out there, a lot of reports. We
19 don't have to reinvent the wheel. It's just getting
20 access to all of them, maybe bringing them all together,
21 or at least making the legislature aware that these
22 studies are taking place.

23 The other thing I was going to say is items 3,
24 4, 5 and 6 are being done by some of these other items,

1 like the cross-border transportation, which is SB 569 and
2 SB 183, DPS. So it's almost like we could achieve some of
3 these goals just by some of these other pieces of
4 legislation that were created, some of these other
5 committees that were obtained, like the DPS one. TxDOT
6 has a couple of them also.

7 MR. CASSO: Well, yes, and then our Border
8 Trade Advisory Committee that we have --

9 MR. DE LA ROSA: Exactly.

10 MR. CASSO: -- within TxDOT --

11 MR. DE LA ROSA: That's right.

12 MR. CASSO: -- that the Border Commerce
13 Coordinator is chairing. You know, that's what their
14 objective is, to look at the border and recommend to our
15 commission how you facilitate transportation and trade at
16 the Texas-Mexico border.

17 MS. ESCALANTE: Right. Just so that the rest
18 of you guys know, we had a meeting with TxDOT, with Gus,
19 Esther, and Amadeo Saenz on Monday. One of the things
20 that we were talking about was to clean up or polish the
21 legislation that is currently in existence because we have
22 found out that there is a lot of overlap and, therefore, a
23 lot of duplication.

24 I want to ask if you guys have some sort of

1 duplication or if you've run into the same with some other
2 agencies so that maybe we can work together, so that we
3 can come together as the border people, or the border
4 coordinators if you may, with this group, the commission,
5 and bring it up to the legislators' attention so that they
6 are aware of it, and so that during the next legislative
7 session we can provide some sort of solution for it.

8 It's not just saying, well, if you're
9 duplicating, we don't like it. No, on the contrary,
10 here's the duplication, this is what we propose, and this
11 is how we intend to solve it. Do you agree?

12 MR. CASSO: DPS and TxDOT both have to submit a
13 report. If you look at the legislation, it's identical.
14 I mean, I have it right here and it's identical. It's SB
15 569 and SB 293. Maybe we can somehow merge it together or
16 recommend something like that.

17 MS. ESCALANTE: While it may be seen through
18 different eyes, because TxDOT looks at transportation
19 issues and DPS at safety issues, there can be a
20 collaboration or a communication wherever it is possible.
21 Right?

22 MR. DE LA ROSA: Yes, and I think one of the
23 reasons for that, one of the reasons those bills are
24 identical is because I think a lot of this came about

1 because of the issue of doing the inspections in Mexico.

2 MR. CASSO: Exactly, that's exactly where it
3 came from.

4 MS. ESCALANTE: Yes.

5 MR. DE LA ROSA: So again, DPS focuses on the
6 safety aspect of the commercial vehicles and then they
7 wanted us to continue meeting with them to discuss
8 transportation and commercial vehicle inspections, you
9 know, in Mexico. We've talked to the SCT. We've talked
10 to their equivalent of our Federal Motor Carrier Safety
11 Administration. They say, well, we don't agree with that.

12 Even if our government would be willing to do that, it
13 would take some sort of constitutional, or legislative, at
14 the federal level of their government to authorize our
15 inspectors to actually physically go to some location in
16 Mexico and do the safety inspections before they got to
17 the crossings. They're saying they don't agree with it.

18 MS. ESCALANTE: So in your expertise, do you
19 think that --

20 MR. DE LA ROSA: I'm not an expert.

21 MS. ESCALANTE: You're an expert on the
22 subject.

23 MR. DE LA ROSA: No.

24 MS. ESCALANTE: -- in your opinion, do you

1 think that we can safely say that this is an issue that
2 has been somewhat closed, simply because we haven't
3 reached a full agreement. Mexico doesn't want the
4 inspections there and the U.S. has not figured out how to
5 put the inspections there. And so, therefore, it's on
6 both sides.

