



**Office of the Secretary of State
Border Commerce Coordinator Report 2021**

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Secretary of State**

Introduction

In August 2019, Governor Greg Abbott designated Secretary of State Ruth Hughs as Border Commerce Coordinator (BCC) pursuant to Section 772.010 of the Texas Government Code. Secretary Hughs performed BCC duties through May 2021. In October 2021, Governor Abbott appointed John Scott as Secretary of State and on December 9, 2021, designated Secretary Scott to serve as Border Commerce Coordinator.

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

This report covers the activities of Secretary Hughs and Secretary Scott during their respective tenures as Border Commerce Coordinators in 2021.

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

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

Pursuant to Section 772.010(a), the Border Commerce Coordinator is tasked with, among other things, examining trade issues between the United States, Mexico, and Canada; acting as an ombudsman for government agencies within the Texas and Mexico border region by improving communication and cooperation between federal, state, and local governments; working with federal officials to resolve transportation issues involving infrastructure, including roads and bridges, to allow for the efficient movement of goods and people across the Texas-Mexico border; and working to identify problems associated with trade and transportation infrastructure and develop recommendations for addressing those problems.

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

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

recommend solutions; seeking assistance and input from private-sector stakeholders; and providing recommendations to the BCC in carrying out the BCC's statutory duties.

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

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

In 2021, the Border Commerce Coordinator and representatives of the Secretary of State's office frequently interacted with Mexican government officials and other border-affairs stakeholders regarding Texas-Mexico trade activities. Through these interactions, Texas and Mexico have strived to maintain a strong relationship that continues to help foster economic development, promote robust cross-border commerce, and enhance the collaborative efforts of their respective communities, while also working to address the COVID-19 pandemic and global supply chain disruptions.

The Border Commerce Coordinator communicated with Mexican officials on myriad issues in 2021, including the implementation of the United States-Mexico-Canada Agreement (USMCA) and ongoing responses to the COVID-19 pandemic. In February, Secretary Hughs met with representatives from the Ministry of Economy of Mexico, including Tatiana Clouthier (Secretary of Economy of Mexico) and Luz Maria de la Mora (Undersecretary for Foreign Trade). Assistant Secretary of State for Mexican and Border Affairs David Zapata and Caroline Mays (Director of Freight, Trade, and Connectivity Section, Texas Department of Transportation (TxDOT)) accompanied Secretary Hughs on behalf of Texas. The parties discussed economic issues, particularly those involving supply chain challenges, and border infrastructure planning and development between Texas and Mexico. In June, Assistant Secretary Zapata reviewed recent USMCA developments with Lydia Antonio de la Garza (General Director for North America, Mexican Ministry of Economy).

The Secretary of State also interacted with officials from the Ministry of Foreign Affairs of Mexico. In April, Secretary Hughs hosted a meeting at the Texas Capitol with Roberto Velasco (Unit Chief for North American Affairs, Mexican Ministry of Foreign Affairs) and Pablo Marentes (Consul General of Mexico in Austin), along with other Texas officials, including Texas Railroad Commissioner Christi Craddick and Texas Department of State Health Services Commissioner John Hellerstedt. The attendees discussed collaboration on issues such as infrastructure, energy, and health. Assistant Secretary Zapata participated in a meeting with Pablo Galvez (Director for Border Affairs, Mexican Ministry of Foreign Affairs) regarding opportunities for cooperation and improved communication between their respective offices.

Additionally, the Border Commerce Coordinator and Secretary of State staff communicated with officials from the Mexican border states along the Texas-Mexico border. In March, Secretary Hughs met with Jaime Rodriguez (then-Governor of Nuevo Leon) and Roberto Russildi (Secretary of Economy for Nuevo Leon). During the meeting, Governor Rodriguez reiterated his interest in furthering economic relations with Texas. In April, Secretary Hughs spoke on a panel with Carlos

Garcia (Secretary of Economy for Tamaulipas) regarding the importance of the border region between Texas and Tamaulipas and economic opportunities in the area. In July, Assistant Secretary Zapata participated in a delegation led by Governor Greg Abbott to welcome Samuel Garcia (then-Governor-elect of Nuevo Leon), where the parties discussed strengthening economic relations between their respective states. Likewise, Assistant Secretary Zapata established communication with new leadership teams in Nuevo Leon and Chihuahua, along with Fernando de las Fuentes, who was appointed Secretary of Government for Coahuila in 2021.

Secretary of State staff connected with Mexican Consuls General serving in Texas throughout 2021. For example, Assistant Secretary Zapata met with Consuls General Paloma Villaseñor (Del Rio), Juan Mendoza (Laredo), Froylan Yescas (McAllen), Ruben Minutti (San Antonio), Alicia Kerber (Houston), and Mauricio Ibarra (El Paso). These discussions focused on the officials' main priorities in Texas and opportunities for future collaboration between Texas and Mexico.

The Border Commerce Coordinator maintained communication with U.S. Consulate offices along the Texas-Mexico border as well. In February, Secretary Hughs met with Deanna Kim (U.S. Consul General in Nuevo Laredo) to exchange perspectives on issues affecting the region and share ideas on future areas of partnership. Similarly, Assistant Secretary Zapata spoke with officials representing the U.S. Consulates in Ciudad Juarez, Matamoros, and Monterrey regarding economic and infrastructure matters.

