Bridging the gap: New US-Mexico trade infrastructure

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In a significant development for the future of U.S.-Mexico cross-border trade, the federal government recently approved presidential permits for three new commercial bridges. This decision comes at a crucial time when the need for infrastructure is more pressing than ever.

The three presidential permits recently approved by the federal government include the expansion of the World Trade Bridge here in Laredo, Texas, the construction of the Flor de Mayo International Bridge in Brownsville, Texas, and the development of the Puerto Verde Global Trade Bridge in Eagle Pass, Texas. It is important to note that two of these permits, specifically the World Trade Bridge and Puerto Verde Global Trade Bridge, are dedicated to commercial vehicles. The Flor de Mayo International Bridge is for pedestrian and passenger vehicles.

The World Trade Bridge permit allows for the expansion of the existing bridge by adding two new southbound commercial lanes, increasing the total number of lanes on the bridge to 10. The permit also includes the construction of a new adjacent span, which will feature eight northbound lanes, significantly enhancing the bridge's overall capacity and safety.

The Puerto Verde Global Trade Bridge permit authorizes the construction of a new commercial truck crossing, along with provisions for a rail crossing, further diversifying the multimodal transportation options available for cross-border trade in the region.

These permits collectively represent a significant step forward in addressing the infrastructure needs critical to supporting the ever-growing trade volumes between the United States and Mexico.

Over the past two decades, trade between Mexico and the United States has witnessed an astounding fivefold increase, growing from $343 billion in 1994 to a remarkable $1.6 trillion in 2023. Despite this tremendous growth, not a single new commercial bridge has been constructed in the past 24 years, highlighting the urgent need for enhanced infrastructure to support the growing trade relationship between the two nations.

The approval of these presidential permits marks a new chapter in the USMCA era, which has already seen a notable shift in North American trade dynamics. Mexico has emerged as the top U.S. trading partner, surpassing Canada, with imports from Mexico now outpacing those from China for the first time in 2023. This development underscores the growing importance of regional trade and the need for further infrastructure to facilitate the seamless flow of goods across borders.

As we witness the transition from globalization to regionalization, driven by geopolitical tensions and supply chain disruptions, the reconfiguration of international trade networks is well underway. Regionalization is fostering the development of more localized and resilient supply chains, with companies seeking to reduce their dependence on distant suppliers and capitalize on nearshoring opportunities. This shift is resulting in increased trade flows between neighboring countries, further emphasizing the significance of the U.S.-Mexico trade relationship in the context of North American economic integration.

Implementing the USMCA and imposing U.S. tariffs on Chinese goods have contributed to a significant realignment of trade patterns, with businesses now prioritizing closer economic integration within North America. This

trend is expected to accelerate in the coming years as more companies recognize the benefits of shorter supply chains, reduced transportation costs, and improved responsiveness to market demands.

The impact of regionalization on U.S.-Mexico trade cannot be overstated. As businesses seek to capitalize on the advantages of nearshoring, there is a growing demand for infrastructure and services to support the increased flow of goods across the border. This presents both challenges and opportunities for policymakers, businesses, and local communities alike.

To fully realize the potential of regionalization, the United States and Mexico must invest in developing smart, efficient, and secure cross-border infrastructure. This includes the construction of new commercial bridges and ports of entry and the improvement of existing transportation networks, logistics facilities, and regulatory frameworks. By working together to create a seamless and integrated trade ecosystem, both nations can unlock the full benefits of regionalization and position themselves for long-term economic growth and prosperity.

The recent approval of presidential permits for two new commercial bridges underscores the critical need for infrastructure investment to support the growing trade volumes between the United States and Mexico. As the shift towards regionalization continues to gain momentum, it is becoming increasingly clear that the existing infrastructure will need help to keep pace with the demands of cross-border commerce.

The need for infrastructure investment is particularly acute in regions like Port Laredo, which handles close to 40% of U.S.-Mexico trade. A recent analysis conducted by the Texas A&M International University Texas Center for Border Economic and Enterprise

Development estimates that the impact of nearshoring could result in an additional 950-1,120 commercial truck crossings per day in Port Laredo alone, pushing the total daily crossings to over 20,000. This increase in traffic highlights the urgent need for expanded infrastructure capacity to maintain the smooth flow of goods.

In addition to the presidential permits for the expansion of the World Trade Bridge and the construction of the Puerto Verde Global Trade Bridge, several other significant infrastructure projects are underway along the U.S.-Mexico border.

The Pharr-Reynosa International Bridge in Texas is currently being expanded to double its capacity by adding a second span with four additional lanes. This expansion will allow for the complete separation of commercial and passenger vehicles, dedicating specific lanes for empty trucks, full truckloads, and certified freight, ultimately increasing capacity and reducing wait times for trucks crossing the bridge.

