

PUERTO VERDE

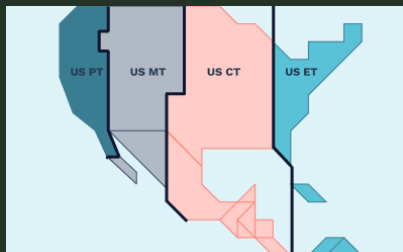
**Delivering Food, Fuel, Fiber and Trade on the Corridor
(Getting across the Border)**

**2023 Ports-to-Plains Alliance Conference
September 14, 2023**

Nearshoring Trends are Accelerating



Intellectual Property



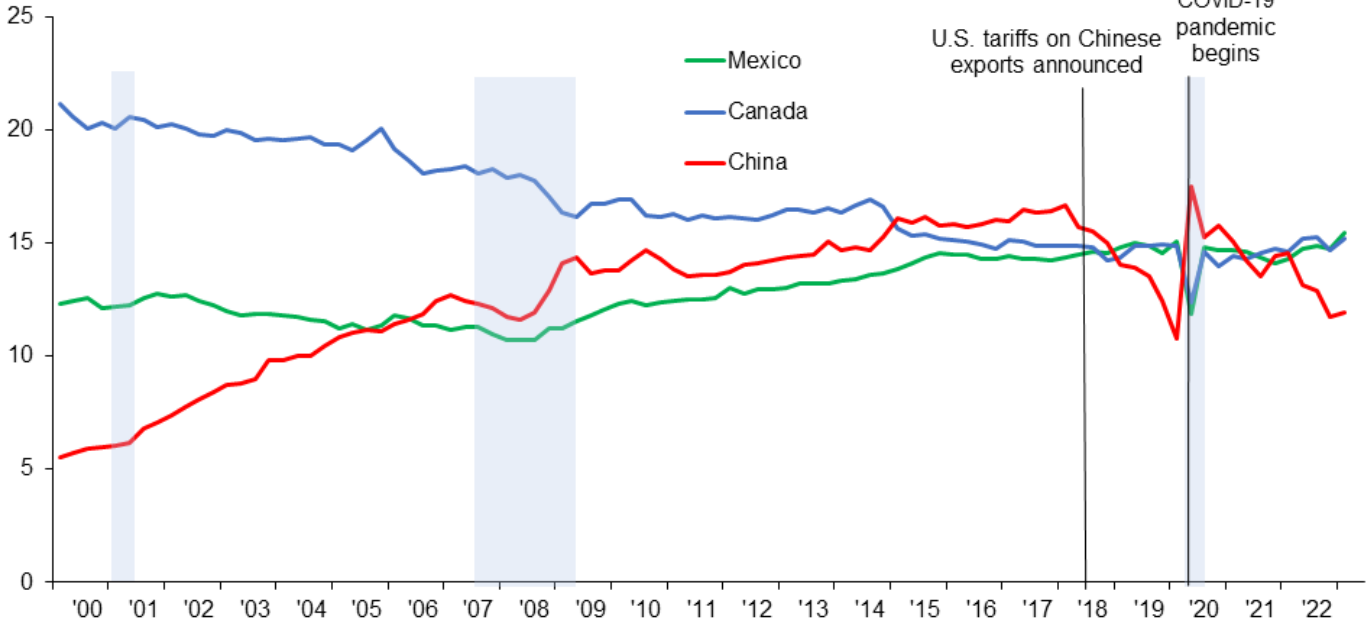
Time Zone Parity



Wage Rates & Costs

Chart 1
Mexico becomes top U.S. trading partner at start of 2023

Share of total U.S. trade (percent)



NOTES: Data are seasonally adjusted and quarterly. Figures also include April 2023. Shaded area denotes a recession. Total trade is the sum of exports and imports.
SOURCE: Census Bureau.

Tesla to build Mexico gigafactory in nearshoring move

Tesla will build a gigafactory in the north of the country to service the Americas and protect its supply chain.

