

## **INTERNATIONAL TRADE**

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**REQUEST:** The Laredo Licensed U.S. Customs Brokers Association strongly supports the expansion of the World Trade Bridge, including surrounding infrastructure and personnel to make it a viable project. Of course, an increase in the capacity of the World Trade Bridge will have little added value without the improvements needed for international trade cargo to continue out of the Import Lot to staging areas (industrial parks and transportation terminals) and on to the interstate highway system. Further, additional cargo bridge capacity will require additional CBP and PGA (Participating Government Agency) personnel to handle the additional work load. We believe an improvement in this trade lane would have effects throughout the state of Texas, and the United States. Although the current political climate seems to tend toward the notion that international trade costs American jobs, it does in fact make American jobs more secure, strengthen the economy and create new jobs.

**BACKGROUND:** With a population of 260,000, Laredo is the third-most populated city on the U.S.-Mexico border and the largest Inland Port in the United States. Its economy thrives on commercial and industrial warehousing, transportation, imports and exports – every major U.S. third party logistics and trucking company has a local presence. Laredo boasts:

- The third largest U.S. Customs District in the nation after Los Angeles and New York handling over \$284 billion in total trade – more than the districts in Southern California, Arizona, New Mexico and West Texas combined;
- A direct connection to I-35 and I-69 in the United States, highway 85 in Mexico, and the only air cargo service with both U.S. and Mexican customs agents to pre-clear cargo flights destined for Mexico;
- Four international bridges that cross 16,000+ trucks per day – more than 50 percent of all trade between the U.S. and Mexico; and
- A railway bridge, serviced by Kansas City Southern and Union Pacific, which plays a significant role for automakers, whose supply chain moves car parts across the border at Laredo several times as it works its way to completion.

One of the nation’s busiest trade corridors, Laredo connects the industrial markets in the Midwest, northeast, central states and even the western seaboard to Mexico.

**ISSUE: Port Congestion Southern Border;** Port congestion is a national problem, which is a result of a combination of several factors, our concern is dealing with congestion on the southern border particularly Laredo. We have met with several Laredo trade stakeholders and would like to present a summary of problems of immediate concern, and this is our report on some of the issues that we feel require immediate attention.

**Port Metrics:** a critical element in developing solutions to the issues of port congestion and adequate infrastructure is taking an analytical approach to the problems we face today. A port metric provision was added to the Highway and Transportation Funding

Act (PL 114-21) a couple of years ago to develop hard data to provide transparency on port congestion and efficiency. It is critical that as a Laredo working group develop solid objective taking into consideration the population metrics and the actual volume of commercial traffic compared to the rest of the southern border, that our requests

provide a objective work product without fear of political consequences or completion among the area ports . good data will provide the necessary tools that develop a successful strategy to problems that stem the flow of legitimate trade to and from our port.

**The FAST Act** which was introduced in December 2015 authorized \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. In addition (H.R. 3181) Introduced in the House by Congressmen Cuellar, Hurd and McCaul is stand-alone bill that authorizes the governor of a state that shares a border with Mexico to designate up to 5% of its apportionment of surface transportation program funds for each fiscal year for border infrastructure projects.

These appropriated funds will benefit all border communities across the country by dedicating more money to ports of entry. Laredo is host to the nation's largest inland port, which services over 15,000 daily commercial truck crossings and 1,500 daily rail crossings. The large volumes of traffic passing over the border across the Southern U.S. which places a tremendous strain on our border transportation infrastructure making it imperative that funding of this magnitude be appropriately used to keep it in peak condition to ensure our economy keeps moving efficiently forward.

Congressman O'Rourke has stated that "Wait times at five of the busiest ports of entry along our southern border result in an economic loss of \$166 million per minute," he also added "The passage of this bipartisan bill means states like Texas can direct funds to repair and upgrade infrastructure at our ports of entry, resulting in reduced wait times and increased economic and job growth for Southern Border communities."

With this funding it is imperative that we move forward in a pro-active approach to ensure we are ready for our infrastructure needs for the future. Taking into consideration a steady 5% yearly growth 2009 in commercial traffic not including pedestrian, buses and private vehicle traffic which also requires added infrastructure requirements for our port of entry. Our city representation has reached out and projects have been established to work on the pedestrian bridge as well as improvements on the bus crossing processing, but we are lacking in Bridge expansion, port expansion to include the exit processing & the export processing area as well as infrastructure to include arterial infrastructure leading to and on interstate highway 35 leading to and from our port.

The single window proposal will create needs for staffing for the new export requirements which include Other Government Agency processing & E-manifest procedures that were not previously being prepared. In addition to the expected increased volume of traffic processing through the Automated Commercial Environment (ACE) has been burdensome to the CBP officials, because many entries require a substantial amount of data with many of the regulatory agencies which is overseen by

CBP. This request for increase in personal has been a petition by our association each year to our congressional leaders every September, and there has been an authorization to hire over 200 officers in Laredo alone. The problem is the duplicity in

the vetting between interagency as well as with military personal who have been previously vetting to work in secure areas but each agency has their own vetting procedures process which creates unnecessary delays and expenses to the government in the hiring process as well as affect the trade in a shortage of staffing.