



**Office of the Secretary of State
Border Commerce Coordinator Report 2022**

**John B. Scott
Secretary of State**

Introduction

In October 2021, Governor Greg Abbott appointed John B. Scott as Secretary of State and on December 9, 2021, designated Secretary Scott as Border Commerce Coordinator (BCC) pursuant to Section 772.010 of the Texas Government Code. Secretary Scott performed BCC duties through December 31, 2022.

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

This report covers the activities of Secretary Scott during his tenure as Border Commerce Coordinator in 2022.

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

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

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

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

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

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

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

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

In 2022, the Border Commerce Coordinator and representatives of the Secretary of State's office frequently interacted with Mexican government officials and other border affairs stakeholders regarding the Texas-Mexico economic relationship and trade activities. Secretary Scott visited several border cities and hosted meetings with economic development leaders from both sides of the border. Additionally, the Border Commerce Coordinator connected with government officials from the four Mexican border states to collaborate and maintain a strong relationship that helps foster economic development, promote robust cross-border commerce, and enhance joint efforts to manage security cooperation and infrastructure at border crossings, while also working to address the effects of the COVID-19 pandemic and resulting global supply chain disruptions. These meetings provided insight into the current status of each of the abovementioned issues and helped foster constructive working relationships between parties in attendance.

The Border Commerce Coordinator visited Monterrey, Mexico in March 2022. Secretary Scott met with Nuevo León Governor Samuel Garcia Sepulveda to discuss the shared commitment of enhancing cross-border infrastructure between Texas and Nuevo León by increasing security measures at the Port of Columbia border crossing that connects both states. Governor Samuel Garcia later hosted a panel discussion for Secretary Scott with Monterrey's top business executives to discuss Texas and Nuevo León trade investments.

The following month, Secretary Scott accompanied Governor Abbott in meetings with each governor of the four Mexican states bordering Texas to sign Memoranda of Understanding (MOUs). The signed MOUs aim to enhance border security measures and prevent illegal immigration from Mexico to Texas, as well as improve traffic flow across the various international bridges along the Texas-Mexico border. The MOUs were developed after Governor Abbott stated Texas' main priority is finding a solution to keep Texans safe by enhancing the Department of Public Safety's (DPS) vehicle inspections crossing into Texas from Mexico, in anticipation of a rise in cartel-facilitated activities following the Biden Administration's decision to end Title 42 expulsions. The Border Commerce Coordinator and Governor Abbott signed the MOUs with: Nuevo León Governor Samuel García, at the Colombia Solidarity International Bridge on April 13; Chihuahua Governor María Eugenia Campos Galván and Coahuila Governor Miguel Ángel Riquelme Solís, at the Texas Capitol on April 14; and Tamaulipas Governor Francisco García Cabeza de Vaca, in Weslaco, Texas on April 15.

Secretary Scott continued his work along the border as the keynote speaker for the Laredo Chamber of Commerce's 2022 Vision Conference on April 26, where he spoke about the strong

working relationship between Texas and the four neighboring Mexican states. During his speech, Secretary Scott highlighted the mutual understandings reflected in the recently signed MOUs that border security and border commerce must go hand-in-hand. During the conference, Secretary Scott also discussed economic issues, primarily those concerning supply chain challenges, and border infrastructure planning and development, with IBC Bank executives and Laredo Port of Entry stakeholders.

In October, the Secretary of State hosted the Texas Consular Corps Forum at the University of Texas, where he encouraged Texas-based diplomats to continue sharing Texas's success story around the world to help boost job creation, educational advancement, innovation, and prosperity to communities across Texas. The event included the attendance of representatives from the Government of Nuevo León, who expressed interest in furthering economic relations with Texas, as well as working together to improve the Colombia Bridge. As a follow up to the event, Secretary Scott and Assistant Secretary of State for Mexican and Border Affairs Carlos Ealy met with the Business Coordinating Council of Mexico to discuss job creation in Texas.

