



THE UNIVERSITY OF TEXAS AT BROWNSVILLE AND
TEXAS SOUTHMOST COLLEGE

Cross Border Institute for Regional Development



*An Updated Overview of the
Texas Border*

A Report to
The Texas Border Infrastructure
Coalition

An Overview of the Texas Border

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An Overview of the Texas Border

Executive Summary:

This report, *An Overview of the Texas Border*, should be considered part of a longitudinal study. The initial baseline report, *The Border: Texas' Roadway to the 21st Century*, was written by J. Michael Patrick and Baldomero Garcia for the Texas Infrastructure Coalition [TBIC] in June 2000. The report was a commissioned study of the Texas Center for Border Economic and Enterprise Development at Texas A&M International University in Laredo, Texas. The current research effort is also a commissioned study of CBIRD: The Cross Border Institute for Regional Development at The University of Texas at Brownsville/Texas Southmost College in Brownsville, Texas.

TBIC, the sponsor of this study, was organized in 1998 with the expressed mission of addressing the infrastructure needs of the communities along the Texas-Mexico Border. Of primary interest to TBIC is the continued viability and sustainability of the target region to participate fully in the implementation and expansion of NAFTA. This report provides a context to guide the policy, advocacy agenda and strategic plans of TBIC.

The Patrick/Garcia report ends with data that covers most the 1990's. The purpose of this report is to assess data that covers the fiscal years 2000, 2001 and parts of 2002. CBIRD provides a broader overview of the border than Patrick/Garcia and this was done so that a context of the region could provide guidance to TBIC as it considers its policy agendas. Another key consideration by CBIRD was to provide references from the Internet that could be accessed in a timely manner by TBIC to review the data that guide this study.

The research provides an overview of transportation issues, legislation, governance and fiscal issues that originate with the Texas Department of Transportation which is the state agency that is the focus of TBIC's policy initiatives at this time. Another point to consider here was the orientation of CBIRD to provide a non-biased framework and policy perspectives to guide rather than lead TBIC in its deliberations of the Texas Border infrastructure.

It is the expressed hope of CBIRD that TBIC continue to fund research to extend and continually update the data that both Texas A&M International University and the University of Texas at Brownsville/Texas Southmost College have initiated. The need to access and assess timely research, to guide data based policy planning and strategic planning, will bode well for TBIC as it takes the advocacy role on behalf of its growing constituent base along the 1,254 miles that make up the Texas-Mexico Border region.

Introduction and Overview of Major Issues: Implications for the Texas Border Region

The Texas Border Infrastructure Coalition (TBIC) was founded in 1998 by representatives of Texas-Border communities to identify and disseminate key recommendations on the infrastructure needs of the border. The core mission of TBIC appears to represent the interests and concerns of its membership for the continuing viability and sustainability of the infrastructure along the Texas-Mexico Border to support the economic initiatives of its membership in response to the challenges and opportunities that are generated by NAFTA. Since the TBIC baseline report of 2000 there have been five major policy studies completed that provide data that TBIC might consider as it attends to the development of its legislative action plan. These reports are:

The Federal Bank of Dallas. *The Border Economy*. Dallas, Texas. June, 2001

The General Accounting Office. *NAFTA: Coordinated Operational Plan Needed to Ensure Mexican Trucks' Compliance with U.S. Standards*. Washington, D.C. December, 2001. D.C.

Office of the Texas State Comptroller. *A Performance Review of the Texas Department of Transportation*. Austin, Texas. January, 2001

Office of the Texas State Comptroller. *A Special Report: State Functions at the Texas-Mexico Border and Cross-Border Transportation*. Austin, Texas. January, 2001

Office of the Texas State Comptroller. *Texas Regional Outlook: The South Texas Border Region*. Austin, Texas. June, 2002

The Federal Reserve Bank of Dallas, the Texas Comptroller and The United States General Accounting Office share the concerns of TBIC on the infrastructure along the Texas Border. The Federal Reserve Bank in its report, *The Border Economy*, puts forth several policy-oriented issues that are also within TBIC's stated agenda. These are:

- The continued costs brought on by traffic congestion along the border and an increase in pollution that leads to a diminished quality of the air in border cities.
- Border cities have demonstrated a willingness to invest in bridges but there appears to be less incentive to build highways and interchanges. Municipalities or private entities own the majority of the Texas-Border bridges.
- The border area, due to rapid growth in truck traffic and its concentration in major arteries, may need ever greater spending to reduce congestion and the associated social costs.

Similar perspectives are also shared by the Texas Comptroller in her agency report, *A Performance Review of the Texas Department of Transportation*. These issues will be delineated later in this report but include the complexity of the traffic inspection system, the numerous federal, state and local agencies that have some authority over border truck traffic and the need for TDO to explore creative financing and funding alternative to support the construction of the border infrastructure to support border traffic.

The United States General Accounting Office in its report, *NAFTA: Coordinated Operational Plan Needed to Ensure Mexican Trucks' Compliance with U.S. Standards*, asserts that:

- The United States Department of Transportation does not have a fully developed or approved operational plan in conjunction with Border States to ensure that Mexican-domiciled trucks comply with U.S. safety standards.
- The United States Department of Transportation has not secured permanent spaces at any of its 25 Southwest border ports of entry where commercial trucks enter the United States, and, at present only the state of California has established permanent inspection facilities.
- Additionally, States are being held responsible for ensuring that Mexican trucks adhere to United States emissions standards and California is the only state with a fully implemented truck emissions program at its border with Mexico.

The Texas Comptroller addresses TxDOT's allocation outcomes in her office's 2001 audit and assessment of the transportation agency when she states, "For the overall period of 1985 to 1999 TxDOT has done a reasonable but imperfect job at meeting its definition of a fair allocation." It is evident that equity in the allocation of funds by TxDOT is a major statewide issue among policy brokers and their diverse advocates, sponsors and supporters. A review of the fiscal resources that have been used or need to be allocated to support infrastructure throughout the states and in the Texas-Mexico Border Region is provided in Section II of this report.

In this report CBIRD is addressing data and corresponding policy issues from fiscal years 2000, 2001 and parts of 2002 for the consideration of TBIC. CBIRD's report will add new dimensions to the 2000 report by Texas A&M International University since there have been several regional, state, national and international events that have impacted the Texas-Mexico Border region. The three most significant of these are:

- The downturn in the United States and world economy.
- The changes in the national administrations in both Mexico and the United States.
- The September 11, 2001 terrorist attack on New York City.

These events are interwoven in that no single region of the nation has escaped the negative outcomes of an economy that has almost gone into a full-scale recession. The change in the presidencies in both Mexico and the United States has led to a Texan in the White House and a Mexican president who replaced the traditional ruling party, the PRI. Both of these leaders are addressing agendas that will have implications for the Texas-Mexico Border for several reasons.

President Vicente Fox of Mexico has openly courted the establishment of relationships with Mexican-Americans and considers them expatriated Mexicans. On August 6 of this year, President Fox inaugurated a new cabinet level agency that is charged with representing the interests of approximately 20 million Mexicans living in the United States. It is not clear what type of individual is being defined as a "Mexican" by the Mexican government and the impact of this action cannot be addressed at this time.

The Mexican government has also initiated major reforms to fight both drug traffic and public service corruption that has undermined the credibility of Mexico as a full-fledged partner with the United States in attending to the goals of NAFTA. Another pressing issue between Mexico and the United States concerns water. This issue is one that is creating tensions along the border between the governors of the Northern Mexican states and the Southwestern American states. The resolution of this issue will determine how much water is available to serve the agricultural industry as well as the general daily needs of the border communities.

President George W. Bush's Latin-American agenda, and it seems his overall economic agenda, has been impacted by his administration war on terrorism. It is obvious that the present American administration is giving minimal attention to Latin-American foreign relations and much attention is directed toward the Mid-East, Korea and Afghanistan. While NAFTA does not appear to be at the forefront of the Bush agenda, the data will show that business and commerce are still very active under the leadership of local, regional and state government in Texas.

There are two considerations that the researchers had to take into account as they reviewed these and other similar policy reports and studies and this was the definition of the Texas-Border Region. The second consideration is the scarcity of data on Mexico's investments and allocations in support of NAFTA that could be used to guide some policy perspectives for this report. Much of the data that is available for the Texas-Border falls within the context of three major geographic designations [Map, Attachment D] as defined by the Texas Comptroller in *The Border: On the Brink*. These are:

- The 14-county *Actual Border Region*, which is defined as including the 14 Texas counties, whose boundary touch the U.S.-Mexico Border at some point.
- The *Sub-Border Region* that contains 32 Texas counties, inclusive of the 14 Texas Actual Border Counties.
- The 43-County *South Texas Border Region*, which includes the 14 Texas Actual Border Counties as well as any counties within 100 kilometers of the Rio Grande, based on the federal definition of the Border from the La Paz Agreement with Mexico.

The Federal Bank of Dallas also puts forth a proposition about the Texas Border economy that has implications for TBIC's transportation and legislative agenda. The Bank proposes a definition for the "Border City" which it defines, "as those Texas cities that have a corresponding sister city in Mexico." These border cities share three dominant factors that impacts both their economies and infrastructure. Those are:

- A large transportation and distribution sector serving international traffic.
- A retail sector inflated by serving two cities.
- A government sector swollen by border enforcement and by public programs that address the high poverty levels.

The Texas Border Cities that meet the Federal Reserve Bank's definition and their corresponding Mexican sister cities are:

- Brownsville and Matamoros
- Del Rio and Ciudad Acuña
- Eagle Pass and Piedras Negras
- El Paso and Juarez
- Laredo and Nuevo Laredo
- McAllen and Reynosa

Data will be shared in other sections of this report that attend to the traffic and infrastructure considerations that are evident along the Texas Border and in those communities that share a common boundary with Mexico.

The data from the Actual Border Region, the area of interest to TBIC, is sometimes reported within the context of a broader geographic area. It is a challenging, yet necessary, process to extrapolate data for TBIC's targeted area that has also been included within the "other" border regions. In consideration of TBIC's area of dominant influence [ADI-the area that the membership impacts through its actions] it was decided by CBIRD to add three counties to the data mix. These are Willacy, Dimmit and Culberson that are counties that are contiguous to the 14 counties in the Border Region.

There is another consideration for TBIC to take into account as it reviews this report and that is CBIRD's definition of infrastructure. The infrastructure of any community or region has been generally defined as inclusive of the evident physical assets such as roads, bridges, airports and ports. For the purpose of this report we have expanded the definition to include all of the essential elements that impact TBIC's mission. Those essential elements include the physical and fiscal resources, governmental legislation, policies, regulations and operational procedures as well as the region's human capital [its Smart Infrastructure which includes the knowledge and human capital of its participating communities]. It is CBIRD's position that all of these elements contribute to the wherewithal and capacity of organizations, such as TBIC, to develop and implement proactive economic agendas to respond to the challenges and opportunities that NAFTA offers the Texas Border.

While the transportation infrastructure is of primary concern to TBIC, CBIRD proposes that it continue to consider the environmental infrastructure that has major implications for the development of the Texas-Mexico Border. Time magazine published a special issue in June of 2001, *The Borderlands Report: Frontier of the Americas-A Country of 24 Million*, in which the following observations were made:

"The environment of the Border areas has been negatively impacted by inadequate environmental infrastructure, such as sewage treatment, waste disposal, and other environmental services, lack of financial resources and poor environmental safeguards."

"While industrialization and population have increased at a dramatic rate [along the border] environmental infrastructure improvements have not increased at a comparable pace. As a result, many Border residents face limited water supply and poor water quality, inadequate or non-existent sewage treatment, air pollution, little or no treatment and disposal of hazardous and industrial waste, the potential for chemical emergencies, and a high rate of infectious diseases caused or exacerbated by poor environmental conditions."

“On both sides of the Border, basic environmental infrastructure is lacking. Although many communities on the Texas side of the U.S.-Mexico Border are served by basic environmental infrastructures, much of it is in need of repair or replacement, or requires significant expansion. It is estimated that about \$1.1 billion is needed for Border infrastructure projects for the period 1999-2003. The North American Development Bank [NADB] further predicts that, for the period 2004-2009, project costs for programs such as the treatment and disposal of wastewater, water supply, and municipal solid waste infrastructure will amount to an additional \$1 billion, monies that are yet not identified.”

TBIC might consider making the transportation infrastructure its “nexus” and then identifying how its agenda and strategic plan is interrelated with those of other regional infrastructures such as health, housing, the environment, education, information technology and workforce training. TBIC can then expand its base of supporters by working in a collaborative manner with other organizations that are advocates for other infrastructure agendas. In a time of scarce resources it is advisable for TBIC to expand its base of allies, advocates and sponsors with whom it may develop a shared vision for the Texas Border.

The data that has been analyzed in this review leads CBIRD to state *that the Texas-Mexico Border region is one of contradictions*. These contradictions will be addressed throughout the text of this report that is presented in 5 sections:

Section I provides a demographic, demographic and economic overview of the Texas Border.

Section II assesses data that extends the findings which were first reported in 2000 by Texas A&M International University. The data addresses the major infrastructure issues of concern to TBIC: fiscal allocations, traffic, economic impact and offer a comparison of this region with the balance of the state and other Southwestern states.

Section III presents the role and scope of the different local, regional and federal agencies that have regulatory and policing oversight responsibilities for all facets of traffic along the Texas-Mexico Border.

