



# **U.S.-Mexico Border Leaders Summit**

## **Conference Proceedings**

### **The Case for Continued Collaboration in The Borderplex Region**

Prepared for El Paso County Commissioner David Stout, Precinct 2

2018

*Valeria Contreras, Public Policy Analyst*  
*Alberto Halpern, Senior Policy Advisor*

## Introduction

On April 19, 2018, elected officials, top administration, and key staff members convened at the Presidencia Municipal in Ciudad Juárez for the *U.S.-Mexico Border Leaders Summit* with the purpose of increasing communication among leaders in the Borderplex region. This highly attended summit took place one day after The Hunt Institute for Global Competitiveness' *Local Government Forum*, which was another event with similar goals in mind. Both events aimed to provide an opportunity for leaders from El Paso, Texas, Ciudad Juárez, Chihuahua, and Las Cruces, New Mexico to gain information and build relationships with counterparts on both sides of the border.

At the *Local Government Forum*, about 120 attendees had the opportunity to listen to a presentation that outlined a comparative analysis of local governmental structures in the region, along with various panel discussions, moderated by Doña Ana County Manager Fernando Macias and Patrick Schaefer, the Executive Director of The Hunt Institute for Global Competitiveness. The three different panels were broken down into discussions that highlighted the differences between local government at the state, county, and city level in El Paso, Ciudad Juárez, and Las Cruces, with panelists such as Texas State Senator Jose Rodriguez, New Mexico State Representative Nathan Small, Lic. Guillermo Hernández Rodríguez (Director of Transportation for the State of Chihuahua), El Paso County Judge Ruben Vogt, Doña Ana County Commissioner Billy Garrett, El Paso City Representative Peter Svarzbein, Las Cruces City Councilman Jack Eakman, and Secretario del Ayuntamiento de Ciudad Juárez Roberto Rentería Manqueros, who served on two panels.

The *U.S.-Mexico Border Leaders Summit* included several informational sessions, with presentations by Jon Barela (CEO of The Borderplex Alliance), Norberto Frias (Binational Affairs, Ciudad Juárez), Maestro Jorge Vázquez Salazar (Delegado de la Secretaría de Relaciones Exteriores en Ciudad Juárez), and Alejandra de la Vega Foster (Secretary of Innovation and Economic Development for the State of Chihuahua). These sessions provided about 80 leaders from all three states, cities, and even smaller municipalities of the region, the opportunity to understand how the municipal, state, and federal levels of government work in Mexico.

After the presentations, attendees broke into five different working sessions (economic development, resilience, transportation, healthcare, and environmental issues) in order to sit down and discuss, the challenges and opportunities our region faces in these areas and what we can do together to solve some of these problems. These discussions were moderated by Jessica Herrera (Director of Economic Development at the City of El Paso), Nicole Ferrini (Chief Resilience Officer and Director of Community and Human Development at the City of El Paso), Lic. Guillermo Hernández Rodríguez (Director of Transportation for the State of Chihuahua), Emma Schwartz (President of the Medical Center of the Americas Foundation), Dr. Carlos Rincon (Director of the El Paso Border Office, Region 6, U.S. Environmental Protection Agency), and Dr. Gilberto Wenglas Lara (Director of Ecology for the State of Chihuahua).

The event was possible thanks to the generous sponsorships of several businesses and non-profit organizations in the region, such as the El Paso Electric Company, Amor Por Juárez,

International Bar, and The Borderplex Alliance. The event itself was organized by a planning committee that was made up of representations from several entities in the region such as the County of El Paso, City of Juárez, City of El Paso, Doña Ana County, The Borderplex Alliance, The Hispanic Chamber of Commerce, and The El Paso Community Foundation.

Now that these series of events have ended, it is imperative that we move forward and build on the momentum gained at the summit. It is important to continue these conversations because there are issues on all levels of government that impact our region, and facing those issues as a united front can only be beneficial to the area.

## **Local Government Forum Overview**

On Wednesday, April 18, 2018, the *Local Government Forum* opened with remarks by Patrick Schaefer, the Executive Director of The Hunt Institute for Global Competitiveness. These remarks focused on the importance of local government, due to the fact that local leaders have the greatest opportunity to advance the wellbeing of their constituents. This is because local government has the responsibility to provide many of the services that directly affect the people, such as safety, health, education, and transportation. Although there may seem to be a barrier between local officials and the public, their proximity is still greater than that of other officials. This proximity is a strength that allows the various governments in the area to learn from the community when making decisions that impact the area.<sup>1</sup>

However, these remarks also noted that although local government can create a sense of community, it can also alienate people from the areas around it. Often, differences in structures, practices, or even language can create barriers between communities that aim to remain connected. This has proven to be the case in the Borderplex Region, an area interconnected by trade routes and the movement of people. This interconnected region is also divided into several jurisdictions for leaders from different counties, cities, and even countries to govern.<sup>2</sup>

Due to these differences in power, it can become difficult to determine who is responsible for the basic services of residents—especially when these residents move back and forth between all three communities. Since the divisions described above can limit the advancement of the residents, it remains imperative for the local governments of this region to amicably communicate and work together to ensure the wellbeing of its constituents. Not only will collaboration benefit the entire region, it will also allow the Borderplex Region to be at the forefront of cross-border collaboration.<sup>3</sup> As a leader in inter-state and international relations, the Borderplex Region can become an example for other border communities, not only nationwide, but globally, too.

