



**TEXAS
FREIGHT
ADVISORY
COMMITTEE**



Texas Freight Advisory Committee

November 28, 2018, 8:30 a.m.

Laredo College, Laredo, Texas

Attendees

Committee Member	Organization	Attendance
Judge Ed Emmett, Chair	Harris County	Present
Ron Beeson	Lubrizol Corp.	Designee Present (Scott Campbell)
Russell Boening	Texas Farm Bureau	Not Present
Randy Brogoitti	Brogoitti Construction	Present
Paul Cristina	BNSF Railway	Present
Drew Crutcher	Landgraf, Crutcher & Associates	Not Present
Bryan Daniel	Governor's Office of Economic Development and Tourism	Present
Michael Dyll	Texas International Freight	Present
John Esparza	Texas Trucking Association	Present
Roger Guenther	Port of Houston Authority	Designee Present (Bruce Mann)
Luis Hinojosa	Uni-Trade Forwarding, LLC	Not Present
Judge Clay Lewis Jenkins	Dallas County	Designee Present (Lauren Trimble)
Carson Landsgard	H-E-B	Not Present
John LaRue	Port of Corpus Christi Authority	Present
Brenda Mainwaring	Union Pacific Railroad	Designee Present (Ivan Jaime)
Kevin McIntosh	Kansas City Southern (KCSR)	Not Present
Jeff Moseley	Texas Association of Business	Not Present
Rolando Ortiz	Killam Development, Ltd.	Present
Keith Patridge	McAllen Economic Development Corp.	Present
K. Alan Russell	The Tecma Group of Companies	Not Present
Carlton Schwab	Texas Economic Development Council	Not Present
Todd Stewart	Gulf Wind International	Not Present
Jack Todd	Trinity Industries, Inc.	Not Present

Texas Transportation Commissioners		
Commissioner Alvin New	Texas Transportation Commission	Present
Ex-Officio Members		
Christopher Evilia	Waco MPO	Present
Erin Ford	Retired – Houston County	Not Present
Senator Sylvia R. Garcia	Texas State Senate, District 6	Not Present
Clark Greer	Coca-Cola	Not Present
Rep. Armando Martinez	Texas House Member, District 39	Not Present
Rep. Sergio Munoz, Jr.	Texas House Member, District 36	Not Present
Rep. Poncho Nevarez	Texas House Member, District 74	Not Present
Mayor Pete Saenz	City of Laredo	Present
Gerry Schwebel	IBC Bank	Present
Danny Smith	United Parcel Service	Not Present
Paul Treangen	TNW Corp.	Designee Present (Clayton Kendall)
Matt Woodruff	Kirby Corporation	Present

TxDOT and Texas A&M Transportation Institute (TTI)

Caroline Mays	TxDOT
Brian Barth	TxDOT
Loretta Brown	TxDOT
Sondra Johnson	TxDOT
Sherry Pifer	TxDOT
Casey Wells	TxDOT
Pedro Alvarez	TxDOT
Bob Bielek	TxDOT
Marty Boyd	TxDOT
Emily Clisby	TxDOT
Peter Espy	TxDOT
Patrick Gant	TxDOT
Sara Garza	TxDOT
Tim Juarez	TxDOT
Terry Martinez	TxDOT
Melisa Montemayor	TxDOT
Alisha Peña	TxDOT
Roberto Rodriguez	TxDOT
David Salazar	TxDOT
Mark Werner	TxDOT
Allan Rutter	TTI

Cambridge Systematics Team

Nicholas Vlahos	Cambridge Systematics
Elizabeth Welch	Cambridge Systematics
Marie Lewis Adams	Atkins
Janna Rosenthal	Atkins
Joe Bryan	WSP

Other Attendees

Clay Barnett	Sherman-Denison MPO
Michael Bomba	University of North Texas
Gary Bushell	Alliance for I-69
Enriqueta Caballero	Texas Secretary of State
Rafael Dueñas	ALFA
Vanessa Guerra	City of Laredo
Brian Hill	U.S. Maritime Administration
Georgi Ann Jasenovec	FHWA
Yvette Limon	City of Laredo
James Lovett	SH 130
Mario Maldonado	City of Laredo
Francisco Marquez	GEMCO
Robert Ryan	Blanton & Associates
Olivia Varela	Laredo EDC

1. Welcome and Introductions

Committee Chair Ed Emmett called the meeting to order. Mayor Pete Saenz introduced himself and welcomed the group to the city of Laredo.

