



MEXICO INSTITUTE



# 9th Annual Building a Competitive U.S.-Mexico Border

## Summary of Main Issues

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On June 21st, 2023, the Wilson Center's Mexico Institute and the Border Trade Alliance hosted the 9th Annual Building a Competitive U.S./Mexico Border Conference. As Ambassador Mark Green, President & CEO of the Wilson Center, highlighted in his opening remarks, the threats that the two countries face are interwoven, and finding ways to enhance the competitiveness of the border region is imperative for both countries.

During the various panels and speeches of the day-long conference, several key themes of the U.S./Mexico border region emerged, such as pandemic recovery, infrastructure, workforce development and labor training, immigration, and innovation and new technologies. Throughout the discussions, panelists from the public and the private sectors sought to develop constructive ways to advance public policies to address these challenges on both sides of the border.

# PANDEMIC RECOVERY

In a February round table conversation organized by the Mexico Institute and Sam Houston State University's Institute for Homeland Security at the Port of Brownsville, key stakeholders discussed how the COVID-19 pandemic caused major challenges across industries, such as increased inspections and rapidly changing entry requirements. The "Cross-Border Commerce During and After COVID-19" panel continued to explore these issues. Kenia Zamarripa, Executive Director of International Business Affairs at the San Diego Regional Chamber of Commerce, asserted that among the major obstacles was the top-down federal decision making, which impacted daily cross-border activities, social ties, and economic interdependence along the border. The sudden closure of the border by the federal government had immediate repercussions on border communities and regional supply chains. The closures not only disrupted the movement of goods and services, but also resulted in shortage of available workers in the US, which was exacerbated by the restrictions imposed on Mexican workers crossing into the US, according to Joaquin Spamer, President of Commodities Integrated Logistics. This served as a stark reminder of the importance of immigrant and migrant populations and the need for workforce development initiatives to address labor shortages.

The pandemic response highlighted the significance of local communities and businesses in carrying out recovery efforts. Businesses on both sides of the border understood that the safety of their employees was essential to maintaining supply chains. Efforts to protect workers included providing COVID screenings and tests, as well as proper access to healthcare, shared Spamer. Panelists agreed that regionally focused business strategies that consider the unique characteristics of border communities can help businesses effectively respond to closures. Additionally, financial institutions and programs like the Paycheck Protection Program (PPP) were found useful in providing support to businesses during the pandemic according to Hector Cerna, President and CEO of the International Bank of Commerce.

The consensus was that reopening businesses and communities quickly requires cooperation between the private and public sectors, and the benefits of this kind of collaboration were highlighted by Zamarripa. She shared that when San Diego had an excess of vaccinations early in the pandemic but were not allowed to export them to Mexico, they coordinated with businesses and the Mexican government to vaccinate Mexican citizens at the ports of entry, where they were not technically crossing into the US. That process helped to vaccinate 26,000 people and was later replicated in Texas. This example highlights why collaboration between businesses, organizations, and governments is essential when addressing challenges.

# INFRASTRUCTURE

The need to improve border-crossing infrastructure to facilitate trade was a widely agreed upon theme throughout the conference. In response to a question about a potential “Port of the Future,” Juan Villa, Program Manager for Economics, Trade, and Logistics of the Texas Transportation Institute at Texas A&M University, stated that there is ample interest in pursuing the project, and that, given the continual development of new technologies, the “Port of the Future” should be built as a bridge, in order to make it as flexible and adaptable as possible. Daniel Covarrubias, Director of the Texas Center for Border Economic and Enterprise Development at TAMIU, added that the construction of a “Port of the Future” is certainly a possibility, but it must be tested on a port of entry that has less traffic than the others, and if successful, could be implemented at larger ports of entry. Earlier this year, the 2023 Brownsville Round Table discussed that policy changes, when not aligned with operational needs at different ports of entry, can exacerbate existing challenges. The volatility of policies at border crossings has prompted a commercial response, with increased inventory levels and associated costs, placing strain on supply chains.

Lance Jungmeyer, Board Chair of BTA and President of Fresh Produce Association of the Americas inquired about the possibility of developing closed, refrigerated inspection points for produce. Rachel Poynter, Deputy Assistant Secretary of State, responded by sharing that a binational conversation is needed to identify what the needs are on either side of the border to ensure that the standards are as similar as possible.

Congressman Tony Gonzalez (R-TX) commented on the complex presidential permit process, emphasizing the need for collaboration with the executive branch. He shared insights from his meetings with Mexican president Lopez Obrador and with local governments in northern Mexico, highlighting similarities between the independent attitudes of people in northern Mexico and southern Texas, as well as the streamlined access to the Mexican president, which contrasts with the U.S.’s bureaucratic structure. Gonzalez advocated for regulatory streamlining and cautioned against hasty cuts, underscoring the role of appropriations in navigating these complexities.