By Lara Williams

Share In f



Border-Town Warehouses Are Booming as More Manufacturing Moves to Mexico

Real-estate investors add properties in cities like Tijuana, Mexico, and Laredo and El Paso, Texas

By Peter Grant

Feb. 7, 2023 8:00 am ET

Share AA Reels



Federal Reserve Bank of Dallas

Mexico's Foreign Investment Surges 48% as Nearshoring Booms

- Sharp increase occurs as companies expand operations
- Nuevo Leon, Jalisco and Puebla are top receiving states



An aerial view of a Foxconn factory in San Jeronimo, Chihuahua state, Mexico, as seen from Santa Teresa, New Mexico on Tuesday, August 9, 2022. Photographer: Paul Rafter/Bloomberg



Transport Times & Costs



US Trade War vs. China

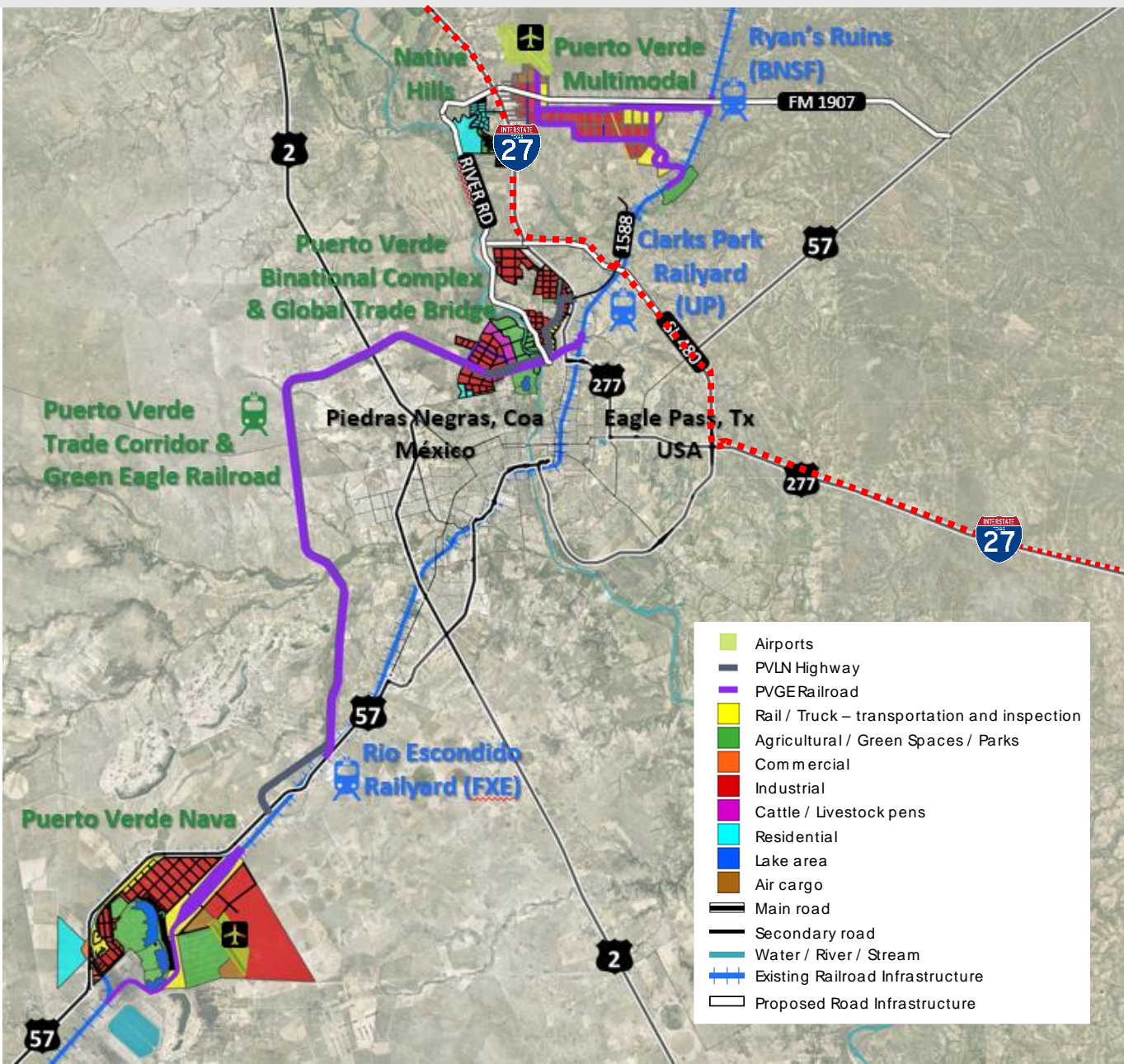


Armed Conflict in Eastern Europe

Puerto Verde Project Overview

Puerto Verde is building the most advanced, integrated, binational industrial complex, and trade port in North America that is strategically located along the Ports-to-Plains Corridor between Eagle Pass and Piedras Negras