Chair Emmett stated the committee recognized Laredo's critical freight importance early in the Texas Freight Mobility Plan (TFMP) process, so holding meetings in Laredo should be a routine event. He said it was a privilege to welcome the newest Texas Transportation Commissioner, Alvin New.

Commissioner New introduced himself, noting his interest in the Border Trade Advisory Committee (BTAC) as well as the TxFAC. Connectivity is critical to Texas, and moving goods and people is our business. Growing business through freight is a key part of economic development.

Chair Emmett discussed the recent Harris County election results. He noted he does not plan to retire and is willing to continue on as TxFAC Chair if the committee wishes. This committee has done a lot of good work, but there is much left to be done. He cautioned members to actively participate in the TxFAC or make room for new members.

TxDOT Transportation Program Officer Brian Barth introduced himself, stating he was hired in Lauren Garduño's place following Mr. Garduño's retirement. TxDOT appreciates the committee's work to date, as well as Caroline Mays' leadership.

Ms. Mays acknowledged the work of her staff. She introduced Sherry Pifer (Freight Branch Manager) and Tim Juarez (Border Branch Manager), as well as Casey Wells and Loretta Brown.

The TxFAC members introduced themselves.

2. Recap of May 31, 2018 Meeting and Summary of Today's Agenda, Objectives, and Expected Outcomes

Caroline Mays stated it has been an honor to work with the committee over the past few years and thanked them for staying the course. The team is at an important juncture. The TFMP was approved and TxDOT is now carrying the recommendations forward; it is not a plan made to sit on a shelf. During the previous meeting on May 31, TxDOT briefed the committee on key upcoming tasks, particularly the Truck Parking Study and Freight Infrastructure Design Guidelines. TxDOT is also in the process of scoping two regional freight mobility plans, including the Midland/Odessa area and a border-specific plan. The regional plans will go deeper than the statewide, high-level plan. TxDOT's intent is not to complete a plan for every region, but rather to develop a template for local areas to use for their own freight plans, particularly focusing on first- and last-mile issues.

During today's meeting Ms. Mays and team will provide more information on upcoming activities. The team is in the midst of a statewide stakeholder workshop process for both the Truck Parking and Freight Infrastructure Design Studies. She asked TxFAC members to help get the word out to stakeholders, so the right people can come to the table to discuss these important issues. Truck parking is a concern everywhere, including Laredo. Texas also has major design issues on roadways. This is a working meeting, and the team needs the committee's input and direction.

3. Texas Freight Mobility Plan 2017

Sherry Pifer introduced herself and discussed the upcoming stakeholder workshop schedule. She encouraged committee members to promote the workshops, as well as attend the meetings in person if possible. TxDOT is looking to create well-rounded plans inclusive of significant stakeholder input.

Casey Wells gave an update on the investment plans included in the 2017 TFMP. The unconstrained plan included 2,370 projects, of which 528 have been let to date. The five-year fiscally constrained plan (2016-2020) included 229 projects, of which 100 have been let with many more scheduled for 2019 and 2020.

Ms. Mays emphasized that the committee helped develop and prioritize the investment plans. Almost half the projects in the high-priority five-year plan have been let, which is a big accomplishment.

Truck Parking Study

Nick Vlahos provided an overview of the Truck Parking Study. He reviewed the purpose, goals and objectives for the study, as well as the proposed process and schedule. Truck parking is an

emerging problem across the country, and TxDOT's aim is to develop actionable strategies to address parking needs and improve safety, mobility and efficiency on the Texas Multimodal Freight Network. The team is currently working on the first half of the project, including data collection and preliminary analysis.

Chair Emmett also encouraged TxFAC members to attend the upcoming workshops.

Mr. Vlahos asked for feedback from the committee on truck parking needs, either statewide or in a specific area.

Mayor Saenz said truck parking is an ongoing issue in Laredo, for both drayage and long-haul trucking. Cargo moves from Laredo to Mexico and vice versa, then the long haulers take the trucks on the remainder of their journey. First and foremost, there is a lack of capacity. Cost, capacity, and organization are the key issues, and improving truck parking has multiple safety benefits. Trucks often park anywhere they can find space, which can be dangerous.

Gerry Schwebel stated local ordinances need to be in alignment with the trucking industry. Long-haul trucking is the issue. Ordinances need to be business friendly and consider safety concerns. Laredo does have plans for additional parking areas, but there are limitations, such as offering food, facilities, etc. that need to be worked out.