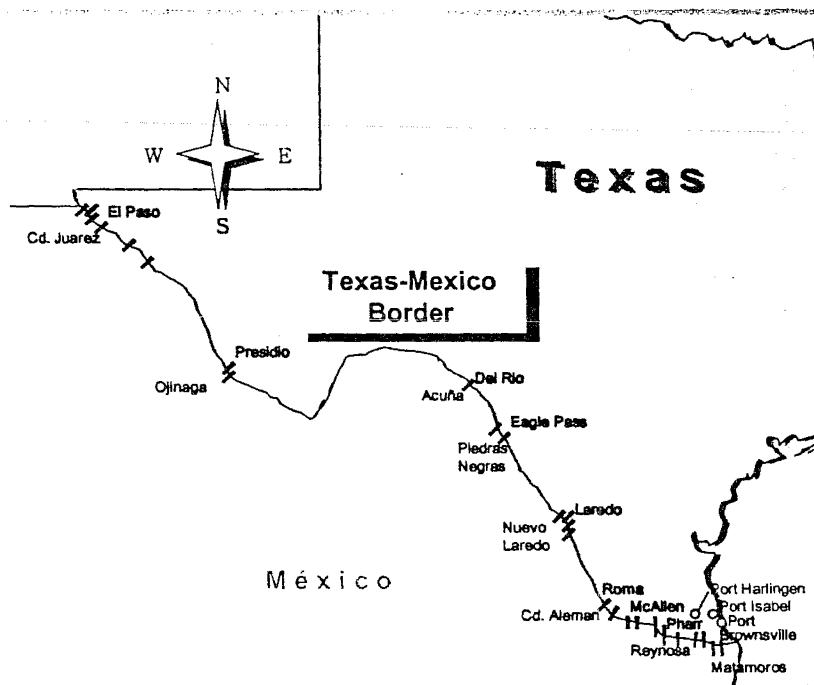
Section IV provides an overview of some recent legislation and existing policies that have implications for TBIC as it considers its legislative agenda.

Section V presents policy recommendations that CBIRD believes are evident in the data and which TBIC might consider.

Section I. A Geographic, Demographic and Economic Overview of the Texas-Border

On March 27, 2001 the Texas Comptroller released the status report, *The Border: On the Brink*, which presented the challenges and opportunities that exist on the Texas border. Comptroller Rylander stated that, “our analysis clearly shows that those counties located on the border are consistently worse off economically than our original numbers indicated. Unemployment is higher, birthrates are higher, the overall poverty rate is higher, population growth is higher and the number of children in poverty is higher.” [Than the balance of the state] She went on to say that, “at the same time the border counties have lower per-capita income, lower annual pay, and a lower growth rate in annual pay.” The full report is provided as Attachment A.

Figure 1: Texas-Mexico Border



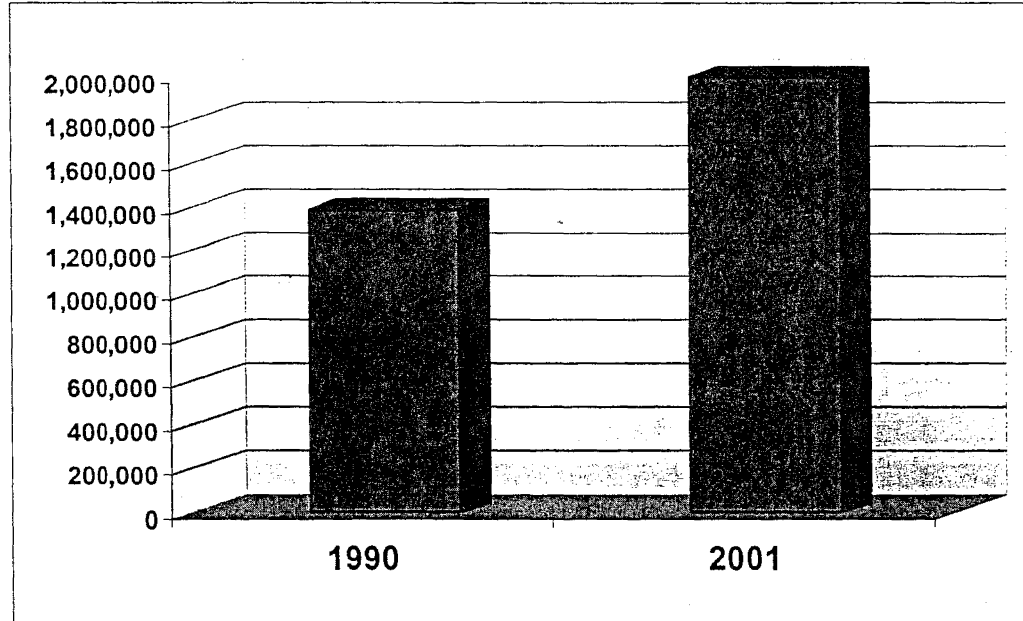
Source: UTB/TSC CBIRD. August, 2002.

This region grew in population by 43.8% from 1990 to 2000 (Table 1 and Figure 2). In raw numbers the population grew by 607,306 residents from a base of 1,387,541 in 1990 to a total of 1,994,847 in 2000. Of particular interest is the low percentage of growth in El Paso county. While the population of the other major urban border counties: Cameron (+28.9%), Hidalgo (+48.5%) and Webb (+44.9%) showed remarkable increases, the population in El Paso county was lower than expected. The scope of this report does not allow the time to conduct a more in-depth analysis of this inconsistency. It is recommended that TBIC request a more intensive assessment of El Paso County’s demographic shifts from researchers at the University of Texas at El Paso.

Table 1: Texas Border Counties Population

Counties	1990	2001	% Change
Brewster	8,680	8,866	2.1%
Cameron	238,346	335,227	28.9%
Culberson	3,353	2,975	-12.7%
Dimmit	10,432	10,248	-1.8%
El Paso	578,358	679,622	14.9%
Hidalgo	293,273	569,463	48.5%
Hudspeth	2,852	3,344	14.7%
Jeff Davis	1,911	2,207	13.4%
Kinney	3,099	3,379	8.3%
Maverick	33,108	47,297	30.0%
Presidio	6,574	7,304	10.0%
Starr	36,285	53,597	32.3%
Terrell	1,333	1,081	-23.3%
Val Verde	37,769	44,856	15.8%
Webb	106,407	193,117	44.9%
Willacy	17,391	20,082	13.4%
Zapata	8,369	12,182	31.3%
Total Border	1,387,541	1,994,847	43.8%

Source: Texas Comptroller of Public Accounts, June 2002

Figure 2: Border Population Growth

Source: Texas Comptroller of Public Accounts, Regional Outlook, June 2002.

A June 2002 report by the Texas Comptroller, *The South Texas Region*, offers projections for the employment growth for the targeted area. This region is seen as the fastest growing in terms of employment in the state for the next five years. The state's employment growth rate is forecasted

to be at an annual rate of 1.9% while the South Texas-Mexico Border region will have an annual employment growth rate of 2.8%.

The services industries, in particular health, along with financial, insurance and real estate have demonstrated a nearly 50% annual growth rate. The health industry is experiencing unprecedented growth with the infusion of regional medical research and training centers from both the University of Texas and Texas A&M University at Harlingen, Brownsville, McAllen, and Edinburg. The corollary health support network to serve the health centers and the regional hospitals will be a major source of construction employment in the Texas Border region. Overall construction related employment increased at a +26.6% annual rate in 2002 in the Texas Border Region (Table 2).

Table 2: Texas Border Employment by Industry

Industry	1996	2001	Difference	Percent
Agricultural Services, Forestry, Fishing	15,999	14,399	(1,600)	-10%
Mining	3,779	4,035	256	7%
Construction	22,405	27,693	5,288	24%
Manufacturing	72,641	62,509	(10,132)	-14%
Transportation / Public Utilities / Communications	29,054	42,187	13,133	45%
Wholesale Trade	26,602	27,170	568	2%
Retail Sale	111,357	132,803	21,446	19%
Services	104,969	157,258	52,289	50%
Financial, Insurance, Real State	19,505	23,507	4,002	21%
Government	135,413	160,412	24,999	18%
Border Total	555,322	652,591	97,269	18%

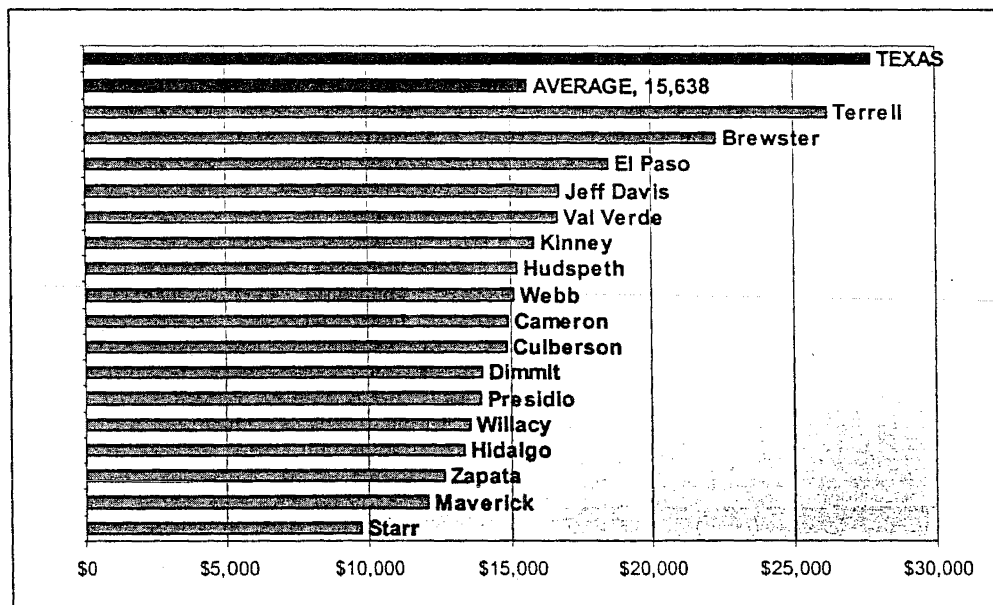
Source: Texas Comptroller of Public Accounts. June 2002.

There is an evident diverse employment and occupations base in the Texas Border region as shown in Table 2. Of particular note is the growth in the transportation, communications and public utilities related employment from 1996 to 2001. These sectors grew by 45.2% with transportation seen as the anchor for continued growth as delineated by Comptroller Rylander when she notes, "the role served by the South Texas Border region in facilitating trade with Mexico results in a high concentration of economic activity in some specialized transportation functions, including those related to the drayage system unique to this region. Moreover, these functions have been growing in employment nationwide, making this region an important home to an expanding economic sector. The importance of transportation as an economic driver correlates with the infrastructural initiatives that are essential elements of TBIC's regional economic agenda.

The concern expressed by the Comptroller's report is that the new jobs will be at the lower skill levels and corresponding low wages. The challenge for the region may be for it to develop a sustainable economy with better jobs that are directed toward career paths and long-term employment rather than short-term employment.

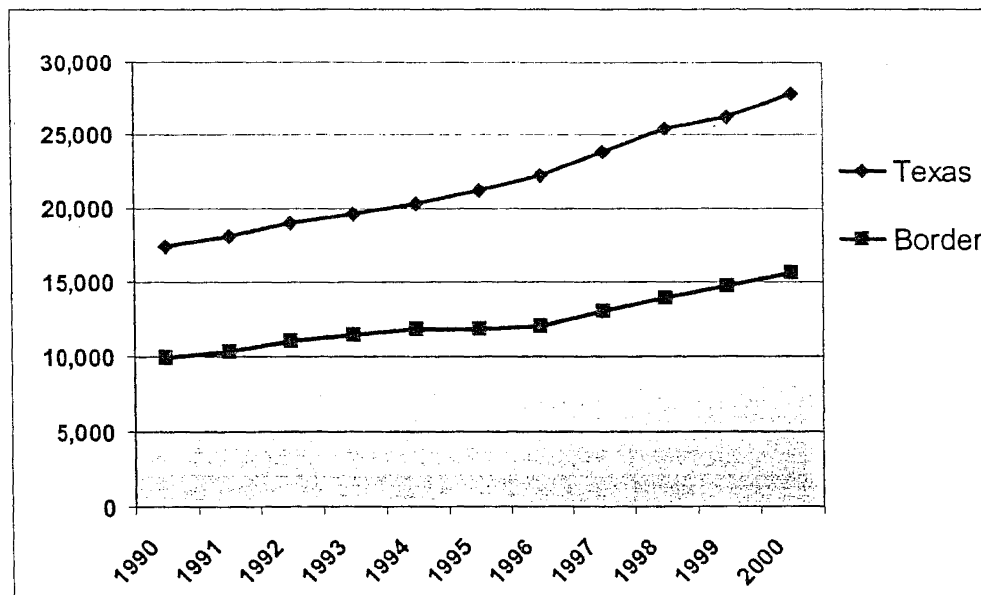
Figures 3 and Figure 4 present an overview of the per capita personal income for the residents of the Texas-Mexico Border region. Figure 3 data shows that only two of the region's counties: Terrell (at \$26,215) and Brewster (at \$22,327) are over a \$20,000 annual per capita income rate. The balance of the state's per capita annual income is \$27,752. The cumulative average per capita annual income for the region's counties was \$15,638 in 2000, which was \$11,114 less than the balance of the state's annual average.

Figure 3: Texas Border Per-Capita Personal Income 2000



Source: Bureau of Economic Analysis-Regional Accounts Data. 2002.

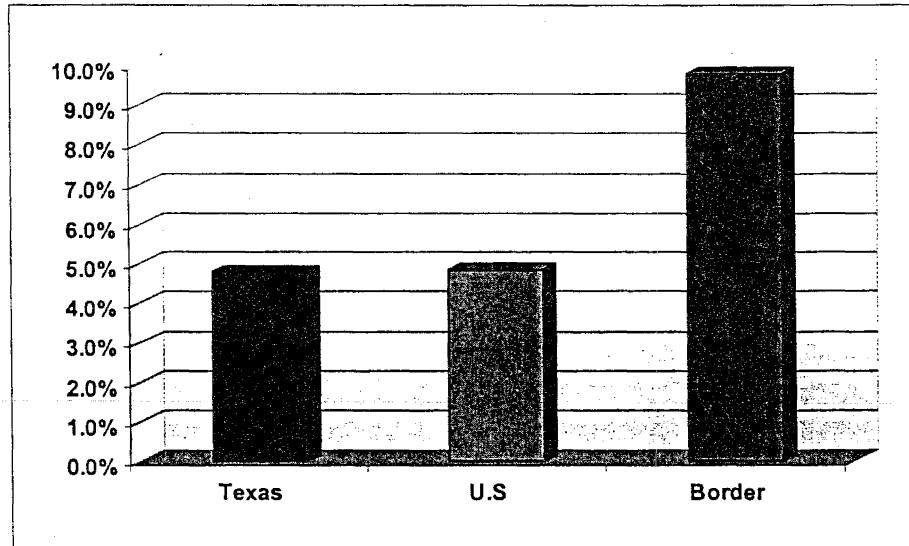
Figure 4: Per-Capita Personal Income



Source: Bureau of Economic Analysis-Regional Accounts Data. 2002.

