

ADOPTED RECOMMENDATIONS FOR THE DEVELOPMENT OF THE BORDER 2020 – SECURE, FAST, SMART STRATEGY

SECURE MANUFACTURING AND VALUE ADDED TRADE

Goal and characteristics

- Support the creation of secure manufacturing zones that promote high supply chain visibility at land ports of entry. Development of border zone should focus on producing a “Fast, Smart, Secure” strategy for strategic industries and the defense establishment in the U.S., Mexico, & Canada.
 - a. As a manufacturing, logistical & transfer center(s) for hemispheric and world trade.
 - b. Systems
 - Legal/Administrative/Standards
 - Technological
 - Transportation Infrastructure
 - Capital Systems
 - Academic/Educational
 - c. Characteristics
 - Fast
 - Safe
 - Secure
 - Clean
 - Energy Efficient/ Security
 - Public must get an obvious benefit
 - Replicability

Establishing an environment for economic growth and competitiveness

- Support the establishment of government incentives such as valued added tax credits and the promotion of high technology investments in priority areas along the border, as well as joint marketing of value added economic clusters. Economic cluster can focus on biomedical devices, aerospace, software, and technology.
- Promote web-based solutions at border land and sea ports of entry to move people and goods fast and safe.
- Encourage companies evaluating an international expansion to focus on the total cost of the operations.
 - Efforts should be dedicated to analyzing the true cost of operating on the U.S. -Mexico border region, including such factors as proximity to market, quality of labor pool, logistics, and more;

- The information that will result from the study that is being conducted on the recent decision by Motorola to relocate operations from China to the Arizona-Sonora region should be shared as an example of the actual cost of border operations. This will help companies take a multidimensional look at their projects, ensuring a global view and analysis of the project.
- Sometimes the indirect costs to an operation can make or break the project. For example, the ability to recruit personnel from other parts of the U.S. or the world to the border region but if they cannot find adequate housing, schools or entertainment, then relocating on a long-term basis becomes a big challenge.
- Increase regional sourcing by the Maquiladora industry, particularly from Mexico.

Enhancing reliability

- Because of greater reliance by companies on Just-In-Time (JIT) manufacturing strategies, proximity to the manufacturing centers along the border need to contribute to the profitability and success of JIT operations.
- Government needs to maintain an ongoing dialogue with existing industries to ensure their needs are identified and addressed. This dialogue needs to include all stakeholders, including:
 - Local governments;
 - Academia;
 - Industry/Maquila;
 - Professional service providers; and more

Workforce

- Support and promote the development of an educated and skilled labor force along the border through educational programs, work force training, and support services;
- Focus on attracting new investment and foster job creation of the border region. Such efforts will greatly contribute to the sustainability of the region.
- Recruitment efforts should rely on a strategic analysis of the competitive advantages of the region and identifying areas of growth or needs.
- A key consideration for companies is the amount and type of human resources available in the region:
 - There needs to be greater focus on increasing the educational attainment of the region, with particular emphasis on technical training programs; and
 - The ideas and approach presented by the Borderless Innovation proposal should be applied and its analysis expanded to other parts of the U.S.-Mexico border region.

- To ensure that North America retains its competitiveness in a global economy, the U.S. needs to implement an effective and efficient immigration policy that meets the needs of border communities and industry.
- Increase student exchange programs in the region, as this is an effective way to foster information and culture exchange, as well as enhancing the educational experience for the participants.

GOODS MOVEMENT AND HIGH PRIORITY CORRIDORS

High Priority Corridors

- Promote the development of adequate high-priority transportation corridors and modern ports of entry along the U.S. – Mexico border region.
- Allocate new or additional resources for trade corridors and border authorizations programs, i.e. either through proposed California Infrastructure Bond proposals or existing funding sources such as the Carl Moyer Fund in California for the promotion of clean energy commercial vehicles, or the federal government’s Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU).
- Identify various border initiatives to pilot safe, smart, and secure movements of commodity shipments, i.e. CANAMEX agriculture seal and secure.
- Support the full implementation of North American Free Trade Agreement (NAFTA) trucking regulations and/or correct southwest border inefficiencies.
- Support the development of commercial corridors through sea, land and dual freight railroad lines along the U.S. – Mexico border.
- Border stakeholders need to express a unified message that states that the border region is a bridge not a barrier. Promote the pursuit of funding resources that begin to implement secure manufacturing zones demonstration projects and develop an inclusive and holistic strategy that involve and pre-qualify exporting industries and other important stakeholders.
- Obtain information of innovative infrastructure pilot projects along the U.S. – Mexico border. The BLC, along with other stakeholders, are to develop criteria for the identification and implementation of a border pilot project, and pool state and local government financial resources. The developed criteria shall be forwarded to governors of the 10 U.S. – Mexico border states for their consideration.

Funding and Financing

- Analyze ways in which Public-Private-Partnerships could be implemented to facilitate funding and financing high priority corridors.
- Include shippers (i.e. Wall Mart, Target, etc.) and other logistics coordinators in the financing equation.

- Analyze the potential of using funding from the North American Development Bank (NADBank) and the Regional Mobility Authorities (RMAs) for transportation infrastructure in the U.S. and Mexico.

Planning and coordination

- Set up mechanisms to coordinate planning and development of high priority corridors. Include all relevant stakeholders from Mexico and the U.S. - federal, state, municipal and private sector levels.
- Use already established groups and other mechanisms (i.e. U.S.-Mexico Joint Working Committee).
- Coordinate technology implementation throughout the North American corridors.
- Coordinate U.S. – Mexico legislative delegation with representatives of the border states to visit Washington DC and Mexico City to seek implementation of secure manufacturing zones proposal in current border security and immigration debate, or other appropriate legislative vehicles.

