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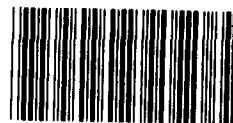
United States General Accounting Office

Report to the Chairman, Committee on  
Finance, U.S. Senate

May 1991

# U.S.-MEXICO TRADE

## Concerns About the Adequacy of Border Infrastructure



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National Security and  
International Affairs Division

B-244050

May 16, 1991

The Honorable Lloyd Bentsen  
Chairman, Committee on Finance  
United States Senate

Dear Mr. Chairman:

The proposed U.S.-Mexico free trade agreement would undoubtedly affect the flow of commercial traffic across the U.S.-Mexico border. In response to your request, we have undertaken an evaluation of the existing U.S.-Mexico border infrastructure capacity and of initiatives to facilitate the movement of commerce between the two countries. This report, as requested, contains information and our preliminary observations on (1) the process for planning and expanding border inspection facilities, (2) steps taken by U.S. and Mexican authorities to expedite processing of border commercial traffic, (3) staffing patterns for the principal U.S. federal agencies involved in inspections along the border, (4) road and highway infrastructure needs at certain major border entry ports, and (5) transborder access for commercial trucks. We also developed information on the four southwest border Customs Districts to illustrate recent trends in trade and commercial traffic flows.

For this report we relied on information provided by officials of U.S. government agencies concerned with border crossing operations as well as by officials of selected state and local governments and private sector representatives in U.S.-Mexico border states. This report also makes use of analysis contained in our prior reports on related issues. We plan to issue a comprehensive report at a later date that will more fully explore these issues, taking into account information to be obtained from Mexican government authorities and business representatives and other experts on U.S.-Mexico trade.

## Background

In recent years there has been a significant increase in commercial traffic along the U.S.-Mexico border. Customs data indicate the number of northbound commercial trucks and railcars processed at the border rose by approximately 64 percent from 1986 to 1990.

Recognizing the need to accommodate these increased traffic flows, in 1988 the Congress authorized the Southern Border Capital Improvement Program (P.L. 100-202). The program provides \$357 million in funding

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through fiscal year 1991 for the renovation, replacement, and construction of border stations.

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## Results in Brief

Strong growth in trade across the U.S.-Mexico border since 1986 has strained the capacity of the existing border infrastructure. This strain, coupled with the prospect of a free trade agreement between the United States and Mexico that could lead to additional increases in commercial traffic along the border, has led many concerned parties to question how to handle the increasing traffic.

The following are the most prominent concerns expressed by federal, state, and local government officials as well as private sector groups:

- The existing U.S. border inspection facilities cannot adequately accommodate the current flow of commercial traffic. The current Capital Improvement Program did not anticipate increased traffic that could result from the free trade agreement, and no long-range planning process exists for designing, constructing, or renovating border inspection facilities.
- U.S. and Mexican Customs have introduced new automated and simplified procedures to speed the flow of commercial traffic, but traffic still experiences significant delays.
- U.S. inspection agency staffing along the southwest border has not kept pace with the increases in traffic. Staffing levels are inadequate to handle existing traffic, and when capital improvement projects are completed the inspection agencies may not be able to fully staff the expanded facilities. High attrition levels exist and authorized positions are unfilled.
- Mexico's transportation infrastructure has not been able to adequately accommodate the increased trade in recent years; existing roads and highways in Mexico are considered dangerous. Budgetary problems have limited infrastructure projects. In the United States, recent increases in commercial border traffic have strained the capacity of border communities, such as those in Texas, where existing roads and highways have not been adequately maintained or upgraded.
- Reciprocal access for commercial motor carriers remains a major obstacle to normalizing transborder commercial traffic between the United States and Mexico.

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## Border Facilities

Federal officials agree that there is a need for continuity in establishing standard planning and design criteria to streamline the current process

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for building new border inspection stations. Mexican government spokesmen express concern about responsibility for planning on the U.S. side. The Border Trade Alliance<sup>1</sup> has recommended that a joint U.S.-Mexico task force develop a long-range plan for port capital improvement projects along the border.

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## Processing of Commercial Traffic

To help move commercial traffic more quickly through the inspection process, the U.S. Customs Service has adopted a number of automated systems. These systems reduce paperwork and allow inspectors to facilitate the entrance and release of problem-free cargo while focusing enforcement efforts on high-risk items. Mexican Customs has also introduced processing procedures that limit the proportion of cargo subject to intensive inspection. U.S. and Mexican Customs officials have been consulting on ways to facilitate cross-border trade. Nevertheless, congestion and delays are still common. U.S. Customs officials point out that the efforts to expedite processing must be balanced against other national objectives such as preventing the smuggling of illegal narcotics into the United States.

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## Staffing at Border Facilities

Federal, local, and private sector representatives say that because U.S. Customs Service and Immigration and Naturalization Service staff have not kept up with recent increases in traffic, commercial traffic entering the United States from Mexico encounters long and frequent delays. These government and business leaders also note that at current levels, Customs and Immigration are unable to fully staff the facilities being constructed or expanded under the Southern Border Capital Improvement Program. They believe federal authorities need to reassess staffing levels for conducting inspections along the border.

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## Transportation Infrastructure

The prospect of increased commercial traffic means that the United States and Mexico will need to confront an inadequate transportation infrastructure on both sides of the border. On the U.S. side, state and local officials are concerned about the anticipated budgetary burden. On the Mexican side, the country's transportation infrastructure has been strained to accommodate increased commercial traffic in recent years,

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<sup>1</sup>The Border Trade Alliance is comprised of trade and industry associations and other organizations all along the U.S.-Mexico border. It is a forum for border issues such as improving trade and commerce between the United States and Mexico.

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and Mexican authorities are exploring new ways of financing development through private sector investment.

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## Access and Reciprocity for Commercial Trucks

Reciprocal access for commercial motor carriers remains a major obstacle to normalizing transborder commercial traffic between the United States and Mexico. There currently is no bilateral agreement between the two countries that guarantees such reciprocal access. U.S. commercial trucks are generally denied access to Mexico. In response to Mexico's restrictions on U.S. commercial carriers, the United States has sought to limit Mexican trucks' access to specified commercial zones within a few miles of the border. The lack of common safety standards and regulations for motor carriers may create another challenge in the issue of access.

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As you requested, we did not obtain official agency comments on this report. However, during the course of our review we discussed the information in this report with program officials and have incorporated their comments throughout the report as appropriate.

We plan no further distribution of this report until 30 days from the date of this letter, unless you publicly announce its contents earlier. At that time, we will provide copies to other interested congressional committees and the heads of executive branch agencies discussed in it. Copies will also be made available to others on request.

This report was prepared under the direction of Allan I. Mendelowitz, Director, International Trade, Energy, and Finance Issues, who may be reached on (202) 275-4812 if you or your staff have any questions. Other major contributors are listed in appendix V.

Sincerely yours,



Frank C. Conahan  
Assistant Comptroller General



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**Abbreviations**

ACS	Automated Commercial System
APHIS	Animal and Plant Health Inspection Service
BTA	Border Trade Alliance
GSA	General Services Administration
ICC	Interstate Commerce Commission
INS	Immigration and Naturalization Service
USDA	U.S. Department of Agriculture

# Issues Affecting Commercial Traffic Along the U.S.-Mexico Border

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Strong growth in trade across the U.S.-Mexico border since 1986 has strained the capacity of the existing border infrastructure. This strain, together with anticipation of a free trade agreement, has led many concerned parties to question how to handle the increasing flow of commercial traffic across the southwest border. This appendix discusses the issues raised by private sector groups and federal, state, and local government officials as challenges to that increased traffic flow—namely (1) the process for planning and expanding border inspection facilities, (2) efforts to expedite processing of border commercial traffic, (3) staffing of U.S. inspection agencies along the border (4) roads and highway infrastructure needs at certain major border entry ports, and (5) transborder access for commercial trucks.

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## U.S. and Mexican Border Facilities

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### U.S. Border Facilities

U.S. private sector, federal, and local officials state that currently there is no long-range planning process for designing, constructing, or renovating border facilities. But existing facilities cannot adequately accommodate the current flow of commercial traffic, or adjacent areas are not available for expansion, according to some officials. For example, they note that when the commercial inspection facility at Otay Mesa in San Diego was designed, planners did not anticipate the increase in commercial activity that occurred after 1986 when Mexico liberalized trade. Consequently, the 1985 facility is already inadequate.

