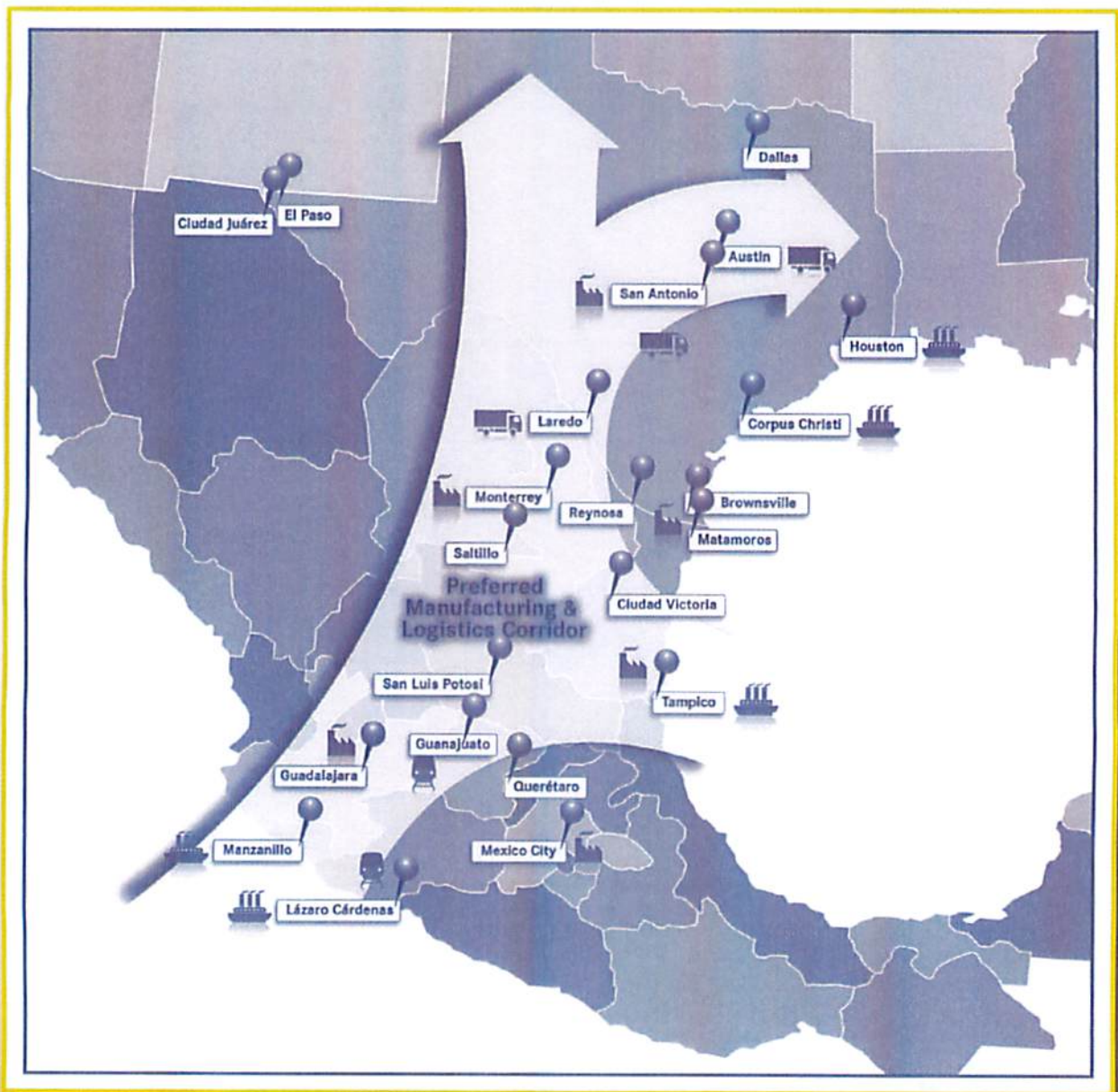


10.B

TEXAS - MEXICO TRADE



CORRIDOR CONSORTIUM



For more information or to Join the Research Consortium
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**Global Manufacturing &
Distribution Initiative**

TEXAS A&M UNIVERSITY

Research Consortium

The Texas A&M Global Manufacturing and Distribution Initiative has established a Research Consortium conducting research and developing solutions for 'Ease of Doing Business' along the Texas - México Trade Corridor. The consortium focuses on increasing throughput, decreasing time and cost, to create and optimize logistics and manufacturing opportunities in the region. The consortium brings together companies, logistics providers, and government entities to partner on finding ways to make the area the preferred regional manufacturing and logistics corridor.

What is a Research Consortium?

A Research Consortium is a collaboration of two or more companies, associations, universities or government agencies to conduct research with the objective of developing solutions to a problem or a challenge common to everyone by pooling their resources for achieving a common goal.

Why join a Research Consortium?