Caroline Mays noted John Esparza has been instrumental in getting the word out to the trucking industry. There are 40-50 RSVPs for the Laredo stakeholder workshop on Nov. 29, in large part because the Laredo Motor Carriers helped spread the word.

Mr. Vlahos noted many metropolitan areas in Texas have restrictions on truck parking. Are these regulations helping or hurting?

Rolando Ortiz said the sheer volume of trucks in Laredo is hard to accommodate. Mayor Saenz stated up to 18,000 trucks are coming across the border each day in both directions. Mr. Vlahos noted even if you doubled the approximately 700 spaces available at five truck stops in the area, it would not come close to accommodating 18,000 trucks.

Gerry Schwebel said there are environmental concerns with truck parking areas; when trucks idle and drip oil and gas, it can create issues if/when the owner decides to sell the property.

Mr. Vlahos asked the group how the lack of parking capacity/information about parking capacity in urban areas affects operations for trucking companies and businesses.

Michael Dyll said if truckers need to pick up in Houston in the morning, and do not know where to park overnight, they may have to drive ~2 hours away, which affects pickup times. Mr. Vlahos added there is a cost factor involved if a driver is not able to charge for a full day of driving. Time spent looking for parking is unpaid.

John LaRue stated truck parking causes safety issues for ports. Trucks parking on access roads to industrial facilities can block entrances and views. There are also problems with sanitation, such as lack of eating spaces and restroom facilities.

Gerry Schwebel asked whether the National Association of Truck Stop Owners (NATSO) has looked at these issues. Mr. Vlahos said the team has some information; NATSO is part of a federal task force on truck parking. Many truck stops would love to expand, but do not have supportive adjacent land uses, and new locations may not match demand.

Chair Emmett asked if environmental groups would be consulted during the study. In Houston, it is important for trucks to shut down to reduce emissions. Certain groups were looking at plug-in options, where trucks could connect to electricity for heating/cooling instead of idling; it was not deemed cost-effective at the time but seems like it could be necessary. He also noted no workshops were scheduled in the Austin/Waco area; Ms. Mays said the project team is working with local MPOs to hold a meeting in the Waco/Temple area. Chair Emmett mentioned the significant amount of open land adjacent to SH 130 seems like a good opportunity for truck parking. Truck facilities may incentivize drivers to use SH 130 instead of I-35. Mr. Vlahos echoed there is about a 30-mile stretch on either side of downtown Austin with no truck stops.

Commissioner New said he often saw oversized/overweight trucks on TxDOT access roads. How can those vehicles be accommodated? They cannot use most truck stops.

Rolando Ortiz asked if the team reviewed information on where trucks need to stop when they leave Laredo based on data from Electronic Logging Devices (ELDs). Mr. Vlahos stated they have a sample of statewide data from in-vehicle devices. The data is not comprehensive but is a good starting point.

Bruce Mann noted congestion often results when truck pickups/deliveries occur during peak travel times for personal vehicles. Better schedule coordination is needed.

John Esparza thanked TxDOT for looking into the truck parking issue. The use of ELDs will be a critical issue moving forward; there is a deadline a year from now that mandates ELD use for intrastate travel. With paper logs, drivers could fudge a few minutes here and there to meet the rules; ELDs require exact timing. This will increase the need for parking, as well as methods to show parking availability. Mr. Vlahos mentioned law enforcement is now questioning whether it is preferable to wake up a driver who is resting, albeit in an unauthorized space, rather than send an unrested driver back onto the roadways. They are also seeing the impact of ELDs.

Mr. Vlahos asked if truck parking challenges were different in rural as opposed to urban areas. In rural environments there are often many miles between truck stops, but drivers still need to use their ELDs. With paper logs, for example, if a driver had 49 minutes left he might round up to an hour; now, 49 minutes is 49 minutes. Is the problem more or less severe in rural areas?

Mr. Schwebel said speed limits were a key difference between urban and rural areas.

Randy Brogoitti stated the same problems exist in both urban and rural areas. Sometimes a trucker will need to park two hours outside an urban area, which is a rural area. Sometimes rest areas are unavailable to personal vehicles because trucks have used all the space.

John Esparza reiterated the need to communicate to drivers where parking is available and how much. Areas adjacent to SH 130 should be used for truck parking; it will be a good way to

incentivize use of the toll road. Mr. Vlahos noted Michigan has incorporated concepts from commuter rail into their truck parking program, such as communicating how much room is available. John Esparza said safety is a key concern for truckers; they are looking for a safe place to park, and there is safety in numbers.

