

# JUAREZ-EL PASO NOW

BUSINESS • MAQUILADORAS • TRADE • LOCATION • ECONOMY

Year 6 / Number 63 / April 2013

www.juarezelpasonow.com

## ABOUT "MEXICO'S MANUFACTURING SUPPLY CHAIN SUMMIT"



Over 50 manufacturers are inviting suppliers from the U.S., Canada and Mexico to join "Mexico's Supply Chain Summit" and conduct B2B meetings to explore business opportunities.

In an effort to attract new manufacturers to the region, Juarez El Paso NOW and its affiliate MEXICONOW are organizing the supply chain event... **Complete Story, Page 4**



## BORDERPLEX ALLIANCE LEADER SEEKS REGIONAL VISION, REBRANDING

By Michael Hissam

Borderplex Economic Alliance, the newly amalgamated economic leadership advocacy team for El Paso, Ciudad Juarez, and southern New Mexico, has its first chief executive officer on board and ready to boost business.

Rolando Pablos now must focus and lead Borderplex members in the renewed effort to develop a world-class regional economy. Pablos' job calls for building support for pro-development policies, as well as attracting new business and expansion of current enterprises.

He joined the Borderplex Economic Alliance after service with the Public Utility... **Complete Story, Page 8**



## AUTO-PARTS SECTOR



strong, faces challenges to keep pace... **Page 14**

## NEW STADIUM



to offer larger, close-in seating... **Page 24**

## UTEP



unveils state-of-the-art research facility... **Page 42**

## Mexico's Light Vehicles Market Statistics on Sales, Market Share, Bestsellers and Forecasts

JUAREZ - EL PASO NOW Staff Report

Light vehicles sales in Mexico have been keeping a good pace, but still lag far behind the desired levels

as the market gradually recovers. The importation of 6.6 million used vehicles from the U.S. in the past six years has really damaged Mexico's domestic market for new light vehicles.

According to AMDA (Mexican Association of Automotive Distributors), the sale of light vehicles during the past year (2012) increased by 9%, compared with the same period of time (January - December) of 2011. The year 2012, according to AMDA, 987,747 light vehicles were commercialized, ... **Complete story, Page 30**

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## NEW MEXICO CONGRESSMAN



supports Free Trade Zone... **Page 36**

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# New Mexico Congressman supports Free Trade Zone, infrastructure investments

**Pearce's District Office is  
steadfast supporter of bi-  
national trade**

**By Gabriel Vasquez**



U .S. Rep Steve Pearce, (R-NM), who represents New Mexico's 2nd Congressional District, was born in Lamesa, Texas, and grew up near Hobbs, N.M. He earned a bachelor's degree in economics from New Mexico State University in Las Cruces and a master's in business administration from Eastern New Mexico University.

Pearce is a former Air Force pilot who served in Vietnam. He and his wife also ran a business that supported the gas and oil industry in New Mexico.

Today, serving as a member of the U.S. House of Representatives with his primary field office in Las Cruces, Pearce has dedicated himself to bringing fiscal conservancy back to the federal government and improving economic conditions in his district, which encompasses all of Doña Ana County and the majority of Southern New Mexico. He's a strong supporter of tax cuts and property rights.

Juarez-El Paso NOW recently sat down to speak with Pearce about bi-national business development in the Juarez/El Paso/Las Cruces Borderplex.

**NATURALLY, NEW MEXICO, AND YOUR DISTRICT, IS ONE OF THE STATE OF CHIHUAHUA'S LARGEST TRADE PARTNERS. ARE YOU SATISFIED WITH THE AMOUNT OF BINATIONAL COMMERCE BETWEEN NEW MEXICO AND CHIHUAHUA NOW, OR DO YOU FEEL THAT IT COULD BE INCREASED?**

I was just reading a report before you got here that says a couple of companies with explosive growth are shipping into Juarez, Mexico. That's good news. New Mexicans were pretty critical back 10 years ago of NAFTA because we were one of the net losers in that deal, but frankly, most of the other states were net winners. I said, "The problem is that we need to do better here, in New Mexico." It looks like we are doing better now.