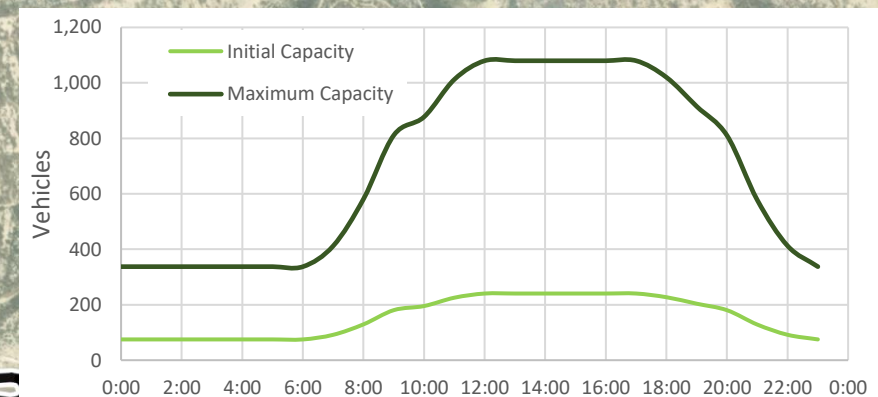
- Making the US-Mexico border **more resilient, secure, efficient, and sustainable**
- Facilitating and accelerating **3X Binational Trade Growth** by 2050 to meet nearshoring demand
- Avoiding future 9+ hour waits and **Preventing 100M lbs. of Annual CO2 Emissions**
- Developing **~20,000 Acres; Nava Phase 1 of 10M+ ft²** is now under construction
- Creating **320K+ Jobs** in a region devastated by job losses from former mining activities
- Fostering **\$28B GDP Growth** & regional prosperity
- **Providing resilient SECURE redundancy** and congestion relief for other major ports



New 100% Non-Intrusive Inspection (NII) Targeting Port Design



| Northbound Non-intrusive inspection System specs | | |
|--|--------|---|
| Individual NII Unit array | 120 | Trucks per Lane/hour |
| | 2 | Trucks per Lane/minute |
| | 600 | processing time (s) |
| Queue lanes per NII unit | 480 s | waiting time (s) |
| | 3 | Lanes required |
| | 1,132 | Lane length (ft) |
| | 886 | lane usable length (ft) |
| | 10 | lane capacity (truck) |
| | 85 | Allocated length per truck (ft) |
| | 31 | truck capacity |
| | 20 | max average truck count |
| | 64% | max average % utilization |
| Primary Booths per NII unit | 60 | Truck processing capacity per booth/hour |
| | 2 | Booths required |
| Non- Intrusive Inspection System | 9 | Planned inspection units |
| | 27 | Planned queue lanes |
| | 18 | Planned booths |
| | 1,846 | Daily Inspection capacity per scanning unit |
| | 16,613 | Estimated maximum daily capacity |



Facilitating Trade Growth & Reducing Emissions

Avoiding the future 9+ hour wait times by 2050 in Piedras Negras will prevent up to 100M lbs. of annual CO2 emissions from idling trucks



Puerto Verde is working with CBP, Mexican ANAM, and the private sector to develop the most advanced, next-generation port of entry on the US-Mexico border

- Incorporating **100% Non-Intrusive Inspections** vs. current rates of <20% for northbound CMVs
- Using the **Latest Technologies** such as facial recognition
- Serving as a **Technology Pilot Port** for CBP
- Facilitating **Unified US-Mexico Cargo Processing**
- **Preventing dangerous drugs such as Fentanyl** and other illicit goods from crossing the border
- Providing **24/7 Crossing Capabilities** for CTPAT/FAST
- Utilizing **Central Examination Stations** for more efficient and cost-effective customs processing
- Building a **Secure Rail Corridor** to reduce occurrence of theft, vandalism, and illegal transport of illicit goods and unauthorized passengers



“The Puerto Verde project will create 320k jobs and generate \$28B in annual GDP” - Dr. Perryman



Dr. Ray Perryman

President and CEO

The Perryman Group

B.S. Mathematics (Baylor)

Ph.D. Economics (Rice)

- 3,000+ private and 1,000+ public studies
- Client list includes 2/3rds of the Global 25, over 50% of the Fortune 100, U.S. Presidents, the Federal Reserve System, and more than 100 governmental entities
- Provided economic analysis for NAFTA and USMCA
- Primary economist for Fort Worth Alliance project