7 MR. DE LA ROSA: Well, I think this is an issue
8 that needs to be addressed at the federal level and then
9 to get together from one federal government to another
10 federal government because at the state level, we can
11 discuss it and talk until we're blue in the face and
12 nothing's going to happen. The state cannot, as an
13 example, we're responsible for the safety of those where
14 they traverse within Texas. That's what DPS' role in this
15 is, to ensure that they're safe, that they meet all the
16 safety requirements.

17 MS. ESCALANTE: Okay.

18 MR. DE LA ROSA: Mexico's argument is that the
19 norm that we use is equivalent to, or is the same as, the
20 norm that the U.S. government does on the CVSAs,
21 Commercial Vehicle Safety Administration or Alliance, I
22 forget what the A stands for, but there is a decal that
23 once they go through a level of safety inspection the
24 tractors get this decal saying that they meet all the

1 safety requirements. It's good for 90 days. Mexico is
2 doing the same thing.

3 Also, their inspectors to have been trained by
4 our DPS and our federal guys on how to do these
5 inspections. So they're saying, we're trained and we also
6 have it. In fact, they have the CVSA decals that are
7 provided to them by our federal office that handles that.

8 So they're saying, we don't need U.S. inspectors, we
9 don't want U.S. inspectors, in Mexican territory doing
10 that. We can do that. That's their argument.

11 MS. ESCALANTE: Right. And just so that I can
12 get a better grasp of the problem. Everybody complains
13 that there are long, long lines at the border, but what
14 does that mean? At its best, I would imagine that it
15 takes nothing to get across when there's no traffic. At
16 it's worst, how many hours does it take?

17 MR. DE LA ROSA: Well, it all varies, but
18 another thing that we're doing is that we're trying to do
19 some studies on border wait time studies. We're working
20 with Cameron County now where we're actually going to try
21 to determine where a queue starts on the Mexican side.
22 It's going to vary from crossing to crossing, but we're
23 working with TTI and trying to come up with a contract
24 where we can actually do a study, and where we're going to

1 have to go down there and identify where the queue starts,
2 and try to determine, using different technology, how long
3 does it take.

4 In this case, it's for commercial vehicles, but
5 how long does it take the commercial vehicle to go through
6 the crossing when the queue starts and process through
7 Mexican customs, through the federal customs, U.S. through
8 our safety inspection facility, and then an exit point.
9 So because CBP provides, I guess, on their website where
10 they identify wait times at the crossings, but what they
11 do is, from what I understand, they take the time when the
12 vehicle actually comes up to the primary inspector. They
13 don't determine how long --

14 MS. ESCALANTE: How long they've been waiting.

15 MR. DE LA ROSA: -- they've been waiting to try
16 to get over the bridge, and by the time you get through
17 that at go forward. So their times are kind of skewed in
18 the sense that it doesn't really capture how long it takes
19 you when you hit that line and you stop, and you go, stop,
20 stop. It might take two, or three, or four hours.
21 They're saying the delay is only 15 minutes.

22 VOICE: No, it's not 15 minutes.

23 MR. DE LA ROSA: When you go into their
24 website --

1 MR. CASSO: That's what customs, yes, on their
2 website, yes exactly.

3 MR. DE LA ROSA: So we're trying to do these
4 studies to try to determine some of that. And then, the
5 CBI monies, the overhead border monies, are also being
6 looked at to see how we can use those funds to facilitate
7 this goal, but more once they get past the federal
8 compound, through our border inspection facilities, and
9 beyond. By law, CBI monies could be used in Mexico, but
10 right now, we don't have any projects that we're
11 contemplating over the border.

12 MS. ESCALANTE: I see. This study that you
13 were mentioning on the wait times, when do you think it
14 will come out?

15 MR. DE LA ROSA: Well, right now, we still need
16 to get the scope of work.

17 MS. ESCALANTE: Okay.

18 MR. DE LA ROSA: We're working with them on
19 that. And then, once we agree with the scope of work and
20 we have the adequate funding that's required to do that,
21 so I guess, being optimistic, maybe within the next six
22 months we'll get it kicked off. It's going to be, we're
23 looking at only a two or three-week type of study.