We visited the port in [Santa Teresa] and saw where we cross \$300 million worth of cattle each year – that relationship appears to be working very strongly and improving. So, it's getting better, but frankly, it needed to get a little bit better. I don't hold Mexico responsible, but I hold New Mexico and some of our policies responsible. This

governor [New Mexico Gov. Susana Martinez] appears to be really concentrating on trade, so that's very good. It's really gratifying to see that, because the jobs in extreme southern Doña Ana County are at a premium. If we can make that border region more active, it's going to mean better jobs on both sides of the border.

### **ON THE FEDERAL POLICY SIDE, IS ENOUGH BEING DONE TO ELIMINATE, OR AT LEAST EVALUATE, "STIFLING REGULATIONS" THAT INDUSTRY LEADERS SAY INHIBIT IMPORTS AND EXPORTS ON THE JUAREZ-EL PASO BORDER?**

We say constantly that two things are choking American businesses down: tax policy and regulations. These are good examples. When you go back to look at the crossing of cattle, you have the USDA that actually goes over to the other side [Mexico] and inspects there. Then you have the six states out and away from the border that are implementing breeding programs that are keeping livestock disease free, which we can't allow to cross the border. That buffers us. That also makes those cattle cross quickly. If you leave a cow standing in the yard for 12 hours, you have one, two, three or ten pound shrinkage and suddenly your paycheck is cut tremendously.

Regulations are absolutely choking down the economy around the world but I think the U.S. is definitely leading the way in regulations.

### **DO YOU SUPPORT EXTENDING THE TIMES THAT PORTS OF ENTRY ARE OPEN TO COMMERCIAL TRAFFIC IN CIUDAD JUAREZ?**

Absolutely, we have supported that in the past. We've seen the delays, not just here but in Columbus [New Mexico]. If [U.S. Customs] needs to assign more personnel, they should do that. Let's keep these ports open to get this traffic across. Anytime you have a bottleneck, businesses end up paying the bill. When businesses are losing money or their profitability decreases because they're waiting at the border and it burns up one or two days of time, then their products are less competitive, so absolutely, I support it. We ask those questions in full vigor, I will assure you. If ports are staying open in other places longer – we will document it - we pursue change with facts and make [federal officials] justify their decisions. We're very active in those issues.

### **DO YOU SUPPORT THE CREATION OF A FREE TRADE ZONE ON THE JUAREZ-EL PASO BORDER? WHY OR WHY NOT?**

That's what we're looking at in the livestock yard. Again, our inspectors are on the other side; we have to inspect it somewhere, so why not put our inspectors further out there so that when the movement starts we don't have that bottleneck right at the point where it has to cross? The more things we can push away from the actual border, the faster crossings that we're going to have. We supported the extension of mileage into New Mexico for people on the weekend visas to increase tourism. We feel that those types of things are viable.

### **WHAT TYPE OF ECONOMIC IMPACT DO YOU EXPECT IN SOUTHERN NEW MEXICO ONCE THE UNION PACIFIC TRANSFER STATION IS BUILT IN SANTA TERESA? HOW DO YOU ENVISION THAT AREA IN 10 YEARS?**

We were just in Santa Teresa talking about this [very recently] . I would look for explosive growth there. Las Cruces, El Paso, and Juarez are getting together jointly to better promote economic development. They're getting together on economic development and pooling their efforts – my comment was, .. Please reach out to Santa Teresa." They are not going to have the knowledge of the legislative process to get the infrastructure they need. If [Santa Teresa] explodes like I think it will, we are going to be facing obstacles simply because of the lack of infrastructure – roads, sewers, water, whatever.

