

# **MEMORANDUM OF UNDERSTANDING REVISION 3**

## **Between Five Western States for the Planning and Development of the CANAMEX Corridor**

**October 31, 2003**

### **Revision and Replacement of Previous Agreements**

In January 1999, the governors of Arizona, Montana, Nevada and Utah signed a Memorandum of Understanding for the Planning and Development of the CANAMEX Corridor. On December 3, 1999 the Memorandum of Understanding – Revision 1 (hereafter referred to as MOU-1) was signed by the governors of Arizona, Idaho, Montana, Nevada and Utah and took effect on that date, and on May 21, 2002 – Revision 2 (hereafter referred to as MOU-2) was signed. There is a mutual interest to continue planning and development of the CANAMEX Corridor beyond the expiration date contained in MOU 2. Upon signature by the governors of the participating states, the December 1999 MOU-1 and May 2002 MOU-2 will be withdrawn along with all of its provisions and agreements, whether stated or implied, and shall be replaced as of October 31, 2003 by this Memorandum of Understanding – Revision 3 (hereafter referred to as MOU-3).

### **Introduction**

The North American Free Trade Agreement (NAFTA) created a preferential trade relationship between Canada, Mexico and the United States. A key component for successful NAFTA implementation is a seamless and efficient transportation network linking high priority corridors, international gateways and economic hubs. This transportation system must provide for the high capacity, efficient and safe movement of goods, services, people and information between the three nations.

The states of Arizona, Idaho, Montana, Nevada, and Utah (hereafter referred to as the “Parties”) believe that cooperative actions are necessary to develop and operate the international trade corridor known as CANAMEX. The flow of trade within the CANAMEX Corridor will continue to increase as the objectives of the NAFTA are realized over the next several years.

In addition to being a transportation and trade corridor, CANAMEX is also an alliance between U.S. and Mexican states, Canadian provinces, and businesses to work together to create a regional business environment that fosters trade, attracts jobs and stimulates economic activity for the common benefit of the CANAMEX Corridor and the nations involved.

To date, the Government of Alberta has committed \$1.4 billion (Canadian) through 2009 to upgrade the portions of the provincial highways that make up the CANAMEX Corridor. The portion of CANAMEX between the international border and Edmonton has been upgraded to a four-lane divided highway, and north of Edmonton just under 300 kilometers (approx. 185 miles) remain to be upgraded from a two-lane highway. The system within Alberta is 78% complete.

Likewise, the Mexican states of Sonora, Sinaloa, Nayarit and Jalisco have established a Mexican CANAMEX Coalition with public and private sector representation, and the Mexican Government has established its Highway 15 – linking Mexico City with the US Border at Nogales, Sonora – as one of Mexico’s 10 priority corridors. Plans are underway to seek formal designation of CANAMEX in Mexico and to upgrade the final portion of the current two-lane roadway, a stretch of 436 kilometers (approx. 271 miles) by 2006.

The Intermodal Surface Transportation Efficiency Act and the Transportation Equity Act of the 21<sup>st</sup> Century (TEA-21) recognized the need for coordinated multi-state planning, design and construction of international trade corridors by providing funds through the “National Corridor Planning and Development Program” and the “Coordinated Border Infrastructure Program.” A trade corridor can be defined as a geographically designated area that facilitates the national and international movement of goods, services, people and information between and through international gateways and ports-of-entry.

The Western Association of State Highway and Transportation Officials (WASHTO) conducted a study of the western trade corridors in 1998 and recognized the CANAMEX Corridor as one of the West’s significant north-south trade corridors. At the same time, the U.S. and Mexican border states completed a study of the transportation infrastructure impacts of the implementation of NAFTA. This study, which was authorized by the first NAFTA Transportation Summit, concluded that additional improvements are necessary to meet the increasing demand for truck and railroad freight capacity and efficiency.

In April 2001, public and private sector representatives from the Parties approved the CANAMEX Corridor Plan. Funded by a National Corridor Planning Grant, the Plan inventories the transportation, telecommunications and economic infrastructure along the Corridor, projects approximately \$6 billion in needed highway improvements over the next 30 years, and defines a series of Bold Initiatives that would, if implemented, provide one million jobs throughout the five state region over the next 30 years. The Bold Initiatives are designed to enhance the safety and efficiency of the CANAMEX highway infrastructure and promote trade, tourism and economic activity, particularly in rural areas.

Certain transportation infrastructure in the CANAMEX Corridor must be improved to promote access between markets, increase efficiency of freight movement and enhance the region's competitiveness. Under Section 1118 (c) of TEA-21, multi-state organizations are eligible for funding to plan, design and construct the infrastructure projects in support of the CANAMEX Corridor.

