

# THE GALLUP / MCKINLEY COUNTY REGIONAL TRADEPORT

An Economic Roundtable on  
Connecting Greater Gallup  
with the Global Supply Chain

# WHITE PAPER

Prepared for the  
**2024 Economic Roundtable:**  
**The Gallup/McKinley County Regional TradePort:  
New Prospects for the Western New Mexico  
Logistics Hub”**

Hosted by  
**Greater Gallup Economic Development Corporation**  
**January 26, 2024**





## WHITE PAPER for GGEDC Economic Roundtable 2024

# The Gallup/McKinley County Regional TradePort: Prospects for the Western New Mexico Logistics Hub

## I. OVERVIEW

The 2024 Economic Roundtable builds on the 11-year tradition of the Greater Gallup Economic Development Corporation of holding annual roundtable events around economic topics of timely interest and relevance to the economy of the Greater Gallup region encompassing the City of Gallup and McKinley County, and extending outward to interests of the broader region and the State of New Mexico. They are designed to be educational and interactive, as well as to encourage informed advocacy by local and State leadership on behalf of policy objectives, funding initiatives and emerging projects of benefit to the community.

This year's roundtable serves as an educational introduction to the world of logistics and trade as it relates to economic opportunities in the Greater Gallup area, and surveys the several "pieces of the puzzle" being developed in tandem, all to be woven together in a system referred to as a "TradePort," or more generally as an "inland port."

The Gallup/McKinley County TradePort initiative is the culmination of over a decade of painstaking economic development work spearheaded by the GGEDC to establish conditions conducive to economic growth and job creation, all undertaken during times of extraordinary economic change – globally, nationally, regionally and locally, owing to changes in energy policy and their impact on existing industry, new mandates related to climate change and environmental health, public health restrictions and protections related to the COVID pandemic and revolutionary changes in industrial technology, as well as other factors.

Throughout this turbulence, the GGEDC has maintained a proactive posture and strategic focus, maintaining alignment with its founding mission to prioritize the development of sustainable economic-base industry, both through helping local employers to remain in and further expand their business and through attracting and recruiting new industry into the community.

The County of McKinley, with technical assistance and project oversight by the GGEDC, is contracting with Martin Associates to facilitate establishment of a viable and competitive inland port in McKinley County, New Mexico, including formulation of:

- a value proposition statement;
- a data-informed feasibility analysis of commodity flows, local infrastructure assets and needs, potential markets, inland port demand related to Tier 1 and Tier 2 trade centers, and jurisdictional and regulatory barriers to be mitigated;
- an action plan for design, financing and development of TradePort facilities; and
- a formal partnership between the McKinley County inland port and the seaports of Los Angeles and Long Beach, California and Houston, Texas; and
- a plan for coordination with other inland TradePort initiatives in New Mexico and partnering states as part of the Interstate-40 Corridor Clean TradePorts initiative.

## II. BACKGROUND

As county seat and commercial hub for McKinley County and surrounding jurisdictions, the City of Gallup is situated on America's major east-west transcontinental transportation corridor featuring the 2,500-mile Interstate-40 freeway and the Burlington Northern Santa Fe (BNSF) Railway. Gallup is located strategically equidistant between the Port of Los Angeles and Oklahoma City, about 9.5 hours driving distance to/from each point, and at an 11-hour midpoint between the West Coast and Port Houston.

Trucking, rail and intermodal/transloading connections are major players in Greater Gallup's logistics economy, for example:

- 4,580 trucks per day on I-40;
- 100+ trains per day through Gallup;
- dozens of south-north truck-runs per day between Gallup and Farmington/San Juan Basin; and
- a 142-year relationship with the BNSF Railway, now punctuated by a BNSF Certified Site, the Gallup Energy Logistics Park.