Under the Southern Border Capital Improvement Program authorized by Congress in 1988 (see app. II), U.S. federal agencies sought to provide room for expansion of existing facilities in the event of increased traffic along the U.S.-Mexico border. According to a Customs regional commissioner, the ongoing Capital Improvement Program projects are calculated to provide adequate space for increased commercial and noncommercial vehicle traffic for at least the next 5 to 10 years. However, these projects were planned before discussions on a free trade agreement between the United States and Mexico began. The agreement could result in an additional increase in transborder commercial traffic.

Both General Services Administration (GSA) and U.S. Customs officials recognize the necessity for an overall plan to objectively assess needs at the southwest border. The Border Trade Alliance (BTA) suggests that a

joint U.S.-Mexico task force on ports of entry and border matters be created to establish a long-range plan for port capital improvement projects along the border.

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## **Mexican Border Facilities**

Although Customs' Otay Mesa commercial inspection facility near San Diego was built in 1985, U.S. Customs is still routing trucks headed into Mexico through the former commercial facility because there is no Mexican processing facility directly across the border from Otay Mesa in Tijuana. Mexican authorities plan to develop a commercial cargo processing facility south of the current Otay Mesa border station, but it will not be adjacent to the planned 16-acre commercial lot on the U.S. side. Therefore, commercial vehicles will not be able to move directly between the two processing facilities.

There is no commercial inspection lot in Nuevo Laredo, Mexico. Consequently, according to Laredo, Texas, city officials, Mexican Customs inspections are conducted directly on the vehicle lanes leading to and from the Mexican customs booths. This delays other traffic from reaching the booths. Currently, the Mexican government is building an import inspection facility in Nuevo Laredo to address this problem.

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## **Processing of Commercial Traffic**

The U.S. and Mexican governments have introduced new procedures to ease congestion and expedite processing of commercial traffic. In addition, since 1987 U.S. and Mexican customs officials have held periodic consultations to facilitate cross-border trade. However, government officials as well as private sector groups told us that congestion and delays at the border are still common. U.S. Customs officials note that in processing commercial traffic they must balance the legitimate interests of the business community for expedited processing against national objectives to prevent smuggling illegal narcotics into the United States.

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## **U.S. Processing Systems for Expediting Commercial Traffic**

In recent years the U.S. Customs Service has adopted a number of automated and simplified procedures to expedite processing of commercial traffic. In 1984 Customs introduced the Automated Commercial System (ACS), a central data bank of import data transmitted electronically by customs brokers and government officials. According to Customs officials, ACS has improved efficiency and productivity for border processing by eliminating paper documents and by identifying high risk imports to which Customs inspection and import specialist resources can be directed.

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An important feature of ACS is the Automated Broker Interface, which allows customs brokers to access the ACS data bank. Using the Automated Broker Interface, brokers can obtain useful trade data, including tariff rates, quota status, and cargo entry and collection status. More importantly, through the Interface brokers may electronically submit in advance the information requested on the border release documents.

In 1987 Customs introduced another automated system, known as "line release." It is designed to facilitate the entry and clearance of certain commodities through the use of personal computers and bar code technology. Line release allows import cargo that has consistently problem-free cargo manifests and invoices to bypass standard Customs' and other regulatory agencies' inspections.

To qualify for line release, commodities must also be free of enforcement concerns (marking violations, penalties, seizures, fraud, and suspected narcotics); require no special documentation; and be selected by local Customs Districts on the basis of high volume and low risk cargoes. The line release system's automated process allows for quick, computerized identification of the commodity, producer, importer, and broker.

Customs officials and the business trade community express support for the line release program. While general processing and clearance of commercial cargo usually takes 10 to 20 minutes, depending on port of entry, processing under line release can usually be completed in less than 2 minutes, according to Customs officials. Line release processing can also be performed at primary lanes, reducing congestion at Customs import lots.

In December 1990 Customs introduced as a pilot project in El Paso a new system known as border cargo selectivity. This new system reduces the number of data elements that must be submitted on the border release documents and provides rapid responses to brokers on the status of their shipments. A spokesperson for a major customs brokerage firm in El Paso praised the new system and noted that most of his firm's transactions are currently handled using this system.

According to a study prepared for Customs' Office of Inspection and Control, Customs officials and brokers observed that the various automated programs used in commercial cargo processing need to be more closely integrated in the ACS Automated Broker Interface system. The study also noted that Customs officials familiar with processing at the border would like to merge the Treasury Enforcement Communications

System with ACS. The Treasury system is a data base containing information on criminal activity from most other federal law enforcement agencies. Integrating the two systems would facilitate Customs inspectors' dual roles of expediting legitimate commercial traffic while preventing narcotics smuggling.

According to an Office of Inspection and Control study, there is a lack of adequate clerical staff at border stations to provide data entry services for the ACS system. The study noted that Customs has been unable to hire sufficient data entry clerks because the agency does not offer competitive wage rates. Consequently, Customs inspectors are often required to assume data entry functions by manning computer terminals.

Customs officials also raised questions about the feasibility of expanding use of the Automated Broker Interface system among brokers. One Customs official explained that many brokers along the southwest border do not have the resources to obtain the equipment necessary to prepare transactions through current or future automated programs. Other officials said that Customs needs to develop a system that rewards companies for using the automated systems while not penalizing smaller brokers that cannot afford to automate their operations.

### **Impact of a Free Trade Agreement on U.S. Processing Procedures**

Customs' Office of Trade Operations is working closely with the Office of the U.S. Trade Representative to assure that policy decisions on free trade can be implemented in practical and expedient processing procedures. Of particular concern are rules of origin, which must be designed in such a way that they cannot be circumvented to obtain free trade agreement privileges for goods that do not originate within the exporting country. Customs wants these rules to be simple, easy to understand, and enforceable so that they will not impede expedited processing procedures. Customs officials said that free trade agreement negotiations with Mexico and Canada may provide an excellent opportunity to further standardize and simplify customs requirements. They also hope the negotiations will bring the governments and business communities closer to the goal of providing fully electronic and paperless customs processing.

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## New Processing Procedures Implemented by Mexico

Recently Mexico adopted a pilot preclearance procedure known as "despacho previo." This procedure expedites the movement of both rail and truck traffic by requiring the processing of paperwork and the payment of applicable fees in advance of the actual border crossing. There is general support for the program, and U.S. railroad officials say they would like to see it implemented throughout the border.

In addition, Mexico has implemented a random selection procedure, or "sistema aleatorio," for inspections of import shipments. The new system expedites processing by requiring inspections for only a limited number of total shipments. According to Mexican authorities, the new procedure also minimizes the chances of arbitrary charges or inspections.

While there has been some movement to expedite and simplify Mexican border processing procedures, U.S. government officials familiar with Mexican Customs stress that Mexico needs to adopt more automated systems. According to these officials, Mexican Customs still relies on traditional manual procedures to gather and maintain relevant data on commercial traffic. They warn that substantial increases in trade between the United States and Mexico under a free trade agreement could overwhelm Mexican Customs' ability to process commercial cargo.

## Maquiladora Sealing Program

In 1989 U.S. and Mexican Customs developed a maquiladora sealing program to speed low-risk shipments through Mexican export controls and U.S. import processing procedures. The program relies on proper security measures at the Mexican maquiladora<sup>1</sup> plant and the execution of a tripartite agreement between the U.S. Customs District Director, his Mexican counterpart, and the maquiladora operator. However, according to U.S. Customs District management, the strict security requirements of the maquiladora sealing program have discouraged companies from taking advantage of this program. Customs officials explained that many maquiladoras have preferred to export their products under U.S. line release.

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<sup>1</sup>The maquiladora program was established by the Mexican government in 1965 to generate economic development along Mexico's economically depressed northern border. Under the program, plants may import raw materials, components, and machinery free of Mexican import duties with the stipulation that plants export most of their products.