## **Comparative Analysis of the Region’s Local Governments: Presentation of Data**

After opening remarks, Mayra Maldonado, the Associate Director of The Hunt Institute for Global Competitiveness, presented a report titled *Paso del Norte Comparative Local*

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<sup>1</sup> (Schaefer, 2018)

<sup>2</sup> (Schaefer, 2018)

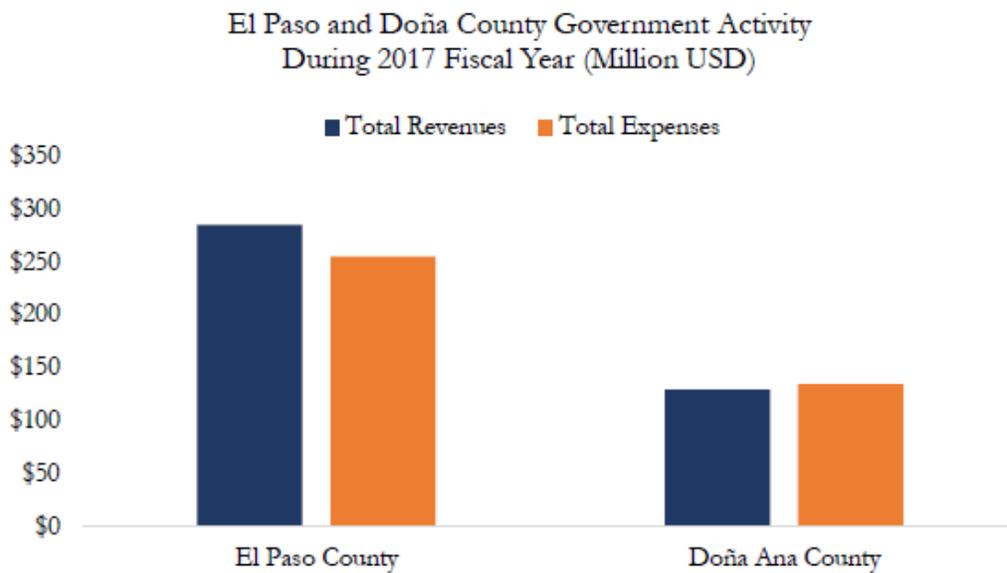
<sup>3</sup> (The Hunt Institute for Global Competitiveness, 2018)

*Government Indicators.* This report provides an extensive comparative analysis of the different government bodies of the region. These governing bodies include three municipalities and states (Las Cruces, New Mexico, El Paso, Texas, Ciudad Juárez, Chihuahua), two counties (Doña Ana County and El Paso County) and of course, two countries (United States and Mexico). In their analysis, The Hunt Institute for Global Competitiveness states:

The Paso del Norte region is now at a critical juncture. The continued expansion of international trade flows places ever greater and simultaneous pressure on the region’s water and air, roads and bridges, schools and universities, public safety and law enforcement, and businesses and public finances—all of which are directly within, or touch upon, the scope of local government responsibility. The work of the local governments of the Paso del Norte, then, becomes much more complicated by the need to address these pressures across often incommensurable governance and market structures.<sup>4</sup>

However, in order for local leaders to work with government counterparts in the future, it is imperative to understand some of our region’s differences such as demographics, public finances, organizational charts, and other factors. The following figures are examples of the type of information featured in the report.

**Figure 1: Comparison of County Public Finances in Paso del Norte Region**

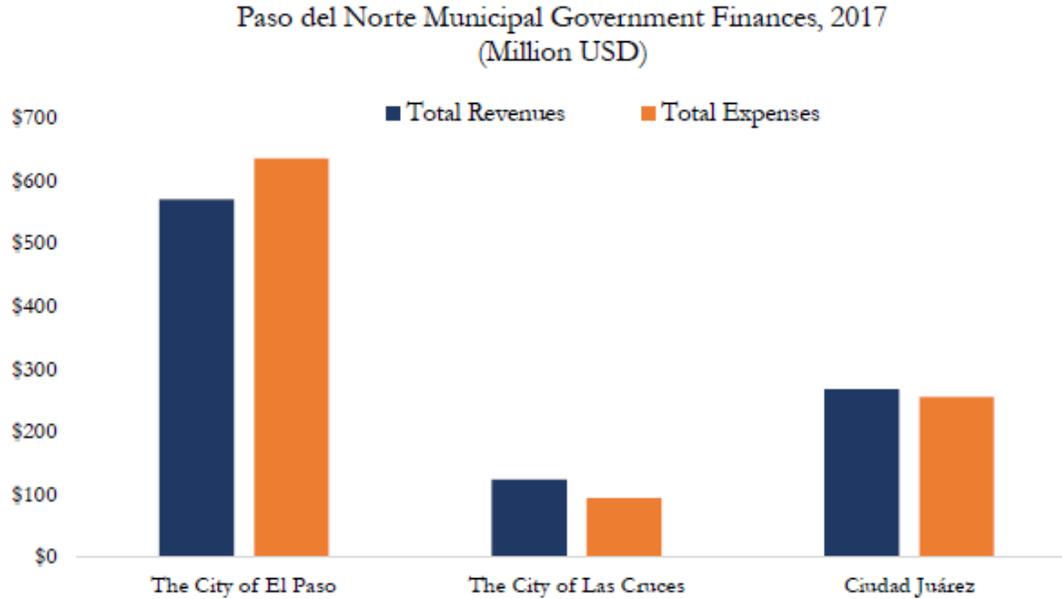


*Note: Data do not include transfers.*  
*Source: The County of Doña Ana and El Paso.*

(Source: The Hunt Institute for Global Competitiveness 2018)

<sup>4</sup> (The Hunt Institute for Global Competitiveness, 2018)

**Figure 2: Comparison of Municipal Public Finances in Paso del Norte Region**



*Note: Data do not include transfers.*

*Source: The City of El Paso and Las Cruces, and Ciudad Juárez.*

(Source: The Hunt Institute for Global Competitiveness 2018)

### **Moderated Panel Discussions**

Once attendees had the opportunity to hear the presentation from The Hunt Institute for Global Competitiveness, the *Local Government Forum* transitioned into several moderated panel discussions that brought together elected officials and/or members of top administration from each level of government in the various states, cities, and counties in our region. The conversation also allowed for panelists to discuss opportunities for future collaboration.

#### *State Level Priorities and Challenges in Texas, New Mexico, and Chihuahua*

This panel discussion, moderated by Doña Ana County Manager Fernando Macias, brought together Texas State Senator Jose Rodriguez and New Mexico State Senator Nathan Small. The panel also included Lic. Guillermo Hernández Rodriguez, the Director of Transportation for the State of Chihuahua. In this panel, attendees had the opportunity to hear the perspective of state leaders from all three cities, and gain knowledge of the practical applications of how state government works.