For the past 11 years, McKinley County and the City of Gallup have collaborated with the area's local economic development organization, the *Greater Gallup Economic Development Corporation (GGEDC)*, to drive economic growth and provide economic-base jobs in the area. In this time span, the GGEDC has worked proactively with local employers and a local-to-international network of partners and stakeholders to identify and expand upon local assets, build local capacity for development, anticipate and respond to economic trends, connect with emerging markets, and attract new investments and on-the-ground projects.

In addition to a strong business retention/expansion (BRE) program, the GGEDC has forged a partnership with Gallup Land Partners, purchasers of about 26,000 acres of McKinley County lands surrounding the City of Gallup. This has resulted in establishing and developing the *Gallup Energy Logistics Park*, including strategic improvements to rail facilities and transportation corridors in support of industrial activity, as well as achievement of Certified Site status by BNSF Railway.

Meanwhile, on the regional and transcontinental scale, new disruptions and other challenges to the global supply chain have presented new opportunities for innovation and partnership. The Ports of Los Angeles and Long Beach, California are the busiest container ports in North America, receiving about 40% of U.S. imports. Due to their record volume of containerized trade, the ports often experience significant vessel congestion and backlog. In early 2023, over 100 ships were waiting to dock at the Port of Los Angeles. The combined capacity of vessels waiting for LA/LB berths, including container ships and general cargo ships carrying containers, was more than 800,000 20-foot equivalent units (TEUs).

In the dynamic world of North American logistics, there are emerging trends toward the onshoring of manufacturing operations and the establishment of inland ports – logistics hubs in the “hinterlands” – which add capacity to the overall supply chain and create facilities for new manufacturing enterprises. It is also true that New Mexico needs to expand and strengthen its export economy, as well as to connect with Port Houston and the Transatlantic markets.

McKinley County has decided to pursue establishment of an inland port that takes advantage of its location in the midst of the Interstate-40/BNSF corridor, providing a rural logistics hub to help relieve West Coast cargo congestion, connect with both trans-Pacific and trans-Atlantic markets, assist with supply chain flow and efficiency and provide a boost to the northwest New Mexico economy.

In Spring 2020, around the beginning of the COVID-19 pandemic, Martin Associates delivered to McKinley County a detailed Market Assessment report on a potential Inland Port in the County. The conclusions were cautious about the County's competitive position in the logistics marketplace, but also offered recommendations on a number of potential economic opportunities based on the unique assets of the Gallup and Four Corners area. In the four years since the Martin Associates report was filed, subsequent trends and dynamics have occurred in the logistics industry, and positive new developments have begun to materialize in McKinley County and its neighboring counties in northwestern New Mexico, as well as in other parts of the State.

In consideration of the above assessment and in the midst of other major shifts in the global and regional economy, the GGEDC has taken the lead on several key initiatives, including:

- AIR SERVICE – Re-establishment of passenger air service at Gallup Municipal Airport;
- AUTONOMOUS VEHICLE TECHNOLOGY – Plans for developing Gallup/McKinley County as a Mobility Investment District to include a testing center for autonomous vehicle technology, a trucking supercenter, and most recently, a hydrogen power generation and fueling center;
- CARBON COAL ROAD – Completion of a 5-mile four-lane highway between US Highway 491 and the Gallup Energy Logistics Park (GELP) to facilitate improved truck access to GELP and a County-owned industrial/business park property and to facilitate truck-train transloading, manufacturing and warehousing; and
- INLAND PORT – Plans for moving forward on establishing an inland port, including a foreign trade zone and user fee airport designation.

Since 2020, grants have been awarded and State legislative actions taken to support the work needed to move forward along these inter-related development paths:

- HOUSE BILL 8/ECONOMIC DISTRICT FORMATION – In 2020, the New Mexico Legislature's House Bill 8 allowed for the formation of an electric generating facility economic development district, with a governing Authority, to issue bonds in support of developing an industrial park in eastern McKinley County adjacent to a former coal-fired power plant that is now being re-purposed to become Hydrogen-fueled.
- HOUSE BILL 270/AV TESTING – In 2021, the New Mexico Legislature's House Bill 270 directed an update of State transportation statutes to include autonomous vehicles, committing the administration to promulgate rules allowing for autonomous vehicle testing on New Mexico highways.

