
Press Release

FOR IMMEDIATE RELEASE: April 23, 2014

Contact: Steve Lambert, The 20/20 Network
(909) 841-7527/ steve@the2020network.com



NAFTA at 20: A Success With Challenges Ahead; Infrastructure, Policy Improvements Needed to Maximize Opportunity

CHICAGO – Regulatory and infrastructure barriers have kept Southern California and the United States from fulfilling the tremendous economic opportunity afforded by the North American Free Trade Act, transportation and trade leaders said today.

Gathering in Chicago for the NAFTANext Summit, representatives from the United States, Mexico and Canada, business leaders and regional planning agencies from across the country – including the Southern California Association of Governments – heard results of a comprehensive study of the opportunities and challenges of the 20-year-old landmark trade agreement.

The study, by the Texas A&M Transportation Institute, showed that while the long-term outlook for North American competitiveness is promising, our future demands better infrastructure and streamlined cross-border processes.

“NAFTA has been a success, there is no question about that,” said Hasan Ikhata, Executive Director of SCAG. “It’s what happens next to incorporate and increase technology that will determine how successful it will be and whether it’s an opportunity gained or missed. Efficient border crossing processes, improved cross-border trucking, infrastructure improvements. These are all things we need to continue to work on.”

The results are particularly relevant for Southern California, home to a number of major commercial border crossings and one of the nation’s busiest gateways for international trade. More than 11 percent of the nation’s trade passes through the region, and it collects 37 percent of all import duties. In addition, goods movement and related industries represent one-third of the region’s jobs and economic activity.

“Policy and infrastructure absolutely haven’t kept pace with the opportunity,” said Cheryl Viegas-Walker, SCAG 2nd Vice President and Mayor of El Centro, a community directly impacted by international trade. The nearby Calexico East Mexicali border crossing handles more than 20 million tons and \$50 million in goods movement annually.

Viegas-Walker said 9/11 and increased border security have created additional barriers to the efficient flow of goods between the U.S. and Mexico, resulting in costly delays that often run three to four hours. Trucking companies have indicated a willingness to help pay for freight-specific routes on both sides of the border to reduce extensive waiting times – a concept that could get a test in the San Diego area at a cost of \$500 billion to \$750 billion.

Greg Pettis, President of SCAG and a Cathedral City Council Member, said these kinds of public-private partnerships are an important element to addressing freight and transportation funding needs.

“If we think motorists are going to pay tolls, why don’t we think that freight haulers would be willing to pay for more efficient routes,” Pettis said.

How to pay for transportation improvements generally is an underlying theme of the NAFTANext summit, presented by the Coalition for America’s Gateways and Trade Corridors. The federal Highway Trust Fund is expected to run out of money by this fall. Meanwhile, Congress is debating the President’s \$302 billion, four-year transportation reauthorization proposal, which includes, for the first time, dedicated funding (\$10 billion) for a national freight program.

“As consumers, nearly everything we buy – from food to clothing to electronics and durable goods – arrives via the freight system,” said Fran Inman, Senior Vice President for Industry-based Majestic Realty. “While U.S. Mexico trade is estimated to increase 40 percent by 2020, providing funding to ensure the reliable and efficient movement of goods isn’t just a Southern California concern, but a North American priority.”

###

About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG’s regional efforts, please visit www.scag.ca.gov.