“A world class scholar” - Business Week

“The most quoted man in Texas” - Texas Monthly

“The state’s pre-eminent economist” - Dallas Morning News

“The unofficial state economist” - The New York Times

Puerto Verde Economic Impact Highlights

- The PVGTB will “**facilitate US-Mexico trade**, helping **alleviate congestion** on other Texas bridges”
- Net trade growth through Eagle Pass made possible by the PVGTB will support **1.4M jobs** and **\$135.5B in GDP**
- The project will increase **state tax receipts by \$830M**
- The Puerto Verde project will also provide **significant benefits locally to the City of Eagle Pass and its residents**
 - Construction will generate **\$4.6B in One-Time Income** and provide **67.7k Job-Years** for residents of Eagle Pass
 - Operations will generate **\$5.0B in Ongoing Income** and provide **77.1k Jobs** for residents of Eagle Pass
 - The City of Eagle Pass will see an increase of **\$26.3M in Ongoing Retail Sales Tax Receipts**
 - Puerto Verde will also **increase local property values** and **increase demand for restaurants, retail outlets, and personal service facilities**

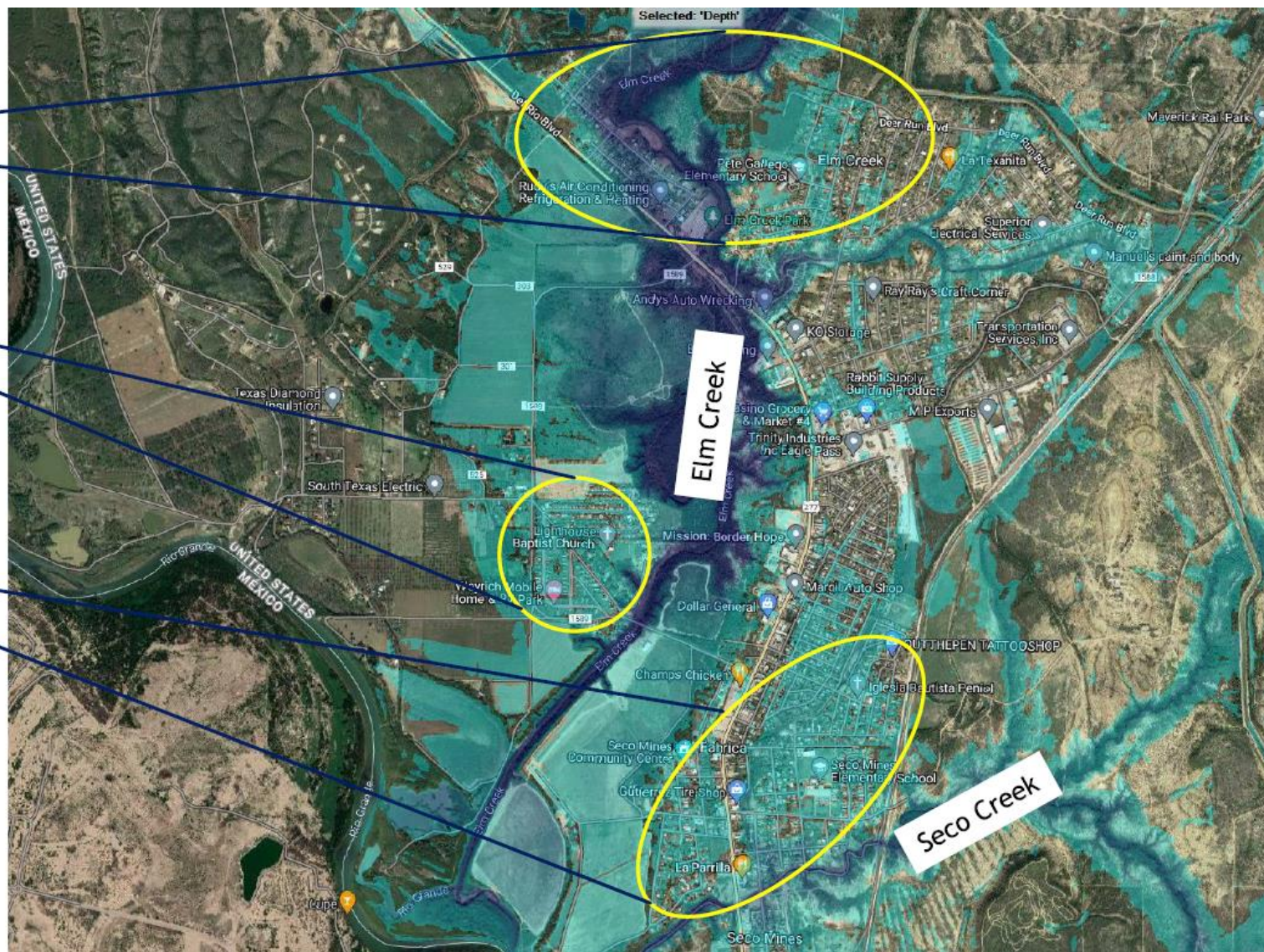
180 Homes in floodplain
From Elm Creek

150 Homes in floodplain
From Elm Creek

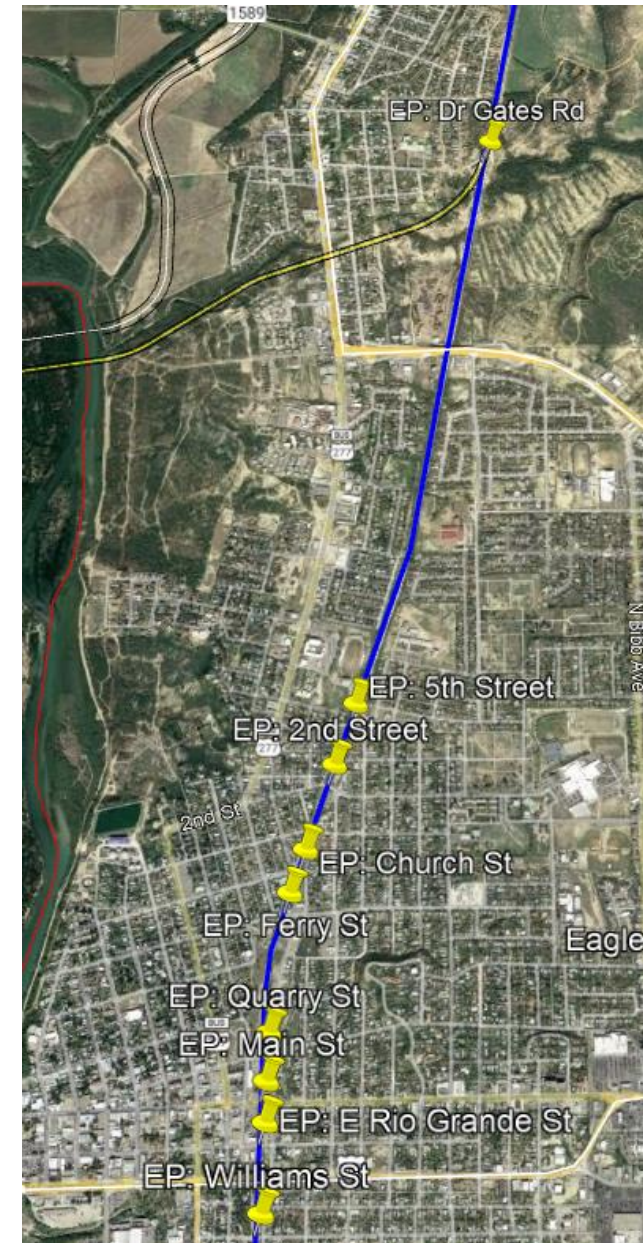
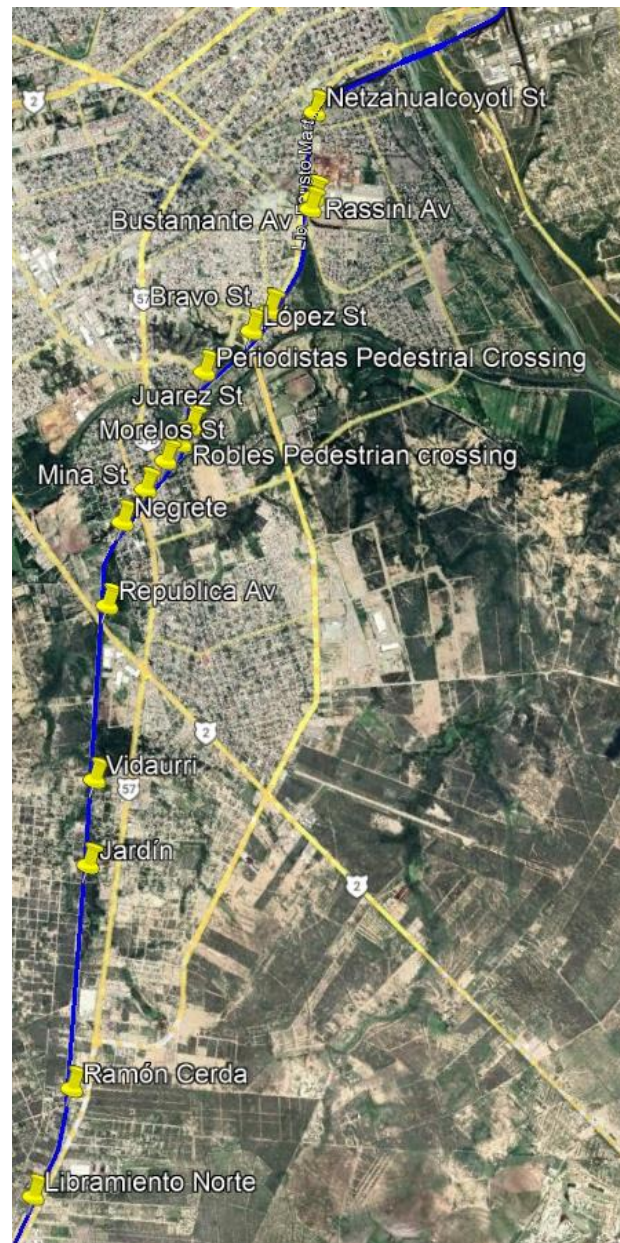
320 Homes in floodplain
From Seco Creek