24 MS. HITZFELDER: This has been going back and

1 forth for about a year. There are two main issues. One
2 is funding for the study and to have enough to do it. The
3 second one is the technology to use because the first
4 thing TTI did is look at what are the technologies we
5 should use to do this.

6 The two big ones that they came up with, that
7 make the most sense, are putting GPS readers in the truck,
8 and every so often they do a coordinate with a satellite,
9 and you see exactly where they are at any given time.
10 Then at the end of the day, you download the information
11 and the next day you do it again, but you only have this
12 small sample because how many trucks can you put GPS
13 transmitters in.

14 The other thing we're trying to look at is
15 putting transponders along the route or RFID readers
16 they're called. And then, each truck has a very
17 inexpensive transponder on it and you measure everyone
18 that goes through. That's also a very expensive thing and
19 then you end up dealing with issues of where to put these
20 things, and they are radio transmitters, and then you deal
21 with the FCC and the Mexican equivalent of it, and it gets
22 to where you want to start pulling your hair out, and who
23 monitors these things long term.

24 TTI, through their new El Paso branch, is

1 working on this. They're actually doing the GPS readers
2 in the El Paso crossings, but it's very labor intensive
3 and it's very expensive. They should be getting some
4 benchmark information out of there, I think, relatively
5 soon. I don't know what that soon is, but hopefully
6 within months rather than years.

7 Then getting that at El Paso doesn't
8 necessarily have much bearing at Pharr or Laredo. It's a
9 whole different situations. So you kind of have to go to
10 other ones. What we're looking at now, and we're working
11 with the JWC to this also as well as the Border Trade
12 Alliance -- so there's a lot of buy-in in these things --
13 to get benchmark information hopefully with GPS systems.
14 And then, down the road when more money is available, we
15 can actually put in the one with the RFID readers to on a
16 long term basis, on a continuous basis, see what the
17 situation is.

18 So I think it's going to be multi-step, but at
19 the current time, we have no hard data on how long it
20 takes to get across. Even defining what does it mean, how
21 long does it take to get across, is it where that queue
22 starts? If the queue is starting five miles back, what
23 system are you going to put in to measure that?

24 MR. CASSO: Where did the Perryman group use

1 their wait times? Where did they get that information?
2 Did they get it from Customs also? Remember, that was
3 regarding the U.S. visit that one of the local banks had
4 funded. His study was regarding wait times --

5 MS. HITZFELDER: I remember that.

6 MR. CASSO: -- and I have it there at the
7 office -- and they tied it to dollars. I was wondering
8 where they got their information.

9 MS. HITZFELDER: California recently did an
10 economic wait time study and put dollar amounts to the
11 weights at the border and it was astronomical. I mean, it
12 was in the billions of dollars. The study is really
13 interesting and that's one that we're also looking at with
14 TTI, the possibility of doing that at the McAllen border
15 crossings.

16 There are a lot of questions to answer. I
17 mean, it seems like an easy question to ask initially
18 until you start getting down with the researchers with
19 what exactly, and then the technology to do it with. I've
20 probably too long.

21 MS. ESCALANTE: No, this was fascinating. This
22 was fascinating to me.

23 MR. DE LA ROSA: See the other thing is that's
24 dealing with commercial vehicles. And then, you look at

1 the border wait time for privately owned vehicles.

2 MS. HITZFELDER: Right.

3 MR. DE LA ROSA: There are other programs that
4 are even being implemented, or thinking about being
5 implemented, at the federal level, like the Western
6 Hemisphere Travel Initiative, where people are going to
7 require passports, where CBP just requires a 60 percent
8 check of all driver's licenses of people crossing the
9 border, and supposedly that's going to be 100 percent
10 starting the first part of the year. That has created
11 another issue as far as wait times. So all those other
12 things are being addressed by different groups. And so,
13 that effects trade.

14 MS. HITZFELDER: And the bottom line, when you
15 get to and measure these things, one of the big issues
16 that creates the wait time are the inspections done by the
17 federal agencies over which the state has no control.

