



U.S. Department  
of Transportation

**Federal Highway  
Administration**

Number 13

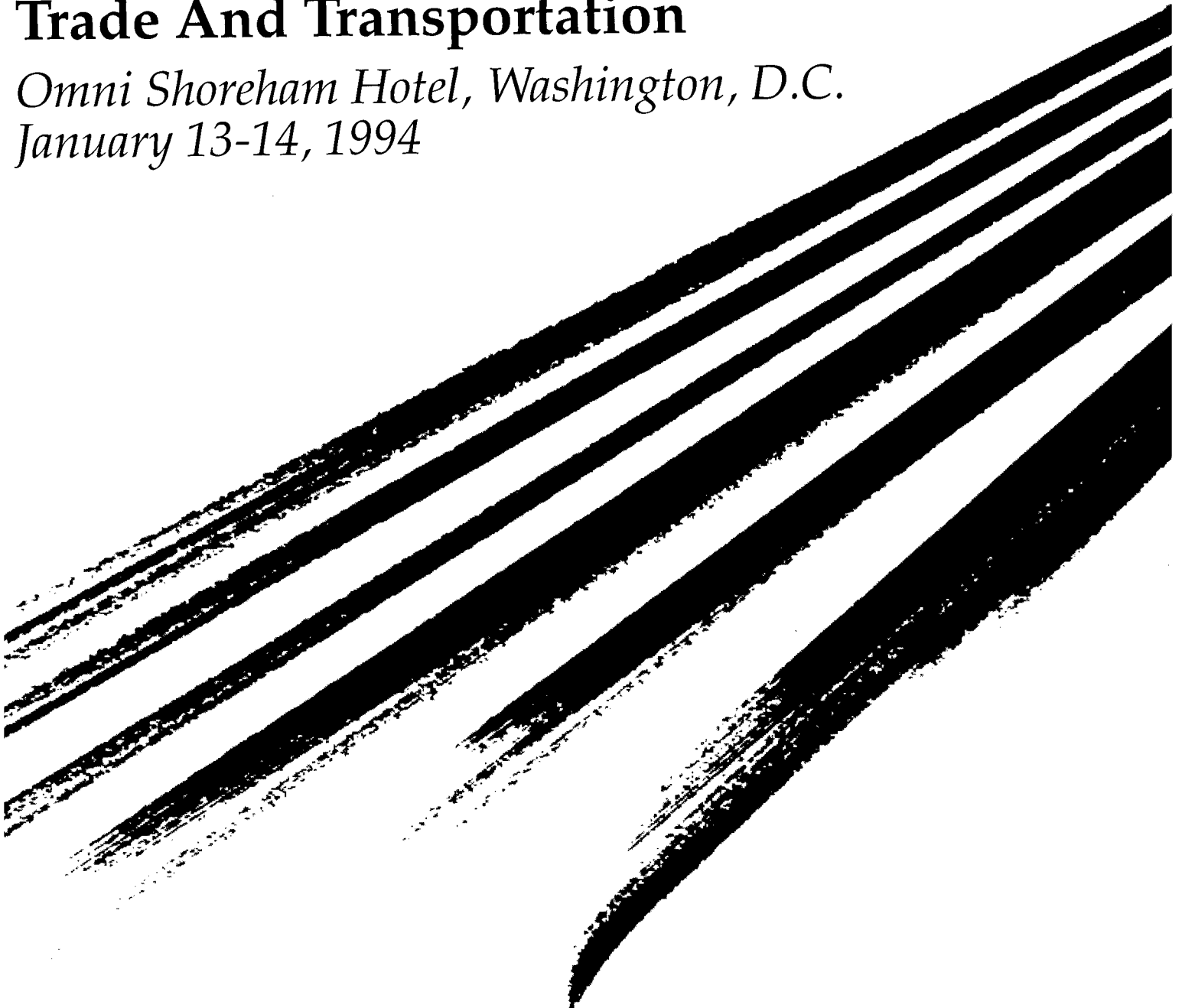
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# SEARCHING FOR SOLUTIONS

*A Policy Discussion Series*

## Conference On North American Trade And Transportation

*Omni Shoreham Hotel, Washington, D.C.  
January 13-14, 1994*



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The following is a list of other publications in the Federal Highway Administration's "Searching for Solutions: A Policy Discussion Series."

Number 1	March 1992	Exploring the Role of Pricing as a Congestion Management Tool
Number 2	June 1992	Exploring Key Issues in Public/Private Partnerships for Highway Development
Number 3	August 1992	Public and Private Sector Roles in Intelligent Vehicle-Highway (IVHS) Deployment
Number 4	August 1992	Assessing the Relationship Between Transportation Infrastructure and Productivity
Number 5	August 1992	Transportation and Air Quality
Number 6	December 1992	Examining Congestion Pricing Implementation Issues
Number 7	December 1992	Edge City and ISTEA-Examining the Transportation Implications of Suburban Development Patterns
Number 8	July 1993	An Examination of Transportation Industry Productivity Measures
Number 9	February 1994	Bond Financing and Transportation Infrastructure: Exploring Concepts and Roles
Number 10	September 1994	Metropolitan American in Transition: Implications for Land Use and Transportation Planning
Number 11	October 1994	Summary of the Federal Highway Administration's Symposium on Overcoming Barriers to Public-Private Partnerships
Number 12	November 1994	Life Cycle Cost Analysis—Summary of the Proceedings: FHWA Life Cycle Cost Symposium

# Foreword

**T**he Intermodal Surface Transportation Efficiency Act of 1991 called for the conduct of two studies to assess the transportation systems that support the movement of trade in the United States. The U. S. Department of Transportation delegated responsibility for conducting these studies to the Federal Highway Administration (FHWA). This conference is the culmination of the activities following the presentation of the report of these studies to the Congress. The studies and this conference represent collaborative efforts of federal government agencies both inside and outside of the Department of Transportation.

For participating in the conference, which is the subject of this Volume No. 8 of the *Policy Discussion Series*, FHWA thanks the leadership

and speakers of the Department of Transportation's Maritime Administration, Federal Railroad Administration, Office of the Secretary of Transportation's Office of Intermodalism, and the Federal Aviation Administration. FHWA thanks the leadership and speakers who represented other participating federal agencies, including the General Services Administration, Department of Treasury's Immigration and Naturalization Service, Department of Justice's Customs Service, Department of Agriculture's Animal and Plant Health Inspection Service, and the Department of State's Mexico Desk and Canada Desk.

Appreciation also goes to personnel from offices within FHWA beyond the immediate study management teams. The critical time line would not have been met without their assistance.

# Conference Background

On January 13-14, 1994, FHWA sponsored a conference on North American Trade and Transportation. At this conference, FHWA reported the results of the *Assessment of Border Crossings and Transportation Corridors for North American Trade*. The conference also was a forum for various administrations of the Department of Transportation and other federal agencies to discuss the implications of the study results for their respective administrations.

The people invited to the conference were stakeholders in the national dialogue on border crossings, other ports of entry, and multimodal and intermodal transportation systems and corridors that support the transportation of trade commodities between the United States, Mexico, and Canada. Stakeholders include states and local government agencies; private sector businesses including port of entry owners and operators, carriers, suppliers, brokers, and other businesses involved in international trade and transportation; associations representing interests in transportation corridors to support international trade; and persons who live and work in border communities. More than 1,000 of these stakeholders participated in the 13 regional and subregional public outreach sessions conducted throughout the country during the studies. More than 150 stakeholders from across the nation participated in this conference.

Since the report was not made public by the Secretary of Transportation until January 11, copies were made available during registration at the conference. Some stakeholders were present during the Secretary's presentation and thus

received the report at that time. All stakeholders who participated in previous outreach efforts were on the mailing list to receive the report at some point after January 11.

The major objective of the conference was for the stakeholders to engage in dialogue with a variety of presenters who addressed the report contents: the technical and outreach processes and analyses findings and recommendations; Federal perspectives of the transportation modes represented by the agencies and offices of the department; and federal perspectives of other federal agencies involved in border crossings and other ports of entry. Further, the stakeholders were challenged to provide FHWA with their insights about the most important actions needed to meet trade-related transportation requirements. These stakeholders had played active roles earlier in the conduct of the study by identifying issues, problems, and potential solutions, and by contributing data and information. During the conference and during the 30-day period following the conference, these participants and others who expressed interest but could not attend the conference had the opportunity to help structure the programs needed to respond to the study findings and recommendations.

This report documents the proceedings of the conference to serve as the basis for future dialogue and action.

*Gloria J. Jeff*  
*Associate Administrator for Policy*  
*Federal Highway Administration*

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# Opening Remarks

**Gloria J. Jeff**

**Conference Moderator**

**Associate Administrator for Policy  
Federal Highway Administration**

Good morning. My name is Gloria Jeff, and I am the Associate Administrator for Policy at the FHWA. It's my pleasure to welcome you to Washington and to this conference on North American trade and transportation. We have a day and a half scheduled. I think it will be exciting and challenging. It will not be talking heads where you get to sit and listen but it will be participatory. Our partners or stakeholders, who are impacted by the quality of transportation provided in this

Nation, are of great interest to the FHWA. Getting your input helps us do a better job in meeting your needs and in being responsive to you as part of our team.

This morning, it's my pleasure to introduce you to Jane Garvey. Jane is the Deputy Administrator of the FHWA. She comes to our FHWA family with a wealth of transportation experience. Before becoming a part of the FHWA team, she was the Director of the Logan International Airport in Boston. Before that, she was the Commissioner of the Department of Public Works in Massachusetts, where she was responsible for a multimodal activity that included the construction of major projects as well, not the least of which is the Central Artery. She has published many papers. She is a member of a host of professional organizations. It is my pleasure to introduce Jane Garvey.

# Welcome and Conference Overview

**Jane F. Garvey**  
**Deputy Administrator**  
**Federal Highway Administration**

I am pleased to see so many of you here this morning. It is my pleasure to welcome you on behalf of the Department of Transportation (DOT) and the Secretary, but also my colleagues from the other Federal agencies. There is a Paul Simon song that is popular with my children that includes the line, "These are the days of miracles and changes." I think that phrase truly describes this time in our history. Just two weeks ago, as you all know, the United States, Canada, and Mexico launched a great historic endeavor by creating the North American Free Trade Agreement (NAFTA). This agreement created, as the President has described it, "the largest free trade zone in history."

As we all listened earlier this week to the Secretary, and the representatives from Canada and from Mexico, I was reminded of what the President said earlier this year. He said that this is more than an alliance of mutual interests, more than an engine of economic progress. It is in a real sense a commitment to trust, respect, and a deeper understanding among three very great nations. But you all know, and again particularly those of you who are from the border states and border communities, that as the first stages of the NAFTA agreement takes hold, well over half of our trade between our nations is crossing our borders with no tariffs at all. Within a decade, most of our trade will move with no such barriers. The volume of goods and trade will surge even more than that it has in the past few years.

But that great surge of trade that is linking our Nation offers us challenges as well as gains. The agreements that our countries have worked so hard on will not reach their potential if our infrastructure doesn't work. The facilities that we run, the roads and bridges that we are responsible for, simply must function efficiently for the promise of NAFTA to become a reality.

The challenge then for all of us is to identify solutions, to find ways to speed movement across our borders. That's really what this conference is all about. Later this morning, my colleagues will speak about the border studies that you have all participated in. You will be hearing more about the results and more about the recommendations.

I think the challenge for us then is to take those studies, to take those recommendations, and to shape an agenda with us—to breathe life, if you will, into an action plan. That is really what this is all about. And we simply cannot do it alone; we need your help to do it. Later this morning, you are also going to hear from Deputy Secretary Mort Downey and from Administrator Slater. I mention that because I think this is a real indication of the kind of commitment that the Secretary feels about this issue. I think it's a real indication of his eagerness to move beyond the studies. He is eager to take it beyond this first step and to translate the belief that we all have into action. What we will be talking about in the next couple of days is really all about change. It's all about challenges, it's all about looking at things in very a new way, in a very new perspective.

There is a quotation by John Schaar that I think about often; I use it often when I think about change. I want to leave it with you and hope that you will think about it as you approach the challenges over the next few days. It's about change and the future:

*The future is not a result of choices among alternate paths offered by the present, but a place that is created. It is created first in mind and will, created next in activity. The future is not some place we are going to, but we are creating. The paths to it are not found, but made, and the activity of making them changes both the maker and the destination.*

I think we are at a point where we can create the future, where we can create a legacy for the next generation of which we'll all be proud. I look forward very much to working with you. I know that Administrator Slater is looking forward to joining you later today. So good luck and let's get going.

## **Gloria J. Jeff**

There are selection forms for you to select breakout sessions. These breakout sessions are your opportunity to get good news to us about what you think we ought to be doing and where we should move in terms of the next step. One of the things our department takes pride in is action. This study report is not just produced to send to the Congress and say "job's done." We want to move into action and make it a reality. There are specific kinds of things that need to be done. You, as our customers, have a very good handle on what some of those are. So we would like for you to sign up for the breakout sessions so that we can use the inputs from those sessions to help shape our future activities.

Now to get on to the business of the conference this morning. One of the things that we will focus on is the results of the study we have just completed. We are very pleased that the Secretary made the announcement of DOT

initiatives on Tuesday of this week with Administrator Slater, announcing the results of the studies. With the announced summit and task force, we will structure an action plan with activities to deal with the tremendous opportunities of the United States, Canada, and Mexico, the North American hemisphere functioning as a major economic and trade center.

The review of the results of our studies will be presented by Madeleine Bloom, the Director of the Office of Policy Development in the Federal Highway Administration, Bruce Cannon of that office, and Richard Horn from the Volpe Center.

We are pleased with the results of the studies. The studies represent a significant amount of work done by many of you who are in this room through our public outreach sessions. The quality of the document was enhanced by the fact that you were actively involved in that process. Madeleine will begin with an introduction as we move into the Overview of the Results.

# Overview of the Results of the Studies

**Madeleine Bloom**

**Director,**

**Office of Policy Development**

**Federal Highway Administration**

Thank you. It is also my pleasure to be with you this morning. I am going to pick up on some of the themes that Jane Garvey and Gloria Jeff have already presented.

I first want to welcome you, not only on behalf of the Federal Highway Administration but also the Office of the Secretary of Transportation, the other modes within DOT, the Customs Service, the Immigration and Naturalization Service, the Department of Agriculture, the General Services Administration, and the Mexico and Canada Desks of the Department of State. We thank you for coming and for being a part of the conference.

It is my privilege now to set a little bit more of the stage for this activity. As Jane Garvey has already stated, this meeting is so very timely. The range of recent events on the North American scale include the beginning implementation of NAFTA, to the submission of our own National Highway System proposal to the Congress, to the initiation of the National Transportation System concept. These are all coming together to focus on infrastructure and investment, and trade and transportation issues.

As Secretary Peña stated at his press conference on January 11 of this year, we worked inordinately hard to achieve enactment of NAFTA, and now it's time to capitalize on what that agreement has given us. It is also our strong feeling that the inception of the National Highway System and the development of a National Transportation System are crucially important to the border crossing and trade corridor studies that we're focusing on today.

The two studies, as you all are aware, were required by the Intermodal Surface Transportation Efficiency Act, and they have now been released by the Secretary of

Transportation and submitted to the Congress. The studies are not the end of the process. We have already heard that action agendas and work to implement proposals are essential. We are looking for feedback, critique, and suggestions for future direction from this group.

Throughout the months that led to the official release of this study, we have been particularly gratified by a lot of factors that contributed to its timely and excellent outcome. These factors are:

- the dedicated effort of a study team spanning both the east and the west in the federal and private sectors;
- the receptivity of the our sister federal agencies and departments to advance the study work with us;
- the broad outreach to those who use the system and experience the problems at border stations every day, and their ability to relate these to us;
- the excellent support that we received from the Canadian and Mexican governments as well as our own states' departments of transportation in developing data and information requirements; and
- the part of all of the participants, a recognition of the need to focus on action areas and early timetables.

I think that we all recognize that the issues are very complex and that many states, localities, and regions are involved. But certain salient features seem to have broad applicability. First, planning will receive heightened emphasis and will require improved public-private cooperation and greater coordination among all levels of government. Second, planning will eventually expand to include Canadian and Mexican entities where they may currently not be involved. And third, action agendas will be required to ensure that the improvements are honed and implemented. The importance of trade within the North American context, of course, cannot be understated. We are going to get into that in substantial detail subsequently. We recognize today that Canada and Mexico are our number one and number three trading partners, respectively. NAFTA will clearly expand those trends, and the amount of truck, rail, and barge

traffic that must handle the trade will therefore be expanded. As businesses respond to still further new opportunities, transportation systems will need to similarly respond.

As background to the study effort, let me just highlight very briefly, that Congress, in the enactment of the ISTEA, gave attention to the transportation demands associated with international border crossings and trade in North America by mandating two studies in Sections 1089 and 6015. Section 1089 called for a study to evaluate the advisability and feasibility of a discretionary grant program for investment in the infrastructure in trade corridors and at border crossings. The Section 1089 study used much of the data and information collected in the Section 6015 study.

The study requirements in Section 6015 focused on mobility assessments of existing and emerging trade corridors, border crossings, and points of entry for all modes and intermodal connections. It called on us specifically to identify the major transportation subsystems for each mode and intermodal subsystems, that is, transfer facilities between modes. The modes include highways, railways, and waterways. The transfer facilities between the modes include water ports, airports, and railheads. We were also asked to assess the investment requirements by identifying infrastructure trade needs that will foster economic development and result in national benefits.

The study process included a technical side and a consultation or public process side. The technical side involved the development of data bases that enabled the description of existing commerce and the role of transportation because of U.S.-Canada Free Trade and increased trade between the United States and Mexico. Other data were collected during visits to all major border crossings and some ports of entry, during discussions with government officials on both sides of the borders and at the land crossings, and in the review of infrastructure plans for border station facilities. Identification of instances and opportunities for increased use of advanced technology to reduce congestion, increase pavement life, communicate best routings, and the like was also a part of the technical side.

Two study teams were involved. The eastern team was led by the DOT Volpe Transportation

Systems Center out of Cambridge, Massachusetts, and also by Wayne State University, Louisiana State University's National Ports and Waterway Institute, and the DOT Maritime Administration. The western team involved the Center for the New West, and a separate northwestern group: the University of Montana and Leeper, Cambridge and Campbell. The southwestern team involved mainly Barton Aschman and the Alliance for Transportation Research and probably numerous others that I have overlooked inadvertently.