Michael Dyll posited that the common denominator is the ELD. When truckers are unavailable or late, the predominant reason is running out of hours (or fear of running out of hours), not lack of parking. Mr. Vlahos stated everyone could identify with the stressful situation of being prevented from finishing important work. One of the reasons drivers are afraid of running out of hours is because of uncertainty regarding parking and congestion.

Mr. Brogoitti asked how parking information could be delivered to drivers inside their vehicles. Caroline Mays said that discussion will come later. TxDOT is working on signage; we need to know where to place the signs. TxDOT has a federal grant to study truck parking information on major corridors. On I-10, states from California to Texas have applied for a combined grant. We are moving in that direction; we have a lot of the data already.

Chair Emmett noted drivers are probably unable to utilize their full shifts because of parking uncertainty; they would rather be safe than push the limits. More parking is tied to more productive hours for drivers. Mr. Vlahos added trucks most often start looking for parking at least 30 minutes before the end of their shift.

Paul Cristina raised the issue of modal equity. He said he appreciated the issues facing the trucking industry, but is it the state's responsibility to provide free truck parking? Ms. Mays stated TxDOT is not in the business of providing truck parking; their goal is to facilitate solutions driven by private sector. Mr. Vlahos echoed that a vast majority of truck parking in Texas is provided by the private sector. The state has 94 public rest areas that provide truck parking, with about 1,300 total spots; meanwhile over 83 percent of Texas' interstate highway system is within 30 minutes of one of the major private truck parking providers.

Mayor Saenz asked if it was cost-prohibitive to have tandem drivers, where one could take over when the other ran out of hours. Mr. Esparza said it was a question of capacity. It is a productive option, but with the current shortage of truck drivers, having tandem drivers means one less truck out on the road.

Mr. Vlahos asked about truck parking issues for special generators such as ports, intermodal facilities, border crossings, etc.

Bruce Mann said during grain season there are trucks backed up all over the place. Managing flow is the issue. Caroline Mays said the TxFAC provides the opportunity to have the railroads, ports and borders together in the same room which helps us understand all facets of the challenges.

Ivan Jaime noted rail will be a key tool in the toolbelt. Union Pacific (UP) doubled the size of their intermodal terminal in Laredo. It will help if rail can play a bigger part in the supply chain; however, railroads also have issues with truck parking capacity at intermodal facilities.

Gerry Schwebel said he has helped to finance truck terminals for 30-40 years. They are getting bigger and bigger as demand has increased. Rolando Ortiz agreed, noting facilities often now utilize three lots instead of one, 18 acres instead of 7 acres, etc. Developers are also providing long throats into warehouses, so trucks can stack on the property rather than on the road. Ms. Mays said the land use side is also important because decisions on approving these developments occur at the local level.

Chair Emmett cautioned that sometimes no decision is the right decision. With a shortage of parking, will more freight be forced to move to rail? Is that a better public policy decision for freight moving from Laredo to Dallas? That is an important factor to consider.

Nick Vlahos reviewed the preliminary findings from the Truck Parking Study analysis. Many U.S. states have undertaken truck parking initiatives, and several have implemented truck parking information systems; however, it is still an emerging issue with no industry best practices yet. Challenges include local regulations, ELD changes and fragmented technology implementation. He again mentioned the upcoming workshops.

TxDOT Pharr District Engineer Pedro Alvarez said he distributed an email about the workshops to local MPOs and other groups and encouraged others to do the same.

James Lovett of SH 130 let the group know the SH 130 team is actively engaged and wants to be part of the freight mobility and truck parking discussion.

Freight Infrastructure Design Considerations

Caroline Mays stated the Freight Infrastructure Design Considerations Study is another key recommendation from the freight plan. She reminded the group that during the last TxFAC meeting, TxDOT's Bridge Division director spoke regarding implementing TFMP recommendations for increased bridge clearance.

Joe Bryan provided an overview of the Freight Infrastructure Design Considerations effort, including purpose, goals and objectives. He noted roadways may not be designed for today's trucks, especially first-mile/last-mile corridors. Infrastructure design affects safety, efficiency, productivity, mobility, reliability and resiliency. Mr. Bryan asked the committee to identify big-picture, statewide design challenges affecting the efficient and safe movement of freight.

John LaRue noted interjurisdictional issues when freight moves from interstates to local roads.