330 Homes in Floodplain From Elm Creek
+ 320 Homes in Floodplain From Seco Creek

Total= 650 homes out of floodplain



- The **Secure Rail Corridor** will route commercial vehicle and freight rail traffic outside of the congested urban centers of Piedras Negras, Coahuila and Eagle Pass, Texas
- This new route has **Zero At-Grade Crossings**:
 - Avoids all 16 existing At-Grade Crossings in Piedras Negras, Coahuila
 - Avoids all 9 existing At-Grade Crossings in Eagle Pass, Texas



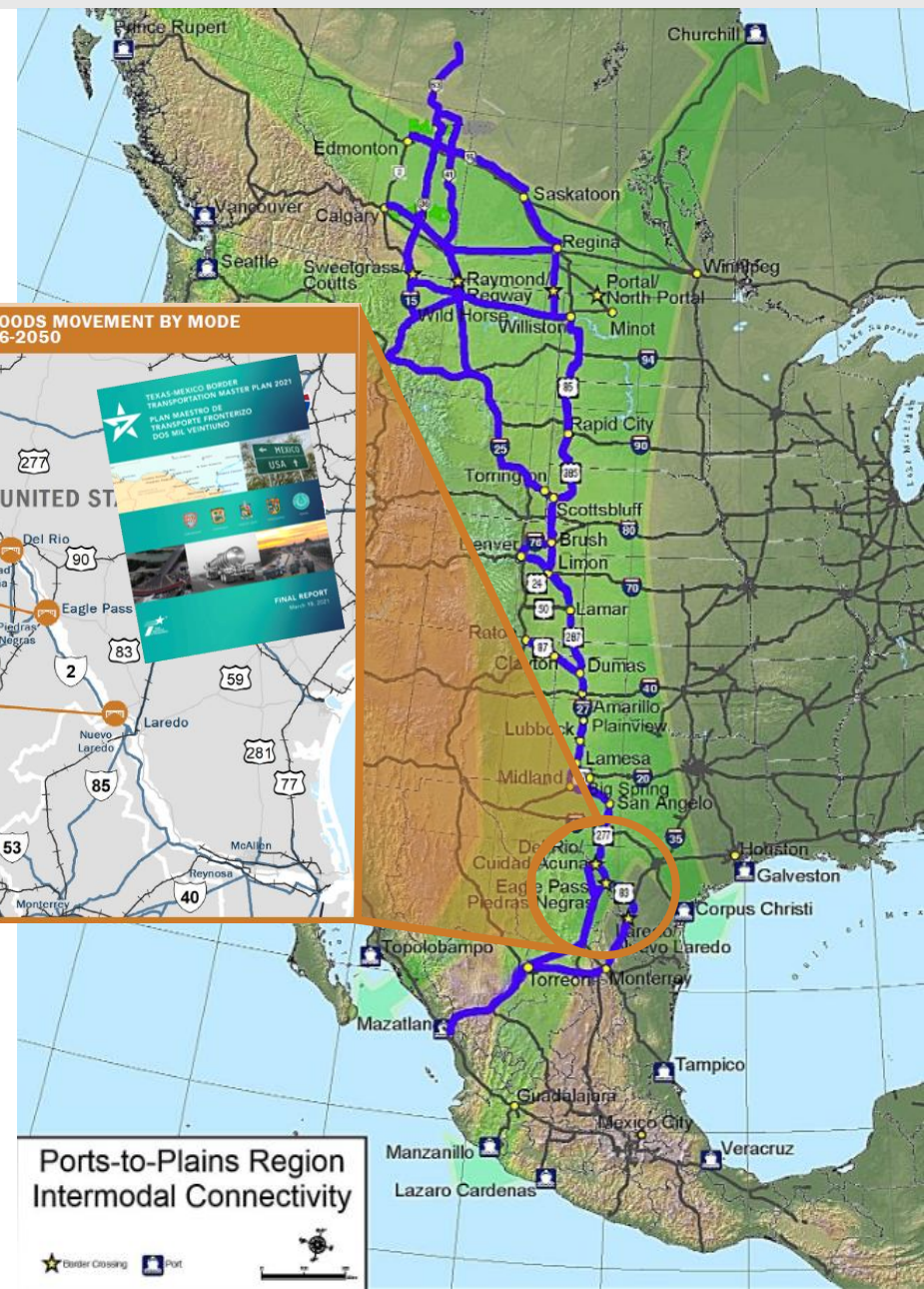
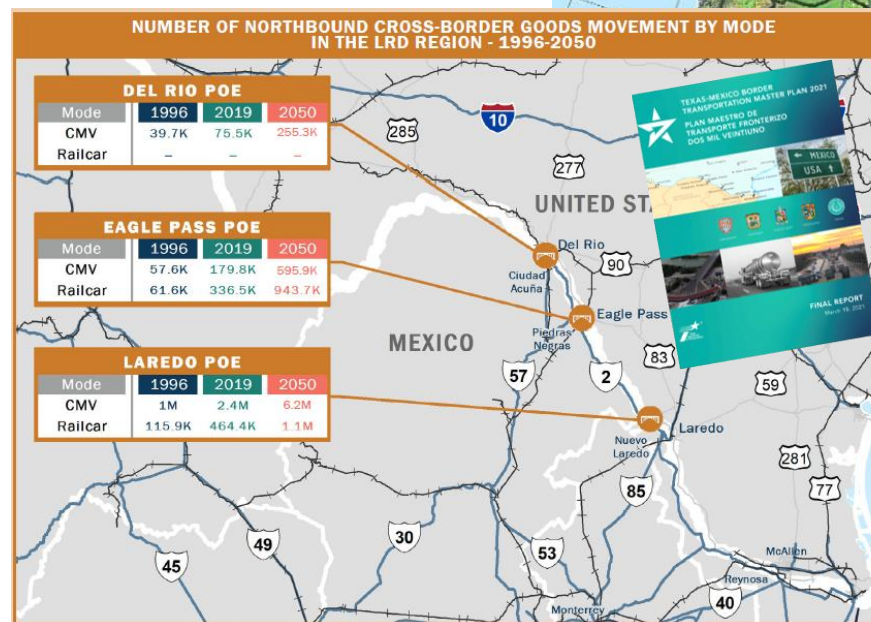
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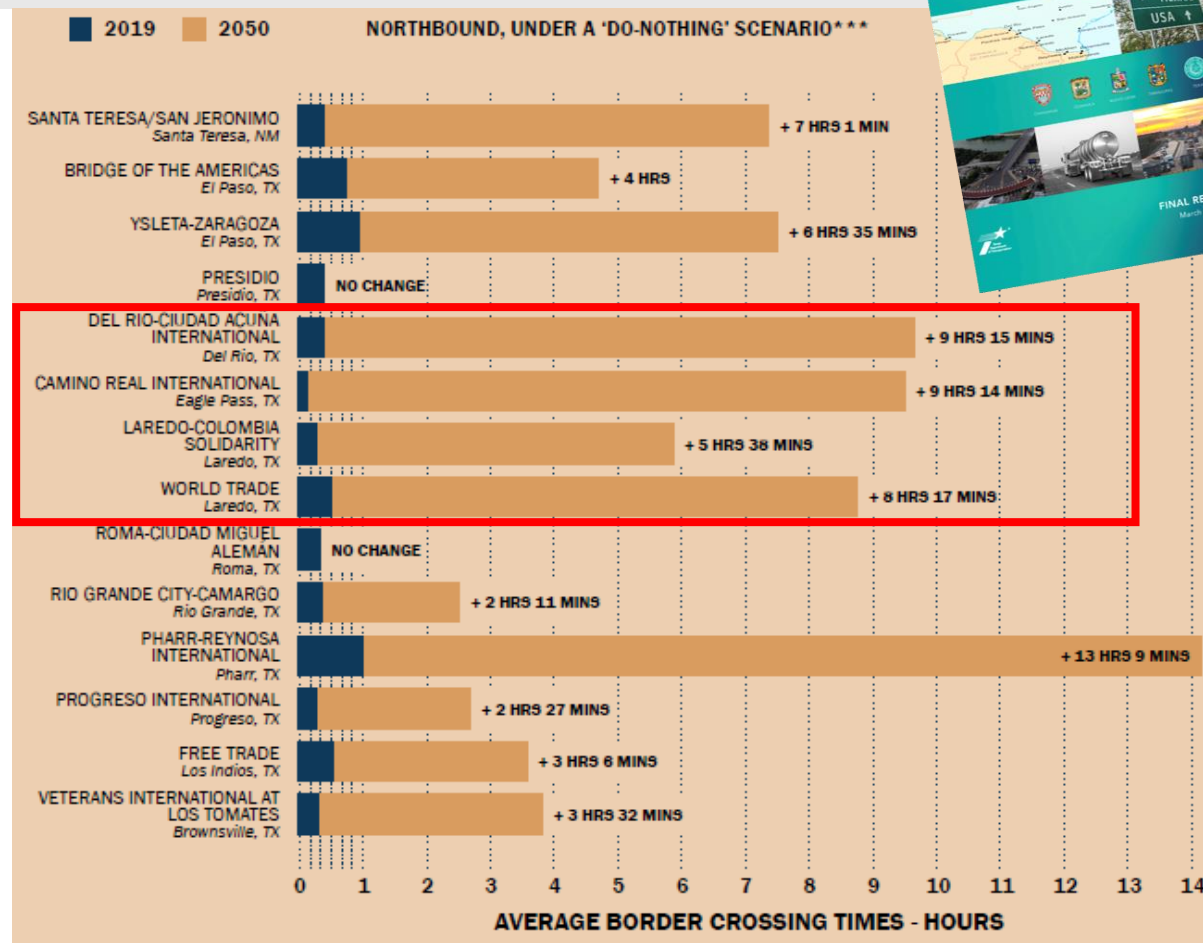
Fueling Binational Trade Growth via Ports to Plains Corridor