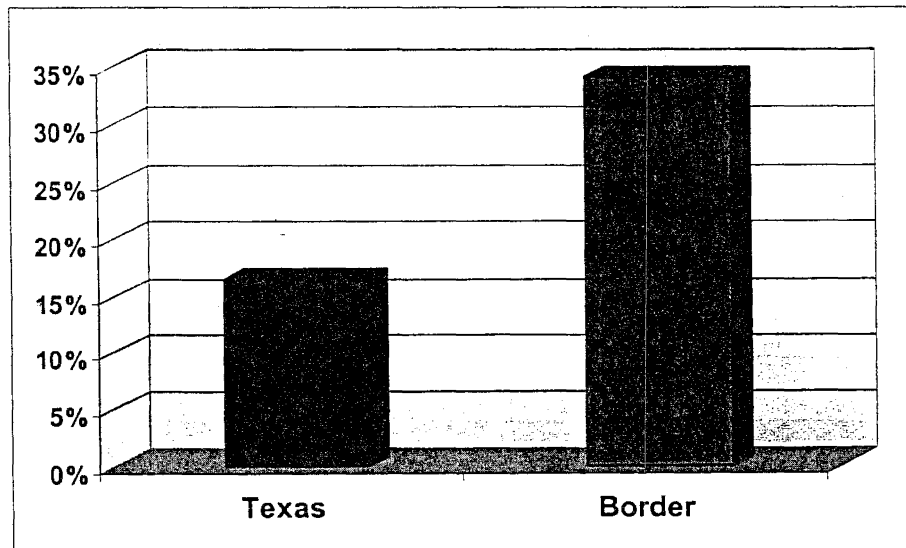
As of June 2002, the region's unemployment rate (9.8%) was higher than that of the state (4.9%) and the balance of the United States (4.8%). (Figure 5)

Figure 5: Texas Border Unemployment 2001



Source: Texas Comptroller of Public Accounts, *Regional Outlook*. June, 2002.

Figure 6: Texas Border Estimated Poverty Level 1999



Source: Health and Human Services Commission. 2002..

The residents of the Texas-Mexico Border region have the highest poverty rate in the state (Figure 6 and Table 3). The majority of the counties in this region have a 25% or higher poverty rate. Only Brewster (21.36%), Jeff Davis (20.68%) and Terrell (21.46%) are beneath a 25% poverty rate baseline for the region. The region has 34.1% of its residents living in poverty while

the average poverty rate for the balance of the state is 16.54% or less than one-half of the rate for Texas-Mexico Border.

Table 3: Texas Border: Poverty Levels in 1999

County	Below Poverty	Percent	County	Below Poverty	Percent
Brewster	2,310	21.36%	Presidio	3,089	36.34%
Cameron	115,671	35.25%	Starr	27,780	45.01%
Culberson	1,156	28.18%	Terrell	327	21.46%
Dimmit	4,602	40.90%	Val Verde	13,635	30.86%
El Paso	210,691	27.89%	Webb	64,069	35.17%
Hidalgo	199,175	37.70%	Willacy	8,166	41.01%
Hudspeth	1,016	30.35%	Zapata	4,299	33.41%
Jeff Davis	452	20.68%	Total		
Kinney	1,051	31.46%	Border	554,689	34.18%
Maverick	18,565	41.93%	Texas	3,307,787	16.54%

Source: Health and Human Services Commission, 2002.

The Texas Border has also been in a position to derive economic benefits from public funds that come into the region through various public government sources. The Federal Reserve Bank in its report, *The Border Economy* delineates the following economic drivers that are grounded in government funds:

“Various sources contribute to the high government employment [...along the border]. Major military installations in El Paso and Del Rio provide both civilian government and military jobs. The border itself generates public sector jobs in immigration, naturalization, customs and border security. Finally, state and local governments provide unusually high levels of public assistance for income maintenance, medical care, education, training and housing.”

Another source of financial resources for the Texas Border residents and the regional economy is the amount of transfer payments that are made to citizens and communities from government agencies. A transfer payment has been defined by the Federal Reserve Bank of Dallas as funds that are paid by governments to individuals who are in one of these categories: poverty, military or in retirement. Poverty transfer payments include public assistance, income maintenance, unemployment insurance and federally sponsored education and training programs. Military-related payments include retirement, medical services, and payments to veterans or to their survivors. Retirement-related payments include civil service, Social Security and Medicare as well as food stamps and other such subsidies.

Table 4 provides data that show that Brownsville derives 27.7% of its economy from transfer payment, Del Rio (25.5%), Eagle Pass (39.2%), El Paso (22.2%), Laredo (22.7%) and McAllen (28.3%). The reliance of the Texas Border on such a base to drive its economy should be of concern to TBIC. This economic base is subject to different federal government entitlements and funding cycles that might erode the allocations that are made to the three aforementioned categories. Any time that these payments are diluted so will be the corresponding tax base to support some element of the infrastructure.

Table 4: Government Payments as share of Personal Income in Border Cities, 1997

Industry	Texas	Browns ville	Del Rio	Eagle Pass	El Paso	Laredo	McAllen
	Percent of Income						
All government Payments	14.3	27.7	25.5	39.2	22.2	22.7	28.3
Retirement & disability	6.7	8.4	10.0	9.3	9.4	6.1	7.7
Military (M)	0.7	0.5	2.1	0.1	1.2	0.2	0.3
All Other (R)	6.0	7.9	7.9	9.2	8.2	5.9	7.4
Medical	5.3	12.3	8.6	18.6	7.7	9.0	13.0
Medicare (R)	3.1	5.2	3.4	8.2	4.0	4.5	5.4
Public Assistance (P)	2.2	7.1	5.1	10.4	3.6	4.5	7.6
CHAMPUS (M)	0.0	0.0	0.1	0.0	0.1	0.0	0.0
Income maintenance (P)	1.5	5.6	5.3	9.9	3.5	5.2	6.3
Unemployment insurance (P)	0.3	0.5	0.5	0.8	0.2	0.4	0.6
Veteran's benefits (M)	0.4	0.4	0.7	0.4	1.1	0.3	0.3
Fed. education & training (P)	0.2	0.5	0.1	0.2	0.5	0.4	0.4
Poverty-related (P)	4.2	13.7	11.0	21.3	7.8	10.5	14.9
Military and veterans (M)	1.1	0.9	2.9	0.5	2.4	0.5	0.6
Retirement & Medicare (R)	9.1	13.1	11.3	17.4	12.2	10.4	12.8

Source: Federal Reserve Bank of Dallas, June 2001

One of the contradictions here is that this region continues to lead Texas in the number of residents without health insurance that is a prerequisite to access the expanding availability of medical services and facilities. While many jobs are being created and employment is on an upward trend, it is evident that some of the Texas Border residents are employed in non-benefits eligible positions or working with small businesses that cannot afford health insurance. Table 5 provides data that show how severe the absence of health insurance is on the Texas Border.

Table 5: Texas Border Health Insurance Status 1999

County	Uninsured Population	Percent	County	Uninsured Population	Percent
Brewster	2,776	25.70%	Presidio	2,568	30.20%
Cameron	106,111	32.30%	Starr	21,585	35.00%
Culberson	1,277	31.10%	Terrell	377	24.80%
Dimmit	3,576	31.80%	Val Verde	13,133	29.70%
El Paso	237,524	31.40%	Webb	60,666	33.30%
Hidalgo	176,553	33.40%	Willacy	6,424	32.30%
Hudspeth	950	28.40%	Zapata	4,086	31.80%
Jeff Davis	487	22.30%	Total		
Kinney	812	24.30%	Border	653,816	32.31%
Maverick	14,911	33.70%	Texas	4,845,434	24.20%

Source: Health and Human Services Commission, 2002

The Texas Border will continue to present a challenge to policy brokers, such as TBIC, as they work to expand opportunities in economic development to improve the quality of life of their constituencies.

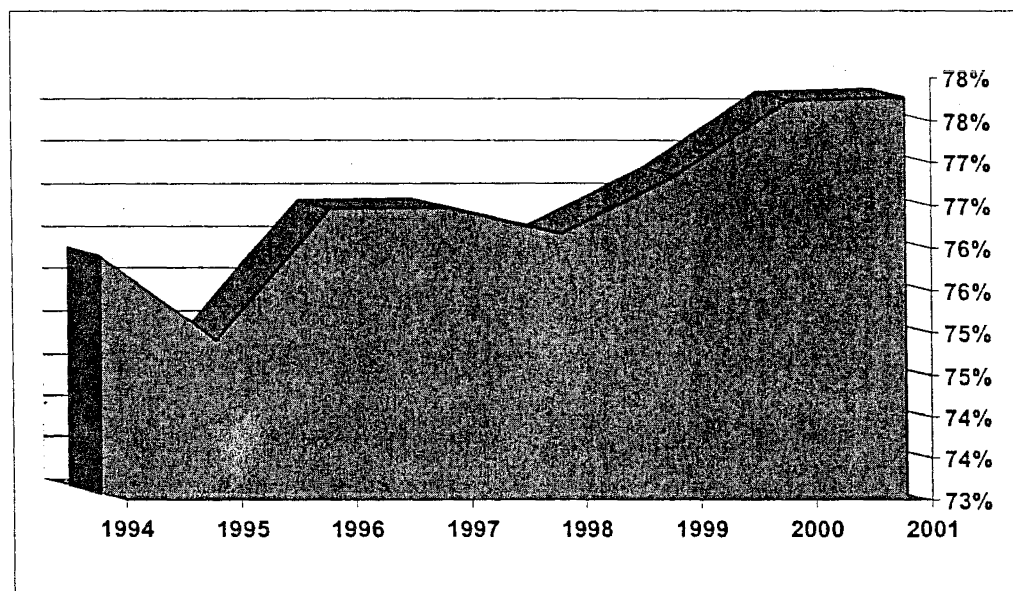
Section II. The Texas-Mexico Border: An Overview of Commerce, Traffic, Infrastructure, and Funding.

This section focuses on major issues of concern of TBIC such as traffic, fund allocations, proposed state agencies' policies and economic effects of the infrastructure. The data is used to assess traffic activity along the Texas Border and make comparisons with the balance of the state and other sections of the country.

Since passage of NAFTA, the infrastructure of the ports of entry along the Texas-Mexico Border has been under pressure due to the ever-increasing traffic of traded goods, commercial trucks, rail cars, and daily vehicular and pedestrian traffic between the United States and Mexico.

The economic exchange between the United States and Mexico from 1994 to 2001 grew from \$84.1 billion to \$194.7 billion, which represents a 132% growth. In Figure 7 the data show that 76% of the border traffic from Brownsville to San Diego went through ports of entry in Texas.

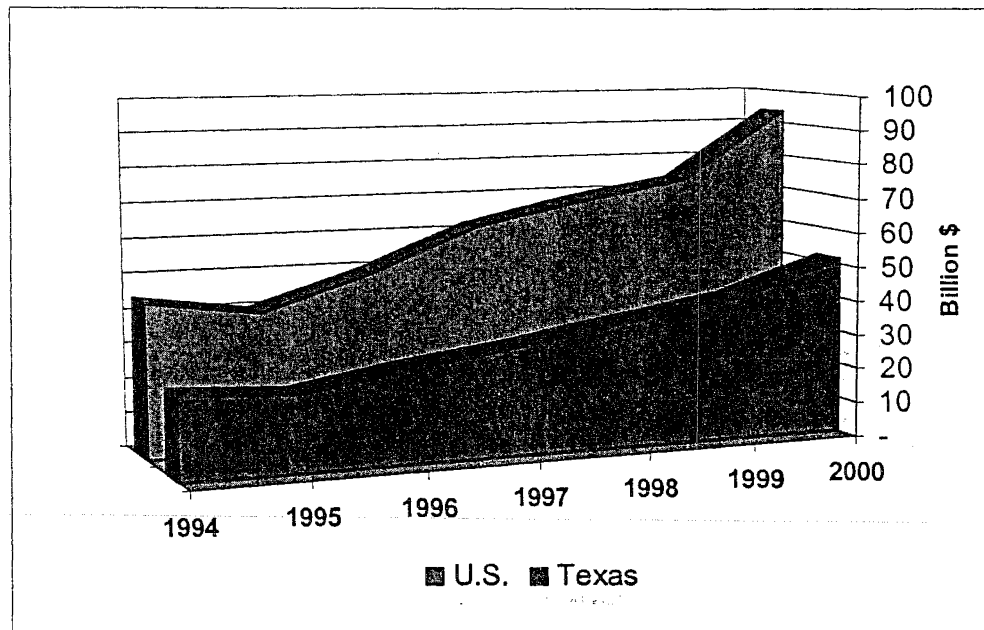
Figure 7: Percent of U.S-Mexico Trade through Texas Border



Source: Compiled by TCBEED, TAMIU from U.S. Department of Commerce, 2002.

Figure 8 data show that Texas also generated a majority of the export trade dollars to Mexico at U.S. ports of entry, which in itself is an indication that its infrastructure is being fully utilized to support NAFTA. As previously mentioned, Time magazine refers to this region's infrastructure as one that will require over \$1 billion for upgrading by 2003.

Figure 8: Total U.S. and Texas Exports to Mexico



Source: U.S. Dep. of Commerce and Texas Dep. of Ecc. Development, B IDC.2002.

