



Earlier this year, TXDOT and HDR began the long-awaited La Entrada al Pacifico Corridor Study.

Funding for this study came about in 2004 largely due to the efforts of MOTRAN. The purpose was to provide a comprehensive study of the La Entrada al Pacifico route, as well as necessary improvements needed to ensure the safety and efficiency of our transportation resources.

Since the beginning of the study, there has been a great deal of controversy in the news regarding the corridor and this project. We have talked to some of our neighbors to the south who were alarmed that we want to drive large trucks through the middle of their communities. Nothing could be further from the truth.



From the beginning, MOTRAN has seen this study as a vehicle to address the need for relief routes in many of these rural communities based on their current, locally generated truck traffic. In fact, we have worked with both Presidio and Brewster Counties in the past and secured some highway funding for these projects at the request of local officials.

MOTRAN has also worked with regional partners to develop rail options that would improve the South Orient and create new rail infrastructure in the Midland-Odessa area to ensure our ability to provide access to rail service for local businesses both now and in the future.

This corridor was developed by a regional coalition of business and community leaders and is not part of the Trans-Texas Corridor. Our board is comprised of community leaders who volunteer their time because they believe in building a strong diversified economy that will ensure a bright future in the Permian Basin for our children and grandchildren.

All of the La Entrada al Pacifico Corridor is part of the Texas Trunk System and planned for upgrade as part of the trunk system. The La Entrada al Pacifico Corridor was designed to utilize existing roadway only in order to minimize right-of-way impact on landowners, environmental concerns, and to provide the most cost effective option for infrastructure development.

The development of this project will help address long-term freight and tourism needs, as well as helping improve access for the area as outlined during the I-10 to I-27 study over a decade ago.

From 1993 to 2006, trade with Mexico has increased from \$81 billion to \$332 billion. In 2006 alone, 3.2 million trucks crossed the Texas-Mexico border, more than double the amount that crossed in California and other border states. The economic factors which have led to this increase and will inevitably continue this growth are not something that MOTRAN or any other group for or against can control.

MOTRAN has and will continue to work with others to plan and prepare for this growth to help ensure the safety of our borders while allowing our free market economy to flourish.

As the process moves forward on this effort we initiated four years ago, we look forward to working with our friends and neighbors to address the needs of our entire region.



The Entrance to the Pacific Corridor

The Entrance to the Pacific Corridor is a state and federally designated trade corridor from Texas to Chihuahua City, Chihuahua, Mexico, and continuing to the Mexican Pacific port of Topolobampo in the Mexican state of Sinaloa. Chihuahua is one of the four largest trading partner states with the United States, and this new corridor would capture a majority of this trade for Texas. After the completion of a highway from Chihuahua City to Topolobampo, and improvement of rail facilities, it would offer Texas long-term access to a Pacific deep water port that is approximately 500 miles closer and much less expensive than the Port of Los Angeles.

The concept of this major new trade corridor was developed jointly by MOTRAN Alliance and the Departments of Economic Development of the States of Chihuahua, Sinaloa and Durango. All four entities support the development of this corridor strongly. The concept was originally endorsed by Governor Patricio Martinez Garcia of Chihuahua, Governor Angel Sergio Guerrero Mier of Durango, and Governor Juan S. Millán Lizárraga of Sinaloa and Governor George Bush of Texas.

Trade with Chihuahua

According to data from the U.S. Department of Commerce, trade with Mexico continues to grow and provides tremendous benefits to the State of Texas. In 2002, Texas exported over \$37.6 billion in goods to Mexico. By far, the largest amount of goods, \$13.6 billion, is destined for Chihuahua. In addition, the Pacific seaport connections of La Entrada al Pacifico will enable a more direct and less congested route to take advantage of the growing Asian-Pacific markets.

Present Corridors into Western Mexico

Nearly all of the trade with Western Mexico now passes through the port of El Paso and Juarez. The bridge and port facilities at the crossings in El Paso-Juarez are already overloaded, thus motivating the construction of the Santa Teresa crossing approximately 20 miles west of El Paso, into the state of New Mexico. This crossing along with a proposed north-south interstate highway in southeast Arizona, will essentially direct all of the growth in trade with Western Mexico into Arizona and New Mexico and will totally bypass the state of Texas. A study that was done by McCray Research indicates that this trade wants to go northeast.

Economic Opportunities along La Entrada Al Pacifico Corridor

With the volume of present and future trade with Chihuahua, Durango and Sinaloa, as well as the Pacific Rim countries, there will be enormous opportunities for warehousing, distribution, sub-assembly and assembly of imports, as well as manufacturing warehousing and distribution of exports, all in the state of Texas. Texas already has the basic infrastructure in areas along the proposed corridor to take advantage of these types of businesses. It is estimated that these businesses can result in substantial additional employment and economic impact for Texas if the corridor proposed herein is developed.