Keith Patridge mentioned turning radii on local roadways, particularly in urban areas. Many cities have allowed for bike lanes or turn lanes which take up extra right of way.

Mayor Saenz stated first-mile/last-mile connections, turn lanes, expansion capacity, and agency coordination are all key issues.

Gerry Schwebel said agencies often fail to plan for forecasted growth. Laredo has seen an average of 5 percent growth in truck traffic per year, but infrastructure takes 10 years to catch up, and design at ports of entry does not always accommodate traffic in both directions. The

design phase needs to look at choke points and forecasted growth. Choke points are not just a local problem, as they affect state and national supply chains.

Pedro Alvarez stated municipalities need to update their thoroughfare plans; right of way needs to be in place to expand roadways. Joe Bryan noted land use planning is a related issue.

Mr. Bryan asked about design concerns often encountered in urban areas, such as turning issues. He noted many urban areas are incorporating Complete Streets concepts into transportation planning, which have many benefits for accommodating bicycles and pedestrians, but often do not work for trucks. Plans need to consider the types of vehicles moving on the streets. The freight industry needs efficient operations to keep costs manageable; there is a cost associated with utilizing smaller trucks.

Rolando Ortiz discussed issues with truck queuing at the final stage; it is difficult to manage truck arrival times. If a truck is expected at 1:00 p.m. and arrives at 10:00 a.m., it can get ahead of a driver expected at 10:00 a.m., causing timing issues.

Ivan Jaime mentioned delays at grade crossings, some of which are getting busier.

Chris Evilia stated urban areas are space-constrained, but citizens still expect deliveries. Local governments must manage multiple competing interests, such as cars, bicycles, pedestrians, and transit on roadways.

Michael Dyll said he most often sees congestion and choke points at terminals; facilities with high volumes need to be accommodated.

Mayor Saenz noted the type of roadway/pavement material is a key concern. Paul Cristina said he often hears about pavement condition issues at terminals and grade crossings. Mr. Bryan said pavement condition can be a significant safety issue.

Gerry Schwebel said discussions on infrastructure design should have occurred when truck size increased from 47 to 50+ foot trailers. John Esparza clarified there has been some discussion; 10 years ago, Texas Transportation Commissioner, Ted Houghton, raised the issue, and changes were made on length of ingress/egress lanes. There is a major challenge when truckers do not have proper permits for large loads. Gerry Schwebel stated there are different (lower) weight limits in Laredo than in Mexico on certain roads.

Bruce Mann said more stakeholder conversation is needed on what we think the future will look like; e.g. will all trains be double stacked? It is easier to build higher bridges now than tear lower bridges down later.

Keith Patridge raised the issue of 5G technology, which relies on closely-spaced antennas (roughly every 1,500 feet) placed within roadway right of way. It will be more difficult to expand roads in future with the amount of utility relocation needed.

Joe Bryan asked about design issues in rural areas. There is more through freight in rural areas, but those roadways also supply the smaller communities throughout the state in addition to the agriculture and energy sectors.

Melisa Montemayor of the TxDOT Laredo District mentioned that design speeds are higher in rural areas, raising safety concerns and conflicts with slower-moving and slower-merging freight traffic. TxDOT has added safety protocols particularly in the Eagle Ford area (e.g. rumble strips) to address these concerns.

Randy Brogoitti recalled the TxFAC designated Critical Rural Freight Corridors (CRFCs) as part of the 2017 TFMP. The design considerations need to be the same as for the Critical Urban Freight Corridors (CUFCs) because the same vehicles will use both systems. The compensation governments receive from oversize/overweight permits does not begin to cover the costs of repairing roadways. It is too easy to bypass the weight limits.

Rolando Ortiz noted lack of funding is a key issue in rural areas; a smaller tax base means less money to go around. Chair Emmett added that many rural roads are county roads, which are funded by local property taxes. Any proposed caps on property taxes should exempt major roadway projects. John Esparza said many local roadways are designed for 54,000 lb vehicles or less.

Joe Bryan stated internet home delivery is not just for urban areas, which is beneficial because rural communities have access to a wider variety of goods; however, it adds trucks to the roadways.

Mr. Bryan asked about design issues for unique freight generators. Rolando Ortiz mentioned border crossing issues. The Loop 20/I-35 interchange has been under construction since the early 2000s, and still is not complete. Funding issues persist; we need to find the proper funding categories.

Mayor Saenz said federal and state authorities are asking local communities for significant local match funds, but we can only do so much. We are willing to do our part, but it only goes so far. Completing the I-69 portion of Loop 20 would help enormously.