Several challenges were also addressed. Most notable of which was the difficulty to maintain continuity for projects between governments, especially when elected officials leave office or new leaders come into office. New Mexico State Representative Small also spoke about the benefit of greater collaboration at the local level, particularly when there is so much confusion at the national level. The discussion ended with a need to identify a list of issues that impact both sides of the border, and implement effective solutions as a united front.

## *Composition and Goals of County Governments in the Paso del Norte Region*

Patrick Schaefer moderated the conversation between El Paso County Judge Ruben Vogt, Doña Ana County Commissioner Billy Garrett, and Secretario del Ayuntamiento in Ciudad Juárez Roberto Rentería Manqueros. As discussed in The Hunt Institute's initial presentation that same day, Mexico does not have a County level of government. This differentiation in government created an opportunity to hear from Mr. Roberto Rentería Manqueros in both the City and County panels.

As a result, leaders discussed the similarities and differences between county government in the U.S. and city government in Mexico. For example, most county responsibilities are state responsibilities in Mexico. Similar to counties in Texas, cities in Mexico cannot do anything unless it is already permitted by state law. In fact, cities in Mexico have much less power than cities in Texas, which are able to pass ordinances and retain law making authority.

Throughout this conversation, panelists discussed the need to maintain dialogue at the local level on bi-national affairs that impact each separate community. They described the need to create forums which will allow leaders to advance projects forward in a productive manner. Finally, although conflicts between jurisdictions do exist, the panelists agreed that there are overlapping priorities and ways local governments can collaborate, particularly within the private sector. "Everything is possible," Rentería Manqueros said.

## *Structure and Roles of El Paso, Las Cruces, and Ciudad Juárez*

The panel discussion that focused on the municipal level of government was also moderated by Patrick Schaefer. Panelists included El Paso City Representative Peter Svarzbein, Las Cruces City Councilman Jack Eakman, as well as Roberto Rentería Manqueros, as stated previously. This conversation continued to add layers to the overall discussion related to bi-national collaboration and described ways leaders and residents alike could make the most out of cultural and economic opportunities in the region. Panelists discussed our region's strengths, which offer residents the unique ability for visitors to find value and culture in all three cities of our region (El Paso, Las Cruces, and Ciudad Juárez).

## **U.S.-Mexico Border Leaders Summit Overview**

The summit kicked off with a networking reception at the aptly named International Bar on Wednesday evening, to allow local leaders the opportunity to meet their counterparts in all three cities and mingle. This event allowed leaders to break the ice and transition into the following day's event, the *U.S.-Mexico Border Leaders Summit*, comprised of key speakers, presentations, and a working lunch with breakout sessions.

### **Key Speakers and Presentations**

During the *U.S.-Mexico Border Leaders Summit*, presentations and speeches were delivered by a wide range of regional experts on local, state, and federal governmental and business entities. Those included The Borderplex Alliance CEO, Jon Barela; Binational Affairs

Coordinator for Ciudad Juárez, Norberto Frias; Delegado de la Secretaría de Relaciones Exteriores en Ciudad Juárez, Maestro Jorge Vázquez Salazar; Secretary of Innovation and Economic Development for the State of Chihuahua, Alejandra de la Vega Foster; and El Paso County Commissioner David Stout.

### *The Borderplex and Its Role in the North American Economy: U.S. National Issues Update*

Jon Barela offered a presentation on the role of The Borderplex Alliance, which was formed in January 2013. This organization works with local governments to address business recruitment, expansion, and retention. Mr. Barela stated that El Paso is home to a vibrant economy with an affordable cost of living, which held \$11.8 billion in retail sales in 2016 and has a total economic output of \$28.6 billion. He further offered data on regional ports of entry that help facilitate cross-border trade between Mexico and the United States.

According to Mr. Barela, the region accounts for a world class manufacturing sector, which is the fourth largest manufacturing hub in North America. Included in this sector are the more than 50,000 jobs in El Paso which are tied to Mexico. His presentation also suggested that targeted industries for greater growth in the region include defense and aerospace, life sciences, tourism, value added manufacturing, business services, and advanced logistics.<sup>5</sup>

### *The City of Juárez: Understanding our Sister City's Government Structure*

Norberto Frias, the Binational Affairs Coordinator for the City of Juárez, offered a presentation on key features of the city. This included its population of just more than 1.3 million people, making it the most populated city in the State of Chihuahua. In the case of Juárez, and other municipalities in Mexico, it is governed by a city hall and is composed of the municipal president and city council members. There is one municipal president and 20 city council members.

Oversight of city spending is provided by a *sindico* or *sindica*, who is in charge of safeguarding municipal assets. This office also oversees audits of the city which include an analysis of income and expenses. In terms of departmental structure, there are decentralized and centralized dependencies. Decentralized departments have an indirect administrative organization and carry out activities for the common good of the community. They can also request state and federal resources without approval from elected officials on city council. Centralized dependencies are offices in which the municipal president remains the head.<sup>6</sup>

### *The Mexican Federal Government: All We Need to Know*

Maestro Jorge Vázquez Salazar introduced the makeup of the Mexican federal government, explaining certain articles which describe national sovereignty and the form of government. He added that the constitution, similar to that of the U.S. constitution, explains the division of power and its functions which are broken down in legislative, executive, and judicial

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<sup>5</sup> (Barela, 2018)

<sup>6</sup> (Frias, 2018)

branches. The detailed breakdown allowed attendees the opportunity to understand the similarities and differences between the U.S. and our neighboring country, Mexico.<sup>7</sup>

### *The State of Chihuahua's Operational Model: How Does it Work?*

In her presentation, Alejandra de la Vega Foster offered an overview of the state of Chihuahua's mission which includes supporting state citizens' participation in public life, human security, and achieving sustainable economic development, while also pursuing the administration of justice that promotes human rights. In terms of economic factors, Chihuahua had an unemployment rate of 2.6 percent during the fourth quarter of 2017, making it the lowest unemployment rate in the country. The state's annual growth was 4.4 percent over the past three years, with a 21 percent growth in GDP from 2009 to 2016 which was a 3.1 percent contribution to the nation's GDP. The state also plays a large role in the mining of gold, silver, lead, and zinc. Chihuahua also ranks high in nationwide non-oil exports, with Juárez contributing 78 percent of state exports. Similar to Texas, Chihuahua state government is composed of executive, judicial, and legislative branches of government.<sup>8</sup>

### *Strongest Together: Next Steps for U.S.-Mexico Border Leaders*

El Paso County Commissioner David Stout offered closing remarks after the series of presentations. His remarks centered on the creation of a bi-national roundtable where regional stakeholders would participate and help address shared regional items. Commissioner Stout encouraged regional bodies to stick to message in order to have a greater impact when seeking resources from state and federal entities. Regional messaging and collaboration would allow local leaders to finally identify weaknesses and strengths, allowing partners and governments to achieve common goals that defy borders.