Table 6 provides data that reflects an 2001 overall downturn in cross-border traffic at Texas' ports of entry. Vehicles [cars, pick-up trucks, bicycles and motorcycles] and pedestrian data reflect the demographic explosion of cities on both sides of the river. Also, there is a custom of cross-border foot traffic between the twin cities along the border that pre-dates the Texas Republic. The rail traffic across the border has remained constant for the past two years but the same is not true for commercial truck/trailer traffic. There was a decrease of 200,000 truck crossings between 2000 and 2001. This situation may be, according to the U.S. Department of Transportation, related to the September 11 incident, heighten anti-terrorism security along the border, an expanded and more intense scrutiny of conveyances, cargo and people as well as the downturn in the U.S. economy. It would be ill advised to think of these situations as ones that will be a constant for the remainder of time. Rather, it is imperative for TBIC continue to plan and prepare for an economic resurgence on the Texas Border.

Table 6: Texas-Mexico Border Crossings Growth 1994-2001 (Million)

Type	1994	1995	1996	1997	1998	1999	2000	2001
Vehicular	63.2	60.8	66.0	68.6	72.4	79.2	80.7	78.2
Pedestrians	29.3	26.7	29.3	32.7	32.2	35.5	39.0	39.4
Truck	1.8	1.6	2.0	2.2	4.0	4.4	4.6	4.4
Rail	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.5

Source: TAMIU. Data provided by U.S. bridge operators. 2002

Table 7 provides a more detailed view of the data from Table 6 for the individual ports of entry along the Texas Border. What remains constant in this data is that all ports of entry, except for Progreso and Rio Grande underwent a downturn in the number of truck crossings between 1999-2001. The data for this table is not available for the El Paso port of entry as it was not for the June 2000 report by Texas A&M International University.

Table 7: Truck Crossings in Principal Border Cities

Trucks -Traffic	1999	2000	2001
Brownsville	525,151	533,359	469,344
Del Rio	127,631	130,696	129,712
Eagle Pass	204,206	207,834	188,008
El Paso	0	0	0
Harlingen	74,833	71,714	42,599
Falcon	509	452	366
Laredo	2,793,121	2,902,409	2,811,805
McAllen-Hidalgo	51,458	46,933	37,244
Pharr	531,650	631,378	626,781
Progreso	44,215	37,323	45,568
Rio Grande City	44,833	45,667	47,664
Roma	31,752	28,283	25,220
Total	4,429,359	4,636,048	4,424,311

Source: TAMIU-CBEED- Data Provided by U.S. bridge operators. May 2002

A point that needs consistent reiteration by TBIC is that Texas' ports of entry still accounted for 2,921,803 or 68% of all truck crossings from Mexico into the United States during 2001. The data from Table 8 is significant in that as a benchmark it amplifies the importance of Texas' role in the NAFTA driven economy.

Table 8: Truck Crossings from Mexico into the U.S. FY 2001

State	Location	Truck Crossings	Percentage of Total Crossings
Texas	Laredo	1,419,165	33
	El Paso	656,257	15
	Hidalgo/Pharr	367,991	9
	Brownsville	255,231	6
	All others	223,159	5
	Total Texas	2,921,803	68
California	Otay Mesa	700,453	16
	Calexico	259,174	6
	All others	63,970	1
	Total California	1,023,597	23
Arizona	Nogales	251,474	6
	All others	90,424	2
	Total Arizona	341,898	8
New Mexico		34,851	1
	Total New Mexico	34,851	1
TOTAL BORDER		4,322,149	100

Source: U.S. General Accounting Office. U.S. Customs Service. December 2001

Table 9 provides an overview of expenditures by TxDOT districts from 1996 to 2001. The impact of NAFTA related traffic on the Texas-Mexico Border has been addressed by Comptroller Rylander when she states, “[NAFTA]...has imposed significant social and infrastructure costs on Texas.” While the impact is felt statewide, the economic significance to the Texas-Mexico Border is more pronounced due, “to traffic congestion, increase air and noise pollution, and accidents and pavement damage-the damage is about \$600 million in 1996. Based on that estimate, the cost to Texans living in the border highways districts of El Paso, Laredo and Pharr during that year would have been about \$178 million or 30 percent of the state’s total.”

The data in Table 9 also show that the border region has more lane miles than any one of the major urban areas [Houston, Dallas, Ft. Worth] and that the TxDOT border districts have been consistently receiving less funding during the 1996 to 2001 period. The average cost (\$30,053) per mile for the Texas Border districts was significantly lower than those of Houston (\$59,502), Dallas (\$55,410) and Ft. Worth (\$33,462). Comptroller Rylander has already been quoted as referring to TxDOT’s allocation model as one that has been good but imperfect. It is imperative that TBIC consider the continuous monitoring of TxDOT’s funds allocation policies and practices of contract letting so that it may propose timely corrective actions.

Table 9: TxDOT District Expenditures: 1996-2001

DISTRICT	1996	1997	1998	1999	2000	2001	Lane Miles	Avg. Cost/Mile 2001	
	(Million \$)								\$
DALLAS	375.7	401.1	442.1	468.3	608.9	550.1	9,928	55,410	
FORT WORTH	238.7	194.7	219.0	269.6	287.8	283.4	8,470	33,462	
HOUSTON	727.5	592.2	513.4	600.6	632.1	576.2	9,683	59,502	
EL PASO	96.7	94.1	115.8	130.2	117.9	132.3	4,720	28,024	
LAREDO	63.6	54.8	71.7	75.5	121.5	119.8	4,920	24,350	
PHARR	110.1	97.5	138.4	122.4	175.5	206.3	5,613	36,758	
TOTAL BORDER	270.4	246.5	325.9	328.1	414.9	458.4	15,253	30,053	
TX District Average	134.7	119.3	131.4	148.5	175.8	173.3	7,522	23,039	
TEXAS TOTAL	3,367.1	2,982.4	3,286.0	3,712.6	4,395.6	4,332.6	188,054	23,039	

Source: Texas Department of Transportation. Finance Division. 2001.

Table 10 provides data that again shows an inequity in how TxDOT has allocated funds for the Texas Border districts. The trend from 1994 to 2002 shows a constantly lower average expenditure, at TxDOT’s Border Districts in the following: construction, maintenance, and contracted preventive maintenance. Laredo, the most trafficked border commercial zone, received the least construction and maintenance funds during this period. Again, the challenge to TBIC is to determine what factors and criteria were used to guide the allocation of these lower than average state funds for the Texas Border TxDOT districts.

Table 10: Border TxDOT Expenditures from 1994 to 2002

District	Construction	Maintenance	Contracted Preventive Maintenance	TOTAL	%
(Million \$)					
El Paso	664.3	98.6	70.5	833.3	3.0
Laredo	445.0	80.3	64.8	590.1	2.1
Pharr	796.8	120.1	94.2	1,011.2	3.7
Border Average	635.4	99.7	76.5	811.5	3.0
Texas Average	828.0	160.0	111.3	1,099.4	4.0
Total Texas	20,699.1	4,001.2	2,783.6	27,483.8	

Source: Texas Department of Transportation. DISCOS. November 2001.

Both Table 11 and Table 12 provide the same data but in different formats. Table 11 provides both Priority 1 data [those projects that have contract letting dates within the next four fiscal years] and Priority 2 data [those projects that are in the planning stage and still under review for funding consideration during the coming funding cycle]. TBIC might consider setting up a process to track the actual allocations for FY 2002 to FY 2005 and benchmark the outcomes of targeted projects. The Priority 2 criterion is still under review by TxDOT's for its budget development for the forthcoming 78th legislative session.

Table 12 indicates that Priority 2 planning is considering a proposed budget of \$525 million to support the Border Trade Transportation Project. There were \$450.5 million earmarked for this same project for the 2002-2005 contract letting process by TxDOT. These funds need to be closely monitored to determine if they are spent in a timely manner to offset emerging infrastructure needs of the Texas-Mexico Border

Table 11: TxDOT Border Districts Project Funding

DISTRICT	FY 2002	FY 2003	FY 2004	FY 2005	Priority 2	TOTAL
(Million \$)						
EL PASO	32.7	81.8	72.0	69.3	190.9	446.7
LAREDO	18.6	62.8	116.9	52.8	265.6	516.8
PHARR	168.3	82.1	6.4	23.9	375.4	656.1
BORDER	219.6	226.7	195.3	146.1	832.0	1,619.6
Districts Average	47.3	97.6	55.5	66.9	384.0	651.3
Texas TOTAL	1,182.9	2,440.7	1,387.1	1,672.6	9,599.4	16,282.7

Source: Texas Department of Transportation. UTP 2002. September 2001.

Table 12: TxDOT Border Project Funding Criteria by Category

CATEGORY	2002	2003	2004	2005	Priority 2	Total
	(Million \$)					
High Priority Interstate Corridors	0.0	0.0	0.0	0.0	0.0	0.0
National Highway System Mobility	0.0	39.1	22.2	17.0	1.7	79.9
Texas Trunk System	14.9	24.2	24.9	9.4	154.2	227.5
NHS Traffic Management System	0.0	0.0	2.0	0.0	0.0	2.0
NHS Miscellaneous	0.0	0.0	1.0	0.0	2.5	3.5
STP RR Grade Separation	0.0	24.5	4.6	7.8	71.7	108.6
On State Bridge	0.0	9.7	7.6	0.0	11.4	28.6
Off State Bridge	2.0	4.0	1.2	1.7	18.5	27.4
Farm to Market Road Expansions	0.0	0.0	4.7	13.1	28.5	46.4
Strategic Priority	11.0	18.0	9.2	1.4	0.0	39.6
State Funded Mobility	0.0	0.0	0.0	0.0	0.0	0.0
Hurricane Evacuation Routes	0.0	0.0	0.0	0.0	10.7	10.7
Border Trade Transportation Project	160.5	96.6	109.5	84.0	525.0	975.5
Congressional High Priority Projects	31.2	8.5	14.6	2.1	0.2	56.7
Pass and Pass Metro Match	0.0	2.1	11.1	0.0	0.0	13.2
Candidate Turnpike Projects	0.0	0.0	0.0	0.0	0.0	0.0
Border TxTOD Districts Total	219.6	226.7	212.6	136.4	824.4	1,619.6

Source: Texas Department of Transportation. Unified Transportation Program for 2002. September 2001.

The Comptroller has recommended, in her agency's TxDOT Performance Review, that state law be amended to direct TxDOT to do away with the present categories that are used to fund projects. Comptroller Rylander is pushing the creation of two primary categories: 1) Mega-projects that would receive 40% of total construction funding and 2) regional programs that would receive 60% of total construction funding. In June, 2001, The Texas Transportation Institute at Texas A&M University completed, *The Survey of Texas Department of Transportation Project Selection and Funds Distribution*. The summary of this report is provided for the reference and evaluation of TBIC as it reviews TxDOT's process for the allocation of funds to support the Texas Border. Texas A&M University also provided some recommended action items and it is CBIRD's advice that TBIC review the total survey, which is found at <http://www.txdotutp.tamu.edu/survey601.htm> before taking forth any policy initiatives. TxDOT should be commended for its willing to look inward by encouraging a review of its funds allocation policies and processes to guide the improvement of its service delivery capacity. The summary of this report is as follow:

"This report documents the results of the surveys of TxDOT District Engineers, District TP&D Directors, and MPO staff on the TxDOT Project Selection and Funds Distribution Process. The responses to the various questions are presented and the comments from the different groups are summarized. The general findings from the survey are highlighted in this section, and possible follow-up activities for TxDOT's consideration are described in the next section.

- TxDOT District Engineers, TTP&D Directors, and MPO staff perceive that the Project Selection and Funds Distribution Process is complex and not easily understood, especially by policy board members and officials.
- Although noting that the process is complex, most respondents indicated that the process works, that the Districts are able to maximize available resources, and that critical construction projects are being funded.
- TxDOT staff reported a high level of understanding of the process and MPO staff indicated a good, although slightly lower level of understanding. Both groups rated MPO policy boards, city and county staff, and appointed and elected officials much lower in their understanding of the process and the roles and responsibilities of the various agencies.
- TxDOT and MPO staff generally felt the Trade Fair was a good addition to the process, but perceptions varied on the influence it has had on funding projects. TxDOT District Engineers tended to feel it had made more of a difference in the ability to fund priority projects than TP&D Directors.
- The data needs of the process are felt to be appropriate, with no suggestions for additional items. District personnel do use the data for other purposes and most felt it has allowed them to be more innovative in matching projects to potential funding.
- TxDOT and MPO staff reported mixed feelings on the equity of the process to allocate construction funds to all areas of the state and to fund critical projects in their areas. Most suggested that MPO policy board members, city and county staff, and elected and appointed officials reflected this same perspective and would question if their area was receiving its fair share of funding.
- Training, education, and outreach activities supported by TxDOT and MPO staff include training sessions, sessions at the Short Course, periodic updates at District and MPO meetings, a video, and a brochure.
- Suggested enhancements to the process include reducing the number of categories, simplifying the overall process, providing a better idea of future funding levels, and making specific changes to some categories.

Possible Follow-Up Activities:

Researchers identified two sets of follow-up activities for consideration by TxDOT staff based on the survey results. As described in this section, the first focuses on education and outreach efforts and the second addresses possible enhancements to the process. The proposed action steps are:

- **Training, Education, and Outreach Activities.** Based on the survey responses, it is suggested that the TP&D Division undertake a number of training, education, and outreach activities. These efforts should focus on TxDOT staff, MPO staff, MPO policy board members, city and county staff, and elected and appointed officials.
- First, training sessions for TP&D Directors and other District personnel should be developed and held on a regular basis. This training should provide an overview of the

process and detailed information on how the Districts complete each step. If TxDOT continues to experience a turnover in staff, periodic training will be needed for new TP&D Directors and other TxDOT staff.