18 MR. CASSO: You know, going back to what you're
19 talking about, Esther, you know I was looking at the
20 legislation and the only place that I can find where it
21 says that they want us to study the possibility of putting
22 inspection stations in Mexico was in HB 925. I don't see
23 it in the DPS legislation or the TxDOT.

24 If that's already a dead issue, is there any

1 way that we can recommend to clean up that legislation in
2 925 because that's the Border Inspection Trade and
3 Transportation Advisory Committee that Buddy had mentioned
4 that he had gotten together with Amadeo and it was never
5 created.

6 MS. ESCALANTE: Well, that's part of what we
7 talked about on Monday.

8 MR. CASSO: Yes, that's the meeting you all
9 had, but if it's a dead issue can we at least go forward
10 and recommend that we maybe eliminate that committee
11 because it's duplicative. It's basically, the only
12 purpose that I see that it serves is to actually study the
13 possibility of putting inspection stations in Mexico to
14 alleviate all the congestion. That's the premise, that
15 that's what's causing some of the congestion that we're
16 not putting inspection stations in Mexico. If it's a dead
17 issue, we ought to just clean up from the legislation.

18 MR. MARTINEZ: Can I use Sunset Committee as a
19 model perhaps?

20 MS. ESCALANTE: Can you expand on that?

21 MR. MARTINEZ: Well, yes, the Sunset Commission
22 reviews agencies, divisions that should be dropped or
23 continued. Maybe use their previous work with other
24 agencies as a model as far as getting the language to do

1 away with this.

2 MR. CASSO: Yes, because I don't see any reason
3 for having that committee if we already have the other
4 one, which is the one that's looking at it. The DPS one
5 is SB 293. That's a Transportation and Inspections
6 Committee with representatives in Mexican states. And
7 then, the TxDOT one is SB 569 and that's Cross Border
8 Transportation Infrastructure meetings, but I can't find
9 there the language where it says anything about putting
10 inspection stations in Mexico, but they're still studying
11 that, except for this other committee that was never
12 actually created.

13 MS. HITZFELDER: Excuse me. I think that's
14 what Amadeo was saying to us on Monday. Let's try to put
15 together an argument combining all of these because I
16 think we've got four different legislative reports that we
17 have to do that basically deal with the same kinds of
18 issues and the different committees and commissions. What
19 Amadeo suggested that we do, and we're going to have to
20 get together and start working --

21 MS. ESCALANTE: Right.

22 MS. HITZFELDER: -- on how do we frame this, of
23 taking all of these efforts and combine them into one, and
24 that would be one of them I would think.

1 MS. ESCALANTE: Right.

2 MS. HITZFELDER: So rather than trying to work
3 on that particular committee to eliminate it, let's bring
4 that into the whole argument of combining all of the
5 efforts, and clean it up, and make one good, solid report
6 to the legislature.

7 MS. ESCALANTE: Right, exactly.

8 MR. CASSO: Good.

9 MS. ESCALANTE: I drafted a quick summary that
10 I emailed to the Secretary of State, copied you, and
11 forwarded to him about this meeting. He, like I said, was
12 out of --

13 MR. CASSO: Yes, well, I read the summary, but,
14 you know you brought up the issue, and were talking about
15 the issue, of inspection stations and I was focusing on
16 that. If that is really a dead issue which drove a lot of
17 these pieces of legislation, if it looks like that's never
18 really going to happen, right --

19 MR. DE LA ROSA: Well --

20 MR. CASSO: -- then we need to report that back
21 to the legislature.

22 MR. DE LA ROSA: -- the response has always
23 been that they're not supporting that idea or that
24 proposal. We wrote a letter to the SCT. We got a

1 response basically saying, Thank you for the offer, and
2 they explained to us about their system of doing safety
3 inspections, about them having trained inspectors. They
4 did ask for additional training that they could use.
5 That's what they would want, to get some additional
6 training, which DPS has done and is willing to continue to
7 do.

8 You know, when you say a dead issue, it's a
9 dead issue in the sense that we haven't had any success in
10 them saying, yes, we want to go forward with this idea and
11 see if we can make this happen. They're saying that they
12 don't support that.