## **ARTICLE I – Purpose**

A well planned transportation and trade corridor will maximize the benefits for the U.S. CANAMEX states, as well as the neighboring jurisdictions in Canada and Mexico, by increasing economic development opportunities in the western half of North America. The Parties hereby

agree to work cooperatively to form and support the CANAMEX Corridor Coalition to pursue the objectives set forth herein.

## **ARTICLE II – Objectives**

The Parties agree:

1. To promote the CANAMEX Corridor for the efficient, seamless and value added movement of people, goods, services and information.
2. To enhance the safety and efficiency of the Corridor through the implementation of technology-based information and enforcement systems.
3. To focus their efforts on opportunities in the following areas: transportation technology and multi-modal connectivity, tourism and recreation, international trade, telecommunications infrastructure and access, rural economic development and institutional relationships.
4. To develop public and private sector partnerships to facilitate deployment of Smart Corridor enhancement in the region.
5. That funding received for the implementation of the CANAMEX Corridor Bold Initiatives under TEA-21 Section 1118-1119, 52-08, 5209 and 5203 (b)(6) and other future sources identified by the Parties will be used to meet the objectives specified in the MOU-3.

## **ARTICLE III – CANAMEX Corridor Coalition**

In accordance with this MOU-3, the Parties agree that the joint working committee called the CANAMEX Corridor Coalition (CCC) will consist of gubernatorial appointees from both the public and private sectors from each state. The public sector appointees shall include the director of the department of transportation/roads or executive staff and may also include other representatives from the economic development and/or tourism agencies of the state. The private sector appointment shall be one member with experience in one or more of the following areas: transportation and interstate commerce, telecommunications, tourism, energy, economic development or finance. The CCC will operate on a consensus basis.

The purpose of the CANAMEX Corridor Coalition is to oversee the implementation of the Bold Initiatives identified in the CANAMEX Corridor Plan adopted in April 2001, and to provide guidance in developing related regional initiatives by (a) applying for federal funds for the development of a regional system and (b) establishing common goals and objectives for continuing development of the CANAMEX Corridor.

## **ARTICLE IV – Implementation of the CANAMEX Corridor Initiatives**

The Parties agree that the delegates to the CANAMEX Corridor Coalition shall work cooperatively to seek proposals from qualified applicants according to the appropriate procurement process for the funding source.

## ARTICLE V – Responsibility of the Parties

Each Party will contribute the necessary resources to support the CANAMEX Corridor Coalition. The CCC will determine the initial plan of work.

Each year, the CCC will determine its plan of work, identify resources and assign responsibility to achieve shared objectives. At the conclusion of each plan year, defined as June 30, the CANAMEX Corridor Coalition will forward a report on its activities and progress to the governors who are signatories of this agreement and such other individuals as the governors may request.

## ARTICLE VI – Effect and Termination

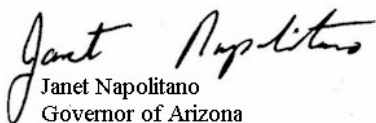
This MOU-3 will be effective on the date of signature by two or more Parties. Parties may terminate their participation as a party to this MOU-3 at any time by providing a 90-day notice in writing to the other Parties signatory to this MOU-3. The termination of the MOU-3 will not affect any cooperative actions or activities taken as a result of this MOU-3 that were initiated prior to such termination unless all Parties agree otherwise in writing.

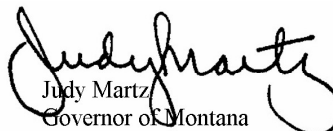
Unless specifically extended by the Parties as described above, this MOU-3 shall terminate on June 30, 2005.

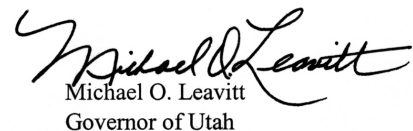
## ARTICLE VII – Modifications

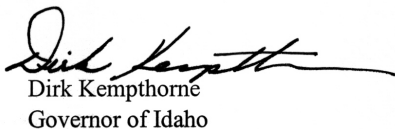
The Parties may modify this MOU-3 by written, mutual agreement. Modifications will become effective upon agreement of the Parties.

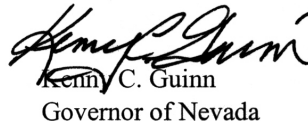
In WITNESS WHEREOF, the undersigned, being duly authorized, have signed this MOU-3.

  
Janet Napolitano  
Governor of Arizona

  
Judy Martz  
Governor of Montana

  
Michael O. Leavitt  
Governor of Utah

  
Dirk Kempthorne  
Governor of Idaho

  
Kenny C. Guinn  
Governor of Nevada

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