

Managing the Mexico-US Border: Working for a more integrated and competitive North America

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Need for innovation

Facts

- Border dynamism
- NAFTA effect: supply chain integration
- Impressive progress
- Unprecedented level of collaboration
- Example of the strength and maturity of the bilateral relationship: values

Challenges

- Growth
- Competitiveness
- Development: social and economic

Future

- Think beyond the border, about the border INNOVATION
- More strategic decisions: over-diagnosed
- Protect against discretionary measures: more participation of stakeholders: private sector



Contents

- Policy development
- Infrastructure
- Trade facilitation
- Environment and sustainability
- Population: border culture and society





Policy development: 21st Century Border

Pillars -original-

Efficient and secure flows of people and goods, development of border infrastructure and public safety.

Achievements

- Border infrastructure (2016)
- Pre-inspection Pilot Programs
- Trusted TravelerPrograms

Challenges

- New pillars: <u>quality of life and</u> <u>sustainability</u> in the region
- Maintain federal, regional and local <u>cooperation in security: US</u> <u>war on drugs</u>
- Innovate infrastructure planning (avoid conflicts of interest and accelerate project execution)



Infrastructure

Progress

- The original idea of vehicle and pedestrian infrastructure (bridges and border crossings) has been expanded
- Now: water and energy infrastructure (gas pipes, transmission lines).

Challenges – Innovate on:

- Regional infrastructure: NA view
 - NADBANK
 - US Presidential Permits: fix
 - PPPs
 - Management
 - Modernization: ASCE's experience
- Energy integration market, investments and regulation:
 - Development of <u>unconventional</u> <u>energy sources: solar energy</u>
 - More <u>electricity interconnection</u>
 - <u>Battery banks</u> for power storage.



Trade facilitation

The border region is a catalyst for development, promotion of competitiveness and enhanced connectivity.

Achievements

- HLED
 - Infrastructure, Air
 Services Agreement,
 Binational Intelligent
 Manufacturing Initiative
- US-Mexico CEO Dialogue
 - Border optimization
 - Cross border cities
 - FOBESII & MUSEIC

Challenges – Innovate to:

- Reduce inefficiencies
- Extend <u>logistic corridors</u>
 <u>beyond the border:</u>
 metropolitan areas
- Make <u>border businesses</u> more competitive
- Transform <u>maquiladoras</u> to give more added-value.



Environment and sustainability

Progress

- Important number of projects that have registered improvements
- Minute 319

Challenges

- Water
- Make progress quicker
- Avoid local polarization

Climate resilience of arid zones:

Project to be developed by our

Sciences and Engineering Academies



Border culture & society

Opportunities

- Transnational social spaces: biculturalism
- Border millennials: bilingual, binational, bicultural
- FOBESII & MUSEIC: strategic vision
 - Binational research and <u>innovation centers & clusters: Energy,</u>
 Intelligent manufacturing, Logistics and distribution, Gulf of <u>Mexico</u>
 - Pool of talent with ad hoc modern skills developed through harmonized training standards
 - Labor mobility: a must



Final comments

- Understanding: Enhance understanding about the border: communication strategy
- Local context: Link the decision-making process to the local context.
- <u>STEM</u>: region's potential in the fields of talent development, innovation and research, among others.
- Youth: strategies based on a vision of the border as a conduit instead of a barrier.







Conclusion

- To increase competitive advantage:
 - Move faster
 - More strategic
 - More stakeholder (private sector) participation
- But...we shall not do it the old way, otherwise results will be the same

We need to apply "principles" of INNOVATION to border management and development with a North American perspective



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