## **Working Lunch and Breakout Sessions**

After the presentations, attendees had the opportunity to choose one of five different breakout sessions to further explore the joint challenges we face in the region. The breakout sessions created a space for leaders to discuss pertinent issues in our region to work towards ideas and solutions that would benefit the Borderplex. The following section breaks down each session by subject, summarizing the key takeaways and follow up steps that came from the discussion.

### *Economic Development in the Paso del Norte Region*

This breakout session, moderated by Jessica Herrera (Director of Economic Development for the City of El Paso) was by far the most heavily attended—with about 26 participants, representing all three states, cities, and even the smaller municipalities of the region. Attendees included local leaders such as Doña Ana County Commissioner Isabella Solis, El Paso County Judge Ruben Vogt, Vinton Mayor Manuel Leos, Jose Quiñonez (Director of Economic Development for the County of El Paso), Juan Acereto (Mexican Consulate), Francisco Pallares

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<sup>7</sup> (Vazquez Salazar, 2018)

<sup>8</sup> (De la Vega Foster, 2018)

(City of Las Cruces), Mayra Maldonado (The Hunt Institute for Global Competitiveness), and Lydia Nesbitt-Arronte (The Borderplex Alliance), to name a few.

This breakout session allowed attendees to brainstorm the most significant challenges and opportunities facing our region. Participants compared the various tools and programs that are utilized by each government entity to attract and retain local talent and investment, and furthermore, discussed the importance of innovation, entrepreneurship, and regionalism. The group concluded by speaking of the need for greater quality of life, skills development, and revitalization.

This group also identified a need for a follow up meeting, which was ultimately hosted by the Mexican Consulate about a month and a half after the *U.S.-Mexico Border Leaders Summit*. This follow up meeting allowed the breakout session participants to continue these conversations by pinpointing specific ideas that could be the focus for future collaboration. These ideas included the need to:

- Identify regional assets
- Increase communication among counterparts
- Increase clusters in Ciudad Juárez
- Improve the overall region's perception on a national level
- Create an agenda with specific action items

In order to continue working through these ideas, the participants are planning an additional follow up meeting in Las Cruces in the near future.

### *Regional Transportation and Cross Border Challenges*

In this breakout session, moderated by Lic. Guillermo Hernández Rodríguez (Director of Transportation for the State of Chihuahua), several cross-border challenges were discussed, especially related to the Tornillo-Guadalupe (Marcelino Serna) Port of Entry (POE). Participants of the breakout session, which included top administration from El Paso County, discussed the lack of infrastructure for the POE in Mexico, as well as the lack of economic development in the area.

Addressing both issues could only benefit the region because incentivizing development in the area could ultimately increase the use of this POE. The group also discussed the need for greater public transportation options between the tri-state area (transit connecting El Paso, Las Cruces, and Ciudad Juárez) in order to address some of the air and roadway quality issues. Finally, participants of the session agreed that a regional approach to funding opportunities was an issue that could be addressed through continued collaboration.

### *Improving Healthcare in Underserved Communities*

This group discussion, led by Emma Schwartz (President of the Medical Center of the Americas Foundation), included participants such as Doña Ana County Commissioner Ramon Gonzalez and Dr. Mario Rascon (El Paso County Medical Examiner). This conversation brought

light to an important distinction between El Paso County and Doña Ana County—Doña Ana County does not have a medical examiner. Currently, all medical examinations take place in Albuquerque, New Mexico. However, El Paso is much closer than Albuquerque and there may be an opportunity for collaboration on this issue.

Additional conversation included the need to place special attention to suicides, especially in our youth population and Veterans, considering we have a large military community in the region. Lastly, the group discussed sudden infant deaths and identified potential models to follow in order to address this issue. Some of these models are successful in Finland, but also in the nearby State of Chihuahua. Therefore, this creates another possible point of collaboration for future discussion.

### *Environmental Issues in the Borderland*

In order to discuss environmental issues on both sides of the border, this breakout session brought together two subject-matter experts as moderators, Dr. Carlos Rincon (Director of the El Paso Border Office, Region 6, U.S. Environmental Protection Agency) and Dr. Gilberto Wenglas Lara (Director of Ecology for the State of Chihuahua). Throughout this conversation, several bi-national challenges were discussed, such as proper waste and tire disposal, site cleanup, air quality, and educational initiatives. Ultimately, the group agreed on the need to work with elected officials on both sides of the border to create a bi-national agenda and subsequent strategies that address these issues. Participants of this discussion included Representative Laura Yanelly Rodriguez (City of Juárez), Hopeton Staple (El Paso County Fleet Manager), Karina Rivera (Office of U.S. Congressman Will Hurd), and Joshua Carter (Office of Texas State Representative Mary Gonzalez).

### *Resilient Sister Cities: El Paso and Juárez*

Throughout this breakout session, moderated by Nicole Ferrini (Chief Resilience Officer and Director of Community and Human Development for the City of El Paso), participants had the opportunity to discuss resilience in both El Paso and Juárez. Resilience is described in the El Paso Resilience Strategy as “a community’s ability to respond positively to change.”<sup>9</sup> Both sister cities have been identified by the Rockefeller Foundation for inclusion in the 100 Resilient Cities, an initiative that is dedicated to helping cities around the globe become resilient to the different challenges they may face.<sup>10</sup>

As a result of their proximity and close relationship, this breakout session was an opportunity for attendees to discuss several multidimensional issues that both cities face and ways the region can tackle them in a proactive manner. In this session, attendees discussed regional priorities and ways they can deploy resources in order to address them, as well as the idea of creating a strategic plan for a bi-national metroplex. The group also discussed short-term, tangible action items such as a partnership with an upcoming film festival in Guadalajara and ways the various entities in our region could possibly pitch in resources for the arts, in order to have a regional voice represented at this cultural event.