The consultation with the public was a partnership process. There were government-to-government-level meetings with Mexico and Canada. Through a series of meetings across the country, in Mexico and Canada, experts from the private and public sectors engaged in a dialogue to add to the pool of information for the study. The meetings were roundtables and futures assessments.

And I might say here, I think that we did a particularly good service in going out and talking to a broad range of transportation interests. Bruce Cannon, Harry Caldwell, and Phyllis Young of my staff were instrumental in developing and attending a broad array of such meetings. A study without that input would have been much less than it ended up being.

We also had outstanding participants from the Immigration and Naturalization Service, the U.S. Customs Service, the Department of Agriculture, the GSA, the Border Patrol, and the State Department as well as local, State, and Federal transportation, planning, and economic development agencies. There was also involvement from elected government officials. The private sector included shippers and carriers using all modes and key transportation groups such as the Highway Users Federation, which was actively involved.

Our partnership with other Federal agencies included their participation in meetings, discussions, and carrying out the study design. Similarly, we had established a group within the DOT to represent all modes and the Office of the Secretary of Transportation as a coordinating group to give us guidance throughout the study process.

This national meeting is the culmination of the first stages of our assessment of border crossings

and transportation corridors. Highlights of the Mexico, Canada, and national meetings will be incorporated into a report and will be part of our *Searching for Solutions: Policy Discussion Series*.

At this point, I want to turn first to Dick Horn, who led the eastern study team. Dick is from the Volpe National Transportation Systems Center. He will discuss the highlights of technical studies and roundtable and assessment meetings. And subsequently, Bruce Cannon, Chief of the Division of Strategic Planning in the Office of Policy, will discuss findings and recommendations with you.

## Technical and Outreach Processes

**Richard Horn, PhD**  
**Volpe National Transportation Systems Center**

Thank you Madeleine. I will go through a bit of the study process, including some of the major questions we looked at and some of the technical results that came out of the process. I am reporting on the entire process, not just that done in the east but also that conducted by the Center for the New West and the western team.

Now I will frame the kinds of technical questions we were attempting to look at: what is the infrastructure in place, what will be in place or what's planned for, and what are the demands upon the system. In this case, we were looking at the current trade flows and the existing corridors, and trying to identify emerging corridors that we could anticipate in the near future. These technical activities were undertaken to look at whether or not the transportation system in place or likely to be in place will be adequate to accommodate the demand, to look at the major constraints in the system, and to identify options for meeting the transportation needs. I will go through several of these areas very briefly.

The first area is infrastructure assessment itself. We were looking at what's in place and the approach was to look both at the border crossings—the specific border crossing, the

specific port of entry and exit—and the facilities leading up to those crossings. So we looked at the crossing and the plaza and connections to the national networks.

An extensive data acquisition activity was conducted throughout the process. We got a great deal of support from Federal agencies in this country, Canada, and Mexico. We also had a great deal of input from state and local agencies, and from facility operators. In addition, study team members visited the primary crossing areas, the major ports of entry and exit, to observe and to talk to the professionals at those locations. Finally, we had an extensive outreach activity in which many of you participated, and that provided a great deal of information about the kinds of issues we should be looking at and about options for addressing some of the needs.

I must emphasize that the coverage for the study was across all modes—highway, rail, maritime, air, and some of the other modes. We attempted to address transportation and trade needs for all modes.

In terms of the borders, I have summarized on this chart some of the crossings that were dealt with in fair amount of detail. For the U.S.-Canadian border, we have more than 91 ports of entry, including border crossings and the Alaskan crossings. For the study purposes, we further consolidated these into nine frontiers or gateways to give us some idea of what the demands upon segments of the system happen to be. There are 32 border crossings on the U.S.-Mexican border, which were consolidated for analytical purposes of the study into five frontiers. There are 44 marine ports, which we consolidated into 10 groups of ports, again, for analytical purposes. We have provided detailed data on all of these.

In terms of the data, we have extensive records of the ports of entry and exit. [Note: The speaker motions a chart used as a visual aide.] This chart represents some of the kinds of information that we have provided for each of the ports of entry or exit: location, a general description of facilities, and the connections to those ports of entry—highway connections; rail connections; connections to the national networks in Canada, the U.S., and Mexico; and connections to intermodal facilities. We looked at and we have information, to the extent possible, on the activity levels at all

of the crossings, the staffing levels, the delays in the systems, and capacity questions. We also have summarized all of the planned and recommended improvements to those systems.

Now, I want to give you just a picture of the United States-Canadian border. What I have done in this chart is summarize the activity in terms of the dollar volume of the flow of trade across the border. We can see that we have a great deal of variation in the level of activity, as you all would anticipate, with a concentration at relatively few corridors. That kind of concentration we also see on this chart for the southwest border. The U.S.-Mexico border has the same pattern: a concentration in relatively few areas. I have to warn you that the scale has changed here—this chart is about half the scale of the previous one. Remember this is all in dollar terms. For U.S. east coast and Gulf coast ports, this chart shows you again that there is a great deal of concentration in relatively few of the ports. This is North American trade. This trade is primarily by water between the U.S. and Mexico. I also have to warn you that there has been another change of scale here. This is about an order of magnitude different from the previous one, but that of course is because these measures of activities are in terms of dollars.

Many of the participants at the outreach meetings emphasized that “dollars” are not the ideal measure for transportation assessments. So we also looked at volume and at the number of shipments, where that information was available.

General results on the assessment of infrastructure are:

- Physical infrastructure at the border is generally adequate. That does not mean that there are no needs, no increased needs, but generally at the border itself the infrastructure is adequate.
- Access needs to be improved: access to the national networks (United States, Canadian, and Mexican), access to intermodal facilities, and improvements in local access that will reduce some of the environmental and the safety pressures on the local communities surrounding the crossings. These were some of the major themes that we identified in terms of the infrastructure.

- Constraints at the border appear to be, if not in the physical infrastructure, more institutional—staffing questions, operating procedures and practices. Such constraints give us a chance to improve the capacity of border crossings in not necessarily an easy fashion but perhaps a lower-cost fashion.

In terms of the trade flow assessment, we again acquired a great deal of information. We have attempted to characterize trade flow in terms of the origin and the destination of the shipments, including the point at which the shipment crosses a border. We wanted to know the mode or the primary mode of the shipment, and we wanted to know the commodity class. So we have attempted to accumulate the information and summarize it in this fashion.

Again, we received a great deal of support and information from the federal governments. The SECOFI in Mexico made available to us detailed records on U.S.-Mexican flows. Statistics Canada made available to us detailed records on U.S.-Canadian flows. The Bureau of Census made available to us even more detailed records on U.S.-Canadian flows and U.S.-Mexican flows. Thus, we have a great deal of data, but as you know, there may be a difference between data and information. There are still data gaps and information gaps that need to be addressed.

We used this information to generate results in terms of trends, of commodity composition, and of trade patterns. Just briefly and I know that you’ve all seen tables of this sort before, this chart shows that trends in trade for the previous four years between the United States and Canada have been upward. For the United States and Mexico, the trends are upward more rapidly, and a significant point here is that over the previous couple of years, the United States has been running a trade surplus with Mexico.

To give you an idea of the mode split characteristics, again concentration seems to be the order of the day. The bulk of the commodity flows is by land—by highway and secondarily by rail. Air and water are significant components. Water is much larger when measured in terms of volume. The air component is actually growing quite rapidly.

In terms of commodity composition, very briefly, we developed different groupings of commodities

to enable us to analyze just what the trade flow patterns and the trends happen to be. I have provided here one of those classifications. This is the breakout of trends between the United States and Canada. And again you can see that there's a great deal of concentration within the commodity structure. The concentration is in manufactured goods, appliances, industrial equipment, and transport equipment.

A comparable but not identical breakout between the United States and Mexico shows also concentration in relatively few areas. But in this case, as you might imagine, there's concentration both in manufactured goods and some concentration in minerals, extractives, and metals.

That was the assessment of what is flowing now. We also attempted to develop trade forecasts and transportation forecasts so that we could see what the demands on the system might be in the near future. And we attempted to do this for specific border crossings. We did not do any independent modeling or independent forecasting of trade and the resulting transportation. We attempted to use existing models that were available perhaps on a economy-wide basis that would cover all commodities or to use existing models that looked at specific commodity classes and relate those to the transportation that we might anticipate. We also used trends—the existing trends in the commodity groups we had. Finally, and many of you participated in this activity, we went out and had expert review panels give us some feedback on whether our preliminary forecasts seemed to be within reason and to fine-tune these preliminary forecasts.

The general results were:

- Trade-related traffic is highly concentrated, and we have provided some fairly detailed maps of what these patterns look like.
- The trade and traffic are typically intra-regional. We were looking for trade corridors, but much of the trade and much of the traffic are restricted to a region, a binational region. So the trade does not necessarily go very far once it crosses the border.
- But there are some major exceptions to that. There are some non-border states that receive

a great deal of trade, and we have identified those. We identified, to the extent possible, the origin and destination states for all of the U.S. flows and the importance of trade to all of these states.

- Finally, we do not anticipate any significant changes in the future in terms of the patterns of trade and transportation. They are likely to remain as we have seen, growing over the time.

A very important part of our data activity involved the outreach activities: collecting information, getting insight into what the critical questions happen to be, and getting feedback on whether what we had done was reasonable or not. We had two major kinds of outreach activities. First, we had a series of subregional roundtable meetings early on in the study process. We had meetings in nine locations across North America, eight in this country and one in Canada. The purpose was to get perspective within the region, to get localized information on some of the differences that might be unique to particular regions, and to identify specific problems and potential solutions from the regional perspective. We also had four futures assessment meetings, again about the country, at which point we reported out on some of the preliminary results and asked for information on where trade and traffic would be going in the near term. In all of these, we had a very extensive participation from across the transportation community: from government officials at all levels, from facility operators, from carriers, from shippers, and from planners.

We have a series of results from the roundtables. Following is a summary of these results.

- The physical infrastructure is not the primary problem.
- The major problems are institutional:
  - in terms of staffing, some of the potential changes and reallocations of staffing are of concern; and
  - there is a belief that the institutional changes can improve the efficiencies of the existing infrastructure—that we can get much more capacity out of the existing infrastructure, especially by employing some of the existing technologies.



- There is a general belief that the border facilities are in fact national facilities, that trade and transportation serve the entire country; however, many of the costs are borne locally. We heard often about this dichotomy.
- We also were assured that the facilities are critical to many of the border regions; they are important components to those local economies.
- We heard over and over again that there is a need to improve cooperation among all of the participants.
- We heard that we needed to identify new ways of meeting some of the physical infrastructure needs through new financing options, and public-private partnerships of one sort or another.
- We heard that there was a need to address directly the balance between transportation concerns and some of the environmental concerns. These are not mutually exclusive, but we need to be sure that we balance our objectives here.

In terms of the futures assessment results, the participants believe that:

- Trends are likely to continue.
- The trade actually represents a small portion of the demand upon the transportation system. Once trade-related traffic gets into the national network, it dissipates fairly rapidly. We need to be looking at planning based on trade-related traffic and general traffic.
- In many areas, the current capacity constraints, while imposing significant costs upon doing business, have not yet restricted the volume of trade among our countries. But they do impose a cost upon the system that needs to be addressed rapidly.
- Some of the air access is inadequate in some areas between our countries. In terms of both movement of cargoes and movement of people in an integrated economy, better air service may be appropriate.

- Future trading corridors are likely to be the same or similar to the existing ones.
- The data we have now are not truly adequate to provide us with information for making policy and plans at a variety of levels: at the Federal, State, or local levels.

I would like to end with just a couple of comments on the discretionary program assessment. This was the assessment required by Section 1089, where we attempted to identify the advisability and feasibility of a discretionary program. This we tied in as closely as possible with the 6015 study. We had discussions with state officials. In many of the outreach efforts, we asked questions and sought advice about discretionary programs. And we had an expert panel session convened in Cambridge to address this question in specific. Some of the results of that activity were:

- The participants felt that new funds are needed to address some of the needs at the border, but perhaps the discretionary program is not the only option for doing that or perhaps not the preferred option.
- But if we are going to do this, the approach should not focus exclusively on highways. It needs to address all of the modes.
- The participants would like to see greater guidance in terms of project selection, for benefit-cost techniques incorporated into the planning process.

## Findings and Recommendations

### **Bruce Cannon** **Chief, Strategic Planning and** **Investment Division**

Before getting into findings and recommendations, I will present some key facts on modal shares and future growth rates of trade and traffic. The modal split by trade value on the Canadian border is 79 percent highway, 10 percent rail, 9 percent air, and 2 percent water. The Mexico border is 65 percent highway, 20 percent rail, 5 percent air, and

10 percent water. So you can see that there is a modal mix of traffic across the borders.

Travel forecast numbers are very rough.

In Canadian west, commerce and auto traffic should grow somewhere between 3 percent and 5 percent annually over the next few years.

In Canada east, 5 to 10 percent in both categories.

In Mexico, 10 to 15 percent for commerce and for auto traffic, 3 to 5 percent—although I think that those numbers are probably very conservative.

In water transportation to and from Mexico, the annual growth is estimated around 3 to 5 percent.

The findings on the planning data, border station congestion, and the intermodal and border connections will be covered as a part of the recommendations.

The trade corridors are an interesting concept. Let me use a couple of busy maps to illustrate. This shows the rail network and some highways in the United States, Canada, and Mexico. You can see that there is a predominate east-west pattern of facilities in both the Canadian and the United States. There is also an east-west pattern that exists in Mexico. It's down near Mexico City. And there is not a strong north-south pattern. This is further reflected when we look at the interstate highway system. If you draw a screen line north and south running from San Antonio up to the Canadian border, you see that you cross seven or eight interstate routes. Now that's about 1,000 miles. If you run a screen line 1,000 miles east from the Pacific Ocean, you find that you cross about three routes that are running from border to border. And so, there is a pattern that exists at the present time in all three countries that favors east-west travel. With NAFTA, a rotation or a shift will occur, and more north-south corridors will probably develop. And as a part of the national study, we developed a system that identified routes that would run north-south. And so there will probably be capital improvements on some of those north-south routes. It becomes an Interstate and international highway issue of identifying which National Highway System routes to improve and concentrating resources. These major routes cannot be justified on international trade alone; they have to be supported with domestic trade as well as other travel. There are several trade associations that have been formed and those are referenced in the report.

And since I mentioned the report, let me note one other thing that's in the report. Dick talked about many other study activities. Much of the detail is not reflected in the report. In Appendix A, there's a listing of background technical reports that will be available from the National Technical Center. They are listed by title and are referenced throughout the report itself.

The recommendations are broken down into three key areas with the key words—data and planning, border station congestion, and transportation infrastructure (primarily access facilities to and from the border).

What we found as far as the data and planning is that the planning for border approaches for additions and modifications is generally uncoordinated. In some cases, new stations are developed without the necessary approach facilities. Substandard access facilities are not in keeping with the high-quality, high-standard new border inspection station. So there needs to be a better integration of the planning and capital improvement processes. We suggest a binational planning zone, with state-to-state or state-to-province planning activities undertaken with special emphasis at the major gateways. This could be binational sketch planning that examines at least 10-year infrastructure needs and develops a binational coordinated implementation program, addressing both station needs as well as supporting transportation access needs.

There are two components to the border station congestion problem: one with the infrastructure itself and the other with the institutional issues. The institutional relates to processing the vehicles back and forth across the borders. There are many laws that must be complied with. What we found in the study is there is some innovation that is occurring at the stations and gateways. There is electronic data exchange that is facilitating the clearance of cargo across the border. Also, there is off-border inspection such as inspection and clearance at the industrial plant where the product is produced; after inspection, the truck trailer, rail car, or container is sealed or bonded. There is another example in Nogales where there is a U.S. agriculture inspection station that's about four miles inland into Mexico. The agricultural clearance occurs at that point, which facilitates passage at the border

station. Line release is a matter of inspecting a particular shipper's operation and insuring that the shipper complies with all of the clearance regulations and has a history of compliance, thus the depth of inspection for the shipper and associated carrier may be reduced. That is not the area in which we in the transportation area are working. Our afternoon interagency panel will discuss this subject in more depth.

Next is the border infrastructure, starting with three basic types of traffic that are crossing the border: the commercial traffic, the repeat user which includes the business person and the daily commuter, and the tourist and the shopper. In some cases, at the gateways, these traffic types are separated. For the separate truck station, let me use a map to illustrate this and a couple of other points. San Ysidro and Calexico both have or are developing commercial truck stations. At the San Ysidro (Otay Mesa) truck station, county roads provide inadequate connection to the core transportation system—the Interstate system. This inadequate connection is a major transportation deficiency. But, the point is that they have rationalized their traffic flow; commercial traffic has been separated from the San Ysidro traffic flow and is primarily cleared at Otay Mesa. This separation of traffic is a very good technique. It's been done on several of the border stations including the Calexico gateway.

Rail crossings is another area. In El Paso, the rail crossing goes right through the downtown area. One of the things that is worth investigating is whether the rail traffic can be separated in Mexico and be routed to bypass the metropolitan development in Mexico and the United States. This would free the present rail facility to be used for personal transportation, light rail, or other use. These are the types of investigations needed to rationalize the traffic flow.

New facilities could be considered as a part of this rationalization process; for example, Otay Mesa is a relatively new facility, and some rehabilitation needs to be done in certain locations. I'll use the Ambassador Bridge in Detroit as the example. I've not visited the site, but people have mentioned to me that as you leave Canada you can see three Interstate routes that a trucker or individual might want to travel to yet the routing is very circuitous. Some reconstruction could effectively address this circuitry problem.

The one area that I didn't dwell on had to do with the separate traffic lane. Blaine, Washington has a very interesting treatment. For a \$25 annual fee, you can use a separate lane that has a high-speed clearance process. It saves the commuter or the business person anywhere from 30 to 45 minutes in travel time per direction. Most of the time savings is by bypassing the border station traffic queue. The \$25 fee revenue remains at the particular station for necessary station infrastructure improvements. I understand that the federal law is limited to the Blaine crossing. This limitation should be reviewed.

There is a legislative component that is suggested in the report as far as the congestion at the station itself. That would involve some type of pilot program, to illustrate how to reduce congestion at some of the gateways in the country.