Chair Emmett reiterated that counties only function with property taxes. If improvements are needed, but the state legislature restricts local ability to grow tax revenue, nothing gets done. The message must get through to the legislature to exempt transportation projects.

Bruce Mann discussed the need to protect the free flow of freight in high-capacity areas. Most urban areas have air quality attainment issues; how do we protect free flow and avoid adding to air quality concerns?

Mr. Bryan asked about issues moving over-dimensional freight to/from rail cars. Ivan Jaime mentioned logistical challenges; when UP expanded its Laredo facility, the surrounding infrastructure stayed the same. Railroads need to better coordinate with TxDOT when expanding or adjusting their facilities.

Michael Dyll stated rail is a great option for overweight loads, but not necessarily oversize loads. Ivan Jaime cautioned that certain older rail bridges are weight restricted. Railroads lose efficiency if trains are not double stacked.

John Esparza said the legislature will come out with new mandates on frack sand limits, which should be on everyone's radar. Caroline Mays suggested convening a focus group with the energy sector trucking industry regarding weight issues.

Gerry Schwebel stated larger ships are entering Texas ports with more containers, adding more traffic and weight to the roads. John LaRue agreed the trend is towards more and bigger ships, but most of the container ships go to Houston.

Chair Emmett asked the group to keep in mind that accommodating overweight trucks with frack sand is just shifting cost from one place to another. It may save cost for the energy industry, but should the taxpayer bear that cost, or should we take advantage of railroads or barges that are already there? He reiterated that sometimes taking no action requires the market to look for other solutions. John Esparza noted frack sand source locations are shifting.

Bruce Mann stated it was important to understand what types of vehicles move on the roadways. With grade separations, we need to accommodate the right vehicle types.

Joe Bryan provided a brief recap of the discussion and next steps. John LaRue mentioned the need to be cognizant of pipelines as well. Gerry Schwebel said air freight may become a bigger player in the future with the growth of e-commerce. Mr. Bryan raised the issue of access ramp lengths for trucks to safely merge; the safest lengths are 2,700-3,500 feet, but that is much longer than any guidelines currently in place. It is not an easy problem to solve.

Mr. Bryan closed out the discussion by mentioning future considerations for infrastructure design, such as changes in regulation and policy; changes in the motor carrier industry; changes in technology; and changes in the type of cargo to be transported.

4. United States-Mexico-Canada Agreement (USMCA), A Border Perspective

Laredo College President Dr. Ricardo Solis welcomed the committee and gave a brief overview of the college's history. The campus is on the site of Fort McIntosh, established in the 1840s to defend the border. Many campus buildings are historical landmarks, built in the 1800s.

Tim Juarez, TxDOT Border Master Plan Project Manager, hosted a panel to discuss the United States-Mexico-Canada Agreement (USMCA), also known as NAFTA 2.0. He showed a video produced by TxDOT focusing on international trade and border planning. He introduced Laredo Mayor Pete Saenz, Pharr International Bridge Director Luis Bazan and Borderplex Alliance CEO Jon Barela.

Mayor Saenz stated Laredo is the number one inland port in the entire Americas. Our success depends on a strong partnership with Mexico. Last year Laredo handled \$214 billion in international trade. Approximately 9,000 trucks come north across the US/Mexico border and

9,000 go south each day. We have dual customs inspections at the Laredo Airport, rail bridge, World Trade Bridge (the heavy lifter) and Laredo-Colombia Solidarity International Bridge. The Laredo area borders two Mexican states, Tamaulipas and Nuevo Leon. The USMCA is very important. The U.S. has surplus trade (i.e., we export more than import), which is an economically valuable position. Despite uncertainty regarding the trade deal, freight traffic continues to grow; Laredo volumes grew 7 percent last year. We need to remain competitive. Fluidity, connectivity and financing are the key issues. The value of our trading relationship with Mexico cannot be overstated. In this region we need to be extra sensitive to how we deal with border-related issues, including security – our relationship with Mexico is a top priority. It can all be handled if we use patience and dignity.