INTELLIGENT BORDER CROSSING THROUGH BINATIONAL PLANNING AND INFRASTRUCTURE FINANCING

Financing

- Reassess current NADBank lending capacity per single obligator, as well as the 50% of total cost per project limitation, in order to develop policies that more accurately manage credit risk for NADBank while maximizing lending opportunities for the benefit of border infrastructure project sponsors.
- Apply NADBank programs in its newly expanded geographic jurisdiction in a more uniform fashion to simplify access to NADBank programs and maximize opportunities for developing needed infrastructure projects in the expanded jurisdiction.
- Develop an agenda of procedural changes to improve the NADBank’s efficiency in order to decrease the timeframe for decision-making on funding of projects. This should include the development of performance indicators to assess the Bank’s progress in order for the Bank to improve its operational and financial efficiency.
- The future viability of the NADBank depends largely on its ability to make loans that promote sustainable economic growth and development in the U.S. – Mexico border region. Any discussion regarding the future of the NADBank must focus on how to further enhance the Bank’s mandate to make it more relevant and effective institution for the benefit of the U.S. – Mexico border region.
- Fully fund U.S. EPA’s Border Environment Infrastructure Fund (BEIF) at \$50 million.

Coordination and planning

- Leadership from state legislators to coordinate communications with federal government, specifically with the Department of Homeland Security, state government, and local leadership to understand what is being done and how it is being implemented.
- State Legislators should use contacts with federal legislators to request their support in requesting coordinators
- Need greater binational cooperation and planning among local, state and federal stakeholders of the California – Baja California region. Form binational forum of local stakeholders that includes private sector financial advisors to develop coordinated infrastructure plans.
- Create of a regional cross-border planning council comprised by compatible levels of representation at the three levels of government, i.e. local, state, and federal.
- Improve the physical infrastructure at the border. Delays of the movement of goods and people are negatively impacting the economic development of the region;
- Greater coordination at all levels of government, local, state and federal as well as on a binational basis:
 - For example, the sharing of information, real time, on Amber Alerts so that authorities on both sides of the border can be prepared to handle the situations that may arise.
- Infrastructure should be defined very broadly, not merely as roads and rail lines and ports of entry; it should be seen as encompassing the many associated issues such as housing and education that are linked to economic development.

SECURING AND FACILITATING COMMERCE

- To maximize efforts to secure and facilitate commerce along the border, it is necessary to look at the “big picture” and to think of trade and the supporting policies and infrastructure in a holistically and integrated approach. Such a comprehensive approach should:
 - include the whole trade corridor;
 - be multimodal, including all modes of transportation;
 - integrate security fully; and
 - incorporate both the public and private sectors.
- Border-state universities should create a consortium that will focus on trade and regional economic development issues.
 - The consortium should produce a model of the border region that could serve as a baseline for evaluating the impact of different policies and programs;

- It should institutionalize the relationship among academia, the private sector and the public sector in the border region;
 - It should produce concrete proposals easily translated into legislative language and that demonstrate the return on investment of better policies (e.g., the positive impact on the border economy resulting from investments in resources and policy changes that reduce wait times at the ports of entry; and
 - It should produce a study on how to consolidate the efforts of the private sector regarding border policies.
- The private sector should play an active role in making border issues understood in Washington D.C. and Mexico City, drawing on the work of the education consortium.
 - The private sector should speak with one voice and prioritize needs. It should educate federal officials on the possibilities that would result from better policies; and
 - Firms that create jobs in the border region—Motorola, Ford, Delphi, etc.—should have strong voices in this effort.
- Promote a memorandum of understanding among state and local entities in the California – Baja California region to establish effective and institutionalizes regional agreements.
- The quality of life in the region is a critical detractor at this time for most border communities, lacking investment in the following:
 - Arts and culture
 - Housing;
 - Quality health care;
 - Unpaved streets;
 - Security for the residents of the region; and
 - Outdate infrastructure, among others.

Other

- There needs to be reciprocity in the recognition of certification, particularly in anticipation of emergency response situations:
 - Recognition of nursing certificates on both side of the border in order for the public to have access to health in emergency situations.

Addendum to Adopted Economic Development Recommendations
14th Border Legislative Conference
Phoenix, Arizona

Bruce Wright, Vice President for Economic Development, University of Arizona

1. The U.S. – Mexico border region needs to play a lead role in North American technology innovation and development. Focus on developing key high-tech sectors across the border.
2. Reposition the region for manufacturing – exploit the advantage of skilled labor and proximity to company headquarters. Focus on low volume, high value manufacturing for emerging high technology companies.
3. Implement the concepts of the CyberPort Study – application of technology to cargo shipment – move inspection away from border to point of origin.
4. Conduct key pilot projects to demonstrate new technology applications – support the Border Technology Communications Center in Nogales.
5. Expand formal training and educational programs among border state universities – support the Southwest Border Security University Consortium.
6. Collaborate rather than compete – share best practices.

Luis Ramirez, Executive Committee Member, Border Trade Alliance

1. Promote the elimination of the existing I-94 Form currently required for nonimmigrant visitors entering the U.S. with a visa (also known as arrival and departure record). Requiring nonimmigrant visitors to fill out, carry, and return the form to U.S. officials upon exiting the U.S. is not necessary since information is already available in Homeland Security database.
2. Promote strategic outreach efforts to increase awareness of the requirements of the Western Hemisphere Travel Initiative, particularly at land ports of entries.
3. Reduction and predictability of border wait times should be considered as benchmarks to enhance the flow of legitimate commercial and non-commercial traffic at border ports of entries.
4. Promote long-term planning and greater resources by U.S. and Mexico federal governments for border infrastructure.
5. Promote a comprehensive coordinated binational plan for border infrastructure needs.