13 MS. ESCALANTE: You know, it may be, as you
14 said a little while ago, it may be falling right now on
15 the lap of the federal government, but that doesn't mean
16 that we cannot say precisely this, on the recommendations
17 as to how to move forward to the legislature that we put
18 together, in Texas, this has not been within the purview
19 of the agencies, that we have --

20 MR. DE LA ROSA: Yes.

21 MS. ESCALANTE: -- had conversations to this
22 extent, but we haven't been able to because of these
23 things. So we suggest that if you want us to move forward
24 with this, we'll just talk to the federal government.

1 MR. DE LA ROSA: Well, and the other thing,
2 too, is as an agency, TxDOT, that's really out of our
3 purview.

4 MS. ESCALANTE: Right.

5 MR. DE LA ROSA: You know, we're really not
6 into inspection of commercial vehicles. The only function
7 we have is that our role is to build and construct the
8 border safety inspection facility in coordination with
9 DPS, but the actually commission requirement to do that
10 falls under DPS. So we're really the wrong agency to
11 carry this torch and go the federal government, or anyone,
12 and say, we want to have these inspections in Mexico.
13 That's not really our agenda.

14 MS. HITZFELDER: Another angle on this was part
15 of the reason I think that TxDOT and DPS were being pushed
16 to go try to make this happen is that the federal
17 government was working with the federal government of
18 Canada to try to do federal inspections at Peace Ridge, I
19 think it's in Michigan, and that completely fell apart
20 this past spring. I mean, it is not going to happen.

21 MR. CASSO: Yes, I think it was serving as a
22 model so to speak.

23 MS. HITZFELDER: Yes, and if federal government
24 to government couldn't get it done, how are we going to

1 get it done?

2 MR. DE LA ROSA: That's a very good point. I'm
3 glad you mentioned it because there was a two-year effort
4 on the Canadian-U.S., but it was more for a customs-type
5 agreement. They had a lot of issues, but I think the one
6 that eventually just caused it to fall apart was the fact
7 that CBP U.S. insisted on fingerprinting all the visitors
8 that came in from Canada, even those that were going to
9 come across but then for some reasons decided they didn't
10 want to come across. Everyone was going to get
11 fingerprinted at some point.

12 The Canadian government could not agree to that
13 because they have some sort of a law that the only people
14 that they fingerprint, or that's required to be
15 fingerprinted, are those that are involved in some sort of
16 a criminal case. If they're not, then they don't have the
17 right to fingerprint those citizens. I think that's it.

18 Anyway, that didn't work. And so, they asked
19 us to look at, well, how are they doing it in Canada to do
20 that. That was more for a customs type thing and not
21 safety of the commercial vehicles.

22 MR. CASSO: And now, they're not letting them
23 come over also.

24 MR. DE LA ROSA: And now, they're not.

1 MR. CASSO: They're starting to come over now.

2 MR. DE LA ROSA: Yes, it's a very difficult
3 task to accomplish.

4 MR. CASSO: Okay.

5 MS. ESCALANTE: I'm trying to think. Because
6 all of these goals, all of these mandates kind of overlap
7 each other, you could continually talk about one thing and
8 just move onto the next one and to the next one.

9 MR. RUBINSTEIN: That may be the way to handle
10 it. Maybe the way to handle it is to, in a narrative
11 form, put into writing all of the things that have been
12 discussed --

13 MS. ESCALANTE: Right.

14 MR. RUBINSTEIN: -- and then, like you did last
15 year, shoot them back to the agencies, and we can say
16 things like we believe this topic addresses points 1, 3,
17 7, 10, and 11, as opposed to trying to go through each one
18 of these.

19 MS. ESCALANTE: Exactly.

20 MR. RUBINSTEIN: I think you're going to find
21 that in almost everything we're saying --

22 MS. ESCALANTE: Absolutely.

23 MR. RUBINSTEIN: -- that they all hit on
24 multiple charges that we have.

1 MS. ESCALANTE: Exactly. I think just by
2 looking at it, I don't know that we necessarily can move
3 to number 3 because we've already talked about it. Then
4 number 4, we've talked about it. So it just revolves
5 around itself.