Let me get into transportation infrastructure (approach connections). We found there were major needs; however we did not do a complete needs study. So I will give you just some general information. There's probably some \$8 billion to \$12 billion worth of needs for the next 5 to 7 years that are reflected in intermodal connections, border connections that I talked about earlier, and in trade corridor needs. Full funding of ISTEA will help address these needs. That's existing money that's available but a portion of which may be impounded in the appropriations process. So we need to press for full funding of ISTEA, as that will allow advancing projects on the border as well as other projects within the State.

Increased funding options were evaluated in the discretionary program analysis. The discretionary program was not considered a desirable option—primarily because it results in Congressional earmarking. There were other options available that are better. Some options include:

- More use of the private-public partnership by toll or concession types of financing, to make these needed improvements. Section 1012 of the ISTEA is a toll provision that allows an expanded role for using federal funds for toll facilities.
- A new formula program, which was characterized in the report as a possible "International Trade and Intermodal Transportation Program." This would be a

new program with National funding level of approaching \$2 billion annually.

- Increased funding for the National Highway System, \$2 billion additional funding annually with a set aside that is devoted to the needs that have been identified—intermodal connections, border connections, or trade corridors. A 10 to 25 percent set aside would probably address the need. If all the trade needs had been addressed in a particular state, then the set aside could be used for other transportation needs.
- A similar increase in funding and set aside in the Surface Transportation Program. This is the ISTEA's most flexible program regarding modal eligibility and where funds can be used.

These program options including the discretionary program option could be considered by Congress in a future authorization action. They could evaluate these options and certain other options to address the transportation trade needs.

## Panel on DOT Modal Perspectives

### Gloria J. Jeff

While the FHWA took the lead, this study was a product of the Department of Transportation. The importance of all modes was recognized as we looked at the question of providing transportation for the trade in the North American sphere as it is critical to competitiveness in the global economy. Our next panel will permit us to look at the perspectives of the various agencies representing the modes of transportation in the U.S. Department of Transportation and they will engage in a dialogue with you. Each panelist will talk about his or her mode's perspectives with respect to the results and findings of the studies. Then we will have an opportunity to engage you in conversation as we begin to talk through the implications of the study results you heard earlier.

### Doris Bautch

#### Maritime Administration

For the Section 6015 study, MARAD took the lead on the waterborne aspect and, through MARAD's Maritime Enhancement Institute, Louisiana State University's Institute of Ports and Waterways Institute was asked to perform the research.

Maritime ports are international border crossings. By commodity value, water transportation accounts for about 2 percent of the trade between the United States and Canada, and about 10 percent of the trade between the United States and Mexico. However, by volume, waterborne accounts for more than 50 percent of the trade due primarily to the nature of the cargos that are carried, which are primarily bulk.

U.S.-Canadian waterborne trade is dominated by commodities such as ores, coke, coal, and fertilizers and is usually shipped by small mid-size vessels across the Great Lakes. Waterborne commerce with Mexico occurs through relatively few U.S. maritime ports. Nearly 97 percent of its trade moves over 20 U.S. ports. The top ten are located in the Gulf of Mexico. Petroleum and grain products account for about 75 percent of this trade. Marine shipments, by their nature, are intermodal with rail and/or truck connections at either end. The Great Lakes and St. Lawrence Seaway System are an important transportation link between the United States and the Canadian hinterlands and the rest of the world.

The potential for growth in the maritime trade is a significant factor for U.S.-Mexican trade. The potential is indicated by Mexico's planned investments in maritime port facilities and to their access roads. Several U.S. railroads have investigated establishing rail-barge service to Mexico. For example, the Burlington Northern now has a regular service from Galveston to Coatzacoalcos; they move rail cars down to Galveston, load them on barges, and ship them to Mexico. The CSX railroad is also looking at this type of transportation link, probably out of Mobile or New Orleans. Implementation of new water transportation technology used in Europe and Russia will allow the inland waterway system (for example, the Maritime System of the Americas) to be used as an alternative to rail and

truck transportation as the North American trade between Canada, the United States, and Mexico grows.

Our research indicates that there is excess capacity in the United States' port system. Industry officials at the outreach meetings also agreed. Despite this excess capacity, ports do have infrastructure improvement plans to improve their service for existing trade and to remain competitive. Some ports are expected to grow much larger. Given the current overcapacity at ports, this may result in some ports falling by the wayside. Fewer but larger ships serving specific ports are expected to create major peaks and valleys in traffic to and from ports, which would also affect the rail and trucks.

Port investment in the United States has been concentrated among the largest ports in population centers on the east coast and on the west coast. This investment trend may not be the best pattern or direction for meeting the cargo handling needs for expanded north and south trade. Investments in smaller port facilities for relatively small vessels operating in the Gulf of Mexico and along the mid-America waterway system may be what is needed to handle these types of cargos. Ports are major economic generators, but local planning agencies, in general, have paid far too little attention to port issues as well as to border crossings, airports, other intermodal access, and international and domestic freight. There is also an insufficient linkage between available data on trade and transportation to permit establishment of a firm definition of what constitutes existing or emerging international trade corridors for all modes of transportation.

Issues that we found that are critical to the maritime mode that are also critical to some of the other modes are access, clearance process, financing, electronic data interchange (EDI) standards, standards for intermodal containers, Customs delays, and traffic congestion. The institutional problems that plague land border crossings are evident at the marine ports. Also, in addition, needed improvements in access to the land border crossing ports, improvements in access to inland ports, sea ports, intermodal transfer facilities, and airports are needed. These incremental improvements may be necessary to handle the anticipated increases in both domestic and international traffic.

## **Jane Bachner** **Federal Railroad Administration**

As with all the modes of transportation we are talking about today, the primary impact of NAFTA on railroads is going to be the tremendous increase in traffic, particularly from Mexico. This is only a continuation of the trend we have been seeing for the past several years.

As questions from the previous panel highlighted, the railroad infrastructure is private, and railroads pay for their own border crossing facilities and also for access to them. The railroads are investing quite a bit on both borders to cope with the increase in trade. The Section 6015 study mentioned in particular the new tunnel that is under construction right now between Sarnia and Port Huron. This is a tunnel that is being built by the Canadian National Railroad that will increase the capacity for doublestack traffic between the United States and Canada. This is estimated to save about 12 hours transit time as well. There is also going to be expansion of the tunnel at Detroit. On the southern border, the Union Pacific has announced that its going to build a second bridge at Laredo. It will be applying for a Presidential bridge permit sometime early this year. This is going to alleviate a tremendous amount of congestion on the current bridge. It is an operation where Tex-Mex shoves cars to the middle of the bridge and Ferrocarriles Nacionales de Mexico (FNM, the Mexican state-owned rail company) pulls the cars off on the other side. While they have made a lot of operational improvements, it has about reached the limits of its capacity.

As the previous speaker highlighted, even some railroads that don't have direct connections to Mexico are improvising and finding ways around traditional border crossings. The BN's new rail-barge service is one and the CSX's proposed service is another.

Several railroads are also investing in Mexico itself to streamline and make traffic more efficient. Southern Pacific and its partner in Mexico are investing in ferropuertos, which are new modern rail terminals designed to handle intermodal or bulk shipments, depending on what the commodity is. These will serve as collecting and dispersing points for rail traffic.

They are similar to the major grain routing stations and coal stations we have in the United States. It will improve turnaround time in Mexico significantly. Doublestack service, which has been instituted by both the railroads and some major shippers like American Presidents Lines, has also smoothed not only car turnaround and efficiency but also improved clearances at the border through preblocking and preclearing.

But again, like the truckers and like the maritime people, like all the shippers, one of the major problems that railroads have that they look to us to solve are the institutional problems at the border: problems with Customs, insufficient manning, uncoordinated manning of border stations, lack of automated or expedited paper flow, and timing and degree of inspections. In some cases, the railroads have made changes internally to speed traffic and to speed clearance. They look to the Department of Transportation and Customs on both sides to help them with this.

**Frank Pentti**  
**Office of the Secretary of**  
**Transportation**  
**Office of Intermodalism**

I would like to look at this from a slightly different perspective by addressing it in terms of national transportation policy. We have had a great number of transportation policies over the years.

Early laws included the cabotage laws and the creation of the Coast Guard. In the late 1800's, we dedicated some 10 percent of the publicly owned lands to building the nation's railroad system.

In the 1930's, we aggressively promoted the development of airline industries, both domestic and international through subsidies to the operators and through the construction of a large number of airports.

In the 1950's, our national transportation policy interest focused on the highway system. We developed and began to construct the national interstate highway system program, which produced the magnificent highway structure that we have today.

Things seem to be a bit different today. We are at the end of the big-build era. Two years ago, the

ISTEA said that the Interstate system is complete. It doesn't seem that we are going to be building large airports anymore. Denver is the last one of the decade. Transit systems are very large and very expensive.

Let me suggest to you that ISTEA establishes a new transportation policy for the United States and that is the need to plan to meet our transportation needs as we go into the future.

The ISTEA stresses a new planning regimen for both the States and the Metropolitan Planning Organizations. It places new emphasis on trying to use our transportation dollars more efficiently. The ISTEA specifies that we need to obtain the optimum yield from our nation's transportation resources. Is the ISTEA process working? We think so.

During November and December, the senior policy officials in the Department held 10 outreach sessions across the country asking Does ISTEA work? And what are the problems with it? And what could be fixed if it had to be fixed?

In summary, planning is very tough work. It requires choices that are not easy to make. The processes envisioned by ISTEA are not yet perfect. There is a great deal of difficulty in balancing the planning requirements of the local areas, the municipal planning organizations (MPOs) in the cities, and the state planning processes.

There is also a tremendous awareness of the concern for freight in this planning process. A great number of the comments at the outreach sessions suggested that freight issues were not on a par with other planning issues. However, there was an awareness that this needs to be addressed. The bottom line of the outreach process was, Does ISTEA work? Most people at the outreach sessions offered a general consensus that we are better off as a nation for having the ISTEA and it has changed the way we address transportation issues in the United States.

Turning now to the Section 6015 study, North American corridor studies, two things come to the surface from my intermodal perspective.

First, the finding that the access systems in the intermodal border crossings are being stressed. How do we get the border crossing to be considered as part of our transportation

infrastructure? While the terminal may function and the transportation infrastructure may function, there is a need for somebody, and I suggest that it is the local planners, to focus on the issue of connecting that terminal, or the border crossing, to the larger transportation system. I think this is a challenge for the planning process.

Second, despite the stress, we are confronted with growth rates like 5 to 7 percent—a number everybody feels that probably is low. After a few years of 5 to 7 percent growth, I think the problem is going to be worse. This emphasizes the planning process. We need to help the local and state planners focus on how the stuff gets from the border crossing into the transportation distribution system.

Where do we go from here? On December 9, 1993, Secretary Peña announced a new transportation initiative to develop and designate a national transportation system that would identify transportation corridors of national significance.

What is the national transportation system? We can't say yet. We are at the beginning of this process. However, we have started our initial planning within the department. We plan to begin to initiate outreach sessions in March to identify transportation corridors of national significance. Let me use the Alameda Corridor in the Los Angeles Basin as an example. The Alameda Corridor is a route between the ports of Los Angeles and Long Beach to the railheads in downtown Los Angeles.

Basically, the traffic now flows up over surface railroads, which have a lot of grade crossings that interfere with some of the traffic or by-trucks on the freeway system burdening that traffic. There is a proposal to create a dedicated corridor to provide access between the railheads and the ports.

It is a very expensive project. The ports have come up with some of the money. There is the possibility of bonds to cover part of it. However, there is a large chunk of money that will not be coming from the local planning process. The local planners have considered this project but, faced with all the other transportation projects in the Los Angeles Basin, this corridor does not get funded. The question for us at DOT is, Is this

corridor of national significance? And if it is, What type of federal approach would we take to make it happen? The analogue between this situation and the Ambassador Bridge connections that Bruce Cannon outlined is very close. We have points that generate traffic and we have a transportation system. How are these of national significance and How do they fit into our larger transportation system? This is the crux of the National Transportation System (NTS) process. We will be contacting you and we encourage you to participate in this process.

### **Laurence Kiernan** **Federal Aviation Administration**

If I had to make a very brief comment on this report, I would say I endorse it, I like it a great deal. I like this report because, in the areas I am familiar with, it gives an accurate overview of what the situation is, so I have a lot of confidence in the report. But I also see that it is the beginning of a process and I find that very encouraging.

The assessment gave relatively limited attention to air travel and that was probably appropriate if the focus was on trade. Because, as was noted, it is a relatively limited part of our trade with Canada and Mexico that goes by air. About 5 percent of the trade by value with Mexico and about 10 percent with Canada. Aviation is working remarkably well in those markets.

There are some problems. The report highlights one: the problem of loss of service in some of the less densely populated parts of the country after deregulation. That is a problem that has lingered for more than 10 years and hasn't been resolved, but hopefully it will. I think there may be some structural changes coming in the air transportation that will help to fill that void. Another problem that we have had in the past has been providing additional international service into some of the busier airports, such as LaGuardia Airport. There is a tremendous market for more service from Canada into LaGuardia Airport, but there is not the room to accommodate it. But in general, air transportation is working very well. The attention that we give to it is mostly an ongoing process of refining and enhancing the system rather than coping with very serious problems. Along that line, the FAA will be involved in tripartite discussions with the Mexican and Canadian

officials during April to address principally technical aspects having to do with aviation.

As to where this process might go in the future, I would like to see the scope expanded to cover at least all of Latin America. It is a marvelous air transportation market; it is a very big air cargo market. Our carriers are doing very well in it, it is growing very rapidly and deserves a lot of attention.

I would like to see more attention given to passenger travel. Tourism is a very important part of North American trade and transportation, and so is personal and business travel.

Finally, I would like to understand the origins and destinations of people who are traveling and goods.

So with those three changes to expand the scope of this project in the future, it would be more helpful to transportation planners. The assessment so far provides a very good foundation, and I am looking forward to it to build upon.

## **Anthony Kane Federal Highway Administration**

I will focus on three of the recommendation areas that Bruce Cannon highlighted in his presentation, rather than touch on highway issues per se, and give perspective and reaction to three of the recommendations.

The first is with regard to regional planning around key border crossing points. We have heard mention of the ISTEA and the recently enacted comprehensive multimodal statewide planning process, which had never been required before. It is the first time that all states have had to focus on multimodal statewide transportation planning as a mandate and, in addition, the enhanced requirements for metropolitan planning. I will also highlight six management systems that were required by ISTEA in pavement, in bridges, in safety, in congestion, in public transit, and in intermodal. I place a particular focus on intermodal because we have had a lot of discussion already today on freight movement. There will be by the end of this year a plan in each of the States and metropolitan areas for how they are going to address intermodal planning requirements.

I suggest that as we look at the need for creation of any binational groups that they be part of and integrated well within the statewide and metropolitan planning processes; and, on the freight side, clearly within the intermodal management system efforts, all of which over the coming year states will be developing frameworks for how they will be implementing those processes. We have already heard this morning how well, for example, in Detroit and El Paso, a lot of efforts already take place. As we look at any new binational kind of activities, they should be within the processes that we have already so that they are closely coordinated with it and yet not add another layer.

The second recommendation is to develop them over the coming year as States and metropolitan areas are focusing on the recently enacted mandates and requirements on both management systems and statewide and metropolitan planning.

The second broad area of recommendations that Bruce mentioned are on infrastructure investment. Madeleine Bloom highlighted the National Highway System. Let me touch on that briefly. In developing the system and working with the States and metropolitan areas, and in consulting with Canadian and Mexican governments, we assured that the map that Secretary Peña submitted to Congress on December 9 provided for connections to all the major crossing facilities on the northern and southern borders. Congress has until October 1, 1995, to enact the National Highway System. In the absence of enactment, funds would be cut off for the Interstate system and the National Highway System. The House of Representatives will start holding hearings on February 24 on the National Highway System. Stay active in it. Be part of the process. It is important for the continued success of providing the access to the ports both north and south. A second area with regard to the infrastructure funding that Bruce mentioned is the need for full funding of ISTEA. We need to look beyond ISTEA with regard to funding. The Trust Fund supporting surface transportation investments is inadequate with regard to the revenue sources that feed that trust fund. We need to be looking at enhanced revenue options for the future.



We also, as part of the planning process I mentioned, need to have a closer focus on border crossings activities. It is important that you be involved in the metropolitan and statewide planning processes because while we did not suggest at this time any new discretionary money, prioritization is key. Within those resources that are given to the state and earmarked for metropolitan areas, there is a prioritization process that takes place in the multi-year transportation improvement programs (TIPs). I think, and this had been mentioned by Frank, that the planning requirements, and clearly the regulations, are putting a stronger focus on freight movement. The planning processes in many areas have not addressed freight to the extent that I think they should. It is important that the private sector join in that process, because a lot of times the past planning had been governmental activities without the private sector closely involved in the planning process.

The third broad area that Bruce Cannon mentioned with the recommendations had to do with the border crossing cargo and vehicle clearances and the efficiency processes. The report recommended that there be pilot efforts, pilot studies, and pilot demonstrations to facilitate and make more efficient the movement of freight and vehicles across the borders. We welcome your ideas. The report did not go into details about what those pilots might look like, how much they might cost, what areas they might cover, or whether it might be on institutional matters or actual physical construction. We welcome your thoughts today, during this conference and in subsequent meetings that we will have in this broad area.

To recap, as we look toward the first area of better binational planning, let's look at those processes that have recently been enacted and are going to be developed over this coming year. Second, on funding, let's really highlight National Highway System enactment and longer-range funding for the trust funds that support surface transportation. And third, give us a lot of ideas on pilots, what kinds of demonstrations would be most meaningful.

## Introduction of Federal Highway Administrator

**Rodney E. Slater**

**Gloria J. Jeff**

It is my pleasure to introduce to you today the Federal Highway Administrator, Mr. Rodney Slater. Mr. Slater is the FHWA's 13th Administrator. He has the unique role of assuring that we have an efficient, safe, and responsive highway transportation system. He recognizes his role as one of achieving an integrated transportation by building the necessary cooperation.

His background is unique: he came from the real world of transportation, having served on the Arkansas State Highway Commission and also having served as its Chairman. He was awarded the 1990 Arkansas Transit Association's "Arkansas Public Transportation Advocate Award" for his efforts as a staunch advocate for greater investment in transportation to stimulate the economy.