## Staffing at Ports of Entry

According to U.S. federal and local officials and private sector representatives, inspection agency staffing along the southwest border has not kept up with recent increases in pedestrian, motor vehicle, and commercial cargo truck traffic. The principal federal agencies involved in inspections and clearance along the border are the U.S. Customs Service, the Immigration and Naturalization Service (INS), and the U.S. Department of Agriculture (USDA). Customs plays the leading role in processing commercial traffic, INS is primarily responsible for clearing passenger vehicles and pedestrian traffic, and USDA officials inspect agricultural and livestock products. In recent years the number of federal inspection personnel has remained relatively constant, while border traffic flows have increased substantially.

## U.S. Customs Service

The U.S. Customs Service is responsible for developing and implementing policies and regulations to clear cargo, pedestrians, and passenger vehicles entering the United States. This responsibility includes processing entry documents, collecting duties, inspecting for illegal substances and contraband, and enforcing laws of other federal agencies.

In fiscal year 1990 the Customs Service was authorized a total of 1,586 positions for the four districts along the southwest border (Laredo, El Paso, Nogales, and San Diego). Of these, 1,263 were inspectors, and only 1,164 inspectors were on board. While the actual number of inspectors on board increased by 12 percent between fiscal years 1987 and 1990, northbound commercial traffic during this period increased by 42 percent for trucks and 29 percent for railcars (see tables I.1. and I.2).

**Table I.1: Percentage Change in Northbound Commercial Traffic, 1987-1990**

Customs district	Railcar traffic (percent)	Cargo truck traffic (percent)
Laredo	63	53
El Paso	-1	88
Nogales	76	38
San Diego	-37	4
<b>Total</b>	<b>29</b>	<b>42</b>

Source: U.S. Customs Service.

According to a Customs official, recognizing that there had been a substantial increase in Customs' work load along the southwest border, the Congress authorized and funded an additional 351 inspector positions for these four border districts in fiscal year 1991. At this time, however,

**Appendix I  
Issues Affecting Commercial Traffic Along  
the U.S.-Mexico Border**

many of these positions have not been filled because of delays involved in recruiting and training inspectors.

**Table I.2: Southwest Border Customs Inspectors Authorized and On Board, Fiscal Years 1987 and 1990**

	1987	1990
<b>Laredo</b>		
Authorized	368	407
On board	380	376
<b>El Paso</b>		
Authorized	n/a	267
On board	177	247
<b>Nogales</b>		
Authorized	151	155
On board	143	160
<b>San Diego</b>		
Authorized	392	434
On board	339	381
<b>Total</b>		
Authorized	n/a	1,263
On board	1,039	1,164

Note: n/a denotes not available.

Source: U.S. Customs Service.

According to Customs management at the southwest border districts, there also is a high level of attrition in inspector positions. District managers also said that for various reasons they find it difficult to recruit inspectors. In one border district, management noted that the cost of living is quite high in relation to salaries offered to new inspectors. Consequently, it is difficult for inspectors to afford housing and meet other living expenses. In another district, management said that difficult working conditions, such as excessive overtime at some border entry ports, present significant hardships for inspectors. Customs officials also noted serious air pollution problems at one major border port and other problems that have an adverse impact on the quality of life for inspectors.

Most of the Customs district managers as well as regional and headquarters officials we interviewed said current staffing levels are inadequate to handle the existing border traffic. Some Customs officials said they are not only short of inspectors to meet the ever-increasing levels of commercial traffic, but when the capital improvement projects are completed they may not be able to fully staff expanded facilities.



Local officials and private sector spokespersons we interviewed throughout the southwest border also expressed concern about Customs' staffing levels. They noted that typically many primary inspection lanes<sup>2</sup> are not fully staffed during regular work hours. They are also concerned about Customs' ability to adequately staff the inspection facilities being constructed or expanded under the Capital Improvement Program.

Private sector and local officials noted that delays with inspections at the border are common even though the Customs Service has adopted automated processing procedures for commercial cargo. They believe these delays are due to insufficient staff.

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## **Immigration and Naturalization Service**

At the border ports of entry, INS is primarily responsible for inspecting passenger vehicles and pedestrian traffic to determine if people entering the United States have proper documentation. Since Customs and INS share responsibility for processing primary inspection lanes, INS staffing levels indirectly affect Customs' resources available for processing and inspecting commercial traffic.

There are two INS regions along the U.S.-Mexico border. The Southern Region includes Texas and New Mexico, while the Western Region includes Arizona and California. In fiscal year 1991 the Southern Region was authorized 352 land border inspector positions, and the Western Region was authorized 282 land border inspector positions. Although there has been a major increase in pedestrian and private vehicle traffic along the border, the number of authorized inspector positions for INS along the border has not changed since fiscal year 1988.

In a recent review of INS management issues,<sup>3</sup> we reported that INS' eight largest land border crossings are considerably understaffed, causing long delays to cross into the United States. INS staffing guidelines call for a ratio of one inspector for every 200,000 annual inspections. At all land border crossings, INS has authorized 1,103 positions to process nearly 377 million passengers, for a ratio of 1 inspector for each 342,000 passengers, considerably above the INS guidelines. For San Ysidro, California, the largest port of entry for passenger vehicles along the

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<sup>2</sup>Primary inspection lanes are the initial checkpoint at border crossings through which both passenger vehicles and commercial vehicles must enter.

<sup>3</sup>Immigration Management: Strong Leadership and Management Reforms Needed to Address Serious Problems (GAO/GGD-91-28, Jan. 23, 1991).

southwest border, the staffing ratio is 533,000 inspections per inspector. We concluded that to meet staffing guidelines, INS would need to increase its inspection staff by 167 percent. INS officials agreed that land border crossings are severely understaffed but noted that additional factors should be used to determine the exact number of inspectors needed.

INS' inability to fully staff primary lanes causes delays for Customs' processing of commercial vehicles in two ways. Customs gives priority to pedestrians and private vehicles over commercial traffic, so when INS cannot fully staff these lanes Customs officers must assume greater responsibility for processing noncommercial traffic. This fact, in turn, reduces the number of Customs inspectors available to process commercial traffic and leads to delays for commercial vehicles. Moreover, when primary inspection lanes are understaffed at some border crossings, traffic tends to back up, blocking the access of commercial vehicles to Customs processing.

Shortage of INS staff is already a problem at some ports. For example, INS officials informed the local business community in Laredo, Texas, that no additional personnel nor overtime has been budgeted in fiscal year 1991 to staff entry lanes at the new Laredo-Columbia International Bridge, scheduled to open in July 1991. INS officials said that if they are instructed to staff the new bridge, they will have no choice but to shut down some lanes at Laredo's two other international bridges.

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### **INS Land Border Staffing Model**

Our January 1991 report recommended that INS design a multiyear staff development program to assure that appropriate people are properly trained and developed to manage INS and carry out its mission. U.S. Customs and INS officials said that whether or not a free trade agreement is reached between the United States and Mexico, more inspectors are needed along the border. For fiscal year 1993 INS plans to use a Land Border Staffing Model to identify the number of inspectors needed at the border.

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### **U.S. Department of Agriculture**

The Animal and Plant Health Inspection Service (APHIS) is the principal agency of the U.S. Department of Agriculture that performs inspections at the border. APHIS is responsible for inspecting plant and animal imports entering the United States to determine if they carry pests or diseases that could potentially threaten domestic crops and livestock. In recent years, U.S.-Mexico agricultural trade has experienced significant

growth. From 1986 to 1990, Mexican live animal exports to the United States increased by almost 49 percent, while Mexican fruit and vegetable exports increased by 65 percent. In comparison, APHIS funded authorized positions along the southwest border increased by 11 percent from fiscal year 1986 to 1991.

There are two APHIS regions along the U.S.-Mexico border. The South Central Region includes Texas and New Mexico, and the Western Region includes Arizona and California. In fiscal year 1991 the South Central Region had 108 funded and authorized positions; the Western Region had a total of 55 funded and authorized positions. Staffing for the Western Region has remained constant for the last 6 years. Funded and authorized positions for the South Central Region increased from 97 in fiscal year 1986 to 108 in fiscal year 1991.

Based on the work load at Mexican border ports and the animal disease risk present at these locations, APHIS officials believe additional quarantine inspection personnel are needed. For example, recent APHIS border staffing guidelines suggest that personnel for the Western Region needs to be increased to 70 staff years to cover projected work load.