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<sup>9</sup> (City of El Paso, 2018)

<sup>10</sup> (100 Resilient Cities, 2018)

## **Joint Challenges in the Borderplex Region**

As discussed throughout the summit's breakout sessions, the absence of constant dialogue and teamwork among public and private entities in the tri-state, bi-national region can and will result in complex problems which multiple parties will face. Thankfully, several parties in the region and events similar in nature to the *U.S.-Mexico Border Leaders Summit* allow the opportunity for leaders to discuss solutions. However, communication must not stop after these events take place because communication failures can be costly, affecting local governmental entities, private industries, the public, and ultimately our local and regional economies. The following are a few examples of bi-national issues that must be continuously discussed through a formal vehicle for communication.

### **Transportation**

One communication failure that El Paso County faced was in 2016 when Mexico designated the Marcelino Serna Port of Entry as the sole crossing destination for the exportation of used vehicles. El Paso County was not notified of this direction, which limited the number of cars that could cross the bridge each day. This resulted in traffic congestion near the port of entry for weeks, costing the County about \$9,047 in assigning Sheriff's Deputies to patrol the area in addition to placing signage nearby notifying the public not to park on private property.<sup>11</sup> Private homes in the area were impacted during the confusion as well.

Had there been a mechanism for greater communication between El Paso County officials and counterparts in Mexico, this scenario could have been better planned in advance and likely avoided the large costs incurred by El Paso County. Although this issue has been discussed since this problem took place at the summit, it is imperative that leaders on both sides of the border continue to have the proper channels of communication to prevent issues like this from taking place again in the future.

### **Air Quality**

In a recent report, published in 2016, the American Lung Association listed El Paso as one of the worst cities in the United States for air quality. The study looked at the entire El Paso-Las Cruces region and ranked the area as the 20<sup>th</sup> most polluted metropolitan area for particle pollution (dust, smoke, and smog). The report also states that our region is the 16<sup>th</sup> most ozone polluted metropolitan area in the U.S., but also mentions that our region has improved throughout the past couple of decades.<sup>12</sup>

Since this is an issue that has continuously impacted both sides of the border, the Joint Advisory Committee (JAC) was created in 1983 by the U.S. Environmental Protection Agency with representation from El Paso, Ciudad Juárez, and Las Cruces. The JAC is a task force under the TX/NM/CHIH Regional Workgroup (RWG) and allows representatives to promote

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<sup>11</sup> (Ferro, 2018)

<sup>12</sup> (Decatur, 2016)

awareness and education on environmental issues. The task force also coordinates efforts with residents and local government agencies in Mexico and the United States.<sup>13</sup>

Although it is important to have a task force that focuses on specific issues such as air quality, it is equally important to understand how this issue is affected by other challenges. For example, the air quality of our region will never improve if we do not solve the transportation issues we face on both sides of the border.<sup>14</sup> Additionally, poor air quality can also cause health issues such as an increased risk of premature death, aggravated asthma, difficulty breathing, cardiovascular harm, and lower birth weight.<sup>15</sup> This creates a greater need for healthcare services in our hospitals, which are already underserved.

These consequences transcend borders and impact the quality of life of all residents. Moreover, it is in our best interest to work together to solve these issues in formal and established ways. The creation of issue-specific boards such as the JAC is one example of the ways our community is already taking a proactive approach in solving some of these problems. However, if local leaders were to advocate for the establishment of a round-table that tackles the multidimensional aspects of these issues, we could better serve our unique region and the cross border challenges that affect us.

### **Examples of Regional Collaboration**

With all of the information shared at the *U.S.-Mexico Border Leaders Summit*, we have now set the foundation to move towards the creation of a bi-national roundtable that should include elected officials, government administration, law enforcement, the private sector, and others in order to tackle these complex problems in our region. Although several regional boards already exist in the Borderplex, most of these boards are issue-specific and do not necessarily look at ways various challenges in the region intersect with one another.

While there are benefits related to narrowing down the board's scope and focus, naturally, conversations may lack the macro level thinking that could ultimately benefit our community. Therefore, it is important to advocate for the implementation of a formal roundtable that will not only bring together the sharpest minds of the region, but also tackle the multidimensional challenges that affect us in order to devise planning and problem solving processes that will allow the Borderplex region to progress as exactly that, a region. The following boards are a few examples of regional collaboration between communities and may serve as a model for discussion related to a future bi-national board in the Borderplex.

#### **Border Environment Cooperation Commission and North American Development Bank**

As discussed previously, environmental issues, such as air quality, are not restricted by border lines and impact both the United States and Mexico. In order to address these environmental issues and preserve, protect, and enhance the environment of the border region,

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<sup>13</sup> (U.S. Environmental Protection Agency, 2017)

<sup>14</sup> (Hernandez Rodriguez, 2018)

<sup>15</sup> (American Lung Association, 2016)

the United States and Mexican government created an agreement in 1993 that formed the Border Environment Cooperation Commission (BECC).<sup>16</sup>

This organization was created in order to complete several duties for the community such as coordinate environmental infrastructure projects along the border, analyze the financial feasibility of the projects, and evaluate the social and economic benefits of the projects.<sup>17</sup> One of the projects outlined in the BECC's 2016 Annual Report is the Vista del Este Water System Replacement Project in El Paso County, which benefited about 1,068 people in our region. The area was previously served by a water system which was no longer functioning properly, causing line breaks and maintenance issues for the County. Whenever a repair was in process, residents could lose service, further exacerbating the issue.<sup>18</sup>

Thanks to the work of the BECC and funding from El Paso County and a NADB-CAP grant (North American Development Bank, to be described in more detail in the next section), the project anticipates an increase in access to sustainable drinking water, reduced interruption to service and improved resource management. This will benefit our region because it is estimated to increase access to clean, safe water for about 340 households and can ultimately reduce the health problems that stem from waterborne illness. This is just one example of the type of solutions that a formal, bi-national board with regional partners can create, together.<sup>19</sup>