He is a member of the bar in two states. Earlier in his career, Mr. Slater served as an Assistant Attorney General for Arkansas and was a key member of the Governor's staff, serving as Executive Assistant for Economic and Community Programs. Slater, formerly secretary-treasurer of the Arkansas Bar Association, was named an "Arkansas Hero" in the December 1989 issue of the *Arkansas Times* magazine for his work to improve conditions in the Delta. He was honored also by the Arkansas Jaycees as one of the "Ten Outstanding Young Arkansans" in March 1990.

A scholar-athlete at Eastern Michigan University in Ypsilanti, Michigan, Rodney Slater graduated in 1977. He went on to attend the University of Arkansas School of Law in Fayetteville, Arkansas, and graduated in 1980. Slater is married to Cassandra Wilkins and they have an infant daughter named Bridgette Josette.

# Remarks

**Rodney E. Slater**

**Federal Highway Administrator**

Thank you, Ms. Jeff, for your kind and gracious introduction. It is a pleasure to be with you the stakeholders with whom we must work if we are to be successful in providing the transportation system necessary to efficiently and effectively respond to the increased trade we will realize as a result of NAFTA. So I am very pleased to have this opportunity to visit with you.

I commend members of the FHWA staff, the U.S. Department of Transportation staff, as well as others from other agencies of the United States who have come together to make this conference on North American trade and transportation possible. I also commend those who worked so hard to prepare the studies that we are discussing.

These studies started some time ago and have come to a successful conclusion when it comes to a study. But we do have to start now to fully implement the study, and that is why I am here today to visit with you a while.

I also appreciate the comments Gloria Jeff made regarding my interest not only in highways but also in the development of an integrated transportation system much like the National Transportation System, spoken about by the Secretary of Transportation. As I think about all the opportunities before us with NAFTA, the challenge before us to develop the National Transportation System, all the work that went into development of the National Highway System proposal that we recently submitted to Congress, and the need to be concerned about the integration of the modes to create for our country a system that is worthy of being labeled as a system for the 21st century, I am reminded of a story of an ant.

According to the story, a few children watched as an ant tried to move a piece of bread by pushing, pulling and shoving it. But the ant could not move the bread. The children talked among themselves saying, you see, sometimes you can have the courage to have a big dream. Ants are

known to have the ability to move objects that are many times their weight. But this ant was not dealing with a crumb but a much larger piece of bread.

Sometimes you can have the courage to dream a really big dream and you can prepare yourself and you can push it, you can shove it, and you can pull it. Notwithstanding the fact that you had the courage to envision a big dream—not a crumb, but a big dream—in and of yourself you are unable to do all that is necessary to move it forth. And sometimes, you have to walk away.

As the children concluded their conversation, they watched as the ant walked away. Then they too started to walk away. But, after taking but a few steps, remembering that the ant had made a valiant effort pushing and pulling and shoving, they glanced back. They saw the ant coming back but this time the ant was not alone. This time there was a line of other ants. The ants walked along the way and came to the bread, circled the bread, and moved the bread!

We gather to talk about a big dream; to talk about America tearing its walls down; to talk about America responding to the calls of those around the world who are saying that they need our expertise, the links, the bridges, the tunnels, the rail lines, the highways. They need those things that will connect them to the United States so they might have some of that which we in the United States enjoy.

Today, I am pleased to join you as we circle the bread, as we come together at this national conference of stakeholders in continental trade and transportation to establish an action plan for next steps required to respond to the challenges the studies embrace. It is time to tear the walls down, and to link ourselves with our neighbors to the north and to the south. I am pleased to be with you today as we look to the future of America's transportation system. Transportation has always been involved in change. That certainly was true throughout this century and it will be true as we enter the next century.

The 21st century will be the century of the global economy, with interlocking interests linking the nations of the world as never before. It will be a century not just of emerging democracies, but of emerging countries as well. We have but to look

at the pages of the dailies to be told of that reality today. And these emerging democracies will result in economic power being spread more evenly around the world thus creating tougher and greater competition.

These changes in the world require change in the United States and in our transportation network. The change will be for us to respond to what is new and to think anew ourselves. The challenge will be for us to create a transportation network that meets the needs of the United States as we compete in a global economy. For America's transportation system, our challenge is to rethink our role in a changing world—a world very different from the world that existed when our current network was conceived.

Last October, I travelled to Mexico for two days of meetings with my Mexican transportation counterparts to discuss the role a modern infrastructure system plays in promoting economic development and trade.

Also last fall, at the suggestion of Secretary Peña, I went to the border States in the Southwest and also to the Canadian border in Michigan to look, listen, and learn about ways to improve our border crossings as we seek to increase trade.

I visited Dallas and Austin, Laredo and El Paso, Santa Teresa in New Mexico, Phoenix, and San Diego and Otay Mesa in California. What did I see? Let me offer a few examples:

- In Laredo, I saw scores of trucks backed up and idling, their drivers blowing their air horns in frustration at the delays waiting to cross into the United States.
- I also saw a new inspection facility under construction in Otay Mesa to improve the crossing there and share the traffic with the San Ysidro crossing further west.
- While in Michigan, I met with officials and members of States and provinces along the U.S.-Canadian border, and they talked about the need to strengthen their links to enhance transportation and trade opportunities.
- In Port Huron, private investment has resulted in the construction of a new rail tunnel that can handle double stack container trains that will

increase the efficiency at that crossing. . . . Additionally, there is construction of a new toll plaza and a second span.

These will all improve and enhance our opportunities to trade with our neighbors to the north and as well as our neighbors to the south. But that is not enough. In the final analysis, those of us who have the opportunity to play a role in this regard must continue to dream big. We must be eternally vigilant in pressing forward to make the case for the resources needed, to make the case that transportation is inextricably tied to the economy, and to make the case that transportation is about more than concrete, asphalt, and steel, more than roads and bridges and barges and trains. Transportation is about people.

We have a golden opportunity here to dream big and to help our country move into a new era of transportation philosophy and policy, close the door on the interstate era which has given us the greatest public works project in the world, but dare yet to dream of even greater things. That is our challenge.

One point that we made in talking about the studies is that currently with the system we have in place we can handle much of the traffic. And with the projects we have in the pipeline, we can handle what we can expect in the short term. But in the long term, those of us interested in transportation must help make the case that we need additional resources and that we know how to use them.

To make the dream we have the courage to envision become a reality, we must become very specific and very forthright in making that case to Congress, to the administration, and to the American people. If we are not committed to that, we will only have a report, we will only have a dream that we can push and shove and pull—but we will find that we are unable to move it in and of ourselves. We must bring in others. We must not walk away from this great opportunity that we have. And if we do, do so only momentarily. We need time to go to our neighbors and friends and the powers that be and to bring them back along the trail that we have traveled and lead them to their places around the bread, so we might move the bread.

Your work is a great work. Know that we at the Department of Transportation are fully committed to be eternally vigilant in the process of moving this dream forward. We cannot fail.

# Introduction of Deputy Secretary Mortimer L. Downey

## Jane Garvey

Our luncheon speaker is Mortimer L. Downey, the Deputy Secretary of Transportation.

Prior to accepting the appointment as the Deputy Secretary, Mr. Downey served as Executive Director and Chief Financial Officer at the Metropolitan Transportation Authority (MTA) in New York, the nation's largest independent public authority. At the MTA, he was particularly involved in setting budget policies, developing financial resources, and managing financial investment programs, focusing primarily on the capital rebuilding of the MTA system. During his 12 years at MTA, more than \$20 billion of capital investment was programmed into its regional transportation facilities.

During the Carter Administration, from 1977-81, Mr. Downey was the Assistant Secretary for Budget and Programs at DOT. At the same time, he served as DOT's representative on the President's Inter-Agency Coordinating Council, which carried out urban and rural development policies and programs.

He also was the first transportation program analyst for the U.S. House of Representatives Committee on Budget and has held a number of positions with the Port Authority of New York and New Jersey.

Mr. Downey graduated magna cum laude from Yale University in 1958, received a master's degree in public administration from New York University in 1966, and attended the Harvard Business School Advanced Management Program in 1988. He served in the U.S. Coast Guard Reserve, holding the rank of Lieutenant Commander.

Mr. Downey has been active in numerous professional and civic organizations, serving on the Executive Committee of the Transportation Research Board of the National Academy of Science, and as a Director of the Municipal

Forum of New York (a municipal bond group) and of the New York Building Congress. He was President of the New York Metro Chapter of the American Society of Public Administration, has been an active member of the American Public Transit Association, and served on the New York University Alumni Council.

Mr. Downey and his wife, Joyce, have two grown sons, Stephen and Christopher.

## Luncheon Speech

### Mortimer L. Downey Deputy Secretary of Transportation

#### The Timeliness of This Conference

Thank you, Jane, for that kind introduction. I'm happy to join all of you today as you discuss the transportation implications of North American trade.

This conference, and the ISTEA-required reports which prompted it, is made especially timely by the enactment, less than two weeks ago, of the North American Free Trade Agreement. NAFTA wasn't mentioned in ISTEA, of course, but it shows Congress's foresight in requiring that the impacts of increasing trade among the United States, Mexico, and Canada be studied. It's become all the more imperative now that NAFTA is ending most of the barriers that limit trading among our three nations.

#### NAFTA's Benefits

Make no mistake, NAFTA is going to be a tremendous boost for our economy and for those of our neighbors. It's going to result in the creation of the largest free trade zone in world history, one linking more than 370 million people with a combined annual output of over \$6.5 trillion. And virtually all of the artificial restrictions that have hindered trade among our peoples will fall over the next decade. The result will be an explosion of commerce, enriching all three of our nations. That's saying a lot since we already have a rapidly increasing volume of trade throughout North America. Mexico and

Canada are two of our strongest economic partners. In 1992, our trade with Canada totaled \$189 billion; indeed, one out of every five dollars in U.S. exports is to our northern neighbor.

Our trade with Mexico has grown even faster, fueled by Mexico's liberalization of tariffs and trade restrictions in 1986. Mexico is now our third-largest market, with \$76 billion in goods passing between our countries. By the turn of the century, this trade will increase by another 50 percent.

### **The Need for a Transportation System That Supports Trade**

Yes, NAFTA will expand trade, to the benefit of all of us. But NAFTA's full value can be realized only if we work to maximize the opportunities it offers.

We can't let NAFTA's elimination of trade barriers be offset by new barriers created by congestion, red tape, and inadequate transport facilities. The products that will flow among our three nations require a safe, efficient, reliable transportation system. If our road and railroad systems, our airports and seaports, are deficient or poorly connected, and if our investment decisions are made in a haphazard, piecemeal fashion, then NAFTA won't be able to achieve its full potential.

We in DOT are committed to a comprehensive effort to work with both the public and private sectors to identify roadblocks to the efficient movement of goods and to develop effective solutions. This conference, which is focused on involving the private sector, is one step in this direction.

### **The North American Transportation Summit**

Another step is the North American Transportation Summit Meeting, which Secretary Peña announced on Tuesday. This meeting will be convened here in Washington this March and will bring together Secretary Peña, Mexican Secretary of Transportation Emilio Gamboa, and Canadian Minister of Transportation Douglas Young for a series of talks on ways to better coordinate our nations' transportation systems, policies, and infrastructure investments to meet the demands brought on by growing trade.

In particular, Secretary Peña will propose exchanges of information on innovative

strategies to finance transportation infrastructure, especially ways to involve the private sector in developing necessary improvements. He also will suggest that the three nations explore technical exchanges in areas that would improve border crossings, such as intelligent vehicle highway systems, automated toll collection, and "smart" traffic systems.

Other issues that could arise relate to NAFTA's provisions for the liberalization of cross-border commerce, the harmonization of rules and regulations, and ways of easing traffic congestion at our borders. Each of these is intended to move goods more quickly as we develop a seamless North American trading system.

### **The ISTEA Sections 1089 and 6015 Studies**

Determining whether our current transportation system is up to the challenges posed by increased international trade was one of the primary purposes of the ISTEA Section 1089 and 6015 studies.

I'm not going to go into these studies in detail since you heard about them from DOT staff this morning. What I'd like to talk about are some of their implications for national transportation policy over the next several years.

In essence, the studies found that the current border crossing facilities, together with ongoing improvements, are adequate to accommodate the overall expected increases in trade.

However, we still need to further speed movement across our borders to increase efficiency and reduce costs further. Decreasing these transportation-related expenses is a way of raising our international economic competitiveness and that of our closest trading partners as well.

In addition, new crossings may be required in the future as shippers carry forth trade innovations and open new markets. To respond as effectively as possible to emerging tests, we have to refine our infrastructure planning.

Finally, we'll need to expand and modernize our trade corridors within each nation to facilitate shipments once they've crossed international borders. It won't help trade very much if a truck moves freely across the border and then spends

extra hours traveling over crowded or inadequate roads. This is equally true of corridors from seaports and airports.

### **Interagency Cooperation in Solving Problems**

We also have to identify and fix “hot spot” problems, both those that now exist and those that will emerge in coming years. By that, I mean instances in which physical or operational impediments block the free flow of goods.

Many of the operational issues relate to staffing levels and to international agency coordination, and, or the province of other Cabinet departments. Representatives of Justice, Agriculture, State, and Treasury will be speaking to you this afternoon about ways in which they’ll work together to improve procedures governing the passage of goods.

Their department and others will participate in the Border Infrastructure and Facilitation Task Force, which will begin work later this month. Its mission is to report on specific ways to improve the efficiency of existing U.S. border crossings and to better plan for future border infrastructure investments. It will approach these problems as a team dedicated to improving the way in which federal agencies handle their border responsibilities.

### **Infrastructural Impediments to the Free Flow of Goods**

The physical problems that can develop are often the responsibility of federal or state transportation agencies. These obstacles cut across modes and include limited rail and road access into ports, Interstate access to international bridges, and highway connections to border stations, among others. We’re looking to innovative strategies to identify and help these problems. For example, one tactic is the use of computerized systems with interfaces among the information networks of shippers, carriers, and national inspection systems to expedite the flow of necessary information about deliveries and reduce redundancies.

We’re also encouraging state, local, and metropolitan area agencies to focus on issues related to border crossings, seaport and airport access, and freight as they carry out ISTEA-mandated planning activities. In fact, the strong

emphasis our new planning and management system regulations place on intermodalism is highly supportive of this approach.

### **The NTS as a Model for Strategizing Investment**

Another effort we have underway will serve to improve our ability to determine appropriate investments. The comprehensive U.S. National Transportation System announced by Secretary Peña last month will enable us to better assess all the various modes of transportation—from highways to railroads to ports and airports—that link this nation together. Its primary purpose is to allow us to better “see” the needs for strategic transportation investments within the United States, so that those we do make are productive and well-chosen.

That same logic applies to the transportation investments each nation in North America makes. Although it is up to each nation to make its own choices to best serve its border regions, we are increasingly interdependent. So, it’s up to all of us to work together to ensure that the links across borders are as seamless and efficient as those within borders.

### **Partnerships with the Private Sector**

We want to increase coordination and cooperation among stakeholders in not only the governments but also the private sectors of the three nations. The Clinton Administration views the private sector as a full partner in the effort to build the transportation infrastructure system that will carry us forward into the next century. It’s an approach implicit in Vice President Gore’s National Performance Review, which emphasizes the need for better planning and the use of market incentives as we reinvent government.

This isn’t an abdication of public responsibility, but a recognition that the Federal government can’t do it all alone. From defense conversion to work retraining to the President’s Clean Car Project, the theme of new public/private partnerships is consistent in the Clinton Administration’s approach to solving national problems.

In closing, I call upon you to continue the work begun in this conference and to forge the cooperative relationships necessary to develop the

transportation system vital to efficient trade. The prize, for all of us, will be the long-term economic health of the entire North American continent.

## Panel on Federal Agency Perspectives

**Tim Arnade**

### **General Services Administration**

At the outset, I congratulate those at the DOT on the fine job they did on a major report. All of us here know the level of outreach they conducted was exemplary, the largest effort at reaching out to the public that I have ever seen. I think you did a fine job.

I am GSA's border station coordinator. The General Services Administration or GSA is the government's landlord—we are in charge of housing federal agencies. We build courthouses, federal buildings, and border stations. Our authority is limited to just those facilities. We don't build bridges, we don't build roads or railroads.

We have a formal planning process for deciding which border stations need attention, if we are going to construct a new one, and if we are going to remodel one.

In 1988, Congress sidestepped that formal planning process on the southern border and mandated a \$364.5 million program to improve the facilities along the southern border. We are now into the sixth year of that program. GSA believes that we are now winding it down. The \$364.5 million includes funds for six new stations. Two of them have been built and are open. One is going to be under construction shortly, two are in the design process, and one is in the planning process. Vast improvements have been made regarding the border stations along the southern border. Before the Congressionally mandated program, in total there were about 130 truck docks. After we finish the program, there will be approximately 902 truck docks. We are adding about 770 docks along the southern border.

The GSA and Customs have developed a capacity model indicating how much commercial

traffic can be processed through these docks. We predict that we will be able to process approximately 8.4 million northbound vehicles when we finish the program. In 1992, Customs processed 2.3 million trucks. One of the DOT's principal findings underscores that we have or will have adequate capacity from GSA's perspective for the border stations. We strongly agree with the DOT. We have spent a lot of money on the southern border building new and expanding existing stations. The issue of congestion and moving traffic more quickly is not an issue of a lack of border stations. We see it, as the DOT has said in its report, that other measures need to be looked at. The full utilization of the stations is where we need to spend our attention.

We have not ignored the northern border. The northern border has followed the normal planning process. We are often criticized for spending too much time and money on the southern border. Reviewing all the work done on the northern border, GSA has done a lot there as well. For example, we are building a new station at Skagway, Alaska; expanding the commercial import lot at Ambassador Bridge at Detroit; opening a new station at International Falls, Minnesota; looking at expanding some of the crossings at Buffalo (Peace Bridge is a bit of a problem); funding a new station at Highgate, Vermont; and planning to construct a new facility at Pemberton, North Dakota. In the Fiscal Year 1995 program that GSA will be proposing shortly, three or four replacement facilities on the northern borders will be included.

On the southern border, last year the Congress requested GSA to develop a 5-year plan. It was released in April and is a public document. The way GSA operates, we are a broker and we rely on the border inspection agencies to tell us what they need. We do not tell them what they need. In the 5-year plan, the inspection agencies felt they needed more elbow room at several existing stations but they did not request any new stations. This underscores that we need to look at how we will use the capacity that we have.

We look forward to working with the DOT on the interagency committee.