Luiz Bazan thanked Mayor Saenz. Pharr is smaller than Laredo; at its peak, 5,000 trucks cross the border daily. Pharr Bridge crossing numbers have also been growing despite negative rhetoric and uncertainty. The energy sector is a major market. Pharr Bridge has a Memorandum of Understanding with the Port of Brownsville for energy materials coming in and going south to Mexico. Pharr is ranked 29th in the nation for freight volumes, including air and seaports. We are the fourth largest bridge in trading with Mexico, and we service the largest amount of fruit and vegetable freight. If our bridges are not well prepared, we will not be able to compete. The Mexican side has invested in its operations and is now more efficient than the U.S. side. We deal with Customs and Border Protection as well as the General Services Administration. As part of the Donations Acceptance Program, as of 2015 we had \$35 million to invest in new infrastructure; we will finally start implementation in 2019. Improvements take time, and we need to coordinate with Mexico as well. Bottlenecks on major corridors affect us all. As far as the USMCA, we all want a flexible, fair trade deal. Tariffs still exist on steel, and General Motors recently announced job cuts.

Jon Barela introduced the Borderplex Alliance, which is the only private organization representing two countries and three states (Texas, New Mexico, and Chihuahua, MX). The Alliance coordinates policy advocacy in the region and does not accept public money. Our region of 2.7 million people is experiencing job and manufacturing growth despite uncertainty with the USMCA. This is a critical time along the border, in terms of policy advocacy. The midwestern states and the farm belt have a stake in this and will be critical allies. There are 700,000 jobs in states like Pennsylvania and Ohio that rely directly on trade with Mexico. It is very important to work with our midwestern allies. It will be a heavy lift and a big fight as we go about getting the USMCA ratified; fundamentally it is a good agreement for this country and this continent. When NAFTA was ratified, there was a sense of bipartisanship that is rarely seen today. The earliest action on the USMCA will likely occur in March/April 2019.

Rolando Ortiz asked if there was a report or source for the 700,000 jobs figure; Mr. Barela said yes, he would share the report. He noted El Paso has seen a major increase in retail as well. Roughly 20-30 percent of retail trade in El Paso is from Mexican nationals.

Tim Juarez asked the panel what types of infrastructure investments they would like to see to help accommodate growing freight volumes. Mayor Saenz stated Laredo has initiated a fast lane for certified carriers; construction should begin within the next six months. In two to three

years, more technology advancements will be implemented at the World Trade Bridge. We are trying to implement a master tower where authorities can coordinate. Beyond the World Trade Bridge exit, we encounter first mile/last mile issues daily, and we're working closely with TxDOT and our Mexican counterparts on potential improvements. Incoming president Andrés Manuel López Obrador has said he wants to focus on the infrastructure already in place, namely the World Trade Bridge and Colombia Bridge, but we have another all-purpose bridge further south we need to improve as well as a third major bridge anticipated.

Luis Bazan mentioned the importance of the Customs Trade Partnership Against Terrorism (CTPAT) certification program; approximately 35 percent of trucks crossing at Pharr Bridge are certified. We would like a dedicated fast lane for CTPAT trucks to expedite their crossing times. He also mentioned Unified Cargo Processing; Mexico has started a pre-screening process with the maquiladoras to dispatch trucks at their origin. We could do one joint inspection on the U.S. side. LG is undertaking a pilot program. The stretch between 7:00 a.m. and noon is a dead time at the border; all activity happens after noon. We need to invest in human infrastructure and process improvements, such as a centralized examination station, x-ray systems, and other technology.

Jon Barela agreed with the other panelists and noted all the Borderplex Alliance communities are experiencing growth. Our area has grown from the 7th to 4th largest manufacturing hub in North America; unemployment is at historic lows. There will be a lot of work required to get the USMCA passed; the good news is, both political parties are interested in infrastructure investment. It is accurate to equate infrastructure investment with border security; investments can only bolster our national security. We need to keep talking with our congressional representatives about passing an infrastructure bill.

Tim Juarez provided an update on the Texas-Mexico Border Transportation Master Plan (BTMP), which is a coordinated effort between TxDOT, the BTAC, and binational stakeholders to develop a comprehensive plan to address border-related challenges and opportunities. The BTMP intends to foster coordination and collaborations between Texas and Mexico, and support the institutions, facilities and infrastructure serving the border.

5. Lunch Keynote Speaker

Chair Emmett introduced Gerry Schwebel, who delivered a presentation entitled *The Mexico-U.S. Relationship: Economic and Political Impact for 2019*.

Mr. Schwebel stated he has given this presentation around the country, focusing on the history of trade agreements and the importance of the USMCA. He said the Reciprocal Trade Agreement Act of 1934 became the framework of all future trade agreements. During the NAFTA process in the 1990s, the political climate was substantially different, and the presidents of all three countries liked the idea. In the U.S. Congress there was bipartisan support and opposition to NAFTA; it passed the Senate with 61 votes, the exact amount needed. Today, Congress is more polarized and the Mexican, Canadian and U.S. leaders are not in alignment.