#### *Financial Model and Board Structure*

The BECC is financed by both parties established by the charter (the United States federal government and the Mexican federal government). The BECC has an operating budget of about \$7.10 million and about 40 employees.<sup>20</sup> The funding contributed from Mexico is provided through the Secretary of the Environment and Natural Resources, while the funding from the United States is provided through the Department of State.<sup>21</sup>

Additionally, in order to provide financing for projects certified by the Board of Directors and assist the BECC in achieving its purpose and functions, the North American Development Bank (NADB) was established. Recently, the charter of the organizations was updated to fully merge the two organizations. In 2014, the Board approved a resolution allowing the NADB and BECC to merge and streamlined processes to make the organizations more efficient.<sup>22</sup> As a result, the BECC is a standing subsidiary component within the NADB and became a fully integrated part of the NADB.<sup>23</sup>

The NADB provides financing for infrastructure projects that will preserve, protect, and enhance the environment along the U.S.-Mexico border region, and advance the well-being of

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<sup>16</sup> (North American Development Bank, 2017)

<sup>17</sup> (North American Development Bank, 2017)

<sup>18</sup> (Border Environment Cooperation Commission, 2016)

<sup>19</sup> (Border Environment Cooperation Commission, 2016)

<sup>20</sup> (Border Environment Cooperation Commission, 2018)

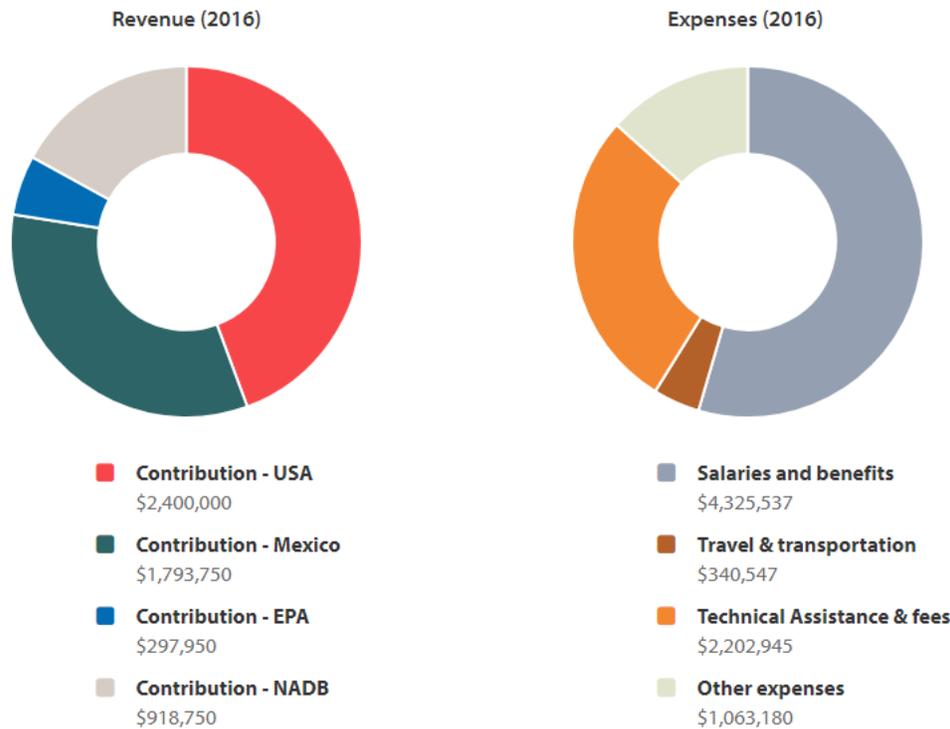
<sup>21</sup> (Border Environment Cooperation Commission, 2018)

<sup>22</sup> (North American Development Bank, 2018)

<sup>23</sup> (North American Development Bank, 2017)

residents in both countries.<sup>24</sup> In addition to the BECC’s established finances, the BECC can also seek and accept requests for assistance, so long as it is related to the commission’s purpose and functions in the charter.<sup>25</sup>

**Figure 3: Border Environment Cooperation Commission Finances**



Source: BECC 2018

In the figure above, the BECC breaks down its revenue and expenses for 2016. As shown in the first chart, the BECC received a \$2.4 million contribution from the United States and a \$1.8 million contribution from Mexico. The Environmental Protection Agency and the North American Development Bank also financed the organization in order to cover the BECC’s expenses.

Since the two organizations have merged, the charter explains that the NADB will be governed by a board that oversees the purpose and functions of the BECC. The chairmanship of the Board alternates between a representative from the U.S. and Mexico every year. The NADB board consists of the following ten appointed directors:

- The Secretary of the United States Department of Treasury, or his/her delegate, who shall serve *ex officio*;
- The Secretary of Finance and Public Credit of Mexico, or his/her delegate, who shall serve *ex officio*;

<sup>24</sup> (North American Development Bank, 2018)

<sup>25</sup> (Border Environment Cooperation Commission, 2018)

- The Administrator of the Environmental Protection Agency of the United States, or his/her delegate, who shall serve *ex officio*;
- The Secretary of the Environment and Natural Resources of Mexico, or his/her delegate, who shall serve *ex officio*;
- The Secretary of the United States Department of State, or his/her delegate, who shall serve *ex officio*;
- The Secretary of the Ministry of External Affairs of Mexico, or his/her delegate, who shall serve *ex officio*;
- A representative of one of the U.S. border states, appointed by the United States in such manner as it may determine;
- A representative of one of the Mexican border states, appointed by Mexico in such manner as it may determine;
- A member of the United States public who is a resident of the border region, appointed by the United States in such manner as it may determine; and
- A member of the Mexican public who is a resident of the border region, appointed by Mexico in such manner as it may determine.<sup>26</sup>

The Board of Directors is also staffed with a Managing Director, Deputy Managing Director, and Chief Environmental Officer.