**Vikki Kingslien**  
**Department of Justice**  
**Immigration and**  
**Naturalization Service**

Thank you for inviting me and for the DOT's overall coordination and effort regarding the excellent report which, as has been mentioned before, is a start not a finish.

The mission of the Immigration and Naturalization Service or INS is inextricably involved with transportation. Our clients arrive on the transportation system. The transportation industry is our client delivery service.

INS is under the jurisdiction of the Department of Justice, and the Attorney General is our cabinet level official. INS was created as the Bureau of Immigration in 1890 for the purpose of regulating immigration into the United States. Prior to 1890, immigration was controlled primarily by individual states. INS has the dual mission of providing information and service to the general public while concurrently carrying out its law enforcement responsibilities. In-house we call it the "white hat" versus the "black hat" roles. At the United States ports of entry, we are primarily concerned with control of entry into the country, facilitating entry to qualified persons, and denying admission to unqualified aliens. Because of the huge influx of illegal aliens after 1890, the Congress in 1924 created the Border Patrol to serve as the law enforcement arm of the Immigration Service. The primary function of the Border Patrol is to detect and prevent the smuggling and unlawful entry of aliens across the 8,000 miles of U.S. land and water borders. The people you see at the border stations and on our borders are our blue-uniformed Office of Inspections personnel and the green-uniformed Border Patrol agents. These organizations coordinate internally in considering new border crossings and improvements or replacements to current ports of entry.

Our comments on these coordination matters on border crossings have to be limited to issues over which INS has legislative authority. This will be a matter of continuing frustration for you and for us. There are times when it would seem to be common sense that those who have some kind of interest and knowledge about an issue

should be able to comment. But we can only comment or make decisions based on our legislative authority. That excludes decisions over access roads, public transit, or economic impacts, for example.

However, we do coordinate with other Federal and State agencies on U.S.-Mexico border crossing issues through a mechanism known as the Interagency Committee on Bridges and Border Crossings and its subsequent entity, the Bilateral Committee on International Bridges and Border Crossings. Steve Gibson, with the Department of State's Office of Mexican Affairs, is going to elaborate on these processes. We in INS find them to be effective in reducing some of the confusion and the conflicts that can occur in making these decisions or in evaluating projects. It helps us know and develop an overall strategy for a community. When we go out into the communities to listen to community leaders or advocates of a project describe their needs, their information is very clarifying for us. We do this in technical meetings and in "border walks," which is a time for decisionmakers to actually see the conditions at the ports of entry. It has been very helpful. Because of the rapidly changing nature of U.S.-Mexican business affairs, it is necessary to reevaluate all these proposals frequently. These meetings have been held twice a year, supplemented by the border walks.

The process may be somewhat less formal on the U.S.-Canadian border, but no less effective. Some years ago, bilateral working groups were established to address border crossing facilities. There was a New England group, a Great Lakes group, a Prairies group and a Pacific Northwest group. All of them are dormant, with the exception of the Pacific Northwest group, which has continued and expanded because of the operational and facility improvements that were accomplished because of that coordination. For example, a frequent crosser card issued by INS to test that concept was tried at the Peace Arch border station at Blaine, Washington. That was successful largely because of the cooperation of the other agencies, not only U.S. Customs and the Department of Agriculture, but also Revenue Canada and Immigration.

There is renewed interest in reactivating the Prairie and Great Lakes groups. That interest is largely a derivative of transportation enhancements initiated by the states or the



provinces or by local business persons to expedite commerce. When the highways expand or are rerouted, we have an opportunity to address the space and technology we need at a port of entry.

There generally is a tradition of cooperation between the communities on either side of the border, so coordination of activities seems natural. Furthermore, in some cases we rely on the local transportation community to help us affect what we need. I use the example of Calais, Maine, where we need to expand our facility and make it more effective, more functional for our operations. But we are hindered from doing that because the local transportation delivery systems are not in the places where they should be for the future. We need to work with that local community in establishing that. That also comes to play on the southern border in the case of Fabens, Texas, where the City of El Paso is considering a comprehensive transportation plan. We are cognizant of these plans, of the need to develop a strategy on a community basis, and we want to work with you, as we have worked with you.

This tradition of cooperation can also be illustrated in the case of Coutts, Alberta, and Sweetgrass, Montana, where a major coordination project is taking place. The Montana Alberta Boundary Advisory Committee (MABAC) was formed to address the increasing importance of cross border movement of goods and people in the trade and tourism activities of Canada and the United States. MABAC reacted to the needs at the Coutts-Sweetgrass border crossing by drawing together all entities involved to share ideas.

In the New England states, INS organized a border walk some years ago to inspect ports of entry and, as a result, many capital improvement projects were identified (one of which is the Highgate Springs project that Tim Arnade mentioned), which are being undertaken by GSA.

As an example of innovative cooperation between the United States and Canada in operating policies as well as facilities, I cite the three common border facilities that have been built on the northern border—Carson-Danville, Turner-Climax, and Alburg, Vermont-Noyan, Quebec. There are others that are in the contemplation stage because these facilities have

been very effective. The idea is that the U.S. and Canadian inspectors occupy a single building straddling the border. These are most effective and are used primarily when there is a single inspector at each port.

On a national perspective, the inspection agencies in Canada and the United States meet regularly at the headquarters level to move toward a comprehensive strategy on border issues. We assess the needs and priorities at border crossings in each country and then come to consensus about how to schedule individual projects.

The INS uses appropriated funds to staff and pay for its buildings at most of the land border crossings. However, commercial passenger carriers are responsible for building the inspection facility and collecting the user fee from the passenger. Those funds may be used by INS to hire people. There is a proposed regulation for some border fees, which will be published for your review in short order. They will charge a fee to the person who needs a document issued, the charge based on the actual cost of producing the document. Those funds would be used for staffing. That was an idea developed during the FY 1994 appropriations process, and 200 inspection positions are waiting for this to become concrete. The 200 positions have been approved in concept. This is different from a border toll, a per person charge. The INS is not in any definite process for implementing this toll, but it is being advocated by several Congresspersons.

The rationalization of traffic is an idea that has been recognized for some time in this bilateral group—that is, separating the trucks from the cars and furthermore, putting trucks at the perimeter of the city and getting them out of downtown. Anyone on the southern border will recognize this commitment that has been seen in several places—Nogales/Mariposa, the whole Brownsville area. On the northern border, we have done it at Blaine between Peace Arch and Pacific Highway.

Finally, the DOT has proposed the establishment of binational planning processes with which we could not agree more. The Federal, State, local, and private sector organizations would focus on infrastructure and technology improvements. They would try to get us to do our job faster and we are pleased to accept the challenge to join in

that planning process and to discuss these technology enhancements and other things. The INS is proceeding with research projects such as palm imprints and iris identification and other types of systems that would enable us to ascertain a person's eligibility to enter the country much quicker than we can do now. We also are considering closing some ports as formal ports of entry but allowing people to enter using preestablished documentation. They may go through some sort of verification process and be issued a card which they could flash as they pass through.

The coordination mechanisms led by the Department of State on issues regarding U.S.-Mexican border are very effective. On the U.S.-Canadian border, the regional binational groups are very effective. They could easily be expanded to include some private sector and some more public sector local government transportation entities. I would suggest that those mechanisms be considered from the perspective of possibly augmenting them to handle the planning process as it might be envisioned.

**David Reeves**  
**U.S. Department of Agriculture**  
**Animal and Plant Health**  
**Inspection Service**

The Animal and Plant Health Inspections' missions are to prevent the introduction into the United States of foreign agricultural pests and to expedite U.S. products going into foreign countries because many foreign countries have increased their requirements. Both missions play a part on the land borders. We have officers stationed at all major crossings and many of the smaller crossings on the southern border. On the northern border, though, we are only stationed in three or four places with a smaller staff. The reason is that there is a difference in the pest risk. There are more exotic insects in Mexico and Central and South America than there are in Canada and the United States. However, some of the participants from Maine pointed out a big problem with potatoes from Canada. We look at people, cargo, automobiles, or carriers. We are not concerned about whether the food is good to eat, but there are others in the Department of Agriculture who are. We do not give USDA

approvals. When we pass it we are saying that we do not think it will cause a problem for U.S. agriculture.

While we consider you our stakeholders, at the Department of Agriculture we have a different group of stakeholders: the farmers of the United States. Many times the transportation industries' needs and requirements are different somewhat from the farmers' interests. We have to weigh those.

As far as NAFTA, we supported the concept; the agricultural biological requirements will stay the same. We will have to devise ways to expedite products. We participate in binational boards with both countries where we look at the problems with agriculture and try to devise a means of overcoming any problems in moving products back and forth with greater ease. With Mexico in particular, we do a lot of work inside the country. Mexico has several commodities that normally would not be allowed into the United States. We devised systems where we work with them to treat the commodities before they come into the country. For example, mangos. We have over 100 sites in Mexico where we have agreed to work with them to have the mangos dipped in hot water so they will not be a pest problem when they get to the border. We have several programs like that for various commodities. They have worked out well. Agricultural commodities are being expedited efficiently across the border.

We have developed a program similar to line release called border cargo release on the southern border. Two or three years ago, the USDA looked at a portion of every agricultural commodity load. We have grouped commodities into high volume and low pest risk and instituted a program where we only look at a very small percentage of them. The rest of the shipment of those commodities are released immediately. There are several other types of initiatives that will move agricultural commodities faster.

We are willing to work with any group to expedite and facilitate the movement of agricultural goods.

**Robert Jones**  
**U.S. Department of Treasury**  
**Customs Service**

I appreciate the opportunity to be here today. The Customs' work load increases dramatically as the forms of transportation around the world improve. Every year, we have a phenomenal increase in the amount of cargo and vehicles we have to pass through. When I go back out to the field, and I do that frequently, I am amazed at how they work cargo compared to the ways we used to just a few years ago. When I started in El Paso, we had a trailer in the middle of the desert and the worst enemy was the sand when the wind blew.

Now we have line release facilities and, thanks to GSA, very modern facilities to work in plus completely new facilities in the city itself. It is that way along a lot of the southern border for you that are familiar with it and know what I am talking about. There is no way we can possibly deal with the increases in volume and stay with the old ways of doing things. We have to look to automation, to work with other government agencies, with the trade, with the local communities. We have to find ways to do things faster and quicker.

Some of the things we have come up with in recent years include cargo selectivity. We look at a very small fraction of the cargo that comes across the border today compared with a few years ago. We try to improve the way we select the cargo we are going to look at. If we have cargo coming through that we don't want to look at, we do not want it sitting around. It is as big a burden to us to have it sitting in the import lot as it is to you. We want it gone. The things we want to look at we would like to be able to pinpoint before they get to the border station. We have three-tier targeting, line release, and automated manifest systems, which we are expanding into the railroad area and into the trucking industry. We feel we have to do these things, we don't have any choice. The volumes overwhelm us.

At the same time, we have to protect the revenue of the United States. We have to protect the American businesses with the laws that Congress passes, with the tariffs, and with the quotas. We feel burdened to meet these standards. We have

had a lot of help in recent years due to the Congressional southern border capital improvement program, which we have been working with Tim on for years in getting good facilities down there. We are adding 300 new inspectors over this next year and a half. Some are in place and some are being trained for the southern border, since we expect a large volume increase when NAFTA comes in.

We have a lot of laws to deal with that are not Customs laws. We have 60 agencies we are responsible to, and we need to be responsive to the city and state ordinances where we are. We have roughly about 600 laws. Some are public health and revenue protection, for example. We have a lot of things we have to look at. We have to try to do our enforcement responsibilities and at the same time expedite the vehicles and the cargo as it comes through.

We work very closely with INS and Agriculture of course. We cross train a lot and on the southern border, we cross designate a lot. When I was on the southern border, I was responsible to train and had the authority from INS to pass their people to try to keep things moving. We emphasize these programs. Their laws are very different from ours but we do a lot of the cross training.

On the government side, we do a lot of that. We try to work very closely on high technology things like license plate readers. The Canadians have been very interested in this for a number of years. They are getting to a place where they are getting these things developed. I have sat on the United Nations' committees on these topics as well as the palm prints and iris identification that were mentioned earlier, to try to get worldwide standards so we can get travel documents and cargo documents in an international mode to expedite things so we can do more with machine-readable documents. My forecast is that there will be a lot more automation in the future and a lot less paper. We feel we have to do this to survive as the world gets smaller and as the borders come down with our international trade treaties.

The Customs is a major revenue collection agency next to the IRS for the U.S. government. Our people are armed. On the southern border in particular, we have a lot of security problems. We have people who get hurt and shot, and occasionally we have to hurt or shoot someone else. We have all of these things, and basically we

are a business organization dealing with business people. And that is where our emphasis lies. But when we deal with drug dealers and smuggling, which we do a lot particularly along the southern border, we have to be very careful. We have a lot of safety issues and a lot of training issues to deal with in those safety areas.

## **Steve Gibson**

### **U.S. Department of State Mexico Desk**

I am the Department of State's Coordinator for U.S.-Mexico Border Affairs. My focus is on the southern border. I join those on this panel in thanking the Department of Transportation for the massive amount of work that went into the ISTEIA study, a very useful document, something that will guide us in the future. And I thank Federal Highways for putting together today's gathering as an outreach, as an opportunity for us to hear what is on your minds. I find it particularly useful, having been in my job for about 4 months. I have been able to meet people face-to-face that I have spoken with by phone. I want to assure you and your colleagues in Federal Highways and in the DOT that the State Department looks forward to continuing to cooperate in this area especially in the National Economic Council-led interagency task force that we are all going to be devoting time to over the next few months.

My responsibilities include serving as chair of the U.S. Interagency Committee for Bridges and Border Crossings. Vikki Kingslien touched on some of the responsibilities and activities of that committee. Tim Arnade is part of the committee, Customs is on the committee, and David Reeves is part of the committee. We have representation from over a dozen Federal Government entities including four from within the DOT. This interagency committee meets formally twice a year with our Mexican counterparts in what Vikki described accurately as the Binational Committee on Bridges and Border Crossings. These meetings traditionally last 2 or 3 days. They include representatives from the four U.S. states along the southern border as well as the six Mexican states along that border. Most of the agenda of the meetings is taken up with a discussion of the status of the permit process for existing applications or of new crossing

proposals. However, we do find time, and it is an important part of the agenda, to exchange information and comments on other border crossing topics such as boundary markers or efforts underway to streamline the entry process. Decisions about international bridges and land crossings with Mexico are subject to an approval process, which is coordinated by the Department of State working through the interagency committee. Bridges require a Presidential permit, which is issued by the Department of State. Land border crossings do not require a Presidential permit but do require approval of most of the agencies on the interagency committee. The Department of State coordinates this approval process. The final step in the approval process is an exchange of diplomatic notes with Mexico. This is required before construction can begin.

In response to a question this morning from the gentleman from El Paso, in our experience the initiative for establishing a new crossing normally comes from a local sponsor. It could be the municipality, it could be the county, in some instances, it is a private organization. We have one pending now in Arizona, a private organization that wants to establish a cattle crossing.

The State Department receives and circulates applications and plans for the new crossing to the appropriate Federal and State agencies. I want to emphasize State agencies here too. The state of Texas has what is called a single point of contact. We will send copies of the application to that single point of contact, which in turn will make sure that all of the Texas State agencies that have an interest in the proposal are able to review and comment on it. The bridge sponsors will then work with the Federal and State agencies until they can satisfy the requirements or questions or concerns of those various agencies.

There are 42 bridges and land border crossings along the U.S.-Mexico border and more than a dozen proposals for new crossings in various stages of approval or planning. As has been pointed out by my colleagues earlier, the major limitation on the construction of new bridges and border crossings is the availability of funding for construction of the required border stations as well as for staffing by the inspection agencies themselves.

Tim Arnade gave you a sketch of the very successful and very important investment

program that GSA has been carrying out over the past few years to improve existing border facilities along the southern border and construct new ones. He addressed the issue of adequacy, and I would like to say a word or two on that myself. From the standpoint of the Department of State, the question of whether the border crossings with Mexico are adequate is an open question. I think we have to look at the way NAFTA and the trade picture evolve over the next few years. We also have to keep in mind that there are local interests that are to be considered that may be not always looked at within the NAFTA picture. I think the comments that Federal Highway Administrator Slater made are perhaps the way we should look at crossings along the border. He said in an earlier speech and he made the same points in the speech this morning, that in the short term our current crossings and new investments or improvements already programmed or in the pipeline can handle border traffic increases if, and he emphasized the "if," we increase cooperation and planning and make these facilities even more efficient. Federal Highways, DOT recognized that over the longer term, we are going to have to make some additional carefully programmed and targeted investments. I can't address the question at the Canadian border, but I would certainly say that is the case along the southern border with Mexico. My point of view would be that excess capacity at Santa Teresa doesn't necessarily solve Brownsville's problems. A new facility in Columbia won't help the border crossing situation in San Diego.

**Donna DiPaolo**  
**International Transportation and**  
**Communication**  
**Embassy of the United States of**  
**America**  
**Ottawa, Canada**

John Bauman, who was scheduled to be here today, is on the Canada Desk at the Department of State. I am a State Department officer but currently assigned to our Embassy in Ottawa. I am pleased to be here. You have already heard a lot of information about the existing border cooperation projects and ongoing activities.

I will give you a perspective from the northern border since there are clearly differences between the northern and the southern borders. You have heard a lot about infrastructure investment and planning, especially on the Mexican border. In Canada, of course, much of that activity comes from the private sector. The state of development is very high already. We are dealing with a well-developed infrastructure and border crossings, which may not always work perfectly but have been serving very well and are presumed to be adequate, given all the other constraints that have been mentioned already, for any increases we may expect from NAFTA and other expected increases in transportation generally as well as in trade.

Given that very high degree to which the U.S.-Canadian border has been developed, expectations, we have noted at the Embassy, seem to be very high for those transiting the border both for trade and for other transportation purposes. Perhaps those expectations are a little too high despite the very quick and efficient working of the borders. Individuals sometimes tend to overlook that the northern border is the border between two sovereign nations instead of two States and get overly frustrated with the requirements imposed by the inspection agencies. From the Embassy perspective therefore, I want to emphasize that, based on what we hear, what we are looking at in terms of necessary future improvements is mostly a matter of improvements in cooperation and getting out information. That is not to say that infrastructure is totally adequate. For example, air service on the cargo and passenger side do need to be improved. But the kinds of things we are talking about in the study that has been done by the DOT need only marginal improvement. Frankly, what we see as one of the problems is that people coming across the border need better information on the exact requirements for crossing those borders. If that is true, where information is inadequate we need to hear from you and the federal agencies responsible for those particular requirements need to hear that as well.