Meanwhile, the Anzalduas International Bridge, co-owned by the cities of McAllen, Mission, and Hidalgo, is set to open for full cargo operations sometime this year after previously only handling empty trucks. Construction is also underway to build new northbound and southbound commercial inspection facilities at Anzalduas, including unified cargo processing technology, inspection bays, and administrative offices.

Furthermore, the Canadian Pacific Kansas City (CPKC) railroad is constructing a new international rail bridge spanning the Rio Grande River from Laredo, Texas, to Nuevo Laredo, Tamaulipas, Mexico. This new construction project will double rail capacity across the Laredo-Nuevo Laredo border crossing. The new single-track rail bridge, built alongside the existing rail bridge, will allow trains to operate in both directions simultaneously, significantly increasing capacity and efficiency across the border.

Another notable project is the planned 4/5 smart port, proposed to be built in south Laredo. When built, this international bridge will provide additional capacity for commercial trucks, light vehicles, and pedestrians, connecting to the Mex-85 highway in Mexico and the I-35 and I-69 highways in the U.S.

These infrastructure projects, along with the recently approved presidential permits, demonstrate a concerted effort to enhance cross-border trade infrastructure and facilitate the growing trade volumes between the United States and Mexico. By increasing capacity, improving efficiency, and incorporating multimodal transportation options, these initiatives

will play a crucial role in supporting the thriving trade relationship between the two nations in the era of regionalization.

However, it is crucial to recognize that the need for infrastructure investment extends beyond the construction of new bridges and ports of entry. To fully support the growth of U.S.-Mexico trade in the era of regionalization, it is essential to take a comprehensive approach that

encompasses the improvement of connecting roads, highways, and logistics facilities. Only by investing in an integrated transportation network can we ensure that the benefits of increased trade are fully realized and sustained over the long term.

One of the critical challenges facing cross-border trade is the issue of congestion and delays, not only at the ports of entry themselves but also along the connecting transportation networks. The construction of new commercial bridges is an essential step in alleviating these bottlenecks, but it is not a complete solution in and of itself. To ensure the smooth flow of goods and minimize the impact of increased trade volumes on local communities, equal attention must be given to improving the surrounding infrastructure.

This is where transportation agencies, such as the Texas Department of Transportation (TxDOT), become critical. These institutions are responsible for planning, developing, and maintaining the highways, roads, and other transportation assets that form the backbone of cross-border trade. By working closely with local stakeholders, businesses, and community leaders, these agencies can identify the most pressing infrastructure needs and develop targeted investment strategies to address them.

For example, the expansion of the World Trade Bridge in Laredo will undoubtedly help accommodate the projected increase in commercial truck traffic. It is equally important to ensure that connecting roads and highways, such as Mines Road (FM 1472), can handle this increased volume. According to the Texas A&M Transportation Institute's 2023 Texas 100 Most Congested Road Segments study, Mines Road ranks as the No. 2 most congested road segment for trucks in Texas. To alleviate this congestion and support the increased traffic from the World Trade Bridge expansion, widening existing roads, constructing new bypasses or relief routes, or implementing intelligent transportation systems to manage traffic flow and reduce congestion are all necessary.

Similarly, developing the Puerto Verde Global Trade Bridge in Eagle Pass presents an opportunity to enhance commercial vehicle crossings and incorporate new rail transportation into the existing cross-border trade network. However, to fully realize the potential of this multimodal approach, it will be necessary to invest in the development of supporting rail infrastructure, intermodal facilities, and logistics hubs that can efficiently handle the transfer of goods between different modes of transportation.

Ultimately, the success of cross-border trade in the era of regionalization will depend on the ability of policymakers, transportation agencies, and private sector stakeholders to work together in pursuit of a comprehensive and integrated approach to infrastructure development.

By combining targeted investments in commercial crossings with broader improvements to the transportation network, they can create a more resilient, efficient, and sustainable framework for U.S.-Mexico trade that will support economic growth and prosperity for generations to come.

By embracing a holistic approach to infrastructure development, with a particular emphasis on commercial trade needs, the United States and Mexico can unlock the full benefits of regionalization, fostering economic growth, job creation, and enhanced competitiveness for both nations.

The presidential permits for the expansion of the World Trade Bridge and the construction of the Puerto Verde Global Trade Bridge serve as a testament to the commitment of both governments to strengthening the bilateral trade relationship and laying the foundation for a more prosperous and interconnected future for the entire North American region.

As we move forward, we must continue prioritizing investments in commercial border infrastructure to ensure that the U.S.-Mexico trade partnership remains strong and resilient in the face of the evolving global economic landscape.

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