Texas Cities Which Will Benefit from this proposed corridor will be all cities in West and Central Texas. Those cities located along Interstate Highways I-20 and I-10 will benefit most in that they will then have direct access to Western Mexico and the Pacific. This includes Dallas, Fort Worth, Abilene, Midland and Odessa. If the corridor is completed north from the Midland-Odessa area, then the cities along I-27 including Lubbock, Plainview and Amarillo will also benefit heavily from this corridor.

Secondarily, all cities in West and Central Texas, which have good access to I-27, I-20 or I-10, will benefit considerably due to access to these new markets.

Updates

In late 2003, the State of Chihuahua finished the initial phase of La Entrada al Pacifico in Mexico with completion of the new highway between Chihuahua City and Ojinaga. This road cuts the driving time in half over the existing roadway, and provides an excellent roadway for transporting delicate freight materials.

Since completion of the road, commercial and individual border crossings have increased significantly at Presidio/Ojinaga.

Governor Reyes Baeza of Chihuahua, Mexico and Governor Aguilar of Sinaloa have both committed their administrations' resources to completion of the project in Mexico in the next five years.

Road Construction in Mexico Continues at a Very Aggressive Pace.

Recently, work was completed on 35 miles of highway between Ojinaga and Manuel Benavides. This roadway is a two-lane highway with 12-foot wide lanes and 10-foot shoulders and will help to open new traffic to La Entrada Al Pacifico from rural areas of Chihuahua.

Work also continues on the Ojinaga relief route which will provide more direct access to the Presidio and Ojinaga Ports of Entry without requiring trucks to go through downtown Ojinaga. Approximately 25 percent of this project has been completed.

Other Chihuahua projects, including the expansion of 10 miles between Cuahtémoc and La Junta and the Industrial Loop for Chihuahua City are both 95% complete.

In Sinaloa, 13 miles of the San Blas to El Fuerte highway have been expanded to four lanes with another 9 miles of expansion ready to begin this year.

In addition, the State of Sinaloa is set to begin the first 4 miles of expansion from El Fuerte to Choix this year.

Most notably, however, was the recent announcement of the National Infrastructure Program in Mexico, which includes federal funding for the Choix to San Rafael segment of La Entrada al Pacifico and extensive renovations and dredging at the Port of Topolobampo. The road segment is scheduled to begin in 2009 with completion scheduled in 2012. The Port of Topolobampo renovations are scheduled to begin in 2008 and be completed in late 2010.



International Planning Efforts

MOTRAN is participating with the States of Chihuahua and Sinaloa, as well as federal officials in Mexico regarding the planning of the La Entrada al Pacifico Corridor. The joint efforts on road and rail have helped get the corridor added to the list of federally recognized corridors in Mexico for purposes of funding for construction and improvements.

In addition, members from Sinaloa, Chihuahua, and MOTRAN are working to partner with businesses to test multi-modal freight shipments from the port and other major manufacturing areas to Texas locations to determine how to improve the movement of commerce, while ensuring safety and security at our border crossings.

Meanwhile, TXDOT and HDR Engineering are performing a \$1.5 million dollar study of the La Entrada al Pacifico Corridor in Texas. Initial public meetings were held earlier this year and the final report should be completed sometime in 2008.





Texas Road Progress

Preliminary planning and environmental review are currently underway on several important projects in Texas.

Earlier this year, TXDOT began the environmental reviews on the expansion of US 385 to four-lane divided between Crane and I-10, as well as SH 349 in Martin and Dawson Counties.

Planning is also taking place on a SH 349 connector which would provide a direct connection to the planned US 87 Relief Route in Lamesa.

Under current timelines, these projects will likely be submitted to the Federal Highway Administration in mid 2008, with right-of-way acquisition and utility adjustments set to begin as early as January of 2009. This unprecedented effort is being headed by both the Odessa and Lubbock TXDOT District Offices.

The Odessa District is currently obtaining the needed right-of-way for the SH 349 Relief Route in Midland and Martin Counties. The first phase of the project was earlier this year with the next two phases to be let shortly.

Work is being completed by the TXDOT El Paso District on close to \$20 million in improvements to US 67 between Marfa and the Brewster-Pecos County lines, with the addition of passing lanes and new alignments to create a better traffic flow and improve safety.



Improving Rail Service

MOTRAN in conjunction with LEAP, the La Entrada al Pacifico Rural Rail Transportation District, has been working diligently to address local and regional rail needs.