I mention as a final note that we do have a new government in Canada. The Liberal Party has taken power. It is looking at these kinds of issues in perhaps a different policy context than the previous government. For example, the Liberal Party has announced that it will be setting a high

priority on infrastructure programs. We do not have yet a precise notion of how those policies may translate into reality, but those are the kinds of issues we will be following. At every opportunity, including the summit that has been announced for early March among all the transport ministers, those are the kinds of issues that will be addressed. We will be better able to get a picture at that time of where areas for cooperation exist with Canada.

## Introduction to the Breakout Sessions

**Gloria Jeff**

Now comes the opportunity for you to help us identify institutional questions and the next implementation steps. We want to hear what you think about the reports and the perspectives of the DOT and other federal agencies. With the breakout groups, we want a sense of what actions we need to take. Those can be categorized as pilot activities to display current best practices, specific next steps, the principal issues and how you would like for us to proceed. We do not want to produce just a set of studies and a proceedings document. We hope in the breakout groups you will produce specific action items that we can directly move upon and synthesize and turn into an action agenda where the issues of deliverability become important.

Please proceed to the breakout sessions you have selected. The facilitators are: Private Sector Involvement—Harry Caldwell; Infrastructure—Frank Mayer; Institutional—Tony Solury; and Planning and Data—Roger Borg.

## Summary

**Gloria Jeff**

During this last period, we have heard your appeals that we recognize the critical nature of this activity, find funds right now, focus on institutional questions, and have the right set of stakeholders at the table. This is the beginning of a first effort. We will get back to you as we begin

to address the action items. Proceedings will be published. After you leave, we will hold open the record of this conference for 30 additional days to receive your written communications. Please send your inputs to the Associate Administrator for Policy. We will prepare a three- to four-page summary of what came out of the breakout sessions and the comments that followed. A draft action plan will be submitted to you with timetables so you may pinpoint your opportunities for access. This process does not have an end in sight, we will continually include you as we seek ways to deal with the key issues.

## Closing Remarks

**E. Dean Carlson**

**Executive Director**

**Federal Highway Administration**

Thank you Ms. Jeff. It is a pleasure to join you to close out this national conference of stakeholders in continental trade and transportation to establish the action plan for next steps required to meet the challenges identified in the study. I have had a chance to see some of the outputs of this conference and I am pleased to come before you. This national conference of people who are interested in continental trade and transportation is most important.

During this day and a half, you have heard and been involved in dialogue with the Deputy Secretary of Transportation, Mortimer Downey; the Administrator of the Federal Highway Administration, Rodney Slater; and the Deputy Administrator, Jane Garvey. In addition, you have heard and been involved in dialogue with members of the study team, representatives of the DOT modal agencies, and representatives of our partner federal agencies. Ms. Jeff, the Associate Administrator for Policy, has been with you on this journey from the beginning to guide you through this most important conference.

You have been involved in a lot of activities, and I know that you have given us some good insights about each of your areas of interest. You were challenged at the very beginning and throughout the conference to focus on four areas of action which were identified as part of the study. These four areas were: private sector

involvement, transportation infrastructure, institutional arrangements, and transportation planning and data issues.

I have quickly looked at the results you have generated in each of the four areas. You have met the challenge. With more than 150 stakeholders participating, it is certainly an indication of the interest you have. We will take the action items, which the Department and the Federal Highway Administration will incorporate into the agenda for the North American Transportation Summit, which will be held in March. This summit will be convened by Mr. Peña and his Canadian and Mexican counterparts.

We appreciate your efforts. You had a very short time line considering that the report was made public only a few days ago. I appreciate the efforts that all of you must have made to get up to speed on what was in the report so that you could develop your inputs for this conference. We will send to you a draft document in about a week for your review. The proceedings of this conference and the study meetings held at the invitation of the governments of Mexico and

Canada will be documented in the FHWA's publication, *Searching for Solutions: Policy Discussion Series*. We have been publishing this document for about a year or so. There are some very interesting papers that have been presented.

One of the questions that people ask is, How am I going to fund my project or my issue? In all honesty, this program is going to have its planning functions paid for out of the normal planning activities available at the State, local, and federal levels. We hope that it will be sufficient. If we are successful in getting full funding of the ISTEA, there will be more money for those types of activities. As far as the infrastructure items, the FHWA has continually opposed demonstration-type funding of projects. What we would like to see is enough money put into all of the modal transportation programs to foster cross border trade, so that cross border trade on the northern and southern borders of this country can be continued.

Thank you again for coming out to help us, for working with us as full partners, and for your input into this conference.

# Participants' Views

A major objective of the conference was to gain insight from the conference participants about the most important actions needed to meet trade-related transportation requirements. Many of the participants had played active roles earlier in the conduct of the study by identifying issues, problems, and potential solutions and by contributing data and information. The participants were given an opportunity to help to respond to the study findings and recommendations and to develop action items from their own perspectives.

Four breakout sessions on the following topics were held during the first day of the conference:

- Private Sector Involvement
- Infrastructure Issues
- Institutional Issues
- Planning and Data Issues.

A representative from FHWA facilitated each discussion, and study team members acted as recorders for each session. Each breakout session was to identify the high-priority action items needed to facilitate trade-related transportation regardless of whether the responsibility for taking action was at the federal, state, local, or private sector level. A summary of each session's major action items was reported to the conference as a whole during the second day.

The following summaries are drawn from the sessions' notes taken by the session recorders and the highlights reported out in the plenary session on Friday, January 14.

The concerns and recommendations from the conference participants did not necessarily fall into only one of the breakout topic areas. The interrelationships among the topics virtually guaranteed that the discussions within a specific session would also relate to other topics. This is evident in the summaries below in which several cross-cutting themes arose from the separate sessions.

From the participants' views, it is important that the U.S. DOT:

- educate and involve private and public sector stakeholders on planning priority processes, such as the selection of projects, allocation of funds, and integration of border needs;
- set standards for quality data and assure that the private sector has access to the data; and
- become sensitive with the mission and objectives of the private sector and reach agreement with short-term private planning horizons and long-term federal planning horizons.

## Session 1: Private Sector

### Action Items:

- Incorporate freight considerations more fully in the planning process:
  - Incorporate into metropolitan planning guidelines minimum elements to assure that key shippers, carriers, and other transportation service businesses are contacted and included in the planning process. Included should be the:
    - ▼ market study elements,
    - ▼ data requirement elements,
    - ▼ freight advisory committee elements, and
    - ▼ rate of return on invested capital elements.
  - Federal Transit Administration and Federal Highway Administration should meet with the carrier and shipper associations to develop additional key elements.



- Activate the National Commission on Intermodal Transportation to make a complete investigation and study of intermodal transportation nationally and internationally covering status, problems, and needed resources. [ISTEA Section 5005, 49 USC 301]
- Create a high-level ombudsman function within the DOT to serve the transportation community as:
  - Clearinghouse for information inputs and dissemination.
  - Entry point for assistance on problems affecting transportation efficiency.
- Include private sector consultation as part of the NAFTA Implementation process.

### **Background:**

Two major issues were associated with the private sector involvement in providing adequate transportation infrastructure. These were: 1) issues associated with giving the private sector a way to incorporate its transportation objectives and needs into the planning process and for contributing data and information to planners that can improve overall plans and 2) issues associated with private sector provision of transportation infrastructure.

### **Specific points raised in the discussion were:**

- Concern about private sector input into transportation planning process at all levels: federal, state, and metropolitan. Participants were concerned about:
  - The lack of a contact point to get information and to provide information.
  - The lack of understanding of the nature and importance of freight issues, including business logistics, carrier concerns, and shippers needs.
  - The lack of understanding on the part of stakeholders of the process for providing continuing input into planning and programming processes.

- Participants recommended that the planning process:
  - Needs to identify stakeholder priorities at the beginning of the process.
  - Should make market demand studies a priority step at the beginning of the process.
  - Needs to use return on investment as a way of evaluating planned public projects.
- Participants noted that public agencies don't seek or request private sector information or do not respond when they receive it.
- Carriers and groups that represent them believe they can be useful surrogates for shippers if there is a need to keep the process simple.
- Participants also recommended that the private sector be consulted relative to policy planning study needs and on the evaluation of study proposals.
- Participants cautioned that the private sector has limited resources for participation, so they must understand the benefit of participation, and processes must be designed to use their time effectively.

## **Session 2: Infrastructure Issues**

### **Action Items:**

- With respect to existing infrastructure:
  - Study methods of enhancing usage of corridors and crossing locations that are currently underused.
  - Focus on developing specific, well-justified recommendations on needs related to improving infrastructure supporting international trade and tourism, incorporating operational elements of the system.
  - Adopt and implement unified Port of Entry management in accordance with the

recommendations made by a number of studies during the past several decades.

■ With respect to increased infrastructure:

- Establish mechanisms for setting priorities on an international trade corridor basis, not just border crossing points alone.
- Re-examine the report's conclusion that infrastructure is "adequate" in light of assumptions on implementation of all planned or proposed improvement schemes.

■ In terms of funding:

- Target a special program of funding for border infrastructure over and above full funding of ISTEA.
- Broaden ISTEA to include capability of funding for rail freight needs.

■ Expand and improve the degree and proactive approach to interagency cooperation and coordination at all levels of government and the private sector on both sides of the border.

■ Develop criteria for selecting trade-related investments in infrastructure for justifying funding.

### Background:

Session participants made recommendations having general or regionally specific applicability. However, the concerns at specific locations can provide valuable understanding of national and continental needs. Specific points raised during the session are provided below.

### Existing infrastructure issues:

- Participants identified several border crossings that are currently underused, such as Los Indios and Colombia, or for which use is not level within a wider area, such as with crossings in the El Paso area. They recommended that ways of shifting some of the traffic from congested to underused facilities be identified. Possible options include:
  - Implementation of traffic information systems to shift demand from overloaded underused facilities.

- Allocation to specific crossings as is done by the Province of Quebec, which directs trucks to a specific border station (Vermont is trying to work with Quebec to direct them appropriately, so that there is no inconsistency in the transportation networks on both sides of the border).

- Sharing of traffic loads between parallel/competing crossings, but include the trunk facilities and system away from the immediate border, which are essential to serve the crossing points.

- Promotion of waterborne commerce. Ports have excess capacity and can help alleviate the overuse of some land ports; in general, need to look at all modes.

■ The participants realize that it is not a simple process of merely shifting demand from one to another—many issues are involved, especially local institutional elements such as weights, permits, practices, and long-established relationships with interlining carriers and brokers. However, they felt it important to study ways of emphasizing use of those border crossings that are currently underused in lieu of spending money on upgrades at overloaded crossing points.

■ Participants also recommended the adoption of technology to improve operational practices and procedures.

### New infrastructure issues:

- Several participants expressed concern with the study, finding that infrastructure at the borders is generally adequate. Additional needs were identified for new capacity and upgrading of structurally deficient infrastructure.

- The participants suggested that "Adequacy" needs to be examined in more detail and that the assessment should incorporate all linkages and intermodal tradeoffs, not just at the border crossing points. For example, in Vermont the Canadian Pacific abandonment of a rail line that parallels the I-89 connecting link in Canada caused a shift to I-87 within Vermont via State roads that are inadequate for loads and that incur significant deterioration and compromise safety.

**Funding issues:**

- Participants noted the applicability of ISTEA to meeting needs but also cited some of the challenges associated with ISTEA provisions. Among these are that:
  - Full funding of ISTEA is important, but a special program in addition to ISTEA may be necessary to avoid dilution in targeting funds for addressing border and corridor infrastructures that serve international trade and tourism.
  - Providing increased flexibility in targeting available funds through ISTEA would require legislation, and any special program in addition to ISTEA would also require legislation—is there sufficient political strength to accomplish funding of ISTEA and/or a special program?
  - The reality of budget deficits and deficit reduction pressures may create a fixed level of funding; any special program should not result in a reduction of ISTEA funding.
- Participants also discussed the need to consider other options for funding needs. Among these are:
  - Possible consideration of National Highway Systems (NHS) set-asides.
  - Consideration of using funds across the international border to improve or redirect utilization in the United States; is it politically feasible? The same notion and question holds true for alternative modes (waterborne commerce, rail, intermodal).
  - Consideration of support to urban areas. The problems mostly occur at major border crossings in urban areas; asking urban areas to bear financial responsibility for NHS components may not be appropriate.
  - Consideration of specifically targeting crossings. NHS as currently configured doesn't contain, but should have an element (new or added), that targets these international facilities that have high value for international commerce.

- Consideration of using debt swaps from the basis for infrastructure financing across international borders. The State of Tamaulipas in Mexico is considering something like this.

**Coordination issues:**

- Border States must be participants in committees and interagency liaison functions that deliberate on issues that affect them directly. These meetings should be completely public, although some elements of these functions are by agreement with Mexico and cannot be “opened up” unilaterally.
- Agencies across all governmental levels need to work on a proactive basis to find solutions, rather than merely passing the buck and not working to overcome the problems created by jurisdictional limitations or lack of coordination.

**Selection criteria:**

- Funding needs to be targeted and well-invested; there needs to be criteria and some assessment methodology to accomplish this. These criteria should:
  - Emphasize linkages in programming of funds to improve corridors and address needs of rail freight.
  - Look at needs from a system viewpoint of interconnected trade corridors to rationalize and improve the planning efforts between/among states.
  - Be based on benefit-cost criteria for both technical and political reasons. Arizona did benefit-cost analyses as part of its border crossing study and got people to buy in to the process, so that priorities could be set and accepted without much political infighting.

## Session 3: Institutional Issues

### Action Items:

- Perfect the Border Crossing Process:
  - Identify and interdict high-risk/stream low-risk traffic.
  - Develop statistical basis to support selective inspection.
  - Develop Compatible Electronic Data Interchange.
  - Develop Compatible Customs requirements.
  - Expedite enforcement of size and weight and safety regulations.
- Harmonize laws, regulations, and documentation requirements across international borders, including:
  - Safety Regulations.
  - Customs Documentation.
  - Develop 'Gold Seal/Premier Carrier' program.
- Seek and encourage private sector involvement.
- Increase information exchanges among all levels of agencies at crossings.

### Background:

The border crossing process can be improved through a combination of better and broader inter-agency cooperation at various levels:

- Among Federal agencies.
- Between Federal and State agencies.
- Between the public and private sector.
- Across international and interstate borders.

Cooperation includes recognizing inefficiencies and taking the action necessary to correct them. From an institutional perspective, this means getting more out of available resources. This is in line with and complementary to the ISTEA goal of making more efficient use of the existing infrastructure.

### Specific discussions dealt with:

- Data and Reporting Requirements: There is a need to define and evaluate what data and information relating to cross-border trade and transportation are necessary and used, with the goal of reducing the reporting burden and eliminating data redundancy. One way of doing this would be for a lead agency to collect and maintain "core records," which could be accessed and augmented as necessary by other agencies.
- Vehicle Inspection Process: Pilot programs aimed at expediting the vehicle inspection process should be initiated or expanded. Such programs discussed included a current line release program; a "premier carrier" designation based on carrier/driver experience, which would afford low-risk commercial vehicles expedited clearance; and technology applications including electronic monitoring and read/write transponders and others, including those being tested in IVHS demonstration projects, such as HELP/CRESCENT.
- Harmonization of laws and documentation across international and interstate borders:
  - Support should be given to harmonization efforts—there is a perception that U.S. federal agencies have not demonstrated a commitment in this regard, particularly along the southern border.
  - Border state law enforcement agencies have already experienced problems meeting demands of truck enforcement in border zones and foresee far greater problems in subsequent years, as trucks of the respective countries are permitted to travel beyond the border zones.

- Lack of uniformity on truck size and weight standards continues to be an issue within the U.S. and it is unlikely uniformity on a continental basis will be achieved in the foreseeable future.
- Private Sector Involvement: Those who do business at the border often know why it does not work and can help find solutions to procedural problems. The ability to provide timely efficient service to customers is key to carrier success; therefore, it is in their best interest to help make the border process more efficient.
- Increased awareness of problems and current/proposed initiatives: Federal agencies need to look at the problems being faced by the states and assist and cooperate in efforts to resolve them. There needs to be a more effective exchange of information on what is being done or proposed in border areas at the Federal, State, or community level.
- Other issues cited and discussed include:
  - Some feel more effort should be made to enhance border capabilities in Mexico, particularly with regard to electronic data interchange (EDI). The motor carrier safety group has provided bilingual training support, but Mexico lacks funding to extend in-country safety training programs.
  - Examples were given where “simple solutions” to border-related problems were thwarted by Federal and State agencies (for example, paving proposed at Blaine/Peace Arch to enable easier access to PACE lane).
  - With respect to transportation and trade corridors, there must be coordination when Federal lands are involved.
  - Concerned parties need to be aware of the detailed research and reports that underlie the Report to Congress on Section 6015 and Section 1089.

## Session 4: Planning and Data

### Action Items:

- Develop and require rigor and discipline in planning.
- Federal government must assume leadership role in outreach, advice, and guidance in planning and data issues.
- Regional groups must be incorporated in the planning process.
- ISTEA needs to be extended to include all three nations.
- Comprehensive and coordinated planning process to minimize overlap and conflict among Federal, State, and local agencies.
- Planning must extend across the borders: data from both nations must be coordinated to permit cross-border planning.
- Priorities must be made clear to all stakeholders.
- Statewide planning under ISTEA must provide focus on border crossings.
- Comprehensive database on trade and transportation that establishes common data protocols and data sharing.
- Plan must be addressed in the context of intermodalism.

### Background:

The participants discussed how the action items might be implemented in continuing and cooperative processes among private and public sectors in all three countries. Specific points covered were:

- The Federal role in rationalizing and leading binational planning is essential.