6 MR. CASSO: Yes, 3, 4, 5, and 6, we've already
7 discussed them and they're part of all those other
8 committees that are ongoing. So it's almost like we can
9 kill several birds with one stone.

10 MR. RUBINSTEIN: Exactly.

11 MS. ESCALANTE: Right. We've also talked about
12 the increase in funding for the North American Development
13 Bank.

14 If there's anything, since we in the Office of
15 the Secretary of State do not have any specific
16 deliverables -- I mean, we do internally and to the
17 legislature according to our mandates, they charge us to
18 report and so forth, but we don't have any deliverables
19 like you guys do, for example, in terms of a road or
20 something else; in your case, it may be a study about air
21 quality, or God knows what, or whatever your goals are --
22 if there's anything we can do to provide support for any
23 of your causes or any of your deliverables, please let us
24 know because we would be more than glad to do that.

1 MR. RUBINSTEIN: Yes. You know, it's
2 interesting. NADBank, one of the things we're laughing
3 about is NADBank just got funding for, I believe, the
4 Donna Bridge, which is a first. They did it under the
5 pretext that it helps protect the environment because it
6 reduces wait times and air pollution, but it really is a
7 transportation issue that touches --

8 MR. DE LA ROSA: Where did they get the
9 funding, in Mexico or the Donna folks?

10 MR. RUBINSTEIN: No, to Donna.

11 MS. ESCALANTE: Really?

12 MR. RUBINSTEIN: Yes.

13 MS. ESCALANTE: Oh.

14 MR. RUBINSTEIN: Yes.

15 MR. DE LA ROSA: How?

16 MR. RUBINSTEIN: I don't know. I don't yet
17 have the information on it.

18 MS. ESCALANTE: Wow.

19 MR. RUBINSTEIN: We were like, since when do
20 you all fund bridges? We'll get you up on that.

21 MS. HITZFELDER: Well, that could definitely
22 help with air quality if you get that traffic across
23 faster.

24 MR. RUBINSTEIN: We even raised the issues

1 like, okay, we understand that it just so happens that
2 Hidalgo County is an attainment area. They said, Well,
3 this is going to help keep it that way. We said, Okay,
4 that works. So it really touches our --

5 MS. ESCALANTE: That's smart.

6 MR. RUBINSTEIN: Yes, it is. I think you'll
7 see more and more of that.

8 MS. ESCALANTE: That's cool.

9 MR. RUBINSTEIN: It is.

10 MS. ESCALANTE: Well, definitely. We had a
11 meeting not too long ago, remember, with the folks from
12 Presidio.

13 MR. CASSO: Yes, they're trying to create, what
14 was it --

15 MS. ESCALANTE: Well, they're just trying to --

16 MR. CASSO: -- the same thing that El Paso,
17 what do you call that --

18 MS. ESCALANTE: The regional --

19 MR. CASSO: -- an RMA, yes.

20 MS. ESCALANTE: -- RMA, Regional Mobility
21 Authority.

22 MR. CASSO: That's what they're trying to do.

23 MS. ESCALANTE: They're applying for funds and
24 hopefully they'll be able to get them or get the

1 authorization at some point in the fall so that they can
2 start developing the area and make it into a very
3 prosperous --

4 MR. CASSO: Distribution center, yes.

5 MS. ESCALANTE: -- thank you, distribution,
6 warehousing, all of that.

7 MR. RUBINSTEIN: It would be good, too.
8 Chihuahua just invested in a major highway to Hidalgo.

9 MR. CASSO: Yes.

10 MS. ESCALANTE: Yes.

11 MR. CASSO: They feel that they can, they want
12 to develop that entire route there.

13 MR. RUBINSTEIN: Sure.

14 MS. ESCALANTE: At the same time, going back to
15 the issue of decongesting some of the ports of entry, they
16 want to take that traffic. Since they are roughly in the
17 middle, it will cut some transportation time for that
18 area.