- FTZ/UFA
  - In 2021, the US Economic Development Administration (EDA) awarded a planning grant to the City of Gallup to establish a Foreign Trade Zone/User Fee Airport at the Gallup Municipal Airport, which would designate Gallup as an inland port and pave the way for a US Customs & Border Protection (CBP) Officer to be stationed in Gallup to clear international cargo and passengers for import into and export from the United States. The planning work includes site planning and engineering for an Autonomous Commercial Truck Test Track and Hydrogen Fueling Station.
  - In 2023, the New Mexico Department of Transportation (NMDOT) awarded a \$1 million grant to the City of Gallup to implement the Foreign Trade Zone/User Fee Airport, including financial support for a CBP Officer (CBP) in Gallup for 5 years.
- SUPPLY CHAIN ACCELERATION/INLAND PORT– In 2023, the NMDOT awarded a \$1 million grant to McKinley County in support of the Gallup Supply Chain Accelerator, which seeks to develop formal partnerships with the seaports of Los Angeles and Long Beach for piloting the delivery of containers to the Greater Gallup Inland Port, where the cargo can be rapidly cleared for entry into the US. The planning work associated with this grant will include vetting the Accelerator for use of autonomous commercial trucks powered by Hydrogen to deliver the containers. This is the grant source that will fund the work described herein.

McKinley County’s objectives, as summarized in the following section – can best be understood in the broader context of trade as it interfaces with New Mexico’s commercial and political economies. Generally speaking, New Mexico is challenged by a piecemealing, or “Tower of Babel,” situation characterized by fragmentation of many different trade corridors and jurisdictions. Additionally, New Mexico has a limited profile in the export of goods produced within the State for market distribution. In other words, most of the goods being conveyed by trucking and rail are passing through New Mexico, whose primary role consists of the provision of warehousing and pass-through corridors.

The work to be undertaken in service to the County’s objectives, then, must consider:

- **PLANNING UPDATE** – The importance of updating the 2020 Martin Associates assessment in light of COVID-19 pandemic impacts, new local and regional developments and other changes in the regional, national and global marketplace;
- **ECONOMIC CHANGES** – The changes in the global energy economy and their impacts on the economies of New Mexico, its northwestern region, the Southwest and the US generally, along with the implications for prioritizing “green” development that assists in reducing carbon emissions;
- **JURISDICTIONS** – The extent to which existing jurisdictional and regulatory barriers can be modified or eliminated to achieve coherence and opportunity for success in establishing an inland port at Gallup and a functional partnership with the west coast seaports; in particular, identification of opportunities to eliminate barriers and establish cross-jurisdictional collaboration between the region’s tribal, municipal and state jurisdictions;

- **SUPPLY CHAIN TRENDS** – A detailed understanding of past, current and future trends in commodity flow through New Mexico, and more specifically the I-40/BNSF corridor, and the extent to which portions of that commodity flow can be captured within the Greater Gallup region and enhanced through investments in value-added warehousing, manufacturing and export operations, thus creating economic-base export capacity within the region;
- **LOCAL ASSET BASE** – An assessment of assets and valuations within the McKinley County region, along with their potential to contribute to the existing commodity supply chain, including the potential to establish and grow manufacturing enterprises that can capture a portion of the commodity flow and generate value-added products for redistribution and export;
- **WORKFORCE** – An assessment of skill sets anticipated to be in demand in the TradePort cluster, along with a multi-agency plan for effectively training the local workforce in those skill sets and in job-readiness for employment in TradePort businesses;
- **VALUE-ADDED LOGISTICS** – An assessment of the potential for McKinley County to create a value-added logistical piece to transcontinental commodity flow, for example in the provision of hydrogen-generated electricity for transporters driving through the region; and
- **REGIONAL PARTNERSHIPS** – An assessment of the potential for mutually beneficial solutions and relationships to be found between the Greater Gallup region and logistical markets, with particular emphasis on Southern California and the Midwest, as well as collaboration with other TradePort initiatives in New Mexico and along Interstate-40.