Many times organizations cannot afford to invest in some research and development due to high cost and/or lack of knowledge resources required to conduct the research. Research Consortia are an economical path to low cost, high quality research and development that is essential to the achievement of objectives. Consortium members are also able to share experiences and best practices developed in their fields to further enrich the research findings and consortium meetings.

Who should join this Research Consortium?

This Research Consortium will be beneficial to:

- Manufacturers in Texas and Central and Northern México.
- Logistics, transportation, distribution and other service providers
- City, county, state and federal government entities and Economic Development entities.

What are the Benefits?

The benefit to the consortium members include the opportunity to actively participate in this ground-breaking research to determine the challenges and opportunities associated with streamlining the region by bringing together solutions and services that add value to customers in the Supply Chain. Member organizations will shape the results through their involvement and benefit by understanding the future business and public resources needed to optimize regional success. In depth research results will be given to consortium members for planning purposes and government entities to encourage economic development for the region. Broader findings will be shared with the public through colloquia and press releases to encourage support for regional development.

Deliverables:

» **Custom Project:** As a member of the consortium, Texas A&M research team will conduct a project of your choice. Sample projects from other members include facility location, manufacturing feasibility and cost analysis, supplier selection, market analysis, transportation mode and route evaluation, port marketing study etc.

» **Educational Program:** In lieu of a project, Texas A&M will be able to conduct a **1.5 day** educational program of your choice at your location for up to 50 people. Educational programs can be conducted in Inventory Optimization, Asset Management, Pricing Optimization, Lean Supply Chain Management, Optimizing Sales and Marketing or a mix of topics. For a complete list of programs, visit <http://id.tamu.edu>

» **Economic Advisory Council (EAC):** As a member of the consortium, your organization will be a part of the select industry - government Economic Advisory Council, a joint working group of industry, economic developers and government, to bring industry challenges and needs to policy makers on infrastructure investments and trade promotion.

» **Trade Competitive Conferences:** As a member of the consortium, you can bring in any number of participants to the 'Texas - Mexico Trade Competitive Conference' held in US and Mexico.

Schedule: The Research programs will begin **January 2010** and conclude **January 2011**. Three consortium meetings will be held to report findings and receive guidance from consortium members. Consortium meetings will be held in Mexico City, Laredo, Monterrey, and Washington D.C. with accompanying publications and media coverage to promote findings.

Consortium Structure and Fees: The membership fee for the consortium is **\$25,000**. The consortium is supported by Federal matching funds. Consortium members will receive all findings created from all sources. For further information or to join the consortium please contact Dr. F. Barry Lawrence at lawrence@entc.tamu.edu

Texas A&M Global Manufacturing & Distribution Initiative

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Texas - México Trade Corridor Consortium

Ease of Doing Business

Overview & Need

The Texas - México Trade Corridor has grown beyond an important logistics crossroad into a major regional manufacturing zone since the introduction of the North American Free Trade Agreement (NAFTA). In addition to NAFTA's effect on reduced trade restrictions and lower tariffs, regional growth has been bolstered by a number of powerful factors.

In the early growth phase, many manufacturers moved to Mexico to take advantage of lower labor costs. While Mexican labor rates remained far below the US, in the late 1990's, business began to shift to China to seek even lower wages. The decision to locate in China was not always the right one, however, and the rise in oil prices and currency fluctuations of 2008 caused many to reconsider. Mexico now attracts many businesses for a variety of reasons:

- The cost of labor is still an attraction. Labor savings can easily be overwhelmed by other factors, however.
- Transportation costs and times are lower due to proximity to the US. Large markets like Houston, San Antonio, and the Dallas - Ft. Worth Metroplex (three of the ten largest cities in the US) can be reached within a day from the border.
- Education levels and middle management skills are higher in Mexico than in most other outsource markets.
- Cultural, language, legal, and customs issues are less troublesome due to NAFTA and a rich shared history between the US and Mexico.
- Mexico often has access to raw materials that are not available or are more expensive north of the border.

Texas also attracts business for a variety of reasons that are related to its relationship with Mexico. These connections are critical to many business sectors but are often not well understood. Texas receives goods from Mexico for next stage manufacturing. Texas manufactures goods that are imported into Mexico and then re-imported to Texas sometimes for further manufacturing. Perhaps most significant, Texas provides many services that are not counted in trade numbers. These services range from training and education to legal and beyond. Texas strengths in leveraging the relationship come from:

- Texas firms have greater access to technology since products with a high sensitivity to Intellectual Property protection are more likely to remain on the US side of the border.
- While Mexicans highly value education, Texas Universities have vast resources and Texans often have greater access to higher education.
- Cultural, legal, and customs issues are even lower in Texas than in Mexico.
- Texas often has better access to regional suppliers.

Texas A&M Global Manufacturing & Distribution Initiative

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Elec by County judge
§ 3.004 TX Election Code
Add "special election"