Secretary of State staff connected with Mexican government officials and Mexican Consuls General serving in Texas throughout 2022. Assistant Secretary Ealy met with Consuls Juan Mendoza (Laredo), Pablo Marentes (Austin) and Ruben Minutti (San Antonio). The conversations focused on each side's main priorities and opportunities for future collaborations between Texas and Mexico. The Border Commerce Coordinator also met with Mexico's Former Undersecretary of Foreign Trade Luz María de la Mora to discuss the importance of strengthening commercial relations between Texas and Mexico by capitalizing on new supply chains. Secretary Scott emphasized supporting economic growth in Texas and increasing the State's trade relationship with Mexico. Assistant Secretary Ealy met with Pablo Galvez, Director for Border Affairs at the Mexican Ministry of Foreign Affairs, to discuss a potential meeting in Mexico City with high-ranking Mexican government officials to explore opportunities for cooperation and improved communication between parties.

In December, Secretary Scott hosted Tamaulipas Governor Américo Villarreal, Tamaulipas Secretary of Economic Development Ninfa Cantu Deandar, and other members of the Tamaulipas delegation at the Texas Capitol. The meeting focused on the continued importance of improving the border infrastructure between Texas and Tamaulipas along with opportunities to strengthen relations and cooperation between both states on matter pertaining to: security and border infrastructure; supply chain, particularly in the medical and semiconductor industries; and economic and academic development. To reinforce Texas' commitment to border infrastructure, Assistant Secretary Ealy attended the groundbreaking for the \$100 million-Kansas City Southern project to build a new international railroad bridge between Laredo, Texas and Nuevo Laredo, Tamaulipas in October. This railroad bridge will become the center of North American trade by connecting, for the first time, the United States, Mexico, and Canada.

Since becoming BCC, Secretary Scott has met with four of the eleven Mexican Consuls General serving in Texas. These meetings focused on identifying opportunities to strengthen economic and cultural ties between Texas and Mexico. The parties also stressed the importance of the United States-Mexico-Canada Agreement (USMCA) to attain these goals. The Border Commerce Coordinator and staff look forward to engaging and collaborating with Mexican and border

officials, as well as other key border stakeholders, in 2023 to continue enhancing the important economic and cultural relationships between Texas and Mexico.

III. Border Trade Advisory Committee

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

In 2022, Secretary Scott convened BTAC meetings on [February 24](#), [July 19](#), and [October 18](#), as the Committee worked to implement the [Border Transportation Master Plan \(BTMP\)\(PDF\)](#) and review the study required by [Senate Bill 1308 \(87\(R\)\)](#). The BTMP was a collaborative effort between the Texas Department of Transportation (TxDOT) and BTAC to address the importance of the border region to the Texas economy. The plan identifies challenges of existing infrastructure and pinpoints opportunities to improve statewide safety and congestion at the Texas-Mexico border. The BTMP recommends policies, programs, and projects to address infrastructure challenges that can lead to increased cost of goods, infrastructure, congestion delays, and economic loss.

The SB 1308 study is being jointly conducted by TxDOT and DPS in consultation with the Texas A&M Transportation Institute and appropriate federal agencies. As directed by the Texas Legislature, the study addresses the potential benefits of automated driving systems and connected driving systems, along with integrated screening and security systems around the border environment. Several Binational Regional Steering Committee meetings and interviews were held in 2022, allowing residents and stakeholders in the Rio Grande Valley, Laredo, and El Paso areas to provide recommendations and feedback on the SB 1308 study and the State's projects. SB 1308 directed TxDOT and DPS to submit a report on the results of the study by January 1, 2023.

Representatives of the Mexican states on the Texas-Mexico border—Anna Alvarez for Chihuahua, Emmanuel Loo and Marco Gonzalez for Nuevo León, Claudio Bres and Gerardo Berlanga for Coahuila, and Carlos Garcia and Ernesto Gonzalez from Tamaulipas—attended the BTAC meetings in 2022 and contributed to the committee's discussions. Consul Marentes (Austin) and Consul Ibarra (El Paso) also attended BTAC meetings on behalf of the Mexican Federal Government. The new Texas-Mexico Task Force will allow for infrastructure priorities shared by Mexican officials to be implemented more effectively in 2023. The Texas-Mexico Task Force will provide a permanent forum to facilitate bilateral communication, coordination and collaboration between Texas and Mexico on cross-border trade transportation, and issues related to planning, programming, and implementation activities.