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## **Transportation Infrastructure**

In order to facilitate the flow of commerce between the United States and Mexico, adequate transportation infrastructure is necessary on both sides of the border. Texas state and local officials expressed concern over the current budgetary burden and the potential impact of a free trade agreement on transportation infrastructure. Mexico's transportation infrastructure has not been able to adequately accommodate increased trade in recent years, and university studies indicate that existing roads and highways in Mexico may be dangerous.

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## **Infrastructure Issues in Texas**

In Texas recent increases in commercial traffic flow have strained the capacity of border communities, and they have not maintained or upgraded existing transportation infrastructure. The state of Texas is seeking federal funding to help it meet infrastructure transportation requirements along the border. Major border port communities also expressed a need for federal and state funding to upgrade local roads.

The Texas State Department of Highways and Public Transportation has initiated a number of projects to address existing congestion along the Texas-Mexico border. The Department estimates these highway

infrastructure projects will cost approximately \$600 million. State officials stress that these projects were only intended to alleviate existing congestion and do not reflect anticipated traffic increases due to a free trade agreement. State officials explain that there is not enough funding available to do appropriate long-range planning. Only 40 percent of currently authorized projects are funded.

They argue that Texas needs additional funds to address current and projected transportation infrastructure requirements in border areas due to increased commercial traffic from Mexico. In a recent field hearing on the reauthorization of the Federal Aid Highway Program, the Governor of Texas urged Congress to give special consideration to the increased transportation needs of Texas in anticipation of the free trade agreement with Mexico.

As part of their long-range planning efforts, Texas authorities propose developing a four-lane, divided highway network known as the "trunk system" to expand and complement existing interstate highways. The trunk system, which is primarily intended to provide direct access to every city in the state with a population of over 20,000, will also connect with major border entry ports. The Texas Department of Highways and Public Transportation has found that about three-quarters of the planned trunk system meets federal criteria for highways of national significance and would qualify for funding under the reauthorization of the Federal Aid Highway Program.

Texas transportation authorities have also initiated a study to determine the impact of the maquiladora industry on the Texas highway system. This study will include information on the current level of export, import, and maquiladora traffic; develop forecasts of traffic growth in these three components; and identify current and future constraints on international bridges and roadway networks within the Texas border zone. This study is not expected to be completed until the end of 1991.

Local officials noted that existing roads and thoroughfares in and around the city of Laredo, Texas, are strained by the current level of trade with Mexico. They reported that the number of cross-border truck shipments through the port of Laredo increased by 72 percent over the last 3 years. The city of Laredo has been spending over \$2.5 million annually to improve and maintain local streets and roads. Laredo also committed \$12 million toward construction of the new Laredo-Columbia international bridge.

Laredo officials expressed concern about the anticipated impact of a U.S.-Mexico free trade agreement and said that the city will need over \$300 million to fund necessary infrastructure improvements. Noting the economic benefits derived by the state of Texas from trade with Mexico entering through the city of Laredo, local officials are seeking financial assistance from the state's Department of Highways and Public Transportation. Laredo officials and business groups are also urging the Congress to provide more highway funds.

Representatives of the city of El Paso have expressed concern over the increase in commercial traffic on city streets and highways resulting from increased trade with Mexico. According to the El Paso Chamber of Commerce, international truck traffic through the city nearly doubled from 1989 to 1990. The city's 5-year transportation plan indicates a need for improvements to the area's transportation network totaling \$726 million. However, this estimate does not take into consideration the impact of a free trade agreement on the area's commercial traffic. In addition, city officials explain that to relieve congestion due to commercial traffic in El Paso, new border ports of entry are planned for nearby New Mexico communities. However, they note that this plan will necessitate constructing additional roadways to link the new ports with the commercial center at El Paso. Ultimately, city officials believe that millions of new highway dollars will be necessary to meet the most basic needs of the increased international traffic.

The only bridge in the El Paso metropolitan area currently serving commercial traffic will probably require major renovation or replacement in the near future.<sup>4</sup> The International Bridge of the Americas between El Paso and Juarez, Chihuahua, Mexico, is the property of the International Boundary and Water Commission. According to the commission, this bridge has suffered significant deterioration that will require the two countries to take immediate action to restrict truck traffic. The United States and Mexico are currently attempting to reach an agreement on whether to rehabilitate or replace the bridge. El Paso city officials are concerned about how renovation or replacement of the bridge will be financed.

Local officials in Brownsville, Texas, also noted the tremendous increase in commercial traffic through the city's roads and streets. Commercial truck traffic from Mexico going through the city has almost doubled

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<sup>4</sup>A second bridge (Ysleta-Zaragosa II) capable of handling commercial traffic recently began operations.

from 1986 to 1990. Due to congestion on principal thoroughfares, commercial trucks now pass through the residential streets on their way into and out of Mexico. City officials identified 15 ongoing or recently completed construction projects on city streets affected by heavy truck traffic, at a cost of over \$6 million. While the city has paid for most of these projects by issuing municipal bonds, local officials said the community needs state and federal funding to help it meet transportation infrastructure requirements due to increased commercial traffic from Mexico.

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## **Mexico's Transportation Infrastructure Issues**

Mexico's transportation infrastructure has proved inadequate to handle the large increase of trade in recent years, according to a Laredo State University study. If the infrastructure is not improved, it may continue to limit trade volume with the United States. The recent study characterizes Mexico's roads and highways as potentially dangerous. U.S. officials cited several infrastructure problems on the Mexican side and stressed the importance of adequate facilities in both countries to accommodate the flow of traffic. Examples of problems with Mexico's border infrastructure were cited at Nogales, Tijuana, and Nuevo Laredo.

The analysis of Mexico's roads and highways conducted by researchers at Laredo State University found that Mexico does not have a large network of quality highways. Only 8.5 percent of the few miles of primary roads are four-lane highways. Also, the curves on Mexican highways are 2 times tighter than in the United States. The minimum curve radius in Mexico for its best highways is 878 feet, while in the United States it is 1,637 feet.

In Nogales, Arizona, commercial vehicle processing facilities and roads on the U.S. side of the border have been and are being expanded to accommodate increased trade. However, on the Mexican side of the border the existing highway is too narrow to handle higher levels of truck traffic. Spokesmen for a Mexican growers' association said there are plans to widen and improve the existing highway on the Mexican side. Nevertheless, trucks entering the United States during the peak agricultural produce import season must still wait in long lines which, according to some local officials, can extend for as far as 3 miles.

A Border Trade Alliance official noted that the Mexican government recognizes Laredo's strategic importance as a transportation hub and has the desire to fund major projects in the area. However, unlike the United States, where either private parties or local or federal agencies initiate

an infrastructure project, the federal government of Mexico controls the resources for the country's infrastructure. Due to existing budgetary constraints, the Mexican government is reportedly beginning to seek private investment, especially from foreign sources, to finance infrastructure projects. However, to date the private sector has shown little interest in Mexican infrastructure development.

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## **Access and Reciprocity for Commercial Trucks**

The issue of reciprocal access for commercial motor carriers in both countries remains a major obstacle to normalizing transborder commercial traffic between the United States and Mexico. Since most commerce in both directions occurs by land, obtaining free access and reciprocal treatment is expected to be a key issue in transportation negotiations. Whereas Mexican commercial motor carriers are permitted to operate in the United States, U.S. commercial carriers generally are denied access to Mexico.

One restriction on U.S. commercial carriers' access into Mexico involves the Mexican constitution's disallowance of foreign drivers. There also is no bilateral agreement between the United States and Mexico that would guarantee reciprocal access for commercial vehicles. However, since Mexico's recent deregulation of its trucking industry, some U.S. commercial vehicles have been able to gain limited access into Mexican border communities. In response to Mexico's restrictions on U.S. commercial carriers, the United States passed restrictions, such as those outlined in section 226 of the Motor Carrier Safety Act of 1984 (P.L. 98-554). The restrictions limit Mexican commercial motor carriers' access into the United States.

