

#OneBorder Meeting
Las Vegas
March 11, 2016

Introductory remarks delivered by the sponsors of the #OneBorder meeting focused on a collaborative approach to lobbying and advocating as part of a 2000-mile-long border region. The over-arching goal is to spread fact-based information and promote awareness of the border and its unique impact on the US – Mexico bilateral relationship and on national and continental economies. The speakers emphasized the importance and desirability of broad participation from communities and entities on both sides and along the full length of the border. Educating policy makers and the media to appreciate the “street-level reality” of the border in spite of their preconceptions was immediately identified as a shared objective. In addition, all stressed that the decision to convene the meeting is not intended as criticism of the work currently being done by anyone person or group.

Discussion item #1: Common Challenges Facing the Border:

During a lively session, participants identified a number of challenges common to all border communities. These challenges can be grouped into four broad categories: infrastructure, government, economic, and energy. One common theme was the lack of information and appreciation for the border on the part of policy makers in both nation’s capitals.

Infrastructure challenges include: border wait times; lack of differentiation among passenger modes and purpose of crossing in establishing procedures (i.e.: differentiating between car and foot passengers or between commercial versus personal crossings); Port of Entry (PoE) management including coordination with Customs and Border Protection (CBP); financing mechanisms; air service (especially lack of non-stop alternatives); energy and water shortages and reliability; the different pace of federal investment on both sides and, a related point; poor bilateral coordination at the federal level despite concerted efforts to improve. Participants also cited local infrastructure needs such as improved access from state/local roads to federal PoE’s and demands for additional schools, roads, and healthcare facilities driven by increased migration to the border.

Energy challenges include: alternative sources; costs on Mexican side, lack of adequate pipelines and the complexity of the cross-border permitting process. In addition, though energy can be a driver of job growth, if not properly managed it can also discourage investment in the border region.

Economic challenges include: the lack of cluster development and data about clusters and supply chains; the lack of authority for local company officials’ to make supply chain decisions; lack of detailed regional economic data, and especially the lack of harmonized data between the two countries; lack of integration and connectivity; workforce issues and lack of university awareness of workforce needs; the inaccurate perception of the security risk; currency fluctuation; fragmented economic development strategies, and; banking challenges stemming from anti-money laundering policy implementation. In addition, participants expressed concern for the

lack of awareness of the contribution (i.e.: investment) made by the private sector to the local economy and the potential negative impact of bank and account closures.

Political challenges include: general opinions about NAFTA and its impact on the economy; a lack of policy-maker and legislator knowledge about the border; a lack of a common and coordinated messages about the border; a lack of a continental view and, specifically, an understanding that it is preferable to keep jobs in North America even if not in the United States; protectionism and competition between the cities/sub-regions; lack of engagement by corporate leadership and a lack of representation by border officials/executives in the U.S. – Mexico High-level Economic Dialogue (HLED) and CEO Forum; misinformation (often distributed by the media), and; lack of an integral vision that takes into account migration and the value of the border. In addition, participants agreed on the need to create trust and address corruption.

Discussion item 2 – Best Practice Sharing

This discussion highlighted several programs and initiatives implemented by participating organizations to promote economic development and awareness of their communities and the border region. Recognizing the inherent competition in economic development, participants were asked to share their experience in refocusing concerns of competition to collaboration for the benefit of the region. Focusing on economic clusters rather than political boundaries and identifying regional comparative advantages were identified as key strategies to promote collaboration. Seeing the region as a unified entity helps reinforce the message that when any community in the region (or sub-region) wins, everyone wins. For example, for every new job created in Baja California, .4 jobs are created in San Diego.

Education of policy makers and influencers from outside the border region is an important task for economic development groups throughout the border region. Encouraging these leaders to visit the border to form their own opinions is something each group has pursued individually, and with great success. A pan-regional border visit program was proposed. The efforts undertaken by pro-Israel groups to immediately respond to, and correct, misinformation were used as examples by several participants who suggested that the border region needs to push back against the inaccurate media portrayals of their region. In addition, Fortune 500 leadership and the media they consume (such as The Economist) are important targets for educational efforts. Inviting mayors and other elected officials to visit manufacturing and other facilities can generate positive media coverage. In addition, mayors can often help sustain relationships when relationships at higher political levels become strained. Success stories, especially when recounted by company officials, resonate with the media and with other corporate leaders. Finally, university partnerships were highlighted as an important, though under-utilized, tool to develop economic data and conduct research that can be incorporated into public education and promotional activities.

Economic development and promotion can also be achieved through creation of sister-city relationships, promotion of honorary consul programs, trade missions, and opening trade offices (state or city) in national capitals. Follow through on commitments and a bias toward saying yes has proven effective for some communities.

The 50+ year old Arizona-Mexico Commission was identified as a model in maintaining state cabinet-level relationships and promoting business to business relationships even under difficult political circumstances. Through a broad working group structure, the Commission identifies issues that should be addressed between the states of Arizona and Sonora.

Lunch Presentation: Competitive Border Communities: Mapping and Developing U.S. – Mexico Transborder Industries

Christopher Wilson and Erik Lee presented their recently published report and led a discussion about how clusters could be developed and promoted as a component of a border economic development strategy. They explained that there is no commonly defined way to demarcate where the cluster is located. As long as an area is compact enough to allow for movement of goods and services and people, it can be a cluster. Competition and collaboration in the same area are key, however. They observed that the differences between the U.S. and Mexico are advantages and thus make conducive the development of binational clusters. Traditionally specialized manufacturing has occurred on the Mexican side of the border while the U.S. side is known for strong logistics.