BTAC will continue to engage with the Mexican federal government and the four Mexican states along the Texas-Mexico border in 2023 as the committee coordinates the implementation of the

SB 1308 study, the BTMP, and Texas Freight Mobility Plan. Dates for future meetings will be determined in early 2023.

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

Texas and Canada enjoy a long history of cooperation and collaboration, highlighted by binational trade. In 2022, the number of Canadian-owned companies operating in the state grew to 875, employing roughly 67,395 Texas workers. Given the geographic position of Texas and its strategic advantage in USMCA, Texas maintains a particularly strong relationship with Canada as its second largest foreign export partner, behind Mexico.

To further develop and strengthen ties with Canada, the Border Commerce Coordinator participated in events and partnerships under the advisement of both the Canadian Consulate in Dallas and the Ontario Agent General, advancing the Texas-Canada relationship throughout 2022. These events included, but were not limited to, trade dialogues with strategic Canadian diplomatic and economic partners, attending and accommodating cultural events across the state, hosting delegations from various Canadian provinces, and facilitating connections between key binational stakeholders in the public and private sectors.

In November 2022, Secretary Scott had the opportunity to assist in the transition of Heads of Mission of the Canadian Consulate in Dallas, including the welcoming of new Canadian Consul General Susan Harper, upon her arrival.

The Border Commerce Coordinator looks forward to exploring appropriate opportunities to further advance the Texas-Canada relationship through prospective events, exchanges, and travel in 2023.

V. The North American Development Bank

The North American Development Bank (NADBank) is a binational financial institution established by the Governments of the United States and Mexico to provide financing to support the development and implementation of infrastructure projects. NADBank also provides technical and other assistance for projects and actions that preserve, protect or enhance the environment in order to advance the well-being of the people of the United States and Mexico. Section 772.010(a)(6) of the Texas Government Code charges the Border Commerce Coordinator with working to “increase funding for the North American Development Bank to assist in the financing of water and wastewater facilities.”

During his visit to Monterrey, Mexico in March 2022, Secretary Scott met with NADBank Managing Director Calixto Mateos-Hanel to discuss infrastructure planning between Nuevo Leon and Texas, specifically at the Laredo Point of Entry. This discussion centered around the requirements to conduct the necessary environmental impact studies in order to fund potential future infrastructure projects related to the Laredo-Colombia Solidarity International Bridge.

Secretary Scott also hosted Mateos-Hanel and a business delegation from Coahuila, Mexico at the Texas Capitol to discuss coordination with private sector stakeholders on enhancing cross-border trade and potential infrastructure projects.

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

The Border Commerce Coordinator maintained communication with U.S. Consulate offices along the Texas-Mexico border. Secretary Scott met with Deanna Kim (U.S. Consul General in Nuevo Laredo) to exchange perspectives regarding economic and infrastructure matters. They also shared ideas for collaboration on future areas of partnership.

During the October 2022 BTAC meeting in El Paso, U.S. Senator John Cornyn attended in person to provide an update on federal legislation affecting cross-border transportation infrastructure and funding to support local governmental entities across the border region in Texas. Secretary Scott thanked Senator Cornyn for joining the BTAC meeting and for affirming the strong partnership between the federal government, the State of Texas and local communities throughout the border region.

In addition to the BTAC efforts and other functions described in this report, the Border Commerce Coordinator looks forward to continuing to work with public officials and other stakeholders on border issues, consistent with Section 772.010 of the Texas Government Code. To that end, the BCC hopes that the border interagency workgroup can meet in 2023. The BCC also will continue engaging with mayors and other local officials to address trade, security, and transportation-related issues impacting the Texas-Mexico border.