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## **Restrictions on U.S. Motor Carriers' Access to Mexico**

The Mexican constitution prohibits foreigners from operating commercial vehicles in Mexico. However, in 1955 the Mexican government issued a declaration, known as the "Ruiz Cortines Decree," which established the legal basis for the operation of U.S. motor carriers within Mexico's border area. While the decree provided legal precedent for U.S. motor carrier access to Mexico, it has not been uniformly applied across the border, and U.S. commercial motor carriers are effectively denied access to most areas of Mexico.

Since 1987 the U.S. Department of Transportation, in discussions with Mexico's Secretaria de Comunicaciones y Transporte, has sought to expand border access for motor carriers. However, pressure from

truckers' unions has so far prevented the Mexican government from liberalizing laws on access for foreign commercial carriers into Mexico.

Currently, the only Mexican community along the border where U.S. motor carriers enjoy reciprocal treatment is the city of Nuevo Laredo across from Laredo, Texas. Laredo is the major motor carrier crossing point in Texas. A local informal agreement between U.S. and Mexican carriers in Laredo and Nuevo Laredo allows each side's tractors (truck cabs) to deliver trailers across the border, but they must return without a load or with an empty trailer. Local officials and truckers and shippers on both sides of the border hail this arrangement as a model solution for other border entry port problems. However, U.S. federal authorities consider the arrangement to be inefficient.

Despite overall lack of reciprocal access for U.S. commercial motor carriers, in recent years Mexican authorities have granted access to some U.S. commercial vehicles. In July 1989 Mexico deregulated its trucking industry. One of the effects of the deregulation was to allow U.S. maquiladora plants in Mexico to use their own fleet of motor carriers to transport their inputs and final products across the border. On December 7, 1990, the U.S. Department of Transportation and the Mexican Secretaria de Comunicaciones y Transporte reached an agreement that gave U.S. tourist buses the same access to Mexico enjoyed by Mexican tourist buses in the United States.

According to a Department of Transportation official, in October 1990 a high level official in Mexico's Secretaria de Comunicaciones y Transporte announced that Mexico would grant U.S. truckers access into Mexican border communities. However, on March 6, 1991, at the semiannual meeting of the U.S.-Mexico Transportation Working Group, representatives of the Mexican federal government retracted this promise.

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### **Restrictions on Mexican Motor Carriers' Access to the United States**

In retaliation for Mexico's refusal to grant access to U.S. commercial motor carriers, the United States has sought to limit access by Mexican carriers to specified commercial zones. Section 226 of the 1984 Motor Carrier Safety Act sets forth two provisions that restrict access by foreign motor carriers to the United States.

Section 226 requires that foreign commercial motor carriers operating in the United States remain within designated commercial zones along the U.S.-Mexico border as defined by the Interstate Commerce Commission (ICC). The limits of the ICC commercial zones generally encompass the



border port of entry and contiguous municipalities or areas that are commercially a part of such a port of entry. Section 226 also requires that all foreign motor carriers obtain a certificate of registration from the ICC to operate within these commercial zones.

In order to obtain a certificate of registration from the ICC, Mexican motor carriers must have insurance to operate in the United States. The Mexican motor carriers must also have paid all applicable U.S. highway taxes to the Internal Revenue Service and have agreed to comply with U.S. equipment safety standards for vehicles' brakes, lighting, and electrical systems. Enforcement of the certificate requirement is the responsibility of the ICC and the U.S. Customs Service. State highway patrols are primarily responsible for enforcing the commercial zone restriction as well as safety standards.

According to researchers at the University of Texas at El Paso, U.S. Customs has had difficulties enforcing the complex certificate requirement. Moreover, local and federal officials at the border report that most Mexican motor carriers are still unable to meet federal motor carrier safety requirements. Although the Motor Carrier Safety Act was passed in 1984, Mexican motor carriers were exempt from federal motor carrier safety regulations until January 1, 1990. A front wheel brake requirement officially took effect for Mexican motor carriers on January 1, 1991. Currently, Mexican motor carriers do not meet that requirement, according to U.S. officials we interviewed. U.S. authorities have met significant resistance when they have attempted to enforce federal motor carrier safety requirements and have imposed penalties on Mexican motor carriers at some ports of entry. At such times, Mexican Customs, local law enforcement agencies, and motor carriers' unions have reportedly retaliated by limiting the access of U.S. vehicles into Mexico at these ports of entry. These disruptions in the flow of commercial and passenger traffic have caused considerable hardship for communities on the U.S. side of the border. Consequently, local officials in these communities have pressured state and federal agencies to limit enforcement of the motor carrier safety regulations.

Although they prefer not to see disruptions in commercial traffic along the border, local officials at the major U.S. ports of entry expressed concern over the failure of Mexican commercial motor carriers to meet equipment safety standards. A recent statement by the Mexico-U.S. Border Governors' Conference calls for the establishment of common criteria for technical specifications for trucks.

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**Appendix I  
Issues Affecting Commercial Traffic Along  
the U.S.-Mexico Border**

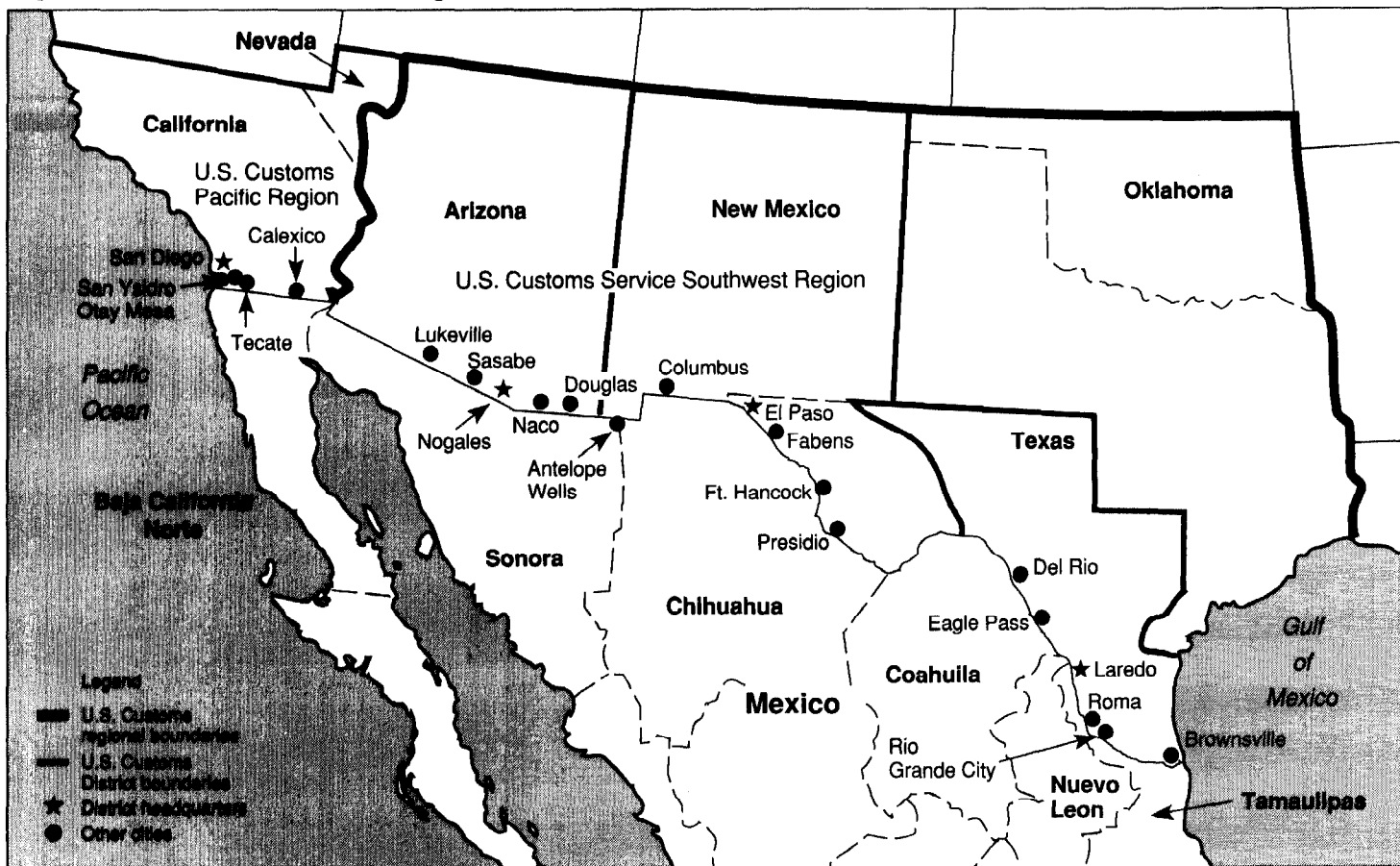
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Another U.S. restriction is expected to affect Mexican motor carriers in the United States. Under the Motor Commercial Vehicle Safety Act of 1986 (P.L. 99-570, title 12 of the Anti-Drug Abuse Act) Mexican commercial drivers will be required to obtain commercial driver licenses that meet standards set by the U.S. Department of Transportation.