Substantial private sector objectives exist to keep a NAFTA-type agreement and successfully compete with Europe and Asia. Mr. Schwebel stated he participated in the negotiation process. The new agreement seeks to modernize NAFTA in key sectors, such as energy, telecommunications, e-commerce, environmental, and trade logistics. The USMCA's top negotiators have allowed private sector input on various topics.

Mr. Schwebel provided details on what has changed between NAFTA and the USMCA, as well as the next steps necessary to pass and implement the USMCA. It is not clear that the USMCA has the votes to pass the U.S. Congress; it will be a challenge. The private sector has a voice and is engaged in lobbying and promotion. He discussed priorities for the new Mexican government as well.

Chair Emmett thanked Mr. Schwebel for the information and his commitment to the negotiating process. John LaRue asked if the Texas congressional delegation was on board; Mr. Schwebel said no. There are more supporters on the Republican side, but some Democrats as well. We need to zero in on our delegation in Texas now, and encourage the governor to take the lead. Governor Abbott was the first to formally submit his support for the negotiating process. More and more companies and interests have gotten involved since the negotiations began.

6. Texas Rail Plan Update

Peter Espy, director of the TxDOT Rail Division, provided an update on the Texas Rail Plan process. The statewide rail plan is a federally-required document, which TxDOT prepares every five years. The plan includes a description of the rail system in Texas, physically and economically, and involves passenger and freight components. The document identifies challenges and opportunities. TxDOT works with the railroads and ports to understand their ideas for improvements and projects. Most of the rail system in Texas is private; information and concerns are handled differently than highway modes. Projects included in the Rail Plan must include a clear public benefit. There is no funding specifically applied through the Rail Plan process; sometimes federal funding is available for rail projects.

Mark Werner of the TxDOT Rail Division discussed the Rail Plan stakeholder outreach process. The project team held stakeholder meetings with both passenger and freight rail providers in September/October 2018. A public meeting will be held Dec. 11, 2018 from 4:00-6:00 p.m. in Austin or via Webex. The draft plan should be available by the end of May 2019.

Chair Emmett noted rail is fundamentally different than highway, but the TxFAC wants to be as involved as possible. He encouraged TxDOT to continue talking to private rail providers. Mark Werner stated previous Rail Plans have included larger lists of projects; now TxDOT is providing more targeted, focused lists of realistic projects. Paul Cristina recalled one TFMP finding was to initiate a discussion on the public benefits of freight moving by rail; perhaps the group can get an update on that at the next meeting.

Peter Espy stated a recent report from AASHTO provides a lot of information on the freight rail industry and public-private partnerships. The document includes a discussion on how the rail

industry evaluates and funds projects as opposed to the public sector, and where it would make sense for them to coordinate.

Gerry Schwebel commended the railroads who have been involved in the TxFAC and BTAC. They made a huge commitment with the rail bridge, and they engage in regular communication between the U.S. and Mexico. Small things like allowing rail crews to work on each side of border can make a big difference.

7. Open Discussion

Chair Emmett noted he is TxDOT's representative to the ENO Center for Transportation and he expressed willingness to coordinate more with that group. He will soon undertake a new role as a professor at Rice University and a senior fellow at the Kinder Institute for Urban Research.

Gerry Schwebel cautioned that the USMCA includes provisions that may move trade processes away from the border and into the interior of each country, on both the U.S. and Mexico sides. We need to be at the table to voice our concerns. He said he would soon be in Washington D.C. to ensure the negotiating partners understand the perspective of stakeholders on the ground. It will be crucial to devote energy to this over the next 90 days to make sure these side deals do not become detrimental to Texas.

Chair Emmett noted Steve Boecking is no longer a TxFAC member, and the committee needs a new vice chair. He encouraged interested participants to reach out to Caroline Mays.

Chair Emmett thanked Commissioner New for his interest in the TFMP. Commissioner New said he enjoyed the meeting and appreciated the TxFAC's involvement. TxDOT is highly invested in this process. He invited TxDOT employees to stand for applause.

Chair Emmett thanked the representatives from Laredo for their hospitality. The next meeting date is yet to be decided, but will likely be scheduled in March or April 2019.

Meeting adjourned 1:07 p.m.