# INFRASTRUCTURE

Brad Grantz, Staff Director for Senator Ted Cruz, the Ranking Member of the Commerce Committee, emphasized the Senator's focus on addressing the construction of bridges in Laredo, Eagle Pass, and other Texas communities. He mentioned that the Senator's team is working to resolve the delays in obtaining presidential permits required for these projects under the International Bridge Act of 1972. He explained that the unique situation in Texas involves crossings on mostly privately-owned land across a water border, which differs from land crossings controlled by the General Services Administration in other states. While decisions in states like California or New Mexico are made expeditiously without extensive environmental assessments, Texas faces lengthier and more burdensome requirements. He noted that obtaining environmental assessments under the National Environmental Policy Act could take years, even for the expansion of existing bridges. Grantz mentioned the previous administration's executive order that provided a process for the State Department to issue recommendations on permits, offering a potential framework for improvement.

# WORKFORCE DEVELOPMENT, LABOR TRAINING, AND EDUCATION

Juan Villa and Daniel Covarrubias emphasized the importance of workforce development and training in exponential technologies, especially for young people and students of all levels. Villa recommended that course syllabi be rewritten to include lessons on new and emerging technologies and AI. In their view, the use of these technologies to supplement the expertise of human workers will facilitate trade across the border.

Workforce development was also cited as an essential tool to prompt people to reenter the workforce after the pandemic. Several participants note that the reopening of the border after the pandemic brought forth various challenges for the workforce. Some employees were reluctant to return to work, workplace conflicts increased, and there was a greater need for employer support. In response, many businesses began offering wellness programs, childcare options, and education and training programs. These efforts eased the transition, improved employee retention, and ensured employee wellbeing.

# IMMIGRATION AND MIGRATION

Ambassador Mark Green noted that the U.S. and Mexico are undergoing a period of transition, particularly after Title 42 was lifted. This sentiment was shared by Georgina Barquet, Head of Borders and Special Affairs for the Embassy of Mexico emphasized that with the expiration of Title 42, sharing of information between the US and Mexico has become crucial, and communication will play a key role.

Barquet also highlighted that more than 1.5 million people cross the border each day, and that therefore border crossings should be easier and more efficient. Rachel Poynter, Deputy Assistant Secretary of State, stressed that the two countries are collaborating to improve border efficiency, and noted that the countries are working to identify the underlying issues at each port of entry in an effort to shorten wait times at the border. In her keynote address, Diann Rodriguez, Executive Director for Cargo, Conveyance, and Security, Customs and Border Patrol (CBP), mentioned that CBP is also actively working to promote efficient, secure trade and travel across the border. Additionally, she shared that they have collaborated with Mexico to promote unified customs processing at the southwest border to reduce wait times and lower the cost of doing business.

Congressman Tony Gonzalez (R-TX) recognized the struggle of millions crossing the border illegally, often claiming asylum, despite low qualification rates. Instead, Gonzalez argued for legal alternatives, like work visas, which would permit people to work in the U.S. and return to their home countries periodically. Gonzalez observed that not all immigrants wish to become American citizens and participate in political matters. Recognizing this fact, he suggested, could stimulate more productive conversations and bring the nation closer to effective immigration reform. Hector Cerna, President and CEO of IBC Bank-Eagle Pass, noted that the current asylum system allows people to enter the country but prevents them from obtaining work permits, which could potentially fill a labor shortage in the US workforce.

# INNOVATION AND AI

Several innovative solutions that emerged in response to the pandemic were identified. Joaquin Spamer, President of Commodities Integrated Logistics, noted that businesses have turned to e-commerce and online platforms such as e-Trade and Amazon to adapt to the evolving landscape. Additionally, Kenia Zamarripa, Executive Director of International Business Affairs at the San Diego Regional Chamber, stressed the importance of improving innovative technologies like biometrics to reduce border wait times.

While many speakers agreed that AI and new technologies could facilitate trade at the border, Amanda Blunt of General Motors warned that the risks of this type of innovation, such as the liability risks, must be considered. Daniel Covarrubias added that the use of AI requires the presence of an expert with previous experience with this technology in order to double-check AI generated results, which are not always perfect. Nevertheless, all panelists agreed that the use of AI and emerging technologies will make cross-border trade more efficient.

Rachel Poynter shared that US-Mexico collaboration to identify mechanisms to enhance border efficiency is already underway. Poynter and Barquet both highlighted the 21st Century Border Management Initiative, a bilateral effort to improve border security and economic competitiveness. They mentioned that the initiative seeks to implement a pilot program that uses smart border technologies to allow for better real-time information sharing at the border. This innovation will benefit various ports of entry, including those like Brownsville, which have cited electronic system disruptions as a major barrier to allowing for quicker border processing.