# U.S. Customs' Southwest Border Districts

The border between the United States and Mexico extends for more than 2,000 miles from the Gulf of Mexico in the east to the Pacific Ocean in the west. On the U.S. side, four states (Texas, New Mexico, Arizona, and California) share the border with six Mexican states to the south. There are four Customs Districts on the U.S. side of the border. Three of these districts (Laredo, El Paso, and Nogales) fall within the jurisdiction of the U.S. Customs Service's Southwest Region; the fourth (San Diego) is part of Customs' Pacific Region (see fig. II.1).

Figure II.1: U.S. Customs Districts Along the U.S.-Mexico Border

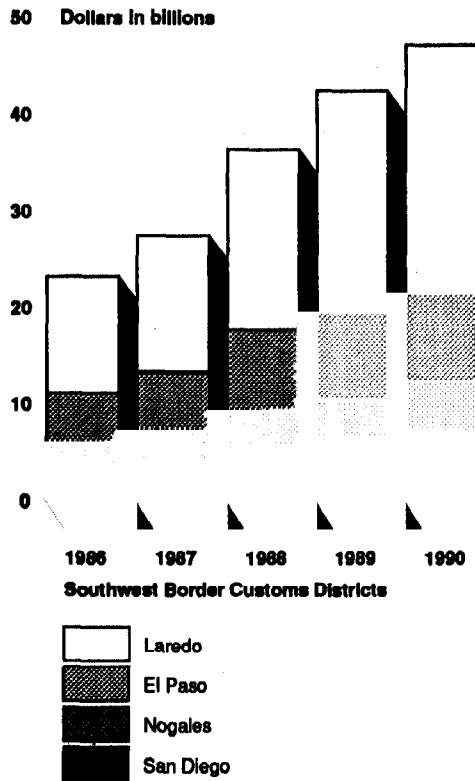


Source: U.S. Customs Service.

In recent years the development of the maquiladora industry and the liberalization of Mexican markets following Mexico's 1986 accession to the General Agreement on Tariffs and Trade have led to a significant

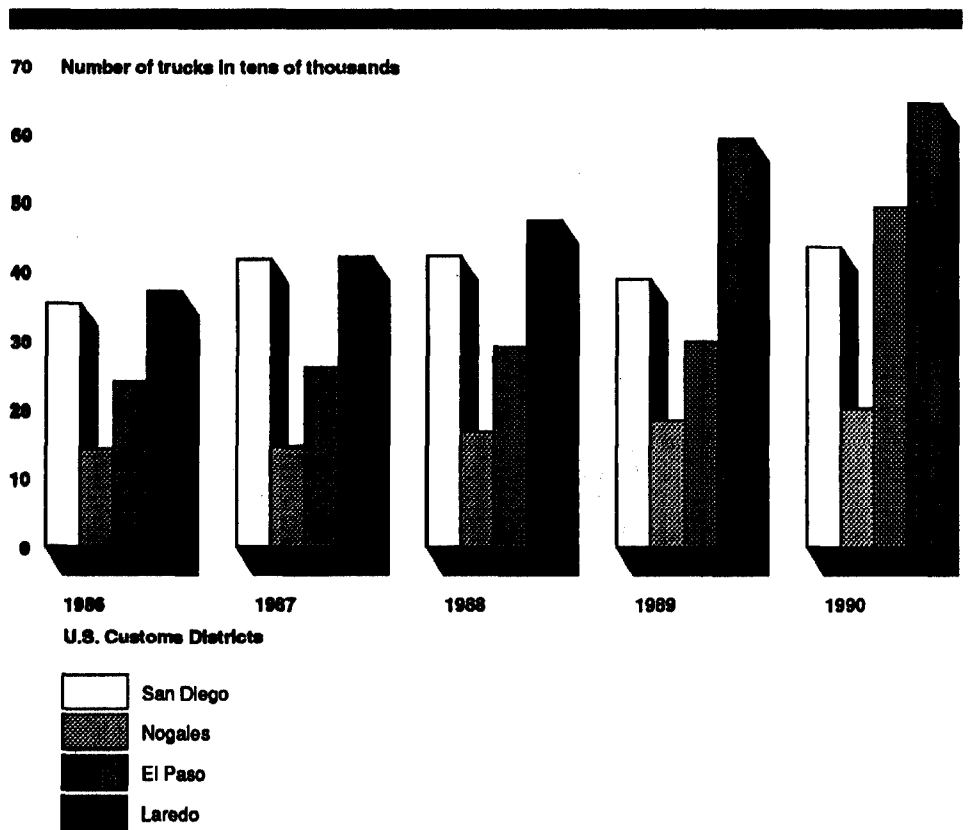
increase in bilateral trade (see fig. II.2). Commensurate with this development in trade, there has been a considerable increase in commercial traffic along the border. While there are no exact figures on overall traffic flows across the border, U.S. Customs Districts provided data on the number of northbound commercial motor carriers (trucks) and railcars processed at most border entry ports. The data indicate the number of northbound trucks processed at the border grew from about 1.1 million in 1986 to 1.8 million in 1990 (see fig. II.3). The number of northbound railcars processed at the southwest border during the same period increased from approximately 71 thousand to 116 thousand (see fig. II.4).

**Figure II.2: Imports and Exports Between the United States and Mexico at the Southwest Border Customs Districts**



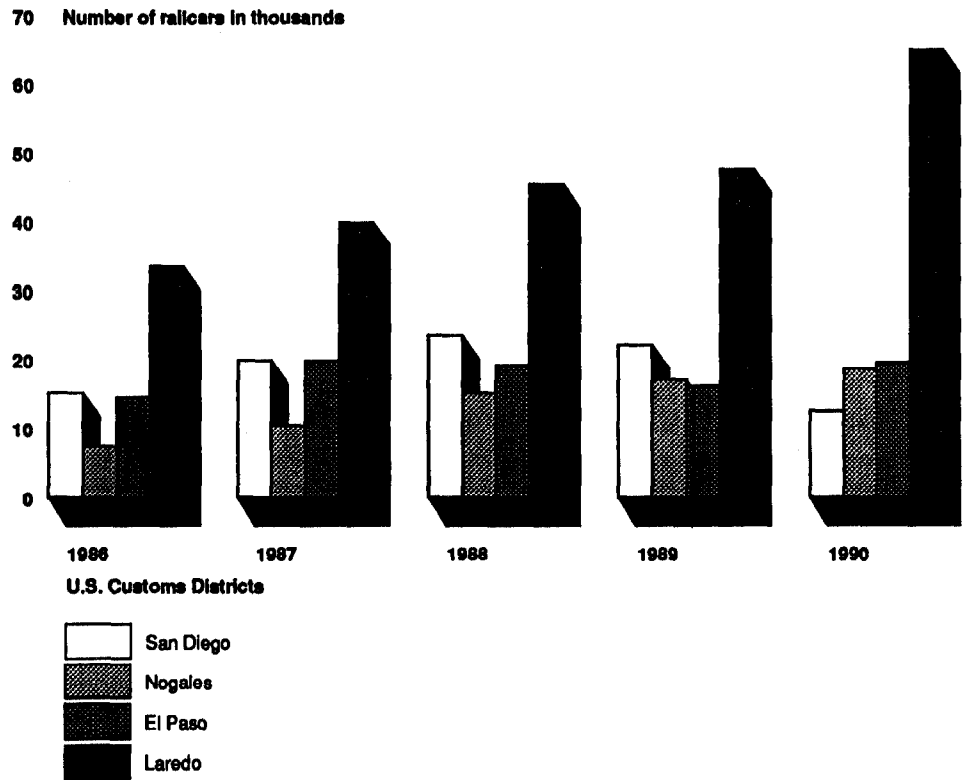
Source: U.S. Census Bureau.