As stated in the previous figure, the BECC allocated \$4.3 million towards salaries. Since the merger between NADB and BECC, the Chief Environmental Officer position was introduced and now works closely with the Managing Director to prepare budget proposals, supervise the administration of grants, and endorse any certification proposals for the Board. The Chief Environmental Officer is also responsible for submitting a report to the Managing Director in both English and Spanish with an audited statement of the Commission's finances. The report must be available to the public in both languages.<sup>27</sup>

### **Cali Baja Bi-National Mega-Region, Inc. ®**

In the San Diego-Tijuana region, there is a combined population of over seven million residents with a work force of almost four million.<sup>28</sup> Although this region is larger, it is still comparable to the Borderplex, since it is located on the U.S.-Mexico border and also transcends two counties and two states. As a result, the region faces similar challenges as those found in El Paso, Ciudad Juárez, and Las Cruces. One of those issues was the unemployment rate.

In 2008, San Diego County was tasked with lowering the unemployment rate.<sup>29</sup> As a result of the efforts behind this issue, the County received a grant (\$200,000) from the U.S. Department of Commerce's Economic Development Administration (EDA) to market the bi-national aspects of the region.<sup>30</sup> Throughout the following year, over 200 stakeholders from both sides of the border participated in several working sessions and meetings in order to collaborate

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<sup>26</sup> (North American Development Bank, 2017)

<sup>27</sup> (North American Development Bank, 2017)

<sup>28</sup> (Cali Baja, 2018)

<sup>29</sup> (Eguia, 2018)

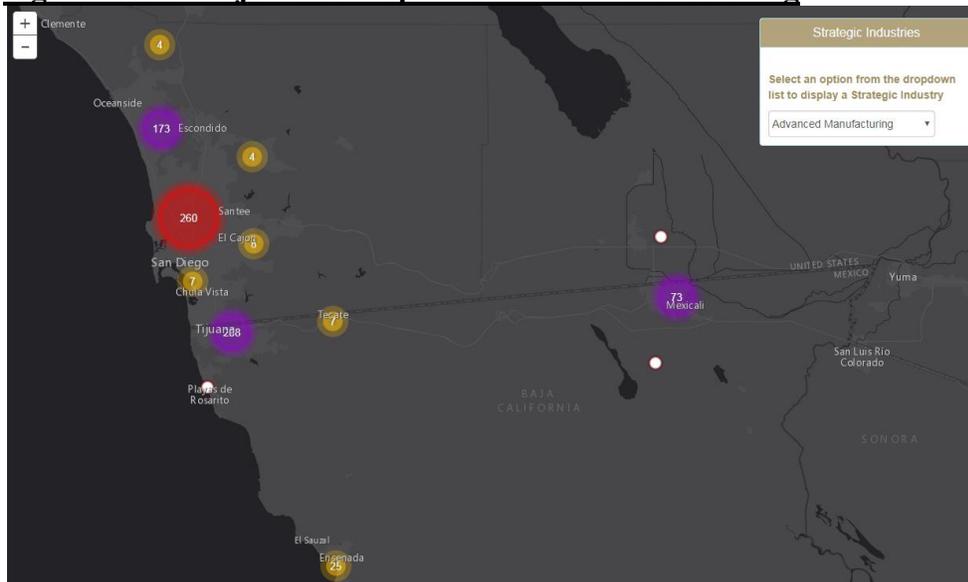
<sup>30</sup> (Eguia, 2018)

towards the creation of a regional organization that highlighted the strengths of coexisting on the U.S.-Mexico border.

In 2011, six economic development organizations (EDOs) from the San Diego-Baja California region (Tijuana EDC, Ensenada EDC, Economic Promotion Commission of Tecate or COPRETEC, and Industrial Development Commission of Mexicali or CDIM, from Baja California; as well as the San Diego EDC and Imperial Valley EDC) signed a Memorandum of Understanding to promote the region together. This organization is ultimately what became known as the Cali Baja Bi-National Mega-Region, Inc., a registered trademark and non-profit bi-national consortium of economic development organizations incorporated as a 501-C6 entity.<sup>31</sup> Cali Baja includes Imperial County, San Diego County, and the five municipalities of Baja California (Ensenada, Tecate, Mexicali, Rosarito, Tijuana) with the purpose of marketing the entire region, in order to make the area more competitive and attractive to global industries.<sup>32</sup>

Once this entity was finally formed, the first deliverable for its members was to create an asset map that outlined the various industries in the region such as aerospace, medical devices, logistics, agriculture and biotech. This map became a key tool that allowed Cali Baja to market the region to several companies. Since then, Cali Baja has also focused on advisory services to companies interested in conducting business within the Cali Baja region and also offered market research and business connections services.<sup>33</sup> Cali Baja also focuses on site selection assistance, workforce information and contacts, sourcing and supplier development, incentive analysis and options, as well as economic data and market forecasts.<sup>34</sup> An example of the asset map is highlighted below.

**Figure 4: Cali Baja Asset Map – Advanced Manufacturing**



(Source: Cali Baja 2018)

<sup>31</sup> (Cali Baja, 2018)

<sup>32</sup> (Olivieri, 2014)

<sup>33</sup> (Eguia, 2018)

<sup>34</sup> (Olivieri, 2014)

As shown in the figure above, the asset map offers highlights for the other strategic industries of the region, which include aerospace manufacturing, agribusiness, audio, video, and other electronic equipment manufacturing, clean technology, distribution, and logistics. This map is a useful tool for economic development, because it even goes into further detail online and allows users to interact with the maps by searching data based on the industry, NAICS code, city, county, and country. Once the user finds a business of interest, the map offers more details such as the contact information of the owner.