The authors also provided some recommendations on how to use their report in development of a cluster strategy. They recommended presenting data at the county/municipal level and advised groups to look at existing area strengths which could be a known industry or some smaller businesses that have growth potential. The data contained in the report, they explained, allows policy makers to make informed decisions since it may reinforce what was already known or highlight under-appreciated potential. They noted that while it is important to focus on small but quickly growing industries, it is essential to look more deeply into the data to determine whether high concentrations of certain types of industry are the result of a single large company moving into the area or the existence of several small companies.

Participating in a cluster provides a number of benefits for a region. Industry groups, for example, can often more effectively obtain resources than a single company. Several of the report's recommendations for policy makers were highlighted during the discussion as follows:

- The U.S. and Mexican governments have an especially important role in cross-border economic development as opposed to their limited role in “domestic” economic development. The consulates on both sides of the border could lead federal government engagement given the good will expressed by the Department of State and the Secretary of Foreign Relations (SRE).
- Border communities should use cluster-based economic development with its focus on government, universities, and the private sector.
- Minimize cross-border travel restrictions for university faculty, staff, and students (in order to promote cluster development).

Discussion Item #3 – Identifying a Common Policy Agenda

The objective of this session was to establish a select set of border-wide policy objectives around which an advocacy strategy could be built. The key goal, therefore, was to identify the policies

that the group would like to change or implement. Based on the initial discussion on shared challenges, several policies were identified as possible priorities.

Priority policies (defined as those with the greatest opportunity for short-term progress)

- Joint recognition of trusted traveler programs
- NADBank recapitalization
- Establish a border agenda within HLED (through inclusion of a border representative on the HLED and CEO Forum and a focus beyond infrastructure)
- Making permanent and expanding pilot projects for expedited clearance
- Address banking issues related to anti-money laundering policies such as a trusted economic actor initiative modeled on the Global Entry program

Additional policy proposals identified:

Finance/Economics

- Create border economic (or trade) zones on both sides of the border.
- Widen the mandate of NADBank (invite Canada to join, expand its focus and role) (long term).
- Establish a long-term North American infrastructure plan and possibly a border infrastructure fund.
- Changes to federal government PoE financing procedures including use of PPPs and pan-border planning initiatives.
- Create a border economic development working group comprised of agencies that collect data and promote economic development.
- Pursue additional federal appointments for border region residents to ensure border voices are heard.

Movement of people and goods

- Expand trusted traveler program through recognition of SENTRI and Global Entry in Mexico (may require Mexican legislation).
- Permit travel with just border crossing card within border states (extend to the entire state rather than a restricted distance from the border).
- Adequate, sustained staffing of CBP inspection posts especially in the context of smart growth (more pedestrians, fewer cars)
- Tie CBP performance to customer service
- Grant multiple entry for holders of the tourist card (FMM) to eliminate requirement to return the visa on a daily basis.

Government

- Census/INEGI coordination/collaboration to promote harmonized data gathering and reporting (possibly through negotiation of an MOU).
- Greater transparency/more expeditious sharing of data by Mexican institutions.
- Reinvigorate the border governor's and mayors' conferences

Discussion item #4 – Building an Effective Advocacy Strategy

Having previously discussed the “what” of an advocacy strategy dedicated to educate, inform, promote, and advocate for the region and its economic development, the final session was

dedicated to the “how?” An effective strategy, it was suggested, would combine lobbying with public relations. To spark discussion, a number of questions were posed regarding messaging content and delivery. While no decisions on these topics were finalized, several points of consensus arose, including:

- Messages must be consistent but tailored for each audience (and there are many audiences).
- Representatives of non-border groups (such as legislators or corporate executives from non-border states) can be effective messengers.
- Agenda and participation should be broad and encompass the entire region; currently an all-inclusive platform that encompasses the entire region is lacking.
- Spokespersons for the border, with common talking points, should be dispatched to all meetings and events where issues of importance to the border will be discussed.
- Changing the perception of the border from one based on fear to one based on an appreciation for the lifestyle offered by the border, i.e.: The border is not simply “an issue” for those who live and work on it.
- Advocacy strategy should take a political campaign approach – one slogan and a consistent message on both sides of the border.

In addition, the group discussed specific tactics that might be employed as part of the advocacy strategy including:

- Schedule a “border advocacy day” in Washington open to all interested groups
- Establish a program of familiarization tours to specific places within the border region for policy makers and key influencers with clearly agreed upon messages to be delivered
- Develop “border stories,” (the stories we want to tell, not the one that is told currently) supported by strongly sourced data
- Request that the Department of Commerce’s Economic Development Administration (EDA) organize a workshop on best practices in economic development specifically geared to the border.

The group also tabled some questions for further consideration regarding the composition of the group including the possibility of including government representatives, other stakeholders, and elected and/or appointed public officials.

Next Steps

At the conclusion of the day-long discussion, participants agreed that continued conversations with a larger number of border stakeholders was necessary before any decisions about an advocacy strategy could be taken. The group also agreed to circulate this report to all invitees including those unable to attend and to invite recipients to provide comments, as desired. The report and the subsequent comments are expected to inform the agenda for the next meeting. Contact information for all participants will also be circulated to facilitate continued communication prior to the next formal meeting. Several options for subsequent meetings were posed and a tentative schedule was set with the understanding that not all groups might be able to attend all meetings though all were invited.

The tentative schedule is as follows:

June 15, Washington DC (on the margins of the Woodrow Wilson Center Mexico Institute's Border Conference)

September, 2016, Ensenada

December 2016, Phoenix

The host organization would be expected to organize the meeting and assume the meeting costs; participants would cover their own travel and lodging expenses.

Finally, the hashtag #oneborder was recommended for use as appropriate and the establishment of a Facebook group page to increase communication among the participants.

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