**Figure II.3: Northbound Commercial Motor Vehicles (Trucks) Processed at Southwest Border**



Source: U.S. Customs Service Border Districts.

**Figure II.4: Northbound Commercial Railcars Processed at Southwest Border**



Source: U.S. Customs Service Border Districts.

Recognizing the need to facilitate the flow of traffic across the U.S.-Mexico border, in fiscal year 1988 Congress authorized funding for the General Services Administration (GSA) to renovate, replace, and construct border stations under the Southern Border Capital Improvement Program (P.L. 100-202). Total appropriations through fiscal year 1991 for the Capital Improvement Program are \$357 million, covering 51 projects along the entire southern border (see table II.1). Projects include pedestrian, passenger, and commercial vehicle processing and inspection facilities.

**Table II.1: Funding by U.S. Customs District Under the Southern Border Capital Improvement Program, 1986-1991**

Dollars in millions		
District	Border projects affected	Funding
Laredo, Texas	21	\$122.4
El Paso, Texas	10	49.2
Nogales, Arizona	8	39.7
San Diego, California	12	125.7
Unallocated	0	20.0
<b>Total</b>	<b>51</b>	<b>\$357.0</b>

Source: General Services Administration.

## Laredo

Among the four Southwest Border Customs Districts, Laredo has the largest work load in commercial traffic. The Laredo district accounts for more than one-half of U.S.-Mexico trade along the southwest border. In 1990 the total value of bilateral trade through the district reached \$25.5 billion. A wide variety of commodities are traded through the Laredo district. Major imports include automobile parts, maquiladora products, food, and live animals.

The Laredo district includes most of southern Texas along the Rio Grande valley. There are 15 international bridges in the district across the Rio Grande, which defines the U.S.-Mexico border. The district's major ports of entry for commercial traffic are Laredo, Del Rio, Eagle Pass, Roma, Rio Grande City, Hidalgo, Progreso, and Brownsville. The city of Laredo is the largest port of entry in the district. The Laredo district handles considerable rail as well as motor carrier commercial traffic. The number of northbound commercial trucks processed along the district has increased by 73 percent from 1986 to 1990. Northbound railcar traffic has experienced a 94-percent increase.

Under the Capital Improvement Program, \$122.4 million has been provided for the Laredo district to expand, renovate, and construct new facilities. The single largest project in the district is the renovation and expansion of the Juarez-Lincoln Bridge border station in the city of Laredo (\$29 million.)

A second project in the Laredo area involves constructing a new border station (\$18 million) to service the new Laredo-Columbia international bridge between Texas and the Mexican state of Nuevo Leon. When all phases of the Capital Improvement Program are completed, the border station at this bridge will have a dock capacity to handle 100 trucks. A

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new border station is also under construction to serve the Brownsville area (\$18 million).

The following is a list we obtained from the Department of State tabulating U.S.-Mexico international bridges and land crossings:

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Bridges

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Laredo Customs District  
(Texas)

Brownsville-Matamoros (Gateway Bridge)  
Brownsville-Matamoros (B&M Bridge) (Railroad also)  
Progreso-Nuevo Progreso  
McAllen/Hidalgo-Reynosa  
Rio Grande City-Ciudad Camargo  
Roma-Miquel Aleman  
Falcon Heights (dam)-Nueva Ciudad Guerrero  
Laredo-Nuevo Laredo II (Lincoln-Juarez)  
Laredo-Nuevo Laredo I  
Laredo-Nuevo Laredo (Railroad)  
Laredo (Dolores)-Columbia (under construction)  
Eagle Pass-Piedras Negras (Railroad)  
Eagle Pass-Piedras Negras I  
Del Rio-Ciudad Acuna  
Amistad Dam (crossing)

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El Paso Customs District  
(Texas)

Presidio-Ojinaga  
Fort Hancock-El Porvenir  
Fabens-Guadalupe  
Ysleta-Zaragosa II (under construction)  
Ysleta-Zaragosa I  
International Bridge of the Americas (Cordova)  
Stanton Street (United States to Mexico only)  
Paso del Norte (Santa Fe) (Mexico to United States only)



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Land Crossings

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El Paso Customs District  
(New Mexico)

Columbus-Palomas  
Antelope Wells-El Berrendo

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Nogales Customs District  
(Arizona)

Douglas-Aqua Prieta  
Naco, Arizona-Naco, Sonora  
Nogales, Arizona-Nogales, Sonora  
Sasabe, Arizona-Sasabe, Sonora  
Lukeville-Sonoyta  
San Luis-San Luis Rio Colorado

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San Diego Customs District  
(California)

Andrade-Los Algodones  
Calexico-Mexicali  
Tecate, California-Tecate, Baja California  
Otay Mesa, California-Mesa de Otay, Baja California  
San Ysidro-Tijuana  
Virginia Street-Chaparral

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El Paso

The El Paso district has the second largest work load in commercial traffic along the U.S.-Mexico border. In 1990 the total value of U.S.-Mexico trade through the district was \$9.1 billion. About 85 percent of commercial traffic through the district is related to the maquiladora industry. Major commodities imported include insulated wiring sets for vehicles, television receivers, and motor vehicle seats.

The district includes the western portion of Texas and New Mexico. There are eight international bridges and two land crossings in the district. Four ports of entry handle commercial traffic: El Paso, Fabens, Columbus, and Presidio. According to Customs officials, over 90 percent of commercial traffic in the district is routed through the city of El Paso. Commodities are imported primarily by trucks, with minimum use of railcars. The number of northbound commercial trucks processed in El Paso more than doubled from 1986 to 1990, and railcars processed experienced an increase of 34 percent.

The El Paso district was appropriated \$49.2 million under the Capital Improvement Program. The two major projects in the district are both in

El Paso. The Customs inspection facility at the International Bridge of the Americas border station is being expanded to accommodate 55 trucks (\$16.7 million). Another inspection facility with 55 dock spaces is under construction to service the new bridge at Ysleta-Zaragosa (\$11.7 million).

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## Nogales

The Nogales district has the lowest volume of commercial traffic among U.S.-Mexico border districts. In 1990 the total value of bilateral trade through the Nogales district was \$5.2 billion. Nogales has the largest number of produce-distributing warehouses along the border. In 1990 produce accounted for more than one-third of the value of imports through the district. About 55 produce warehouses in Nogales process more than 1.4 billion pounds of fresh fruits and vegetables imported from Mexico annually.

The district extends along the entire Arizona-Mexico border and includes a total of six border crossings. The number of commercial trucks processed through the district has increased by 41 percent from 1986 to 1990 and the number of railcars processed more than doubled. Commercial traffic is handled at the ports of Nogales, San Luis, Lukeville, Sasabe, Naco, and Douglas. About three-quarters of commercial motor carrier traffic through the district is routed through the city of Nogales, the largest port of entry in the district.

The Nogales district has been provided \$39.7 million under the Capital Improvement Program, primarily for repair and alteration work on the commercial inspection facilities at Nogales (Mariposa), San Luis, and Douglas. Nogales (Mariposa), the largest commercial port in the state, is expanding its entry booths to four lanes for commercial traffic, widening the road for trucks from one to three lanes, and widening the road into the station from Mexico. Other work includes a new, small commercial port of entry in Naco and repair and alteration work at the smaller ports.

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## San Diego

The San Diego District extends from the California/Arizona border to the Pacific Ocean. In 1990 the total value of U.S.-Mexico trade through the district was \$7.1 billion. Most of the commercial traffic in the San Diego district is related to the maquiladora industry. Major commodities imported include electronics, wood products, and textiles.

The district includes six border crossings between the United States and Mexico. There are four ports of entry for commercial vehicles in the district: Otay Mesa (San Diego), Tecate, Calexico, and Andrade. The largest commercial port of entry in the district is at Otay Mesa. Commercial traffic in the San Diego district consists primarily of trucks. The number of northbound commercial trucks processed along the district increased by 23 percent from 1986 to 1990. Railcar traffic crosses the border through San Ysidro and Calexico ports. Northbound railcar traffic decreased by about 18 percent between 1986 to 1990.