19 MR. RUBINSTEIN: Sure, it will.

20 MR. DE LA ROSA: There's a corridor that's
21 been -- study, that's been done.

22 MS. ESCALANTE: Exactly.

23 MR. RUBINSTEIN: There's somebody signed up
24 there already, yes.

1 MR. CASSO: Everybody wants a piece of the pie.

2 MR. RUBINSTEIN: You bet. It's the American
3 dream.

4 MS. ESCALANTE: Right, exactly.

5 MR. RUBINSTEIN: When do you think that,
6 because last year you got us your draft document real
7 quick, when do you think that you could get something to
8 us, and then we can come back? And we owe you stuff as
9 well. What kind of timeline are you guys working on?

10 MS. ESCALANTE: I'll be, we have a --

11 MR. CASSO: Did we send it out to the
12 commission last time, or was it just the Border
13 Interagency Work Group, or was it both?

14 MS. ESCALANTE: It was, actually, I believe --

15 MR. RUBINSTEIN: No, you posted something on
16 the commission.

17 MS. ESCALANTE: -- it was both --

18 VOICE: It was combined.

19 MS. ESCALANTE: -- because we put both, we used
20 both for the Border Commerce Coordinator Report.

21 MR. CASSO: Okay.

22 MR. RUBINSTEIN: It's all the same almost.

23 MS. ESCALANTE: Yes, it's going back to the
24 issue of duplication.

1 COURT REPORTER: Excuse me. If you're all
2 talking at the same time, I can't pick it up. I'm sorry.

3 MS. ESCALANTE: Of course, sorry.

4 MR. RUBINSTEIN: Go ahead.

5 MS. ESCALANTE: No, no problem at all. Thank
6 you. So we can definitely get that to you by today or
7 this afternoon. We want to have the report ready -- what
8 does the mandate say? Is it before -- we have so many
9 reports that I don't remember if it's before December 1
10 or --

11 MR. CASSO: Well, the Strategic Commission
12 doesn't require anything.

13 MS. ESCALANTE: -- January 1. I think it's no
14 later than December 31.

15 MR. CASSO: The Border Commerce Coordinator is
16 January 1 of each year.

17 MS. ESCALANTE: Okay. So I could definitely
18 get that to you on an informal basis this afternoon and
19 just shoot it to you via email, and then follow up with
20 the appropriate protocol, which is a letter from the
21 secretary to the head of your agency saying, Could you
22 please be as kind as to answer this questionnaire for us,
23 et cetera.

24 MS. BORJA: So you're going to send that to us

1 and then, that triggers us responding with the information
2 you need?

3 MS. ESCALANTE: Exactly.

4 MS. BORJA: Okay. So we wait for you do to
5 that?

6 MS. ESCALANTE: Yes.

7 MR. RUBINSTEIN: But what you're going to send
8 us is going to include some of the topics we already
9 discussed here this morning?

10 MS. ESCALANTE: Certainly, as soon as we can
11 put this together.

12 MR. CASSO: Or we can wait for the actual, I
13 think it would be best if we wait --

14 MR. RUBINSTEIN: That might be best.

15 MS. ESCALANTE: You're right.

16 MS. BORJA: Wait for what?

17 MR. CASSO: In other words --

18 MS. ESCALANTE: Wait for the transcript to be
19 ready.

20 MS. BORJA: Oh, transcript first?

21 MS. ESCALANTE: Yes.

22 MS. BORJA: And then, you get the letter to our
23 director and all that, and then we respond?

24 MR. RUBINSTEIN: I think what I heard you say

1 is transcript, informal, put it in a format that fits your
2 needs, we comment back on that, and then once you get more
3 comfortable with that, then you can send a letter to our
4 director.

5 MS. ESCALANTE: Certainly.

6 MR. RUBINSTEIN: That's what I understood.

7 MS. ESCALANTE: Certainly. Sunny, what is the
8 time frame for you to give us a transcript?

9 COURT REPORTER: Usually two weeks.

10 MS. ESCALANTE: Okay.

11 MR. RUBINSTEIN: Good, okay.

12 MS. ESCALANTE: So why don't we say by -- let
13 me just look at my calendar --

14 MR. CASSO: Middle of October.

15 MS. ESCALANTE: Probably.

16 MR. DE LA ROSA: Could I ask, Alfonso, could
17 you, what is this report that the Border Commerce
18 Coordinator has to provide?