- Participants want to see a stronger Federal role, ranging from assistance and guidance in planning analysis methods to providing funding for additional infrastructure.
  - It seems apparent that the three governments must address the *continental* transport system during the summit in March, and that those deliberations should influence Federal and State work on the national transportation system.
  - We must work very hard to ensure that the national transportation system is completed and implemented as soon as possible.
  - Several participants noted that perhaps planning should be led by planners outside of the State and Federal DOTs.
- The regional perspective is essential; we must begin by looking at the regional economic issues first, then address transportation issues within the overall context.
  - A comprehensive database of trade and transportation information is urgently needed for planning at all levels of government and industry.
    - It is probably beyond the ability of most states and MPOs to analyze these data, suggesting the need for a federal role.
    - Data efforts must be continuous.
    - Protocols for data sharing should be promulgated.
  - Private investments will be essential; the goal of our planning should be to facilitate both public and private investments.
    - A loan guarantee is essential to entice potential investors.
    - We need to recognize the differences in the two sectors: the private sector deals in quarters, while the public deals in decades—which means that each might rationalize investments differently.
- We must expand our regional planning efforts to include the private sector and other users. The border transport and economic alliances are a great beginning but cannot be optimal without bringing all users and stakeholders—public and private—to the table.
  - The planning processes that are established must be consistent with parallel statewide and metropolitan planning organizations' (MPO) planning efforts.
    - We do not want to add a whole new planning process to an existing one, but rather redo the existing process to make it more responsive.
    - The ISTEA process will change our current practices, but only over time (our current projects are those we built into plans 5-10 years ago).

## Plenary Discussion

Upon completion of the breakout session reports to the plenary session, additional high-priority items were recommended. These include:

- Involve interior States in assessing requirements at the borders.
- Include tribal governments in State transportation plans and as part of interior coordination on border needs.
- Measure the volume of cross-border shopping and commuting.
- Increase the priority assigned to IVHS options in order to gain greater efficiency from existing infrastructure, through the development of special programs.
- Develop comprehensive capital budget of needs, after identifying applicable operational changes and low capital options.
- Identify new governmental actions, such as new tax collections, that may increase delays at the borders and address them in the coordinated planning activities.

# Responses to Action Items

Participants at the January 13-14 Conference on North American Trade and Transportation were requested to send comments on the following action items: Private Sector Involvement, Transportation Infrastructure Issues, Institutional Issues, and Transportation Planning and Data Issues. The comments that were submitted by the participants are summarized as follows:

## Private Sector Involvement

- The process of gaining access needs to be identified.
- Role of the private sector needs to be resolved, along with private participation projects, such as toll highways, crossings, and facilities.

## Transportation Infrastructure Issues

- Improvement of infrastructure that will support international trade and tourism is needed in selected areas.
- Joint inspection facility to facilitate cross-border travel along with improved Federal inspection may be needed at some gateways.
- Conclusion that infrastructure is adequate needs re-examination or further definition.
- Investigate and study methods to enhance usage of corridors and crossing locations that are currently underused, including water.
- Establish mechanisms for setting priorities on an international trade corridor basis, including water, not just border crossing points.
- Establish a separate source of Federal funds to accommodate border transportation infrastructure needs.

## Institutional Issues

- Separate funding source should be established to address international expressways.
- The FHWA must provide catalyst support for the state DOT to operate. Priorities must be established at the Federal level.
- FHWA should continue to support the development of international corridors and provide leadership, guidance, and catalyst funding for the State DOT.
- Establish a single Federal Agency Border Crossing process.
- Harmonize laws, regulations, and documentation requirements across international borders.

## Planning and Data

- Full funding of ISTEA and development of the National Highway System.
- FHWA should initiate a single point of contact in FHWA for obtaining data required in multi-state corridor planning.
- ISTEA should encourage or direct cooperative planning between all three nations.
- Evaluate and implement advanced technology to improve the efficiency of border crossing processes (vehicle inspection, customs, data exchange, etc).
- Planning must be addressed in the context of intermodalism, including water and rail transportation systems. Data should be harmonized and shared among the three major surface transportation systems.
- Regional economic perspectives should be given a priority in corridor planning.
- Planning and funding should be done on a corridor basis and should not be limited to border states only.

- Border crossing needs should be evaluated through a comprehensive planning process with objectives and fair criteria to prioritize projects.
- Planning must extend across the borders: data from nations must be coordinated to permit cross-border planning and to obtain national travel forecasts that include multimodal freight transportation and tourism.
- Include State law enforcement agencies in the planning processes for land transportation projects, including ingress and egress to airports, railheads, and seaports.
- Enforce truck size and weight standards that will protect road system investments in all three countries.

### **Other Comments**

- Development of roadway systems in Mexico is needed with emphasis on those roadways leading to underutilized bridge crossings.
- Designate or complete direct four-lane expressways from Canada to Mexico.
- Develop new rail crossings in the Rio Grande Valley at existing border crossings.



# Appendix A

## Questions and Answers

### Question:

(Speaker unidentified) You pointed out that discretionary funds are not the only option. What are some of the other options available for funding?

### Answer:

The alternative actions recommended to Congress in the report are:

1. Fully fund the ISTEA to provide additional resources for States to allocate to trade-related and other high-priority projects.
2. With state and local governments, private financial institutions, carriers, and other private interests, develop a range of funding options for infrastructure improvements, emphasizing existing Federal, non-Federal, and potential private sources. Identify and eliminate, wherever possible, impediments in Federal programs to innovative public/private collaborative efforts.
3. As part of a future surface transportation authorization bill, develop Federal-aid program options to improve transportation infrastructure related to international trade, including border approach roads and connections to port, airport, and other intermodal facilities.

### Question:

(Speaker unidentified) In the possible programs you covered which provide federal assistance to help overcome the infrastructure needs, I note that ISTEA money is ineligible for used on rail freight. Did you look at that?

### Answer:

The recommendation we sent to Congress regarding that program could be scoped in any fashion that the Congress felt appropriate including the use of federal funds for rail freight.

We did not make a specific recommendation regarding rail freight service. We recognize that we have used highway funds in the past for dealing with rail problems in cities by rerouting rail service around cities to improve traffic service in the cities themselves. So that is certainly an option that Congress could consider.

### Follow-up question:

I was thinking about funding for clearance problems for double stacking which aren't necessarily urban problems.

### Answer:

We did look at the double stacking bridge clearance problem. Funding for such construction deserves a closer look.

### Question:

(Dusty Rhodes, City Councilman, El Paso, Texas) We are at the U.S.-Mexican border. There is no commercial truck traffic coming over the downtown bridges in El Paso. We have two other ports of entry that do that. They were already full before NAFTA. What I need is somebody to tell me how to get an additional truck bridge crossing. We sit astride I-10 and I-25. There is no problem getting access to Interstates. All we need to do is get a bridge that will permit these trucks to move. Sometimes it takes a truck 24 hours—loaded, checked at the plant at Juarez—to get across the bridge. I am new in this business. How do I get the money to get a bridge? I invite you as you proceed from this study to visit El Paso, a border city of 2 million folk. We are doing much of what you are talking about here. We just need help.

### Answer:

Your question is about how to get money for another crossing. Our concern here is to look at what are the issues associated with the crossings and begin to address them. Looking at the issues from a national perspective, we need to assure that we are making the maximum use of the resources that we have. While I understand your desire to get an additional bridge crossing, we are going to have to work as part of the follow-up

with the Congress to look at additional ways to leverage those dollars that are currently available and make the most efficient use of them. A portion of it is a money issue; a portion of it is making the existing system more efficient by taking advantage of the new technologies to move us evenly more rapidly.

Frank Mayer is the Division Administrator in Texas for the FHWA. He works very closely with the State as far as advancing highway projects in the State and he also is involved in the metropolitan planning process, the people who work on the metropolitan planning process. One of your first efforts might be the organization of that binational and bi-state sketch planning activity so that you have some agreement with Mexico as well as your bordering states regarding how you are going to regionally deal with all of the crossings that exist at the present time. You may have such a process in place and that is good. I hope that it is truly binational.

**Question:**

(Carla Perez, Colorado DOT) There was identification of the need to look at the access to intermodal facilities. Was there any look at the actual development and funding for intermodal facilities as it relates to this activity?

**Answer:**

From the standpoint of what existing law says regarding Federal highway funds going to intermodal facilities, at the present time we can fund and have funded connections to intermodal facilities. We do not fund within the property lines of an airport or other port, but we certainly are willing to work through the State and the metropolitan planning processes in identifying and advancing projects that are needed for intermodal seamless transportation. I think that is one of the weakest areas in the metropolitan planning and state planning processes; for example, there is much attention to peak traffic congestion but the congestion into the ports. Any delay to commerce has associated with it high user costs. It has not been looked at as thoroughly as the peak hour traffic congestion problem. One of the things that ISTEA suggests in the planning process is to advance and look into more in-depth planning on the needs as it relates to intermodal connections.

In looking at how the studies tie to the National Highway System and the National Transportation System, one of the key elements in finalizing the initial National Highway System will be, in the next year or two, to get a better sense through the planning process of what the intermodal facilities will be that should be connected to that system.

**Question:**

(Emiliano Lopez, IVHS America, San Diego Chapter) Project Amigo, the America-Mexico Information Gateway, is an opportunity for using military technology for civilian applications. This is a good pilot project for the border crossing efficiency effort. What is the source of funding?

**Answer:**

Large-scale projects may require legislative proposals. The FHWA will arrange to have the IVHS program director follow up with you.

**Question:**

(George Gray, California Department of Transportation) Frustration and agreement with the Congressman from Texas, who at Secretary Peña's press briefing remarked that earmarked funding is not recommended. Oversight is the states' responsibility for a good portion of regulatory enforcement. The Federal government has adequately addressed it from its level. The dominant responsibilities of states including agriculture, weights, safety, insurance, and licensing, which are not adequately addressed. In 23 months, the States will have the possibility of Mexican trucks in the southwest border states; for example, they will be able to take a truck from California to Oregon, without any inspection. We expect the public reaction to be tremendous. California has a California Highway Patrol member to dedicate to measure to remedy the problems. NAFTA establishes subcommittees on regulatory issues but states have minimal roles. This exclusion of states must be addressed strongly. An FHWA response is suggested.

**Answer:**

As acknowledged, the report is the first step. The institutions are the largest group of issues. In preparing for the trilateral summit in March, the Secretary has asked for issues. During negotiations, while there are Federal government agencies only at the table, recognition is given to

the large role that states have. Further suggestions are welcomed, and you are asked to be specific.

**Statement:**

(David Ellis, Harlingen, Texas) Manuel Curvasos Lerma, Governor of the State of Tamaulipas, is represented here at this meeting. He is working to develop an intercoastal canal from Tampico to the Texas borders. We suggest that DOT look at how intercoastal canal connecting with the Gulf of Mexico's intercoastal canal system will impact with other modes of transportation such as truck, rail, and air.

**Statement:**

(Irving Rubin, Michigan Transportation Commission and Eastern Border Transportation Coalition) The report is a beginning. Here are my specific reactions. Interagency Task Force—the Federal agency wisdom should be tempered with State and private sector involvement at the beginning and should be continued. The opportunity should be given for state and private sector participation. Adequate funding—In the east there is dense interstate development and in the west that development is sparse. There is a tendency to permit facilities in central cities to deteriorate and to make improvements in the suburbs. What is needed is adequate funding. I am nervous about Mr. Kane's suggestion about looking for ways to impose new revenue enhancement measures until \$17-20 billion which was impounded in various trust funds are made available and we get closer to excellent system developed in 1957 with the Federal Highway Act, which observed the user tax earmarking principle, something we have gotten away from in recent years. The deficit is the major problem, however, retiring it on the backs of the highway user is inappropriate.

**Question:**

(Gideon Picher, Maine DOT and Eastern Border Transportation Coalition) (1) There is apparent confusion about the recommendation of a discretionary program. The report intends to discuss discretionary program in terms of Congressional identification of specific projects without a lot of planning process. That kind of discretionary program is not appropriate. There are other kinds that make funds available and distribute them in an appropriate way. There is

likely to be confusion by readers of the report because the distinction between the two is not stated in the report. A better statement is—we need a program that deals with physical infrastructure and operational and institutional issues. The program should not be pork-related, that is, projects identified by the Congress. I think that is a more clear statement and what's intended. (2) It is clear by the statements of the Secretary and the Administrator that there is considerable federal interest but there is no statement of a federal matching ratio associated with it. These are important when attempting to advance a program.

**Answer:**

(1) Congressional earmarks within limited areas. Formula or dedicated funding with no earmarking is preferred. You are right about the more positive statement you suggested. The options that are needed are clearly stated in the report—use the planning funds that we have. (2) The report does not say that consideration of a discretionary program is off the table; it may be considered in the future.

**Question:**

(Dick Mudge, Apogee Research) In the discussion about financing (for example, making greater use of what we have) is the idea alive of a North American Development Bank which was mentioned in the NAFTA negotiations? How is it relevant to this report?

**Answer:**

To deal with community impacts, the North American Development Bank for infrastructure is still in the development stages regarding its use to address border transportation issues. It is open with regard to coverage.

**Statement:**

(Osama Sharaf Eldien, Louisiana State University Ports and Waterways Institute) The criteria for pilot studies: emphasis on multimodal aspects not just highways and integrate the modes. I suggest that multimedia more than multimodal is needed to eliminate paperwork and expedite the flow of information. Multimedia can bring about information highway verification and authentication through the new media.

**Question:**

(Robert Cuellar, Texas DOT) (1) Texas is less than pleased with the possibility of no additional funding. Working closely with Luther Jones, Texas Turnpike Authority as NAFTA is national it should be funded on a national level. Yesterday, I gave testimony to the Senate Committee on Trade and Technology. The headlines read that the infrastructure was adequate and no additional funding is needed. (2) Consider using States' input for the transportation special subcommittee mandated by NAFTA. (3) Did the study look at the structural integrity of bridges? Tolls cannot take care of fixes on bridges.

**Answer:**

There are no new funds. The first step is to use what we have better. Structural integrity needs studies have been done by Texas, northeastern States, Southwest Border Transportation Alliance, and California. Regarding infrastructure needs: there is careful wording about the discretionary funds and other options. Nothing has been sent to the Office of Management and Budget. Congress can pick up the ideas in the recommendations and can ask the FHWA for technical assistance, hold hearings, and take action.

**Question:**

(John McCray, Texas) Clarify the dates when Mexican carriers can go further than one State deep into the United States. Is it January 1, 1994?

**Answer:**

(George Gray) According to Nancy McCray from the DOT, it is 3 years from the signing of the ISTEA legislation or December 18, 1995.

**Question:**

(Gary Doyle, National Law Center) (1) This study represents a critical analysis that does not take the ultimate users or benefactors into account—shippers and manufacturers in both countries. You can build intermodal facilities anywhere, but unless the shippers and carriers decide it is in the best place to put it, they are not going to use it. It is critical to get their input. Whether this study has received this input is not clear in the report itself. (2) What are shippers concerned about? They are concerned about getting goods from

one country to another safely and quickly. Safely means that the goods are protected and insured in all countries through which they pass by the carrier. If the goods are not moved safely, then who is responsible? The answers deal with legal problems and in the regime of transportation, there are conflicts in the laws between countries. Each has its own regime. Which laws apply and in which country? For example, Mexico will not enforce U.S. laws because they do not satisfy the bill of lading requirement for Mexico. Similarly for Canada. These issues are not thoroughly addressed or discussed today.

**Answer:**

During the outreach meetings, specific effort was rewarded by shippers, carriers, and port authorities attending and actively participating in the outreach meetings.

**Question:**

(Jerry Nagle, Minnesota) While I am sympathetic with the discussion about earmarking, this is a smoke screen. The real issue is concern about the tendency to continue with traditional relationships, lack of creativity in funding new and innovative ideas. I encourage strongly that if a infrastructure discretionary program should occur, also have a system to fund new ideas—one that brings in new players to the table who recognize changes need to be made, and not continually fund traditional partners that you already have.

**Answer:**

It is our intent to remain open and proactive, be inclusive, and seek a broader cast. This is what Secretary Peña will be doing this spring as he explores the national transportation system concept.

**Statement:**

(David Hitchcock, Center for Global Studies, Houston Advanced Research Center) (1) While it has not yet been expressed, border impacts in communities along the U.S.-Mexican border include water resource shortages, fragile environment, and community concern. Lack of discretionary funds for these matters can be a problem. Border communities are not political powerful in either country. During this conference, there has not been any expression of sensitivities to these matters.

**Answer:**

Border communities and their challenges are mentioned in the report and were covered here, possibly not to the extent you desire. Our focus is that pulling together border communities is the strength needed to address their issues.

**Question:**

(Charles Upton, Northern Maine endpoint of I-95 where it intersects with the TransCanada highway) Borders are very important to us, particularly regarding trade. Two of your panel members discussed use of the DOT's or FHWA's influence in solving institutional problems regarding Customs efficiency. (1) I am curious how much influence you folks think you have with that organization and whether you have been successful in solving some of those problems. (2) To Mr. Pentti or Mr. Kiernan regarding the conversion of military sites or inclusion of military sites that are being closed into the National Highway or National Transportation System: we have a closed SAC base that has a magnificent facility and we would like to see it used in some way.

**Answer:**

(1) With respect to how much influence we at the DOT think we have over Customs—The Secretary of Transportation Peña announced on Tuesday the establishment of a White House executive level Task Force on border efficiencies made up of agencies involved in border crossing, which includes Customs. This afternoon, you will hear a panel of other federal government agencies that also includes a representative from Customs. The U.S. DOT does not have any authority over Customs. We believe that the spirit of cooperation and a true desire to solve the problems for everyone involved and not just a particular set of groups will come out of the Task Force effort.

**Answer:**

(2) The NHS when it was announced included connections with about 150 airports with more than 250,000 enplaned passengers a year, i.e., the more active air carrier airports in the country. There is enough flexibility to add other airfields, and surplus airfields are growing rapidly that have the potential to join that category in the future. There may be a few of the airports that are now surplus and are being considered for civil use that have the potential to get up to that level

of activity. But that is going to be relatively rare. Most of them are going to be lower activity airports and probably would not warrant connection on the basis of enplanements, even eventual enplanements.

This is an area that the Secretary is quite concerned with for the obvious reason that there are huge pieces of infrastructure and the question is how can we build them into our transportation system. In some cases some of the SAC bases were very remotely located and there is not a lot of population next to them. To add to what has already been said, if there are any ideas out there and new proposals, please keep surfacing them. The Secretary wants to move in this area.

Regarding Customs—at the inception of the study, the coordinating group was formed that included the modes within DOT but also the other agencies involved in border crossings, including Customs.

**Question:**

(Lloyd Robinson, Vermont) We have heard much about cargo and less about the service side of the economy where the cargo is knowledge, information, and money. Tourists come in and they carry cash. In Vermont, we have the Amtrak called the Montrealer, which some call the slowest train in history. One of the problems with the speed of the Montrealer, is the border crossing. We are told that the delay is 90 minutes. I don't understand why that is. This train comes once a day north and once a day south. I don't understand why that kind of delay is associated with that train. That sort of delay limits the ability of that train to deliver its cargo which is money. I would like to hear from this panel (and of course we should talk to the people from Amtrak) why this sort of situation could occur and what they think can be done to speed that train up.