Most noteworthy is the recent study undertaken with TXDOT. The study evaluates the economic feasibility of a North-South Rail line which would provide service from the Lubbock area through the Midland-Odessa area, connecting to the South Orient Rail. The proposed line would provide expanded service to the Midland-Odessa, and Lubbock metropolitan areas, as well as surrounding rural areas with high agriculture and petroleum production.

In addition, this study continues to look at the viability of an area trans-load facility which would provide service to current and potential rail users.

The study is being conducted by Cambridge Systematics. The result of the study will be a final product that can be taken to financial investment groups for consideration as a private or public-private partnership opportunity.

MOTRAN Hosts 3rd Annual Corridor Conference

MOTRAN began the year by hosting the 3rd Annual La Entrada al Pacifico Corridor Conference in Odessa, Texas.

Over 180 individuals participated in the event with updates on projects and economic development efforts in both Mexico and the United States. Representatives of the States of Chihuahua, Durango, and Sinaloa were present, along with TXDOT Executive Director Mike Behrens.



Dr. Ray Perryman served as keynote speaker for the event, highlighting growing trade markets and the need for more efficient transportation options to offset the increasing costs of fuel and freight transport.

Brian Swindell of HDR also provided the audience with an overview of the La Entrada al Pacifico Feasibility Study underway.

MOTRAN Participates in Texas Transportation Forum

MOTRAN held its July Board meeting in conjunction with the Texas Transportation Forum earlier this year. MOTRAN was invited by TxDOT to participate in the effort as one of their statewide partners.

The meeting allowed MOTRAN and TxDOT officials to discuss transportation matters of importance both on a regional and statewide level and how both entities can work together to find solutions that will improve safety and provide the needed infrastructure to support our Texas economy.



MOTRAN Calls Attention to Infrastructure needs in West Texas

MOTRAN continues its mission of educating elected officials and policy makers about the infrastructure needs for West Texas and the Permian Basin area.

MOTRAN began the year by hosting a reception in conjunction with TxDOT for members of the Texas Congressional delegation. The event focused on helping raise awareness of the growing demands on our state's transportation system.

In addition, MOTRAN has hosted numerous officials to the Midland-Odessa area, including Congressman Ciro Rodriguez, U.S. Senators Kay Bailey Hutchison and Jim Inhof, as well as newly appointed Texas Transportation Commission member Fred Underwood from Lubbock.





Chihuahua Governor Reyes Baeza visits the Midland-Odessa Area

Chihuahua Governor Reyes Baeza stopped in the Midland-Odessa area earlier this year. Governor Baeza was on his way to New York to speak to the Association of The Americas regarding trade in North America and highlight accomplishments on the La Entrada al Pacifico Corridor.

Governor Baeza used the stop as an opportunity to utilize the U.S. Customs services offered at Midland International Airport and to see first-hand opportunities that are available utilizing the area's Foreign Trade Zone.

In addition to his visit to the Permian Basin, Governor Baeza asked for MOTRAN representatives to serve as part of a working group he created with two officials from Sinaloa and two representatives of Chihuahua to work with different entities to solve logistics challenges that will make the corridor easier for businesses to utilize and more efficient for shippers.

The group is looking at a wide array of potential shippers along the various segments of the corridor. The group is also looking at infrastructure needs including the seaport, border crossings, and inland port facilities.



MOTRAN Welcomes New Board Members

MOTRAN added two new board members this year. Chris Canon, a Midland landman and Chairman of the Young Professionals of Midland, joined the board along with Linda Foster, who returned to the MOTRAN Board. She is an area representative for AT&T and has previously served on MOTRAN and is an active volunteer in both Midland and Odessa.

Leldon Hensley of Odessa will serve as the 2007-08 MOTRAN Chairman. He is a past chair of the Odessa Development Corporation.

New Faces at TXDOT

This year saw the appointment of two new members to the Texas Transportation Commission and a new executive director for TXDOT.

Fred Underwood from Lubbock and Ned Holmes from Houston were appointed to the commission by Governor Rick Perry. Underwood is President and CEO of Trinity Company, a cotton warehousing operation, and has deep ties to our area. Holmes serves as the CEO of Parkway Investments and previously served as a member of the Texas Parks and Wildlife Commission.



Amadeo Saenz was named as the new executive director of TXDOT on October 1st. Saenz had previously served as Assistant Executive Director for Operations and as District Engineer in the Pharr District.

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TXU Electric Delivery
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Todd, Barron, Thomason
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Jimmie Todd

Susie's South Forty
Confections, Inc.
Susie Hitchcock-Hall

GCR Tire Centers
Juanita Domingez

Shafer, Davis, Ashley,
O'Leary & Stoker
Cal Hendrick

Lakewest, Ltd.
Sam Holloman

Other:

Churchill Management
Louis Rochester

James C. Henry