Under the Capital Improvement Program, the San Diego district was provided \$125.7 million. The work will include two new commercial stations, at Calexico (\$43.9 million) and Otay Mesa (\$22 million), and major renovation and expansion projects of over \$10 million each. The largest commercial border station in California is at Otay Mesa, where work is planned for renovation of the existing commercial lot and for construction of a new commercial truck inspection facility on 16 acres of land.

# Current Procedures for Establishing Border Crossings

In the United States, building new border inspection stations or making changes to existing stations is a complicated, lengthy process involving numerous federal, state, and local government agencies. Typically, local communities initiate the process. In Texas, where crossings entail the construction of a bridge across the Rio Grande River, local communities or private interests usually finance construction. State and local governments facilitate commercial traffic by constructing and maintaining roads and highways leading into and out of the border entry ports.

At the federal level a number of agencies are involved in establishing or renovating border station processing facilities. The Department of State is responsible for the official authorization of new border crossings and for formal communications with the government of Mexico. An Inter-agency Committee on International Bridges and Border Crossings, comprised of various federal agencies,<sup>1</sup> considers planning and funding for projects on inspection facilities at border entry ports. This Committee makes recommendations to a working group of regional level representatives from the agencies present at the border. The working group coordinates planning for the construction or renovation of border stations, in cooperation with its Mexican counterparts.

The International Boundary and Water Commission, a joint U.S.-Mexican commission, reviews proposed border crossings to ensure that they do not alter international river courses, thereby changing the location of the international boundary. On the basis of input from Customs and INS, the General Services Administration designs, finances, and awards contracts for constructing or renovating border station inspection facilities. Customs, INS, and APHIS are responsible for staffing border stations to process and inspect traffic entering the United States.

By contrast, on the Mexican side, the federal government has traditionally been responsible for all aspects of planning, financing, and executing the construction of border stations and bridges. Municipalities on the Mexican side are mainly involved in preparing an executive plan for local roads with advice from the Secretaria de Desarrollo Urbano y Ecología. Recently, budgetary constraints have forced the Mexican government to seek private funding in order to finance the construction of roads and bridges.

<sup>1</sup> Agencies represented on the Committee are the Departments of State, Commerce, Housing and Urban Development, and Transportation; GSA; Customs; INS; APHIS; the U.S. Coast Guard; the Environmental Protection Agency; and the International Boundary and Water Commission.

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## Local Input in Planning

In fiscal year 1988 Congress authorized funding for renovation, replacement, and construction projects at numerous border station processing facilities under the Southern Border Capital Improvement Program (see app. II). Under the Capital Improvement Program, Congress directed federal agencies to seek local input in the implementation of projects. Private sector and local officials said that they maintained a good rapport with the federal agencies. However, they complained that federal officials did not always solicit input in a timely manner and were not consistently accessible during the planning process.

Federal officials noted that, while they considered it important to obtain local opinions in planning matters, sometimes they were forced to limit public access to certain interagency consultation. For example, they cannot allow private sector participation in meetings that involve the discussion of proprietary information, such as contract bidding.

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## Need for Continuity

Customs officials noted that there was a need for greater continuity in planning border stations. Department of State officials stated that one reason for project delays was that there was no "institutional memory" or system to share lessons learned from previous projects. Customs and private sector officials suggested that uniform construction plans should be designed that could be altered depending on the size and the special requirements of a particular facility. Standard components could include dock design, internal processing facilities, superbooths, and a public waiting room. Accommodations could also be made for state inspection agencies.

GSA has been working on a border station design guide that will establish standard planning and design criteria. GSA intends that the guide will provide prototype model plans and/or schemes that can be adjusted to meet various border station conditions, such as size, traffic type, and volume. In addition, the guide will include standard or generic design details for repetitive components, such as inspection booths and facilities to handle hazardous materials. However, a GSA official cautioned that the most difficult problem to address was design circulation (routing traffic) and not the building facilities. Circulation varies considerably among border crossings because of factors such as locality (congested urban area versus open rural settings) and type of land (soft soil, seismic activity).

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## Mexican Government Concerns

Mexican government representatives have raised concerns about fragmented responsibility for planning on the U.S. side. For example, according to a Mexican government spokesman, Mexico recently began construction of a new bridge after local officials on the U.S. side had guaranteed that the border station servicing the bridge would be properly staffed. Later, Mexican officials were surprised to learn that Customs and INS had made no specific commitment to provide staffing for the border station.

U.S. federal agency officials acknowledge there are difficulties due to local, state, and federal government involvement in the planning process on the U.S. side. However, they recognize that state and local governments have an important role in planning border facilities, because of their impact on local economic development. They stressed that local government officials should not enter into agreements with Mexico without consulting with Department of State and other federal officials.

# Objectives, Scope, and Methodology

In light of the proposed free trade agreement between the United States and Mexico, we are evaluating (1) the process for planning and expanding border inspection facilities, (2) steps taken by U.S. and Mexican authorities to expedite the processing of border commercial traffic, (3) staffing patterns for the principal U.S. federal agencies involved in inspections along the border, (4) road and highway infrastructure needs at certain major border entry ports, and (5) transborder access for commercial trucks. The principal objective of this report is to identify issues affecting the flow of commercial traffic at the U.S.-Mexico border. The report also presents data on the four U.S. Customs Districts along the U.S.-Mexico border to illustrate recent trends in trade and commercial traffic flows between the two countries.

The information presented in this report is based primarily on interviews, official documents, and statistics provided by the U.S. Customs Service, the Census Bureau, the General Services Administration, the Department of State, the U.S. Department of Transportation, the Immigration and Naturalization Service, the Office of the U.S. Trade Representative, the U.S. Department of Commerce, the International Trade Commission, the Animal and Plant Health Inspection Service, and the Agricultural Marketing Service. In addition to our interviews with federal agency officials in Washington, D.C., we met with District management for the four Southwest Border Customs Districts at Laredo, El Paso, Nogales, and San Diego. These officials are based at the principal ports of entry in each of the districts.

We also met with local government spokesmen in each district to discuss their concerns regarding transborder commercial traffic, border inspections and processing, and infrastructure requirements. We interviewed representatives of the border business community, including the Border Trade Alliance, the Mexico-Texas Bridge Owners Association, maquiladora plant operators, local customs brokers, and chambers of commerce. We also relied on data provided by state and local government agencies, academic institutions, and industry groups in the United States.

To identify local concerns regarding road and highway needs associated with transborder commercial traffic, we met with Texas state and local officials and obtained detailed documentation on their infrastructure plans and budgets. We also contacted California and Arizona officials and determined that both states had planned at least one major highway project to address the needs of transborder commercial traffic. However, these states did not have documentation readily available on their

plans. We did not try to obtain infrastructure data from New Mexico, since the state is not a major participant in U.S.-Mexico trade, and there are no large commercial ports of entry along its border with Mexico. In future work for the Senate Committee on Finance we plan to develop further information on road and highway infrastructure requirements associated with border commercial traffic in these states.

We were unable to obtain comprehensive data on border commercial traffic flows. Consequently, we relied on data for northbound commercial trucks and freight railcars provided by the four U.S. Customs Districts along the border. We did not independently verify figures provided by the Customs Districts. Our discussion of federal inspection agencies' staffing levels focuses on commercial traffic work loads and does not include pedestrian and passenger vehicle traffic, which also has an impact on agencies' work loads. All figures presented are based on calendar year data, except when noted as fiscal year.

We participated in the Inter-Agency Committee on International Bridges and Border Crossings' "border walk" sponsored by the Department of State. This event included visits to ports of entry from San Diego/Tijuana to Yuma/San Luis Rio Colorado. During these visits we had an opportunity to participate in discussions with various Mexican officials responsible for U.S.-Mexican border issues. We also relied on work performed in Mexico on previous reviews to develop our discussion of Mexican border processing and infrastructure needs.

We conducted our review from December 1990 through April 1991 in accordance with generally accepted government auditing standards. As requested, we did not obtain agency comments on this report.



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