- Second, periodic updates should be provided by TP&P staff for District personnel. These updates could take place at District meetings, a meeting in Austin for TP&D Directors and TP&P staff, District Engineer meetings, or other appropriate times. These meetings might include updates on any changes or modifications in the process, anticipated funding levels, schedules, and general discussions on concerns or issues.
- Third, sessions should be organized for the Short Course on the Project Selection and Funds Distribution Process. These sessions could be part of the main program or special meetings for TP&D Directors and other District staff. Possible topics for these sessions include updates from TP&P staff, examples of innovative approaches used by the Districts, and anticipated funding levels.
- Fourth, a training or information course should be developed for MPO staff. This session would provide an overview of the process, the roles and responsibilities of MPOs, and other involvement of MPO staff in specific elements of the process. The course could be presented on a periodic basis at regular meeting of the MPOs in the state and in response to specific requests when new staff join an MPO.
- Finally, a video and a brochure should be developed for use with MPO policy board members, elected and appointed officials, other groups, and the public. The video and brochure should provide an overview of the process, the roles and responsibilities of the various agencies, and how different groups can be involved. The video and brochure should be of high quality, easy to follow, and appropriate for a wide range of audiences.
- Possible Enhancements to the Project Selection and Funds Distribution Process. TxDOT District personnel and MPO staff responding to the survey provided a variety of suggestions for possible enhancement and changes to the process. These suggestions ranged from general comments on simplifying the process to specific recommendations related to criteria within individual categories. TP&P staff should review these suggestions and consider possible modifications in the appropriate categories and the process. After reviewing the items identified in the survey, Division staff may wish to meet with TP&D Directors and MPO staff to discuss the suggestions in more detail and to identify possible approaches to addressing the comments.”

The issue of equitable fund allocation to all Texas regions by TxDOT is one that will not be easily resolved. Texas is a rather large state that is composed of many competing regional interests and each has its champions and advocates. The only option that is a constant is that only by putting forth data base perspectives and policy grounded recommendations will TBIC be assured of a place at the table when and where such critical decision are made.

While the majority of this section has addressed the land infrastructure there is a need to provide TBIC with some preliminary data on ports of entry that support trade to this region by water and air. The ports of Brownsville (Table 13) and Harlingen (Figure 9) are the two water ports that have an impact on this region's economy.

The Port of Brownsville continues to be a growing deep sea and intercoastal choice for the transportation of goods along the Gulf of Mexico and Southward to Mexican ports. Both of its deep sea and intercoastal tonnage has demonstrated a positive net growth that bodes well for the Texas Border as it continues to expand its capacity to import and export more goods to support NAFTA trade.

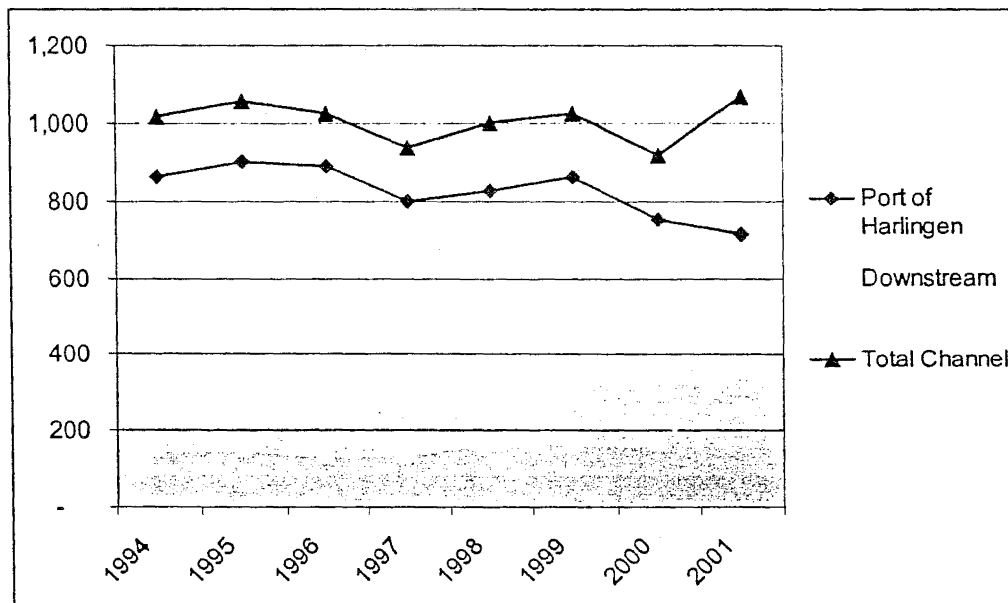
Table 13: Port of Brownsville Cargo, 1999-2001

Type of Cargo	1999	2000	2001	1999-2001 Change
Metric Tons				
Deep Sea-In	1,373,959.78	1,676,950.54	2,008,074.00	46.15%
Deep Sea-Out	157,890.78	91,744.03	190,887.00	20.90%
Intercoastal-In	1,258,869.26	1,272,227.43	1,351,488.00	7.36%
Intercoastal-Out	114,253.62	125,241.37	131,967.00	15.50%
Total	2,904,973.44	3,166,163.37	3,682,416.00	26.76%

Source: Port of Brownsville, 2002

The Port of Harlingen is beginning to demonstrate its capacity to generate water based traffic and its total channel tonnage grew from fiscal year 2000 to 2001.

Figure 9: Port of Harlingen moved Tonnage



Source: Port of Harlingen, 2002

The data for air traffic has been difficult to obtain since there are certain security restrictions about what information the Federal Aviation Administration will release to the public since the September 11th incident. The data presented in Table 14 show that airport passenger traffic is a significant component of the traffic in and of Laredo and is declining in Brownsville. Air passenger traffic has increased slightly in El Paso, Harlingen and McAllen. As more data is available, CBIRD will provide TBIC with updated analysis on the air traffic in the Texas Border.

Table 14: Passenger Enplanements by Border Airport

City	1995	1997	1999	% Change 95-97	% Change 97-99
El Paso	1,835,162	1,634,578	1,664,890	-11%	2%
Harlingen	489,082	461,619	469,214	-6%	2%
McAllen	313,082	313,506	325,861	0%	4%
Laredo	59,948	67,664	89,524	13%	32%
Brownsville	-	81,431	70,866	N/A	-13%
Total	57,751,285	60,329,687	62,522,075	4%	4%

Source: Texas Almanac 2002-2003. The Business and Industry Data Center, 2002

Section III: Governmental Oversight Along the Texas-Mexico Border

In the review of the research it became evident that the Texas-Mexico Border is one of the most regulated sections of the nation. There is a multitude of local, state, and federal governmental agencies with parallel, concurrent and sometimes overlapping roles and responsibilities. Comptroller Rylander, the General Accounting Office and the Federal Reserve Bank of Dallas have addressed these activities. There are several factors that emerged from the data about why such intensive and extensive government oversight exists on the border region. Among these factors are:

- The sheer size of the border which stretches 1,254 miles East from the Brownsville on the Gulf Coast to the desert and mountains of El Paso in the West.
- An expanded Homeland Security effort as a major policy component of the Bush administration war on terrorism.
- An ever-expanding and demographic dominant population that is ethnically, culturally, racially and linguistically integrated along both sides of the Texas-Mexico Border.
- The maquiladoras that contribute tremendously to the region's economy also effect traffic congestion and pollution that results from the cross-border flow of materials and finished products on railroad and eighteen wheel trailers.
- Illegal immigration continues but has decreased due to the increased presence of Border Patrol officers as part of the Homeland Security effort.
- The continued trafficking of illegal drugs.
- The steady traffic flow of consumers and commercial vehicles that puts demands on bridges and roads at all points of entry to the United States and the corresponding flow of traffic back toward Mexico.
- An increase in pollution that impacts the quality of air, water and the soil along the Texas-Mexico Border.
- An increase in the importation and exportation of food products that requires more inspections to attend to health related concerns.

All of these interwoven activities lead to the presence of over thirteen state and federal government agencies along with some city and county law enforcement departments on the border. Each of these agencies have different degrees of oversight and the creation of the cabinet level position for Homeland Security by the Bush administration may lead to the integration and consolidation of some of these operations. The present governmental oversight status quo has both an indirect and direct effect on the border's economy, its infrastructure and on the quality of life of its population.

The following section provides a brief overview of the various agencies that are present on the Texas-Mexico Border and perform some type of regulation and assigned security detail:

Federal Agencies

- **The U.S. Border Patrol** whose primary mission is to detect and prevent the illegal entry of aliens into the United States.
- **The Drug Enforcement Agency [DEA]** which regulates all cross-border traffic controlled substances, narcotics, and marijuana at the U.S. international borders.
- **The U.S. Department of Transportation [USDOT]** that regulates the motor carrier industry through the enforcement of the Federal Motor Carrier Safety Regulations. USDOT inspectors work in U.S. Customs Services' secondary inspection areas at the international bridges.
- **The Texas National Guard**, which provides support to local, state and federal law enforcement agencies and provides cargo inspection at ports of entry with emphasis on drugs and controlled contraband.
- **The U.S. Department of Agriculture [USDA]**, through the Animal and Plant Health Inspection Service [APHIS] regulates the importing of animals, animal products and animal feeding materials, plants, plant products and seeds, shipments of food, drugs or cosmetics. USDA must approve the aforementioned products prior to the release into the United States.
- **The U.S. Department of the Interior**, which oversees the inspection of certain wild animals and animal products at, designated entry ports on the border.
- **The U.S. Food and Drug Administration [FDA]** whose charge is to protect consumers' health, safety and pocket books. The FDA can inspect any or all items that may emit radiation such as medical devices and electronic products.
- **The Environmental Protection Agency [EPA]** is charged with the regulation of all transportation of hazardous waste generated by maquiladoras in Mexico.

State and Local Agencies

- **The Texas Department of Transportation [TxDOT]** has responsibilities for all oversight of the transport of goods and people in the border area and this includes the planning and designing of the transportation projects, issuing and recording Texas and Mexico commercial vehicle registrations; improving coordination of U.S.-Mexico and Texas border infrastructure planning; and approving international bridge construction projects before the bridge sponsors request a Presidential Permit. TxDOT appears to have the most oversight functions of any Texas state agency on the border and its role and scope has increased significantly since the implementation of NAFTA. This agency is the one that TBIC and other similar organizations are and will continue to petition for the development of the border infrastructure and regulations directed toward traffic, pollution and safety along the border.
- **The Texas Department of Public Safety [DPS]** regulates commercial vehicle traffic once it leaves the immediate border inspection points. DPS troopers also work part-time at the El Paso, Laredo and Brownsville ports of entry.

- **The Texas Natural Resource Conservation Commission [TNRCC]** is charged with the regulation of the transportation of hazardous waste generated by the maquiladoras in Mexico in concert with the EPA.
- **The Texas Alcoholic Beverage Commission [TABC]** is responsible for enforcing the importation quotas and collecting excise taxes on imported beverages and cigarettes at border crossings.
- **The Texas Comptroller of Public Accounts** is responsible for the collection of state gasoline taxes on in and out of state commercial carriers.
- **Texas City Police Departments** are authorized to regulate commercial vehicle traffic through the enforcement of commercial vehicle and driver safety federal and state regulations.
- **Texas County Sheriffs Departments** are not authorized to perform commercial vehicle inspections but do participate on special task forces relating to drug and alcohol abuse along the border.

These agencies need to be aware of TBIC's mission and action agendas to address the infrastructure and other related issues along the border. Also, these agencies can be approached on projects or funding requests on a collaborative basis by the TBIC. One of the key functions of community development organizations such as TBIC, is in "friend-making" and these relations form the basis for advocacy and sponsorship for future considerations.

Section IV: Policy Perspectives and Observations

The mission of the Texas Border Infrastructure Coalition and its policy orientations need to be considered within the context of what has been transpiring in different legislative and governance arenas. Of concern here is that there is much activity on the legislative and policy side for TBIC's review and consideration as it develops its action agenda to make its case for more resources to support the Texas-Mexico Border infrastructure. In this section some legislative actions and policy resolutions will be reviewed as well as some proposed funding options for infrastructure. Finally some actions at the level of the White House and the National Conference of Mayors will be included since they are directed toward the issue of infrastructure to support trade and economic development at both the state and national level.

The White House proposed a *Smart Border 22 Point Agreement and U.S.-Mexico Partnership Action Plan* on January 2002 during President Bush's trip to Monterrey, Mexico. The full document is provided in Attachment B. The implications for TBIC from this proposed plan, is its focus on the expansion and application of "Smart Infrastructures" to expedite cross-border traffic of both travelers and products through the different vehicular means. Also, there is a focus on Homeland Security built into this plan with the proposal to create and apply Secure Electronic for Travelers Rapid Inspection [SENTRI]. The Smart Technology proposals sends a clear message that there will be a need for a technology literate workforce to assume new employment opportunities along the Texas-Mexico Border. On September 4, 2001, El Paso County Judge Briones referred to workforce development as the other major priority for TBIC in a meeting with Governor Rick Perry. It is recommended that TBIC consider the development of a strategic plan to act on this workforce training priority as an essential element of its mission.

TBIC's mission and agenda was echoed at the United States Conference of Mayors in Seattle, Washington on June 9-13, 2000 in Seattle, Washington. The Transportation and Communications Committee of this organization put forth its resolution [Attachment C] *Border Transportation Infrastructure and U.S. Cities* in which it addressed several points that CBIRD also found during its research for this report. Among the items that were addressed by the Conference of Mayors were the following:

That trade with Mexico has been an increasingly important part of this economic growth, increasing by 200 percent in the last decade from \$58.5 billion to over \$240 billion;

That 3,600,000 U.S. jobs and over \$100 billion in U.S. wages are estimated to be created by and dependent on U.S.-Mexico trade activity;

That the U.S.-Mexico border is the most-crossed border in the world;

That the volume of cross-border traffic through U.S. cities is staggering and growing, including for example 2.8 million trucks through the largest port, Laredo, in 1999, averaging 12 trucks per minute each 12-hour work day 6 days a week, and 284,000 loaded rail cars in 1999, a 284 percent increase in five years;

That most cross-border traffic is destined for or originates at U.S. factories, businesses and job sites in cities far from the border and millions of U.S. jobs and businesses all across the country depend on the efficient movement of goods and materials across the border.