- **Texas – Mexico Binational Trade Dominance**
 - Accounted for 73% of US / MX trade in 2019
 - More than tripled under NAFTA since 1994
 - Demand forecasted to grow another 3X by 2050
 - Nearshoring trends will accelerate demand
- **Importance of Del Rio / Eagle Pass / Laredo**
 - Key sector along US/MX Ports-to-Plains corridor
 - 58% of TX/MX (42% of US/MX) trade in 2019
 - Forecasted to maintain importance through 2050
- **Eagle Pass-Piedras Negras' Share is Increasing**
 - All modes of transport (POV/Bus/Rail/CMV)
 - #1 POE for US/MX rail tonnage by 2050
 - Release-valve and redundancy for Laredo



Need for Additional Border Infrastructure

- **Demand will far exceed infrastructure capacity**
 - While trade has tripled since 1994, less than 1/3 of border crossings have received investment
 - Utilization rates already 2x designed capacities
 - Demand for Eagle Pass CMV expected to exceed 700% of designed capacity by 2050
- **Wait times are projected to radically increase**
 - Average CMV crossing times at many of the region's bridges are expected to exceed 8 hours
- **Without action, economic impact is staggering**
 - Regional GDP loss estimated at ~\$43B by 2050
 - Regional employment loss estimated at 1.2M jobs



| COMMERCIAL BORDER CROSSING | 2019 | | 2050 | |
|-------------------------------|----------|----------|-------------|------------|
| | U.S. | MEXICO | U.S. | MEXICO |
| DEL RIO-CIUDAD ACUÑA INTL. | \$10.9M | \$7.8M | \$2,822.2M | \$630.7M |
| CAMINO REAL INTL. | \$2.1M | \$2.8M | \$3,747.8M | \$966.0M |
| LAREDO-COLOMBIA SOLIDARITY | \$41.7M | \$47.3M | \$3,529.6M | \$1,542.7M |
| WORLD TRADE | \$197.9M | \$224.4M | \$16,763.6M | \$7,327.0M |