**Answer:**

The DOT report recommended that even more on-train on-route inspections be done. I am not pleased to report that not only is the INS not increasing that service, we have just ceased on-train on-route inspection of the Montrealer. It is a very large commitment of resource considering the large number of people who could be inspected by that inspector somewhere else. This is an operational decision and it will

have to be dealt with in another venue. There have been so many cuts in service as a result of trying to maximize the use of resources that you really have to see the view from a wider perspective rather than from a local level to make any sense of it. While that one train may slow down to be inspected at the border, the inspector who would have been committed to that train is now inspecting more people in one place allowing them to come to him rather than him going to them.

**Question:**

(Emiliano Lopez, San Diego) (1) Closed circuit television is one of the primary tools used in traffic management for bringing real time information. Implementation of closed circuit television could be used at the border by Customs agents to monitor congestion levels and by the Border Patrol to monitor along the perimeters. This would provide better staff management in light of some of the demonstration projects that have been done to provide high profile of Border Patrol. What is the position of Customs and INS regarding the use this advanced technology surveillance? (2) The panel has expressed a commitment to integrate advanced technologies into operations to increase efficiency. Please identify some of your funding programs so that I may pass them along to a number of out of work San Diego Department of Defense firms which would be highly interested in providing these technologies which they could do quite easily.

**Answer:**

(1) Customs, from a surveillance standpoint, has a number of cameras in use on the southern border: to provide security for people walking or driving across the bridge, to check to see how long the lines are, and to check to see how well people are in the proper line for where they are supposed to be going. There are a lot of reasons why we use cameras. Customs does not use them to the extent that the Border Patrol uses them. Border Patrol, between the ports of entry, uses sensors and other high technology items. Customs tries to maximize the use of cameras for a number of reasons. For example, Laredo has a large bank of cameras where they can see 12 to 16 locations at the same time. From a Customs standpoint, there are certain legalities that we have to be very careful about. When you are in that port area which is Federal land, we have a

lot of say and a lot of leeway. Of course, we have to coordinate with the local city police, State police, other organizations and other Federal agencies. But once you get out of that port area, there are restrictions as to whose authority is where. Customs has authority along the border and the border can be anywhere. For example, if we are tailing a car to Chicago that comes across the port at El Paso, as long as we do not lose sight of that car long enough for someone to take the drugs out of it, if it is a drug load we are after, Customs has border search authority in Chicago. So the border is very flexible in some ways. But in other ways it is not. For example, in El Paso there is the Chamizal area in which there is nothing that Customs can do; Customs has no authority in that area.

The INS uses closed circuit television mostly within urban areas and low light level television, a lot of sensors, flare, and other kinds of surveillance mechanisms, some of which are unnamed, between the ports of entry and around the urban areas around the ports of entry. You may be asking why INS doesn't substitute technology for human beings. That may be more appropriately considered at northern stations. The INS has some small stations, for example Night Hawk, Washington, where there are hardly any people crossing and you wonder why it is being kept open at all. There are mostly local people crossing. You may ask why not have a commuter card type of arrangement. The INS has the legal responsibility to inspect everyone crossing the border, and people crossing the border have an obligation to check in at the nearest port of entry. It is unlikely that the farmer going from his north 40 acres to his south 40 acres across the border is going to do that, and the INS don't really expect him to. But the INS does monitor that movement by sensors in the road and cameras in the trees. INS can't tell you what the others are. The INS is trying to optimize technology, but the human factor is still needed to make the decisions.

**Question:**

In some of the demonstration projects you wanted to make yourselves high profile, but with closed circuit television with audio you could have deterred crossings. It just doesn't seem reasonable that having that many people out on the border to deter when it could have been done using audio and video.

**Answer:**

On the northern border there was a port at which we tried closed circuit television—with voice which was monitored by the port next door, down the road somewhere. That worked as long as the people stopped, looked into the camera, and spoke clearly. You can imagine that people who want to avoid inspection don't have any trouble doing so at such a port. It is just like anything else in law enforcement: there is no problem with the people who obey the law but the people who do not obey the law give you a bit of trouble. The camera was fired upon and demolished.

**Question:**

(George Gray, California DOT) The Southwest Border Station Capital Improvement Program of 1988 was very effective and we agree with that. On the solicitation of input for the next 5-year program, we feel that local governments were pretty much left out of that process. GSA stated that its clients were the main ones who formulated that program. The state of California, the two counties that are adjacent to the major border area, and the two major cities, Calexico and San Diego, all together made recommendations that were pretty much ignored in the report that went to Congress in April 1993. The main difference that we have with the GSA report is its statement that the GSA's legislative authority does not however, extend to construction of roads, highways, and bridges that span the border. That has been interpreted by GSA to mean that they can't do anything about city streets, county roads, and State highways that do not span the border but serve the facility. The new facilities at Otay Mesa are both designed, southbound and northbound, for commercial traffic so that commercial traffic has to use city of San Diego streets to cross the border. The city's structural section is not set up for those and there is going to be a significant problem. The state of California by letter of December 17 has corresponded with Senator Deconcini and Congressman Hoyer, who are the chairmen of the two subcommittees that fund the GSA report, recommending that for the first year of the report that Congress give funding only for the first year and request the GSA to go back for new input for the five year program and to request that GSA recognize that they have a mitigation responsibility for the traffic congestion caused by their facilities. I don't know what the

action will be on that. Does GSA know what the action will be on that?

**Answer:**

The GSA and the California DOT have talked about this matter and you have been kind enough to share with me the letter sent to the appropriation committee subcommittee chairs. The GSA has had an ongoing dialogue with the California DOT and San Diego and the GSA regional office in San Francisco. The five-year plan was produced under a short time frame to get the plan to the Congress. The GSA were directed, and would have done so voluntarily, to touch base with all the communities. The GSA did not have time to go out and set up public meetings along the entire southern border but rather a mass mailing. A lot of people did respond and a lot did not. Their comments were included with the report. The GSA cannot act on a request from a city to build a new station; under current law it does not have the authority. The GSA can only attach the local input and say that there are a lot of local concerns and highlight some of them. Regarding the projects in the five-year plan, the GSA noted that there was no consensus on any of those projects, and the recommendation to Congress was not to fund them because they represent a preliminary assessments which should come back to the formal planning process to flesh out issues, contact the states and local governments and see how they impact. The Congress directed the GSA to submit the report to the appropriations committee and the Congress funded \$6.8 million for two projects in Arizona out of \$32 million. The GSA does not have the authority to pave city streets and build the approach roads. It is limited to Federal buildings, courthouses, border stations, and labs. The GSA does coordinate with local communities. In a new project there is an environmental impact and assessment process where the GSA holds public meetings, makes massive mailings, solicits input, issues draft environmental assessments, and so on. Much like the government, GSA is being reinvented. We do not know what the new rules will be. There will be more partnerships; we coordinate, we do not have the funding to pave new roads. The DOT is the cabinet level agency set up to pave roads.

**Question:**

(Speaker unidentified) How can the MPOs have access to planning funds to conduct binational and multistate MPO conferences?

**Answer:**

May I suggest that your colleagues at the Buffalo MPO speak with Carmen Palumbo at the Detroit MPO.

**Question:**

(Emeliano Lopez, San Diego) There have been several brief mentions of technology and IVHS. I think we should strongly document that these type of projects should carry a higher priority in being good stewards and maximizing the efficiencies we get out of the existing facilities. Technology and IVHS are going to be the best ways. We seem to graze over it and say we need to be more efficient through data exchange, but no one is saying that technology is the way to make it happen. I fear that if we don't separate it out as being as a special program or a higher priority within a special program, not to berate a new bridge, it may be lump summed or lost within IVHS programs and made to compete within the IVHS or other programs. If we are to get the most out of our facilities, we should fund those demonstration pilot programs first.

**Answer:**

This will be taken up in the dialogue about the criteria by which priorities are set.

**Question:**

(Charles Upton, northern Maine) There is a lot of discussion about money from the Federal level to implement the process of smoothing out the cross border transition. Given the widespread devastation in the center of the country to public infrastructure due to the Mississippi flooding last year, what is being done to rededicate funds for assisting those people in rebuilding public infrastructure, particularly roads, and what is that rededication of funds from other programs going to do to the effort to speed up traffic at the border crossings to offset the damage done by the Mississippi flooding.

**Answer:**

As part of the DOT funding, there is an annual allocation for natural disasters. There are also currently discretionary funds which are the

unspent funds of other States which are being used to assist the States impacted by natural disasters. The comparability of that effort with border crossings...

Emergency Relief Program—\$100 million annually is made available for emergency relief; if additional funds are needed, the Congress appropriates them. To deal with the obligation ceiling problem last year, we did use the balance that had been set up for the Interstate discretionary program to bridge the gap to deal with the budget problem, the money needed for the flood disaster. How this could be translated into dealing with the border problems without having a program for that purpose is not known. The Congress would have to take an action to set up a border program and to raise revenue in some fashion or reallocate funds from some other programs.

**Question:**

(Gedeon Picher, Maine) The report does not have a strong definition of dollar needs, and there should be an effort to do so in the immediate future. The dollar needs should be associated with what is needed for operational adjustments and low capital IVHS-types of remedies. Once that component is known, you have a way of determining how much of the congestion problem is going to be solved. Then you will be able to assess the dollar needs for a capital program. Is there any assurance that you have the necessary resources to do this next step? I encourage that this be done.

**Answer:**

This is recognized as part of making the case for being good stewards and has already been mentioned earlier this week. The Secretary of Transportation is aware of it. The charge of the Department as we begin to examine the reauthorization of ISTEA, will be to identify those improvements we have been able to make with the existing resources of the ISTEA.

**Question:**

(Bruce Wright, Arizona) The FHWA panel encouraged the submission of proposals for pilot projects that would promote intermodalism, binational planning and cooperation, and multistate planning. Arizona has five proposals for pilot projects—multi-state coalition to promote the CanaMex corridor focusing initially



on data collection and planning efforts, binational unified port management for the Customs Nogales district, intermodal facility development in the Tucson metropolitan area, joint Arizona-Sonora regional economic development planning process with a focus on trade and transportation, and the National Law Center focus to harmonize trade and transportation policies and procedures. None of these projects are bricks and mortar or asphalt projects. They are all planning and development projects. Are there existing funds within FHWA or DOT for these kinds of projects? What is the process for submitting them for pilot status?

**Answer:**

The first is a corridor effort. The states have the ability to conduct pooled fund studies using Highway Planning and Research. Speak with the division offices of the FHWA in each of those states to pull these funds together for that study. For joint studies with U.S. States, the same type of opportunity exists for pooled fund studies using HP&R or PL money currently in the pipeline for planning purposes. Metropolitan areas already receive those allocations. With regard to the study with Mexico, I am not sure. Turn those in to us so we can provide you with an answer or with funding options from existing programs.

**Follow-up Question:**

Are there any funds that spin out of the 1039 study that deal with unified port management? Perhaps a pilot study? Something similar has been done on the Canadian border.

**Answer:**

We don't know. We will follow up.

**Question:**

(John Leeper, Leeper, Cambridge and Campbell)  
We were one of the subcontractors on the Section 6015 study. If we truly want invisible borders in this country, we are going to have to be ever vigilant. Borders are a convenient place for local, state, and federal governments to do mischief. By that I mean the collection of taxes and data, and inspections. This is one of the institutional problems that is causing infrastructure congestion at the borders. For example, the Canadians are now collecting provincial sales taxes, goods and service taxes at the border and

this is in many cases causing buildups. At Pemberton, North Dakota, on some weekend days, it will build up two to three hours of people. This will then require the North Dakota highway patrol to come in to monitor and take care of the congestion. It seems we must work with the State Department and others to assure that we haven't gotten rid of the tariffs and replaced them with sales taxes or, as has been suggested in other areas, user charges that force people to stop, ring the cash register, and further cause congestion that we will have to build infrastructure to correct. We have to make sure NAFTA is implemented in the way we have hoped and not create new burdens that take away from having this invisible border. This is a new aspect we need to look at in terms of really improving and getting better use out of our infrastructure.

**Answer:**

One wonders how a local community might view the bottleneck if the funds collected would be used to fund an additional bridge. As we look to implement the NAFTA we should perhaps seek ways of taking advantage of additional financial opportunities without bottlenecks in that the point of collection may change.

**Question:**

(Ed Hall, Bureau of Indian Affairs) This study overlooked that Indian tribal governments are not a part of the planning process. I suggest that they be included in further discussions of the development of internal corridors. There are many border issues that relate to Indian tribal governments as well. There are many reservation areas where there are tribal land holders who are going to be affected either positively or negatively by the establishment of these trade corridors. Each individual tribal nation has its own response to these developments. By the year 2000, the tourism industry will be first in the world. One additional focus of ISTEIA was to place all three nations in the global economy for the tourism industry and opening rural areas to foreign visitors, developing trade corridor routes as related to this new opportunity and compete with other nations. The movement of people is important and how the indigenous people in the United States, Canada, and Mexico play a role in that. The Indian tribal nations are very much aware and want to be involved in this.

**Question:**

(Andrea Smith, Indian Tribal Transportation Association) It is important to include the tribal governments up front. The ISTEA there is an area where the States are supposed to be consulting with the tribes on their Surface Transportation Improvement Plans (STIP). Three years into the legislation, the states are trying to find out how to do that. There is no process in place. The legislation had good points but the people at the local level did not know how to implement the intent of the legislation. Instead of making the same mistakes, including them at the beginning means we do not have to play catch-up. My tribe is the Macaw tribe on the northwestern tip of the United States. We are trying to develop a marina. Most of our relatives are from Canada, and there are a lot of dual citizenship issues that a lot of people involved in this study don't have any idea. Just as we have to do our homework to understand your systems, you should have time in your area to learn how tribes work.

**Answer:**

You are both absolutely right. The most positive aspects of the ISTEA was a call for the inclusion of those who were not traditionally involved in the process. As we talk about the expansion of the planning process, one aspect is to meet requirements of the ISTEA by involving those indigenous to North America as partners in the process and involving them in the early stages of the process. We are glad that you are here today and we welcome your identification of ways to

help bring those partners into the process. Please recognize that as we do our homework, there are some students who do not know the questions to ask. Please let us know the ways you can help us by figuring out what the questions are and what the answers might be.

**Question:**

(Carol Columbo representing the Governor of the State of Arizona) In Arizona, we are fortunate to have one of the three NAFTA centers for legal implementation of the agreement, the National Center for Inter-American Free Trade. They have submitted a proposal to the FHWA for funding the second phase of a study, the first phase of which you funded through Section 6015. This first phase identified the disparities of the laws between Mexico and the United States. The second phase is to create harmonized documentation, bills of lading, so you can efficient travel through North America. That is the phase that fits into the institutional issues here. They are asking for \$124,000. At the same time, the private sector has committed to raise an equal amount of money to complete the study. There was excellent representation at a recent meeting they held at Tucson from the Mexican government, SCT, the Mexican private sector, the Canadian private sector, and the United States private sector. This doesn't cost a lot of money but gets us closer to the implementation of an efficient system. I do hope you will support that project.

# Appendix B

## Participants

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# Appendix C

Conference On North American Trade And Transportation

*Omni Shoreham Hotel, Washington D.C.*

*January 13-14, 1994*

## AGENDA

### January 13

*Omni Shoreham Hotel, Ambassador Room*

- 8:00-8:30 am** Registration, coffee and danish
- 8:30 am** Opening of Conference  
Conference Moderator
- **Gloria J. Jeff**  
Associate Administrator for Planning  
Federal Highway Administration
- 8:30-8:45 am** Welcome and Overview of the Meeting
- **Jane F. Garvey**  
Deputy Administrator  
Federal Highway Administration
- 8:45-9:30 am** Overview of Study Results
- **Madeleine Bloom**, Director,  
Office of Policy Development
  - **Bruce Cannon**, Office of Policy  
Development
  - **Richard Horn**, Volpe National  
Transportation Systems Center
- 9:30-9:45 am** Coffee Break
- 9:45-11:15 am** DOT Modal Agency Perspectives Panel  
and Discussion
- **Doris J. Bautch**, Maritime  
Administration
  - **Jane Bachner**, Federal Railroad  
Administration
  - **Frank Pentti**, Office of Intermodalism
  - **Laurence Kiernan**, Federal Aviation  
Administration
  - **Anthony Kane**, Federal Highway  
Administration
- 11:15-11:45 am** Remarks and Discussion
- **Rodney E. Slater**  
Administrator  
Federal Highway Administration
- 11:45-1:15 pm** Luncheon—Empire Room,  
Omni Shoreham Hotel  
Introduction of Speaker:
- **Jane F. Garvey**
- Speaker:
- Deputy Secretary,  
**Mortimer L. Downey**  
U. S. Department of Transportation

- 1:15-2:30 pm** Federal Agency  
Perspectives Panel and Discussion
- **Tim Arnade**, General Services  
Administration
  - **Vikki Kingslien**, Department of  
Justice, Immigration and  
Naturalization Service
  - **David Reeves**, Department of  
Agriculture, Agriculture and  
Poultry Health Inspection Service
  - **Peg Fearon**, Department of  
Treasury, Customs Service
  - **Steve Gibson**, Department of State,  
Mexico Desk
  - **John Bauman**, Department of State,  
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- 2:30-2:45 pm** Coffee Break
- 2:45-4:30 pm** Concurrent Stakeholder  
Breakout Sessions  
Topic Areas:
1. Private Sector Involvement
  2. Transportation Infrastructure Issues
  3. Institutional Issues
  4. Transportation Planning and Data Issues

### January 14

*Omni Shoreham Hotel, Palladian Room*

- 9:00 am** Opening  
Conference Moderator
- **Gloria J. Jeff**  
Associate Administrator for Planning  
Federal Highway Administration
- 9:00-10:30 am** Breakout Session Reports
- Private Sector Involvement
  - Transportation Infrastructure Issues
  - Institutional Issues
  - Transportation Planning and Data Issues
- 10:30-10:45 am** Coffee Break
- 10:45-11:30 am** Open Discussion
- 11:30-12:00 pm** Summary and Concluding Remarks
- **E. Dean Carlson**  
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