That the General Accounting Office in a report on commercial traffic congestion at border crossings concluded that congestion results from (1) multiple checks at the border by various federal and state agencies, (2) federal inspection agency staffing shortages at some border crossings, (3) limited use of automated management information systems for processing commercial traffic, (4) lack of land to expand port of entry operations, (5) inadequate roads leading to some port of entry operations, and (6) poor port of entry planning among U.S. inspection agencies and limited coordination between the U.S. and Mexican governments;

That the burden of congestion, air pollution, road wear and tear, and public safety from border traffic and bottlenecks falls on border cities while the negative economic impact of bottlenecks and delays on trade, commerce and just-in-time delivery is felt nationwide;

That in recognition of the national economic importance of an efficient border transportation system the Transportation Equity Act for the 21st Century created a Borders and Corridors program to help improve traffic flow and eliminate bottlenecks at border crossings;

That TEA-21 envisioned a cooperative effort among mayors, state and federal agencies in improving the flow of cross-border traffic and trade;

That the border cities of Laredo, Brownsville, and El Paso, *the Texas Border Infrastructure Coalition representing border cities*, the Border Trade Alliance representing both border cities and the private sector in Texas, New Mexico, Arizona, and California, and national trade organizations have expressed strong concern and opposition to state or federal projects that would impede the flow of cross-border traffic and create additional bottlenecks, and in particular to a State of Texas proposal to use state and TEA-21 funds to build state inspection stations at locations separate from and located apart from local and federal facilities in certain border locations, over the opposition of local mayors, and

NOW, THEREFORE BE IT RESOLVED that The U.S. Conference of Mayors calls upon the federal agencies, including the U.S. Department of Transportation, to consult with, involve and respect the views and concerns of mayors of border cities in planning and funding border transportation infrastructure projects, and

BE IT FURTHER RESOLVED that The U.S. Conference of Mayors calls upon the Congress to authorize and fund federal agencies and programs that will address the causes of border transportation congestion as cited in the General Accounting Office study.

These resolutions, by the U.S. Conference of Mayors, might be further assessed and disseminated to targeted government agencies by TBIC with appropriate fiscal notes.

During the 77th session of the Texas legislature there were several bills signed into law that will impact the Texas-Mexico Border. The Texas Department of Agriculture provided the following analysis:

North American Free Trade Agreement (NAFTA) Impact Zones—House Bill 2808 by Rep. Norma Chavez, El Paso, and Sen. Eliot Shapleigh, El Paso, authorizes municipalities to establish NAFTA impact zones to encourage business growth. These zones may be established if a municipality determines that the creation of such a zone would promote the following: 1) business opportunities for local businesses within the zone; 2) an increase in economic development in the zone; or 3) employment opportunities for zone residents. Certain construction fees would be waived and taxes would be refunded or reduced within established zones. In addition, baseline performance standards would be established to encourage the use of alternative building materials that address environmental concerns, building cost, maintenance and energy consumption. Businesses benefiting from the zones would be required to make a good faith effort to hire individuals receiving NAFTA transitional adjustment assistance under federal law. These businesses also would be required to annually report to the municipalities the percentage of their employees hired during the year who were receiving NAFTA assistance. **Signed by the Governor June 15; effective Sept. 1, 2001.**

Texas-Mexico Initiative—Senate Bill 326 by Sen. Eddie Lucio Jr., Brownsville, and Rep. Jim Solis, Harlingen, creates through the Texas Department of Economic Development a Texas-Mexico Commerce and International Relations Initiative Unit that will develop a coordinated plan to organize state agency initiatives regarding trade relations with Mexico. This legislation is ultimately aimed at increasing overall commerce with Mexico. In addition to the Texas Department of Agriculture, several other state agencies will serve on the unit including the Texas Department of Health, the Texas Water Development Board, the Texas Natural Resource Conservation Commission, the Texas Department of Housing and Community Affairs, the Health and Human Services Commission, the Texas Parks and Wildlife Department, the Texas Department of Transportation and the Texas Department of Public Safety. **Signed by the Governor June 16; effective immediately.**

Border Port Authorities in Texas—Senate Bill 465 by Sen. Eliot Shapleigh, El Paso, and Rep. Roberto Gutierrez, McAllen, requires the Texas Department of Transportation (TXDOT) to establish a Border Port of Entry Authority Task Force to study the viability of creating a border port of entry authority to facilitate transportation and movement of goods through El Paso County. The task force is composed of: 1) one non-voting member representing TXDOT, appointed by the TXDOT executive director; 2) three members representing the city of El Paso, appointed by the El Paso mayor; 3) three members representing El Paso County, appointed by the county judge; and 4) three members approved by the transportation policy board of the El Paso region. **Signed by the Governor June 16; effective immediately.**

Cross-Border Transportation and Infrastructure Meetings—Senate Bill 224 by Sen. Eliot Shapleigh, El Paso, and Rep. Richard Noriega, Houston, requires the Texas Transportation Commission to meet monthly, if practicable, with transportation officials of bordering Mexican states to discuss transportation and infrastructure issues. **Signed by the Governor June 14; effective Sept. 1, 2001.**

Border Commercial Weigh Stations—Senate Concurrent Resolution 10 by Sen. Eliot Shapleigh and Rep. Norma Chavez, both of El Paso, urges Congress to create a federal category under the North American Free Trade Agreement (NAFTA) for NAFTA traffic-related infrastructure damage. Such a category would provide counties and municipalities

with funding for commercial vehicle weigh stations within a 20-mile commercial border zone. While NAFTA has benefited the nation as a whole, it has also increased heavy truck traffic and road deterioration along the border commercial zone in Texas. Local governments in the border region bear the bulk of costs associated with increased traffic, such as overweight truck inspections and road repairs. According to the Texas Border Infrastructure Coalition, more than 77 percent of U.S.-Mexico trade passes through the Texas border annually. In 1999 this amounted to 4.4 million trucks crossing the Texas-Mexico border carrying \$127.6 billion worth of commerce. **Signed by the Governor May 19, 2001, and forwarded to Congress and federal officials by the Secretary of State's Office.**

Truck Access to U.S. Highways—Senate Concurrent Resolution 25 by Sen. Eddie Lucio Jr., Brownsville, and Rep. Joseph Pickett, El Paso, urges Congress, because of a proposed change in federal policy that will further open border areas to Mexican travel, to recognize the infrastructure needs of Texas' border ports. The resolution requests additional federal funding because the state handles up to 80 percent of all NAFTA-related traffic, but receives only 15 percent of the federal funds allocated for high-priority trade corridors. The resolution also requests \$3 billion to fund the construction of one-stop, 24-hour federal- and state-inspection facilities along the Texas border and to fund infrastructure improvements and construction projects at border ports of entry. **Filed June 17 with the Secretary of State without the Governor's signature and forwarded to Congress and federal officials by the Secretary of State's Office.**

Special notice should be given to the fact that all of these legislative items were either sponsored or co-sponsored by state representatives and senators that represent districts in the Texas-Mexico Border. Among those were: Senator Eddie Lucio, Jr., Brownsville, Representative Joseph Pickett, El Paso, Representative Jim Solis, Harlingen, Senator Ed Shapleigh, El Paso, Representative Norma Cantu, El Paso, and Representative Roberto Gutierrez, McAllen. Representative Rick Noriega represents the fourth largest port in the United States in Houston and the largest water port of entry for NAFTA commerce in Texas.

There are other policy perspectives that surfaced from recent audit and reports to either the U.S. Congress by the General Accounting Office-GAO or from the Texas Comptroller's performance review of TxDOT in January of 2001. The GAO report to Congress, *NAFTA: Coordinated Operational Plan Needed to Ensure Mexican Trucks' Compliance with U.S. Standards* takes the U.S. Department of Transportation (USDOT) to task for its failure to attend to several operational policies that TBIC maybe considering as part of its action plan. Also, the GAO makes several observations about the operational and business practices along the border that impair the expansion of business and commerce between the United States and Mexico. Some of those policy issues and observations are the following:

- The deployment of Smart Technologies to weight trucks, requiring the electronic verification of Mexican commercial truck drivers' licenses and ensuring that staff and adequate space is available for truck inspections.
- The GAO's disagreed with USDOT that it was on schedule to implement congressional mandates regarding border traffic and infrastructure.
- The cost and availability of insurance may also affect the number of Mexican carriers that can operate beyond the border commercial zones.
- The congestion and delays in crossing the U.S.-Mexico border has resulted in added operations costs for Mexican carriers and thus curtailed trade across the border.

- The Mexican fleet of trailers and trucks is not mechanically sound to the degree that it can safely operate beyond the commercial zones. According to GAO, only 20% of Mexican trailers and trucks were manufactured after 1994 and this in itself presents threats to the safety, welfare of American citizens and potential damage to the Texas Border infrastructure.

GAO does make reference to the fact that there is a need for permanent inspection facilities at border ports of entry in Texas, Arizona and New Mexico. USDOT is planning to request appropriations of \$12 million for Texas, \$54 million to be divided among Texas, New Mexico, Arizona and California along with \$2.3 million for federal facilities on the border. There appears to be an issue, that was still in dispute, from city officials in Laredo and El Paso who contended that the construction of inspection stations so close to the border would exacerbate traffic congestion and interfere with the flow of commerce. As of the time of this report, there is no source or current reference as to whether this dispute has been resolved and it is estimated by some state officials that the inspections stations would not be completed until 2004.

Two corollary policy issues are offered her for consideration come from the Texas Comptroller and the Federal Reserve Bank of Dallas. The Federal Reserve Bank notes that TxDOT is gaining ground in acquiring federal funds to improve the border infrastructure, the agency estimates that it has funding for only about 36% of the state's transportation needs.

The State Comptroller refers to the need for TxDOT to diversify its funding base through the expansion of the State Infrastructure Bank (SIB). This bank was created in 1997 to develop lending programs through revolving loans to any public or private entity to construct or finance an eligible transportation project. At the end of August 1, 200 the SIB had disbursed about \$39 million and made loan commitments of about \$26 million. There were still uncommitted funds of \$171.5 million during this same time frame. During the 77th legislative session Senate Bill 407 expanded the authority to borrow funds under SIB to Texas counties since there was no legal statute for counties to obtain such loans. This bill was passed to allow SIB loans to public entities based on their credit rating. TBIC may consider, if it has not done so, encouraging its eligible members to apply for SIB funds under this expanded statute by establishing a technical assistance plan to ensure an increase in grant applications.

Another funding policy proposal was that TxDOT conduct a study on the benefits of providing state funding for the SIB program. Since the SIB's statute has been expanded by SB407, TBIC may also consider participating in such studies to establish baselines for its member counties and other agencies that obtain such funds. On a national level, the Comptroller proposed that Texas should work with other states to seek expansion of the federal SIB program under the Transportation Equity Act for the 21st Century (TEA-21) since more funds would be available to Texas for infrastructure development.

Since the inception of NAFTA the Comptroller and TxDOT estimate that the impact on Texas highways, due to increased traffic since 1996, has been about \$600 million. Of concern to TBIC should be the other side of this equation: that the costs to Texans living in the Texas Border has been about \$178 million or about 30% of the statewide total. These figures should be considered by TBIC as it attends to the development of its action agendas.

A major policy consideration that requires attention by TBIC is that the State of Texas pays for highway construction on a pay as you go basis. This means that, as the Federal Reserve Bank, observes, "that a sudden increase in demand for infrastructure-such as that brought on by

accelerating trade with Mexico in the 1990's-puts a strain on funding." TBIC should consider a formative policy framework that allows it to correctively adjust its data based agendas as the economic factors along the border shift. It is also necessary to consider that the maintenance of the border infrastructure must be an ongoing priority. This priority takes on added significance since deferred maintenance will cause havoc on future budget forecasts for the consideration of a legislature that meets every other year.

There are several other policy issues to be considered but due to the paucity of time and space to do so in this report, CBIRD recommends that TBIC review, in its entirety, the finding of the TxDOT's 2001 Performance Review by the Texas Comptroller. This review may be used to set certain baselines for benchmarking by TBIC as it evaluates the allocation of funds to the Texas Border. The challenge to TBIC will be to continually update its data base so that its agenda is driven by timely and factual information.

Section V: CBIRD's Policy Recommendations

The issue of infrastructure is one that stirs the emotions of many individuals and organizations due to the financial allocations processes that are in place to access the state's limited resources. This is the case whether one is considering the allocation of educational resources through the so-called Robin Hood Plan, the development of communities through HUD Empowerment Zones or whether the funds are directed at water systems on the border or in urban areas. The data that has been collected, collated and evaluated by CBIRD is vibrant with policy pods. CBIRD's obligation to TBIC is to provide data-based rather than data-free policy perspectives to guide its strategic planning and the development of its legislative agenda. To that end, we offer TBIC the following policy observations, that surfaced from the analysis of the data, for its considerations and deliberations:

- Develop a strategic plan that is directed toward meeting the needs of a vibrant Texas Border economy that is waiting in the wings.
- That TBIC meet with the researchers at the Texas Transportation Institute at Texas A&M University to discuss its survey of TxDOT's project selection and fund distribution as a means to initiate new policy proposals to TxDOT.
- Work with TxDOT to identify the appropriate baselines for the allocation of funds that TBIC can benchmark to ensure equity in the distribution of infrastructure resources to the TxDOT's Border regional offices
- Encourage the development of a strategic plan that is integrated with the other infrastructure components of concern to other stakeholders along the Texas Border [water, environment, education, technology and human capital development].
- Promote the sharing of best practices in its interactions with other advocacy groups so that time is efficiency used to develop responsive rather than reactive agendas.
- Develop a website with all appropriate links that will serve its membership as a data repository and communications network for the sharing of timely information on issues of common interest.
- Develop a technical assistance plan that is directed toward building the capacity of both its membership and constituencies to respond to funding opportunities from diverse sources besides TxDOT.
- Establish a decision calendar that expands the means for TBIC's members to participate in appropriate public events that address infrastructure issues that its concern.
- Attend to the development of a transportation strategic plan that takes into consideration the assets and resources of the Texas Border region's water ports and airports.
- Work with appropriate state and federal agencies on both sides of the Texas-Mexico border to improve the quality of life that is being eroded by the constant demands on the shared environment.