19 MR. CASSO: It's on our website. What it says
20 here is, we shall submit a report of the coordinator's
21 activities. If you look at the coordinator's activities,
22 they are identical to what the Strategic Investment
23 Commission is basically. It's identical. So all they did
24 was just grab all the, they got the legislation from the

1 Border Commerce Coordinator and they just created another
2 commission, but it's basically the same as the duties,
3 only the Strategic Commission does not require a report.

4 MR. DE LA ROSA: But the other one does?

5 MR. CASSO: The other one does --

6 MS. ESCALANTE: The other one does.

7 MR. CASSO: -- but since it's the same, it
8 works pretty good.

9 MS. ESCALANTE: Exactly. So I just looked at
10 my calendar and, yes, mid-October.

11 MR. DE LA ROSA: Okay.

12 MS. HITZFELDER: So to clarify what we'll
13 publicly be doing, we're going to end up doing a report
14 similar to the one we did last year --

15 MS. ESCALANTE: Yes.

16 MS. HITZFELDER: -- but updating the
17 information and then the goals that each agency, being the
18 ones that we want to put forward, then the commission will
19 gather those together, and those will be the goals for the
20 commission?

21 MS. ESCALANTE: Yes. Yes, that is correct.

22 MR. DE LA ROSA: Okay.

23 MS. ESCALANTE: I will incorporate what I had
24 sent you last year --

1 MR. DE LA ROSA: Perfect.

2 MS. ESCALANTE: -- the information that we
3 talked about today, and the specific three points that the
4 secretary mentioned.

5 MR. DE LA ROSA: Okay.

6 MS. ESCALANTE: And so, that way you can choose
7 what are your bragging points, and identify the different
8 goals and challenges and how you want to move forward with
9 those, as well as a little bit of background on some other
10 issues that are good to talk about but not necessarily
11 that you would want to make them your most relevant
12 points, just so that we're all informed about those
13 issues.

14 MR. RUBINSTEIN: And then, to the extent that
15 we can help you on the information that we give you, say
16 that we believe that this speaks to charge 1, 7, and 9?

17 MS. ESCALANTE: That's perfect, yes, that would
18 be great, yes definitely. I am looking at the time.
19 Right now, it's 11:40. I think we've -- I mean, this is
20 wonderful, but we've run through everything in a much
21 faster timing than we had anticipated. Do you want to
22 have a break now, go to lunch, and then be back?

23 MR. CASSO: Some of us have to be back for that
24 Border Interagency. I know TxDOT, Diana --

1 MS. ESCALANTE: The other meeting starts right
2 at 1:00. So I think that will give us plenty of time to
3 get a break and go to lunch, unless somebody has --

4 MR. CASSO: It starts at 1:30.

5 MS. ESCALANTE: Oh, pardon me, 1:30.

6 MR. CASSO: Yes.

7 MS. ESCALANTE: -- unless somebody else wants
8 to add something specific.

9 (No response.)

10 MR. CASSO: No, not from me.

11 MS. ESCALANTE: All right. Well, thank you so
12 much for being here. It's always great seeing you. Thank
13 you for all the very valuable information that you gave
14 us. We'll be in touch and we'll share with you, we'll
15 send you these things around mid-October.

16 VOICE: We can leave this here?

17 MS. ESCALANTE: Yes.

18 VOICE: This is a secure building?

19 MS. ESCALANTE: Yes, definitely.

20 MR. CASSO: So the meeting is adjourned?

21 MS. ESCALANTE: Meeting is adjourned. Thank
22 you very much.

23 (Whereupon, at 11:40 a.m., the meeting was
24 adjourned.)

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IN RE: Texas-Mexico Strategic Investment
Commission

LOCATION: Austin, Texas

DATE: September 20, 2007

I do hereby certify that the foregoing pages,
numbers 1 through 83, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Sunny L. Peer before the
Office of the Secretary of State.

(Transcriber) 10/05/2007
(Date)

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