

LAREDO BUNDLE FREIGHT MOBILITY PROJECT

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Infrastructure Sub Committee

REQUEST: The Chamber strongly supports the City of Laredo's FASTLANE application for the Laredo I-35 & I-69W Improvements project, also known as the Laredo Bundle. This project includes constructing U.S. Highway 59 (I-59) main lanes over Interstate 35 (I-35) and a freight railroad crossing. By completing the I-59/I-35 interchange and the direct connectors, this project will increase capacity on the Interstate 69W Loop (I-69) to and from the World Trade Bridge international border crossing to I-35. This project will alleviate congestion and foster trade and transportation growth along the Primary Highway Freight System, of which I-35 is a key element. The total cost is estimated to be \$160 million of which, Laredo will fund \$64 million as their participation towards the project. Laredo requests the \$96 million balance to be funded by the Fast Lane Grant. (See Exhibit "A")

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: Jobs resulting from freight transportation are identified by the 2015 Texas Freight Mobility Plan as having a major economic impact. The Plan identifies 2.7 million direct jobs and 4.2 million in multiplier jobs; of these 6.8 million job's, the truck transportation industry accounts for 59%. In fact, in the February 2017 Fiscal Notes publication, Texas Comptroller, Glenn Hegar identified the Laredo Port as handling 32% of all international trade in Texas, it creates 363,000 jobs and adds \$52 billion dollars to the Texas gross domestic product.

This project will have national and regional impact by fostering employment, economic growth and will alleviate congestion on the I-35 Primary Highway Freight System as well as on I59 and I-69W. This project would also improve freight travel times, resulting in shipper savings, reduced emissions, and improved safety by upgrading to current interstate standards. By completing the construction of all direct connectors, intersection traffic and freight bottlenecks will be alleviated.

Laredo is an important link in the local, State, National and International supply chain for all of the Americas