- Develop a human capital development plan that can be fully integrated with the training plans of the regional operations of the Texas Workforce Commission so that a technology literate workforce can participate in the “Smart Jobs” of the future.
- Expand the capacity of its membership to access the diverse and alternative transportation funding that is available through both TxDOT and USDOT.
- Participate on all hearings and taskforces that are addressing alternative funding criteria for the distribution of TxDOT funds throughout the state.

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Attachment A

The Border: On the Brink

Border: On the Brink

March 2001

Carole Keeton Rylander
Texas Comptroller of Public Accounts

This report tells it like it is for the 14 actual border counties. The study "Bordering the Future," issued by this office in 1998, looked at statistics for the original 43-county Border region which was really a South Texas border region. This report provides a closer look at the Actual Border Region which includes the 14 Texas counties whose boundary touch the U.S.-Mexico Border at some point. Statistics have also been developed for a second group based on the federal definition of the border from the La Paz Agreement with Mexico. This region contains 32 counties and includes the 14 Actual Border counties as well as any county within 100 kilometers of the Rio Grande.

		The 14-county Actual Border region	The 32-county Sub-border (La Paz) region	The 43-county South Texas Border region	Texas	The 211-county Non-border region
Poverty rate	<i>Most Recent 1997</i>	34.0%	33.9%	26.8%	16.7%	14.3%
Percent of schoolchildren in poverty	<i>Most Recent 1997</i>	40.5% of 5-to 17- year olds	40.6% of 5-to 17- year olds	33.8% of 5-to 17- year olds	22.1% of 5-to 17- year olds	18.9% of 5-to 17- year olds
Unemployment rate	<i>Most Recent 1999</i>	11.4%	11.4%	7.5%	4.6%	4.0%
Birth rate	<i>Most Recent 1999</i>	23.6 live births per 1,000 population	23.1 live births per 1,000 population	20.1 live births per 1,000 population	17.1 live births per 1,000 population	16.3 live births per 1,000 population
Death rate from hepatitis and other liver diseases	<i>Most Recent 1998</i>	13.0 deaths per 100,000 population	13.4 deaths per 100,000 population	14.3 deaths per 100,000 population	10.0 deaths per 100,000 population	8.8 deaths per 100,000 population
Death rate from diabetes mellitus	<i>Most Recent 1998</i>	32.6 deaths per 100,000 population	33.5 deaths per 100,000 population	32.7 deaths per 100,000 population	24.8 deaths per 100,000 population	22.8 deaths per 100,000 population
Percent of population that is 5 to 17 years old	<i>Most Recent 1999</i>	24.8%	24.8%	22.8%	20.4%	19.0%
Property crime rate	<i>Most Recent 1998</i>	5,008.6 crimes per 100,000 population	4,818.3 crimes per 100,000 population	5,275.2 crimes per 100,000 population	4,595.8 crimes per 100,000 population	4,420.9 crimes per 100,000 population
Average annual population growth rate during the 1990s	<i>Most Recent 1990- 1999</i>	3.0%	2.8%	2.2%	2.0%	1.9%
Average annual employment growth	<i>Most Recent 1990- 1998</i>	3.5%	3.3%	3.2%	3.2%	3.2%

			The 14-county Actual Border region	The 32-county Sub-border (La Paz) region	The 43-county South Texas Border region	Texas	The 211-county Non-border region
Department of Defense active military and civilian direct employment	Most Recent	1999	12,421	12,421	69,960	148,828	74,933
Per-capita spending on elementary and secondary education	Most Recent	1996	\$1,268.8	\$1,280.5	\$1,151.7	\$985.6	\$942.8
Department of Defense installations	Most Recent	1999	3	3	13	35	22
Total area	Most Recent	1990	34,670.4 square miles	67,543.3 square miles	79,422.9 square miles	267,277 square miles	187,854.1 square miles
Marriage rate	Most Recent	1998	9.4 marriages per 1,000 population	9.1 marriages per 1,000 population	8.6 marriages per 1,000 population	9.0 marriages per 1,000 population	9.1 marriages per 1,000 population
Growth in number of business establishments	Most Recent	1990- 1998	19.4%	17.7%	16.2%	17.3%	17.6%
Violent crime rate	Most Recent	1998	551.5 crimes per 100,000 population	531.0 crimes per 100,000 population	502.8 crimes per 100,000 population	565.7 crimes per 100,000 population	581.9 crimes per 100,000 population
Death rate from HIV/AIDS	Most Recent	1998	2.2 deaths per 100,000 population	2.2 deaths per 100,000 population	3.3 deaths per 100,000 population	4.8 deaths per 100,000 population	5.1 deaths per 100,000 population
Population	Most Recent	1999	1.9 million	2.1 million	4.1 million	20.0 million	16.0 million
Civilian labor force	Most Recent	1999	757,215	824,531	1.8 million	10.2 million	8.4 million
Total personal income	Most Recent	1998	\$27.2 billion	\$29.5 billion	\$74.2 billion	\$508.6 billion	\$425.9 billion
Average annual pay in retail trade	Most Recent	1999	\$14,485	\$14,367	\$15,867	\$17,691	\$18,021
Average annual pay in government	Most Recent	1999	\$27,706	\$27,321	\$29,323	\$29,491	\$29,539
Average annual pay in finance, insurance and real estate	Most Recent	1999	\$27,572	\$27,368	\$35,985	\$43,338	\$44,661

		The 14-county Actual Border region	The 32-county Sub-border (La Paz) region	The 43-county South Texas Border region	Texas	The 211-county Non-border region
Number of farms	Most Recent 1997	5,192	10,258	19,834	194,301	174,467
Average annual pay in mining	Most Recent 1999	\$34,917	\$35,127	\$39,999	\$69,584	\$70,708
Average annual pay in wholesale trade	Most Recent 1999	\$28,416	\$28,265	\$32,647	\$49,236	\$51,267
Average annual pay in transportation, communications and public utilities	Most Recent 1999	\$29,318	\$29,350	\$34,696	\$44,307	\$45,870
Recent growth in annual average pay	Most Recent 1998-1999	1.9%	1.9%	2.9%	4.4%	4.6%
Average annual pay	Most Recent 1999	\$22,368	\$22,159	\$25,287	\$32,254	\$33,712
Infant mortality rate	Most Recent 1999	4.9 deaths of infants under 1 year old per 1,000 live births	5.0 deaths of infants under 1 year old per 1,000 live births	5.7 deaths of infants under 1 year old per 1,000 live births	6.4 deaths of infants under 1 year old per 1,000 live births	6.6 deaths of infants under 1 year old per 1,000 live births
Average annual pay in services	Most Recent 1999	\$19,974	\$19,653	\$22,801	\$31,195	\$32,814
Motor vehicles per capita	Most Recent 1999	0.59	0.60	0.69	0.84	0.87
Death rate	Most Recent 1999	524.7 deaths per 100,000 population	548.5 deaths per 100,000 population	640.1 deaths per 100,000 population	714.9 deaths per 100,000 population	734.1 deaths per 100,000 population
Divorce rate	Most Recent 1998	1.3 divorces per 1,000 population	1.4 divorces per 1,000 population	2.8 divorces per 1,000 population	4.4 divorces per 1,000 population	4.8 divorces per 1,000 population
Average annual pay in manufacturing	Most Recent 1999	\$24,282	\$24,083	\$28,802	\$42,341	\$44,175
Average annual pay in construction	Most Recent 1999	\$20,671	\$20,595	\$26,450	\$32,761	\$33,869
Per-capita personal income	Most Recent 1998	\$14,224	\$14,180	\$18,390	\$25,803	\$27,165

		The 14-county Actual Border region	The 32-county Sub-border (La Paz) region	The 43-county South Texas Border region	Texas	The 211-county Non-border region
Number of children under age 19 who are uninsured	Most Recent 1999	221,000	238,000	401,000	1.4 million	1.0 million
Percent of children under age 19 who are uninsured	Most Recent 1999	31.2%	31.2%	29.5%	25.0%	23.6%
Total State Expenditures Allocable to Counties	Most Recent FY2000	\$5.6 billion	\$6.2 billion	\$10.7 billion	\$47.7 billion	\$37.0 billion
Share of Total State Allocable Expenditures	Most Recent FY2000	11.8%	12.9%	22.4%	not applicable	77.6%
State Expenditures for Highway Construction and Maintenance	Most Recent FY2000	\$292 million	\$349 million	\$542 million	\$3.2 billion	\$2.7 billion
Share of Statewide Expenditures for Highway Construction and Maintenance	Most Recent FY2000	9.1%	10.8%	16.8%	not applicable	83.2%
State Expenditures for Public Assistance	Most Recent FY2000	\$2.1 billion	\$2.3 billion	\$4.0 billion	\$14.3 billion	\$10.3 billion
Share of Statewide Expenditures for Public Assistance	Most Recent FY2000	14.8%	16.2%	27.9%	not applicable	72.1%
State Expenditures for Intergovernmental Payments	Most Recent FY2000	\$2.6 billion	\$2.9 billion	\$4.7 billion	\$15.5 billion	\$10.8 billion
Share of Statewide Expenditures for Intergovernmental Payments	Most Recent FY2000	17.0%	18.5%	30.2%	not applicable	69.8%
State Expenditures for Labor Costs *	Most Recent FY2000	\$497 million	\$559 million	\$1.2 billion	\$11.2 billion	\$6.0 billion
Share of Statewide Expenditures for Labor Costs *	Most Recent FY2000	6.9%	7.8%	16.4%	62.8%	83.6%
State Statewide Expenditures for Operating Expenses *	Most Recent FY2000	\$35 million	\$38 million	\$112 million	\$1.0 billion	\$743 million
Share of State Expenditures for Operating Expenses *	Most Recent FY2000	4.1%	4.4%	13.1%	84.7%	86.9%

		The 14-county Actual Border region	The 32-county Sub-border (La Paz) region	The 43-county South Texas Border region	Texas	The 211-county Non-border region
State Expenditures for Capital Outlays *	Most Recent FY2000	\$16 million	\$16 million	\$58 million	\$0.497 billion	\$340 million
Share of Statewide Expenditures for Capital Outlays *	Most Recent FY2000	4.0%	4.12%	14.6%	80.2%	85.5%
State Expenditures for Miscellaneous *	Most Recent FY2000	\$29 million	\$33 million	\$131 million	\$2.1 billion	\$842 million
Share of Statewide Expenditures for Miscellaneous *	Most Recent FY2000	3.0%	3.4%	13.5%	46.3%	86.5%

For these expenditure categories, total state expenditures outside of Travis County were used. For state labor costs, operating expenses, capital outlays and miscellaneous expenditures, Travis County represents an unusually large percent. For further information on the definitions of expenditure categories, see the Comptroller publication "Texas 2000 State Expenditures by County."

NOTE: For this analysis, the Texas Actual Border region includes these 14 Texas counties touching the U.S-Mexico border: Brewster, Cameron, Duval, El Paso, Hidalgo, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, Webb, Zapata.

NOTE: For this analysis, the federal La Paz border region includes these 32 Texas counties either touching the U.S-Mexico border or touching a county on the border: Brewster, Brooks, Cameron, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Frio, Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Kenedy, Kinney, La Salle, McMullen, Maverick, Pecos, Presidio, Real, Reeves, Starr, Sutton, Terrell, Uvalde, Val Verde, Webb, Willacy, Zapata, Zavala.

NOTE: For this analysis, the South Texas border region includes these 43 Texas counties south of Interstate 10 and west of Interstate 37: Atascosa, Bandera, Bexar, Brewster, Brooks, Cameron, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Frio, Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kenedy, Kerr, Kimble, Kinney, Kleberg, La Salle, Live Oak, Maverick, McMullen, Medina, Nueces, Pecos, Presidio, Real, Reeves, San Patricio, Starr, Sutton, Terrell, Uvalde, Val Verde, Webb, Willacy, Zapata, Zavala.

SOURCES: Texas Comptroller of Public Accounts, U.S. Bureau of Labor Statistics, U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, National Center for Health Statistics, U.S. Department of Defense, U.S. Bureau of Justice Statistics, National Agriculture Statistics Service, Federal Highway Administration, U.S. Department of Education's National Center for Education Statistics, Texas Department of Health, Texas Department of Transportation, Texas Workforce Commission.

Attachment B

Smart Border: 22 Point Agreement

Smart Border: 22 point agreement

United States and Mexico: Monterrey, Mexico, January, 2202

U.S. - Mexico Border Partnership Action Plan

Secure Infrastructure

1. Long Term Planning
Develop and implement a long-term strategic plan that ensures a coordinated physical and technological infrastructure that keeps pace with growing cross-border traffic.
2. Relief of Bottlenecks
Develop a prioritized list of infrastructure projects and take immediate action to relieve bottlenecks.
3. Infrastructure Protection
Conduct vulnerability assessments of trans-border infrastructure and communications and transportation networks to identify and take required protective measures.
4. Harmonize Port of Entry Operations
Synchronize hours of operation, infrastructure improvements, and traffic flow management at adjoining ports of entry on both sides of the U.S.-Mexico border.
5. Demonstration Projects
Establish prototype smart port of entry operations.
6. Cross-Border Cooperation
Revitalize existing bilateral coordination mechanisms at the local, state, and
7. financing projects at the border
Explore joint financing mechanism to meet the main development and infrastructure needs.

Secure Flow of People

8. Pre-Cleared Travelers
Expand the use of the Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) dedicated commuter lanes at high-volume ports of entry along the U.S.-Mexico border.
9. Advanced Passenger Information
Establish a joint advance passenger information exchange mechanism for flights between Mexico and U.S. and other relevant flights.
10. NAFTA Travel
Explore methods to facilitate the movement of NAFTA travellers, including dedicated lanes at high-volume airports
11. Safe borders and deterrence of alien smuggling
Reaffirm mutual commitment to the Border Safety Initiative and action plan for cooperation on border safety, established in June 2001. Enhance

authorities and specialized institutions to assist, save and advise migrants, as well as those specialized on curbing the smuggling of people. Expand Alien Smuggling and Trafficking Task Force. Establish a law enforcement liaison framework to enhance cooperation between U.S. and Mexican federal agencies along the U.S. – Mexico border.