In addition, Secretary Hughs met with key local officials from the border region in 2021. In February, Secretary Hughs gave remarks at the El Paso Metropolitan Planning Organization's monthly meeting, highlighting the impact of the Border Trade Advisory Committee's Border Transportation Master Plan (BTMP). In March, Secretary Hughs met with a delegation of Laredo officials about trade and cross-border commerce issues in their area. In April, Secretary Hughs participated in several meetings and events with border leaders in the Rio Grande Valley, including the RGV Metropolitan Planning Organization's monthly meeting at which Secretary Hughs discussed the BTMP. In May, Secretary Hughs received a delegation of El Paso city and industry leaders who provided an update on economic development projects. Later in May, Assistant Secretary Zapata met with a delegation representing the City of Eagle Pass, Maverick County, and private sector stakeholders, offering an overview of the Secretary of State's Mexican and Border Affairs Division. In August, Assistant Secretary Zapata met with City of Pharr officials regarding opportunities to expand their collaborative efforts with the State and bring international leaders to the region.

Secretary Hughs also met with representatives from economic development groups and businesses in an effort to support economic growth in Texas and strengthen the State's trade relationship with Mexico. In April, Secretary Hughs participated in a roundtable discussion hosted by the RGV Partnership, during which economic leaders shared their perspectives on encouraging economic development in Texas. Later that month, Secretary Hughs gave opening remarks to the Texas-Mexico Leadership Forum in which she highlighted the critical economic relationship between Texas and Mexico, emphasized the opportunities created by the USMCA, and encouraged private sector and government leaders to strengthen the economic and cultural ties between the two countries.

The Border Commerce Coordinator and staff look forward to engaging and collaborating with Mexican and border officials, as well as other key border stakeholders, in 2022 to continue furthering the important economic and cultural relationship between Texas and Mexico.

III. Border Trade Advisory Committee

The Border Trade Advisory Committee (BTAC) was created in 2001 to develop strategies, and make recommendations to the Texas Transportation Commission and the Governor, for addressing critical border trade and transportation challenges. The Border Commerce Coordinator serves as BTAC's presiding officer. BTAC members are recognized leaders of the Texas border region, including mayors of border cities, representatives of metropolitan planning organizations in the border area, directors of border crossings, and representatives of the private sector and cross border commerce-related trade associations.

In 2021, Secretary Hughs convened BTAC meetings on March 11 and May 25 as the committee worked to finalize the Border Transportation Master Plan. In addition, several Binational Regional Steering Committee meetings were held in 2021, allowing residents and stakeholders in the Rio Grande Valley, Laredo and El Paso areas to provide critical recommendations and feedback on the BTMP.

The Border Transportation Master Plan is the culmination of years of hard work by TxDOT and BTAC, incorporating significant input from BTAC members and stakeholders from across the United States, Texas, and Mexico. The plan highlights the importance of the border region to the Texas economy; recognizes the challenges of current and needed infrastructure; describes the economic impact to Texas if those challenges and needs are not adequately addressed; and offers a comprehensive set of recommended policies, programs, and projects.

Secretary Hughs and Caroline Mays (TxDOT) offered remarks on the Border Transportation Master Plan at the Texas Transportation Commission's March 25, 2021 meeting. Secretary Hughs emphasized the BTMP's importance to communities along the Texas-Mexico border and throughout North America. The Texas Transportation Commission unanimously approved the BTMP at the March 25 meeting. BTAC met on May 25 to celebrate the approval of the BTMP and to discuss methods for ensuring its successful implementation.

Representatives of the Mexican states on the Texas-Mexico border—Anna Alvarez for Chihuahua, Guillermo Gonzalez for Coahuila, Carlos Garcia for Tamaulipas and Noe Garza Flores for Nuevo Leon—attended the BTAC meetings in 2021 and contributed to the committee's discussions. Consul Marentes and Jorge Salcido (Deputy Consul General of Mexico in Austin) also attended BTAC meetings on behalf of the Mexican federal government. The infrastructure priorities shared by Mexican officials were reflected in the BTMP. BTAC will continue to engage with the Mexican federal government and the four Mexican states along the Texas-Mexico border in 2022 as the committee implements the BTMP.

BTAC will continue to meet in 2022 to coordinate the implementation phase of the BTMP. Dates for future meetings will be determined in early 2022.

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

The Border Commerce Coordinator looks forward to advancing the Texas-Canada economic relationship in 2022. To that end, the BCC plans to meet with the Consul General of Canada in Dallas and the Ontario Agent General in early 2022 to further the strong economic and cultural ties between Texas and Canada. The BCC also will consider appropriate opportunities to travel to Canada in 2022 to visit key stakeholders and support Texas' economic investments in Canada.

The Secretary of State's Director of International Protocol and Trade Corey Rose traveled to Toronto, Canada to support the City of San Antonio and its economic development organization, Greater: SATX, on an investment promotion mission aimed at strengthening existing trade and business relations and exploring new areas of collaboration. While there, the group met with businesses operating bi-nationally, the Ontario Chamber of Commerce, the Ontario Agent General, the Office of the Premier of Ontario, and Air Canada (to explore the possibility of new routes to Texas). This trip helped to set a strong foundation for the continued advancement of mutual interests between Texas and Canada in 2022 and beyond.

V. The North American Development Bank

The North American Development Bank (NADB) has planned, implemented, and completed infrastructure projects along the Texas-Mexico border. Section 772.010(a)(5) of the Texas Government Code directs the BCC to "work to increase funding for [NADB] to assist in the financing of water and wastewater facilities." In 2021, Assistant Secretary Zapata maintained communication with NADB officials regarding issues of mutual interest. In 2022, the BCC will continue to engage with the NADB and explore additional opportunities for collaboration.

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

In addition to the BTAC efforts and other functions described in this report, the Border Commerce Coordinator looks forward to continuing to work with public officials and other stakeholders on border issues, consistent with Section 772.010 of the Texas Government Code. To that end, the BCC hopes that the border interagency workgroup can meet in 2022. The BCC also will continue engaging with mayors and other local officials to address trade, security, and transportation-related issues impacting the Texas-Mexico border.