I think that border trade region is going to be extremely valuable and will have one of the highest growth rates for New Mexico. We were very active 10 years ago in helping with the initial decision to move the [Union Pacific] fueling yards out of El Paso. I was on that committee, and I told the chairman, "We have a bottleneck in El Paso, it's a nationwide bottleneck." He said, "We're going to get rid of it." I said, "Move those rail yards to the west, not the east. West is in New Mexico, and that's my district." So we put the motion in. He said, "It makes no difference to me," and surely, as he moved forward, he was good on his promise. It took [former] Gov. Bill Richardson and Gov. [Susana] Martinez to lock it down. That early phase occurred right there in the Transportation Committee trying to get rid of inefficiency in transportation. I think we'll see new connecting lines north and south and east and west soon.

## **DO YOU FEEL THAT THE LOCOMOTIVE FUEL TAX EXEMPTION GRANTED TO UNION PACIFIC BY THE STATE OF NEW MEXICO WAS NECESSARY TO ESTABLISH THE NEW RAIL YARD?**

Yes, any company can make requests when it's a competitive [proposal] between states. Obviously, we were one of the ones pushing the initial concept, so yes I support that decision 100 percent. The jobs downstream will offset those tax provisions.

## **IF A SMALL BUSINESS WANTS TO EXPORT THEIR PRODUCT OR SERVICE TO MEXICO. WHAT TYPE OF SUPPORT CAN THEY EXPECT AT THE FEDERAL LEVEL?**

At our office, we do things here at the local level, not so much in Washington. We can introduce them and get them contacts in Mexico. I would encourage someone to call this office. We're as much about business just as anything else that was my background. I see jobs, they just occur in my head at night. I can look out across a field and see job potentials. That's a pretty unique gift, really. I use it all the time. I'm suggesting to the Native Americas, "Think about this and do that." They're looking for ways to create business. Anyone of our citizens who has a good idea, we welcome them to talk to us and we'll help any way we can.

## **HAS A DROP IN TOURISM IN CIUDAD JUAREZ HURT NEW MEXICO'S ECONOMY. TOO? WHAT ARE YOUR OPINIONS ON THE PERCEPTION OF SAFETY AND SECURITY IN CIUDAD JUAREZ? WHAT CAN BE DONE ABOUT FEDERAL TRAVEL WARNING SYSTEMS THAT RECOMMEND AMERICAN TOURISTS AVOID JUAREZ?**

First of all, as a kid, our family lived on the other side of the state and we could come once a year to visit El Paso starting when I was 10 . We brought our pigs there to show at livestock shows. We would spend half a day across the border and always traveled to the Mercado – we've done that. In college, I went and worked with orphanages there. I'm very comfortable crossing the border.

Our State Department measures those things that declare safety and all of that and we watch with interest. On a recent trip down along the border on our side, there were still very many reservations about the safety, security, and violence along the border. Frankly, it doesn't matter what the State Department says or anyone else says - people will vote with their feet whether they feel safe or they don't.

We watch it with interest. We are always very careful with our language because we know people watch us carefully and try to read us to see how safe it is. We avoid those things that would cause undue alarm but we recognize when people are concerned. We're always open to communicating with the State Department if we feel their perceptions are incorrect. If you see things that are being misrepresented, please let us know and we'll talk directly to agencies .

## **WHERE DO YOU SEE THE SANTA TERESA PORT OF ENTRY IN 10 YEARS?**

The reason we developed infrastructure there was because we were trying to encourage the [Juarez/El Paso] bottleneck to dissipate out. It's my belief that, always, if the infrastructure is there, people will go to the less constricted spot. It's been a little bit slow in developing – slower than what I think we thought when we put the Pete Domenici highway there.

I know our port was poorly designed from the beginning. We were down there in 2003 and 2004 and suggested that the port had to be redesigned and fought to get this process expedited. We could sit there and look at the long lines. If they can keep the traffic moving, people will absolutely go out there rather than waiting through the long lines in the heart of Juarez – that was the plan, that we would take the pressure off the choke point in El Paso by distributing that traffic out there. It's still a good plan. I would expect it to continue to develop, but I think it's developing slower than people anticipated.

I think both countries really stand to benefit strongly, number one, from the trade itself, but also as jobs develop there and in Mexico – it makes for a more stable border region. It's a win-win for our side of the border and Mexico. We're excited about it and excited about investing our time and energy to do what we can to help out.