12. Visa Policy Consultations
Continue frequent consultations on visa policies and visa screening procedures. Share information from respective consular databases.
13. Joint Training
Conduct joint training in the areas of investigation and document analysis to enhance abilities to detect fraudulent documents and break up alien smuggling rings.
14. Compatible Databases
Develop systems for exchanging information and sharing intelligence.
15. Screening of Third-Country Nationals
Enhance cooperative efforts to detect, screen, and take appropriate measures to deal with potentially dangerous third-country nationals, taking into consideration the threats they may represent to security.

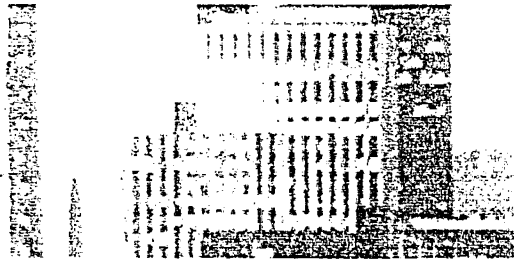
Secure Flow of Goods

16. Public/Private-Sector Cooperation
Expand partnerships with private sector trade groups and importers/exporters to increase security and compliance of commercial shipments, while expediting clearance processes.
17. Electronic Exchange of Information
Continue to develop and implement joint mechanisms for the rapid exchange of customs data.
18. Secure In-Transit Shipments
Continue to develop a joint in-transit shipment tracking mechanism and implement the Container Security Initiative
19. Technology Sharing
Develop a technology sharing program to allow deployment of high technology monitoring devices such as electronic seals and license plate readers.
20. Secure Railways
Continue to develop a joint rail imaging initiative at all rail crossing locations on the U.S.-Mexico border.
21. Combating Fraud
Expand the ongoing Bilateral Customs Fraud Task Force initiative to further joint investigative activities.
22. Contraband Interdiction
Continue joint efforts to combat contraband, including illegal drugs, drug proceeds, firearms, and other dangerous materials, and to prevent money laundering.

Attachment C

68th Annual Conference of Mayors

Adopted in
Seattle WA
June 9-13, 2000



► TRANSPORTATION AND COMMUNICATIONS COMMITTEE

BORDER TRANSPORTATION INFRASTRUCTURE AND U.S. CITIES

WHEREAS, global import and export activity is playing an increasing role in expanding economic opportunity and growth in the nation's cities; and

WHEREAS, trade with Mexico has been an increasingly important part of this economic growth, increasing by 200 percent in the last decade from \$58.5 billion to over \$240 billion; and

WHEREAS, 3,600,000 U.S. jobs and over \$100 billion in U.S. wages are estimated to be created by and dependent on U.S.-Mexico trade activity; and

WHEREAS, the U.S.-Mexico border is the most-crossed border in the world; and

WHEREAS, the volume of cross-border traffic through U.S. cities is staggering and growing, including for example 2.8 million trucks through the largest port, Laredo, in 1999, averaging 12 trucks per minute each 12-hour work day 6 days a week, and 284,000 loaded rail cars in 1999, a 284 percent increase in five years; and

WHEREAS, most cross-border traffic is destined for or originates at U.S. factories, businesses and job sites in cities far from the border and millions of U.S. jobs and businesses all across the country depend on the efficient movement of goods and materials across the border; and

WHEREAS, the General Accounting Office in a report on commercial traffic congestion at border crossings concluded that congestion results from (1) multiple checks at the border by various federal and state agencies, (2) federal inspection agency staffing shortages at some border crossings, (3) limited use of automated management information systems for processing commercial traffic, (4) lack of land to expand port of entry operations, (5) inadequate roads leading to some port of entry operations, and (6) poor port of entry planning among U.S. inspection agencies and limited coordination between the U.S. and Mexican governments; and

WHEREAS, the burden of congestion, air pollution, road wear and tear, and public safety from border traffic and bottlenecks falls on border cities while the negative economic impact of bottlenecks and delays on trade, commerce and just-in-time delivery is felt nationwide; and

WHEREAS, in recognition of the national economic importance of an efficient border transportation system the Transportation Equity Act for the 21st Century created a Borders and Corridors program to help improve traffic flow and eliminate bottlenecks at border crossings; and

WHEREAS, TEA-21 envisioned a cooperative effort among mayors, state and

federal agencies in improving the flow of cross-border traffic and trade; and

WHEREAS, the border cities of Laredo, Brownsville, and El Paso, the Texas Border Infrastructure Coalition representing border cities, the Border Trade Alliance representing both border cities and the private sector in Texas, New Mexico, Arizona, and California, and national trade organizations have expressed strong concern and opposition to state or federal projects that would impede the flow of cross-border traffic and create additional bottlenecks, and in particular to a State of Texas proposal to use state and TEA-21 funds to build state inspection stations at locations separate from and located apart from local and federal facilities in certain border locations, over the opposition of local mayors,

NOW, THEREFORE BE IT RESOLVED that The U.S. Conference of Mayors calls upon the federal agencies, including the U.S. Department of Transportation, to consult with, involve and respect the views and concerns of mayors of border cities in planning and funding border transportation infrastructure projects, and

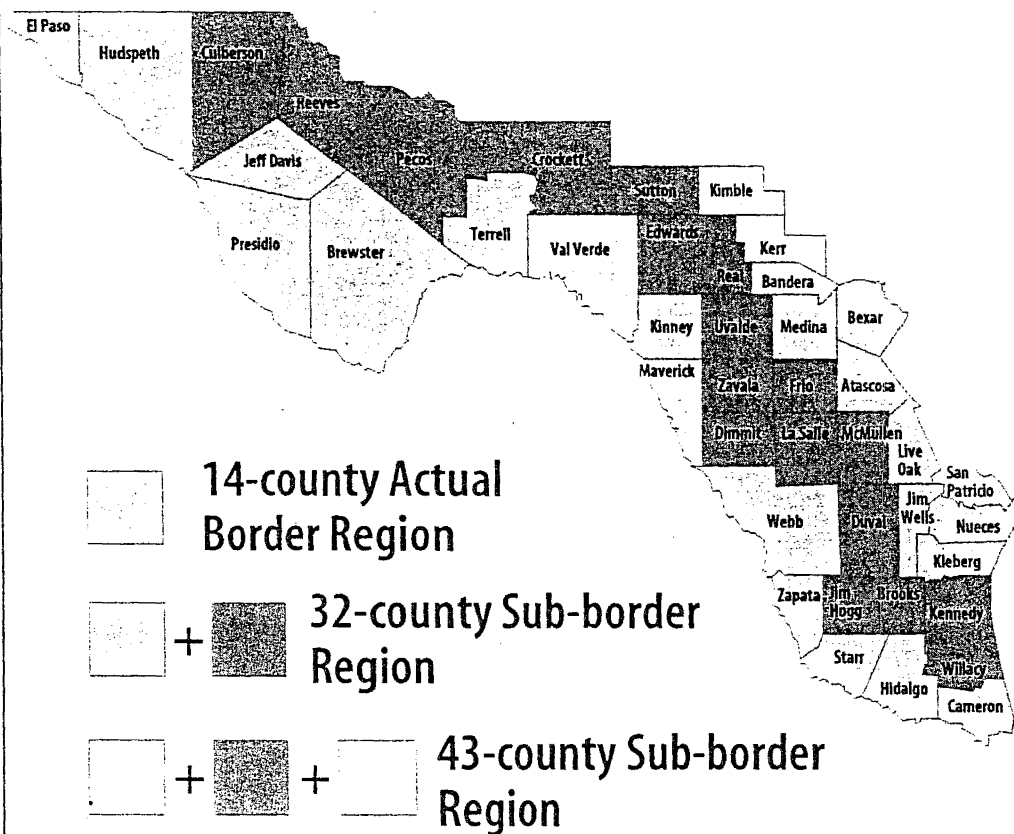
BE IT FURTHER RESOLVED that The U.S. Conference of Mayors calls upon the Congress to authorize and fund federal agencies and programs that will address the causes of border transportation congestion as cited in the General Accounting Office study.

◀ [Return to Previous Page.](#)

Attachment D

The Border: On the Brink Ma

The Border: On the Brink



SOURCE: Carole Keeton Rylander, Texas Comptroller.

98-576/3-01

TEXAS BORDER INFRASTRUCTURE COALITION
(TBIC)
2003 LEGISLATIVE SESSION
TRANSPORTATION ISSUES

"Two out of every three jobs created in Texas are directly or indirectly related to trade"

"Simply put, without continued investment in the transportation infrastructure along the border, jobs will be lost in Dallas, Houston and many other Texas Communities and the United States".

Narrative

Transportation infrastructure is critical to trade and development along the Texas-Mexico border. Rapid growth along the border has placed a heavy burden on the region's transportation infrastructure. Coupled with this is the increase in trade related traffic. The Texas Department of Transportation (TxDOT) estimated that vehicular traffic crossing the border between Del Rio and Brownsville would increase by 120% from 1995 to 2015. These projections do not include the impact of traffic as the result of other modes such as rail and water, not the additional trade traffic as the result of new Central and South American trade agreements. And, homeland security issues and systems will further complicate the mobility needs of the region.

The Texas border region has experienced significant growth in recent years and according to the Texas Comptroller's Office, that trend will continue. From 1990 to 2000, the border metro areas, which include El Paso MSA, McAllen-Edinburg-Mission MSA, Brownsville-Harlingen-San Benito MSA, and Laredo MSA, grew by 30% which is more than the state average of 22.8%. Overall, the population of the entire border region is expected to increase by nearly 60%, or 2.3 million, reaching 6.3 million by the end of 2020.

The growth rates on the Mexican side of the border outpace those on the U.S. side. Mexico has also recognized in the importance of transportation infrastructure to economic development. Several major transportation improvement projects are in progress on the Mexican side of the border, including improved highways, rail systems, port expansions and international bridge projects.

Border communities have joined together to develop plans to address these needs. Gridlock will threaten not just the environmental, mobility and economics of the border, but also the economy of the state and many other cities and states. Homeland security demands redundant systems to ensure that trade can continue to flow. Simply put, without continued investment in the transportation infrastructure along the border, jobs will be lost in Dallas, Houston, and many other Texas communities and the United States.

Selected Regional Statistics*	Rio Grande Valley	Laredo MSA	El Paso MSA
Population (2000)	978,369	193,117	69,672
% Population Growth Since 1990	39.3%	44.9%	1.9%
Projected Population (2020)	1,552,551	333,451	96,760
% Population Growth 2000 to 2020	58.7%	72.7%	38.4%
Truck Crossings (2001, incoming)	677,163	1,404,184	NA
Truck Crossings (2001, outgoing)	617,257	1,407,621	NA
Rail Crossings (2001, incoming)	11,255	168,376	NA
Rail Crossings (2001, outgoing)	40,642	182,244	NA

Source and Note:

Population data gathered from U.S. Census Bureau (www.census.gov) and from Texas State Data Center at Texas A&M University (www.txstcd.tamu.edu). Border crossing data was collected from Texas A&M International University's Texas Center for Border and Economic and Enterprise Development website (<http://texascenter.tamiu.edu/>). NA indicates that data not available. Border crossing figures may need to be revisited.

*TBIC has commissioned a full study and report on Border Transportation Issues from Texas A&M International University in Laredo in 1999. This report was updated in 2002 by The University of Texas at Brownsville and Texas Southmost College. Copies of the Report are available from TBIC.

TRANSPORTATION LEGISLATIVE PRIORITIES FOR 2003

TBIC has identified six projects (2 from each district) that are legislative priorities for 2003.

Priority TXDOT Projects**El Paso**

1. IH 10 from SH 20 (Mesa Dr.) to Executive Center Blvd.
2. U.S. 85 (Paisano Dr.) from Santa Fe to Campbell

Laredo

1. U.S. 59 from Laredo to Freer
2. U.S. 277 from Laredo to Eagle Pass

Pharr

1. Interstate Level for U.S. 281 (I-69)
2. Interstate Level for U.S. 77 (I-69)

TBIC has identified 144 TXDOT projects from the three border districts (Pharr, Laredo, El Paso) that must be funded in 2003. A list of these projects are available from TBIC.

TBIC LEGISLATIVE POSITIONS FOR 2003

Major Legislative Positions

1. Identify priority border projects for annual funding including planning, engineering, construction and right of way acquisition (See TBIC list).
2. Create a multi-billion dollar Texas Border Infrastructure Bond Fund to build key international trade projects within 21 miles of the border (Garvey Bonds or other alternative financing mechanisms that State may support).
3. Develop and fund integrated technology systems at the Federal Level to cross trucks, pedestrians, and vehicles faster, safer and more efficiently.
4. Develop and fund mass transit system
5. Appoint a Border Representative on Texas Transportation Commission

Minor Legislative Positions

1. Compress TxDOT 1.8 Billion Border Trade Transportation Task Force Plan from 10 years to 5 years.
2. Increase Maintenance and Expansion of farm to market road and off system streets along the border linking NAFTA traffic with NAFTA Corridors.
3. Streamline right of way acquisition by TxDOT on State funded projects.
4. Streamline the environmental process in the preliminary design phase of TxDOT projects.
5. Review the current statutes and procedures and create solutions that will speed up the TxDOT consultant selection process.
6. Amend the Transportation Code to automatically waive local match requirements for projects in the 53 economically disadvantaged counties identified by TxDOT.
7. TxDOT must include local communities in their decision making process for the creation of State Inspection Facilities.
8. The State of Texas should allow any new transportation revenues and innovative financing to be invested in developing, improving, and constructing NAFTA roadways that provide access to international ports along the Texas-Mexico border.