### *Financial Model and Board Structure*

Cali Baja began with a federal grant that provided the seed money necessary to begin this partnership. Since then, Cali Baja has been funded by the public and private sector, with the support of several groups such Bank of America, CDT, County of San Diego, EW Corporation, Imperial County Workforce Development Board, Imperial Irrigation District, Kyocera, Procopio, Cory, Hargreaves & Savitch, San Diego Gas & Electric, San Diego State University, San Diego Workforce Partnership, Solar Turbines, Unified Port of San Diego, and Walmart Foundation.<sup>35</sup> The organization has also depended on yearly contributions from different entities in order to support its operations.<sup>36</sup>

Cali Baja has proven to be a strong collaboration between Economic Development Corporations and government entities in the San Diego-Tijuana region. This collaboration has allowed the organization to allocate funds towards marketing the Cali Baja region as one region, with one voice, through advertising campaigns, web development, and printed materials.<sup>37</sup>

### **Rio Grande Council of Governments**

Another regional entity in the Borderplex is the Rio Grande Council of Governments (RGCOG), established by multiple local governments in the larger region, including seven counties, 14 municipalities, five special districts, three school districts, and one Tribal nation. The RGCOG works closely with member partners to increase intergovernmental communication on a range of issues including economic development, criminal justice, law enforcement, emergency communications, health and human services, and solid waste.<sup>38</sup>

### *Financial Model and Board Structure*

The RGCOG is funded through multiple means, including membership dues, intergovernmental revenue and grants, charges for services, and program income. In terms of dues, each member pays dues, the amounts of which are determined each year. Such dues are ultimately reported in the RGCOG's general fund and then transferred to special revenue funds if needed to help match grant requirements.<sup>39</sup>

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<sup>35</sup> (Cali Baja, 2018)

<sup>36</sup> (Eguia, 2018)

<sup>37</sup> (Eguia, 2018)

<sup>38</sup> (Rio Grande Council of Governments, 2018)

<sup>39</sup> (Rio Grande Council of Governments, 2018)

Additionally, the RGCOG charges for some services they provide, which generates revenue. Further, the RGCOG accepts federal and state grants, as well as in-kind contributed services from private individuals, the private sector, and local governments. Often times those contributions are meant to help meet grant matches.<sup>40</sup>

In terms of structure, representatives from many of the member governmental entities make up the board of directors which sets policy and seeks grants for services. RGCOG staff is overseen by an executive director, managing administration, the Area Agency on Aging, financial staff, and regional services.<sup>41</sup>

Disbursement of management throughout divisions within the Rio Grande Council of Governments allows for increased separation of responsibility to community issues. The following divisions facilitate the incorporation of separate government entities for the betterment of the regional community:

- Administration and Finance: The Administration Division provides the General Management and Administration of the Agency and includes staff support for the Executive Board. The primary mission of the Executive Director's Office is to carry out in an efficient and effective manner those programs and policies established by the Executive Board.
- Area Agency on Aging: The Rio Grande Area Agency on Aging (AAA) is administered by the RGCOG and funded by the Texas Department of Aging and Disability Services in accordance with the Older Americans Act.
- Environmental Services: The Environmental Services department addresses environment related issues within the region, focusing specifically upon solid waste and water management.
- Regional Services: The Regional Services division is charged with the responsibility of providing technical assistance and direct services to RGCOG member governments and their constituents. The services are provided through contractual arrangements and direct management of programs.
- Dispute Resolution Center: The El Paso County Dispute Resolution Center is a project of El Paso County and the RGCOG. The Center provides an alternative in settling disputes through the process of mediation. Mediation is less expensive, less time consuming, and can resolve a dispute so that each party benefits from the session.<sup>42</sup>

As demonstrated by these three examples, there are numerous options for the establishment, structure, and financing of regional boards. These boards have proven to be functional and successful in achieving solutions for all stakeholders and related communities, and can serve as a model for any potential board created in the Borderplex region.

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<sup>40</sup> (Rio Grande Council of Governments, 2018)

<sup>41</sup> (Rio Grande Council of Governments, 2018)

<sup>42</sup> (Rio Grande Council of Governments, 2018)

## Conclusion

Given the extensive information provided in both the *Local Government Forum* and the *U.S.-Mexico Border Leaders Summit*, it is imperative that all regional governmental bodies, including El Paso County, consider taking action to move forward on establishing a vehicle through which regional cooperation can occur. The ultimate goal would be the creation of a bi-national roundtable made up of public and private stakeholders in the region which meets regularly to discuss shared missions, visions, concerns, and goals.

In order to achieve this, our recommendation is the creation of two staff positions to conduct research on the structure of this roundtable, the costs of creating it, stakeholder membership using stakeholder input, and the creation of Memorandums of Understanding with governmental entities in the region. After running some numbers with the County Human Resources Department, we estimate the cost for both positions (Director and Administrative Assistant) to be about \$135,000 in salary and fringe benefits, if they are housed within El Paso County.<sup>43</sup> Please note this is an estimate that is based off of the salaries for the two staff members that coordinate the Veterans Advisory Board at the County, and may be subject to change. The finalized costs for these two positions can be divided between the various government entities in the region.

As a result of the summit, we can clearly see the need for greater and sustained dialogue and cooperation with leaders in our immediate region of Texas, New Mexico, and Chihuahua. Among the various and growing needs our region faces, a roundtable would work to find common items of concern as well as ideas towards achieving shared desires to meet the challenges we face as a regional community.

One major benefit of such a roundtable would be a greater increase in social capital. Interconnectedness of the borderland community is significantly increased with collaboration between governments and agencies. Social capital empowers the public to increase connections with others in their community and their local government officials. This can expedite the time it takes to identify issues within the community, provide legislation to solve these issues, and implement solutions.

With the creation of a bi-national roundtable, the possibilities of our region's presence and lobbying efforts would be greater. This body could help to serve our region when the need arises to meet with state leaders in Austin, Santa Fe, or Chihuahua. It would also serve to help us when meeting with our federal representatives in Washington, D.C. or Mexico City in order to elevate the voice of border residents at the state and federal level. Additionally, failure to provide adequate transparency between the issues in the region and policymakers can result in poor policy or a lack of effective solutions altogether. Therefore, the advancement of state and federal advocacy as a result of increased governmental collaboration promotes the creation and implementation of solutions.

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<sup>43</sup> (Carrillo, 2018)

Over the last few budget cycles in El Paso County, we have already set aside funds to create a bi-national affairs position. It has clearly been a priority for El Paso County to engage with our counterparts in Juárez at a greater level. Moving forward, we will begin to reach out to regional governmental partners to discuss joining and helping incur costs associated with the bi-national roundtable. Ultimately, after the recent series of events that promoted cross-border relations, we now have a more robust opportunity to continue this work and move forward as one region, with one voice.

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