### III. PROJECT OBJECTIVES

The primary objective of the McKinley County Inland Port/Supply Chain Accelerator study is to facilitate establishment of an inland port with the strategic connections and local capacity needed to forge functional partnerships between the Greater Gallup Inland Port project and Tier 1 and Tier 2 ports and trade hubs, most prominently the seaports at Los Angeles, Long Beach and Houston, based on a detailed, data-informed, feasible and actionable plan for piloting and building upon these partnerships. Supporting objectives include:

- (1) **COMMODITY FLOWS** – Drawing on previous studies and data resources, as well as new research and consultation, assess historical, current and projected commodity flows through the McKinley County corridor, relationship to West Coast, Midwest and other key commodity markets, and potential for investment in warehousing and value-added manufacturing that enhances export opportunities in the region and contributes to the supply chain;
- (2) **BARRIERS** – Identify, and rectify as possible, jurisdictional, legal and regulatory issues and barriers to successful implementation of essential inland port partnerships and to improved commodity flow, capture, and value-added export;
- (3) **INFRASTRUCTURE CAPACITY** – Identify infrastructural and other capacity needs in the Greater Gallup area as related to the inland port/transportation logistics hub objective, and put forth an actionable, resource-constrained plan for meeting these needs and shortfalls, including warehousing specifications and designs that align with costs, logistical efficiencies, technological systems, utilities and sustainability goals most advantageous to shippers and carriers;

- (4) **DEMAND** – Identify demands and needs of the Long Beach and Los Angeles seaports for inland relief of commodity flow, as well as cost differentials for shippers and carriers potentially associated with a McKinley County inland port;
- (5) **MARKET STUDY** – Conduct a study of the national and international markets of relevance to a McKinley County inland port, including market opportunities for locally manufactured value-added products and locational requirements of investors and site selectors, as well as the demand for inland port services by the logistics industry;
- (6) **FEASIBILITY AND VALUE PROPOSITION** – Matching current and projected local assets with demands and opportunities in the marketplace, formulate a supply-side value proposition and statement of feasibility and competitive advantage for the McKinley County Inland Port;
- (7) **COLLABORATIONS** – Establishing strong relationships with logistics stakeholders at the local, regional and national levels, as well as with interested Native American tribal nations and other TradePort initiatives in New Mexico and neighboring states;
- (8) **DEVELOPMENT AND IMPLEMENTATION** – Articulate and design the Inland Port facilities, resources, innovations and processes necessary in McKinley County to serve the trade corridor partnership, to include site plans and coordination with the other development elements and initiatives being undertaken in Greater Gallup;
- (9) **VISUAL/GRAPHICAL PRODUCTS** – Generate maps, architectural/conceptual renderings, site layouts and relationships, and other visual products depicting feasible development plans and potential investments;
- (10) **AGREEMENTS** – Facilitate consultations leading to execution of agreements among principal players in McKinley County, the southern California ports, affected Native American tribes and the State of New Mexico that establish a functional partnership, along with the oversight, governance and accountability structure to monitor, guide and ensure sustained success;
- (11) **FUNDING** – Identify and assist in the securing of public and private funding resources necessary for implementation of the plans and agreements to be established;
- (12) **IMPLEMENTATION** – Guide and facilitate initial phases of implementing the Inland Port Plan as produced for this engagement. Based on the findings emerging from the feasibility assessment, articulate and design the proposed buildout of Inland Port facilities, including but not limited to:
  - Facilities and infrastructure required for efficient port services;
  - Process, energy, financial and other innovations that will distinguish the Inland Port within the logistics marketplace;
  - Budgets and resource projections, including identification of and assistance in procuring funding and investments from potential sources and methods, for implementing the proposed buildout;
  - Integration and coordination with other economic development elements and initiatives being undertaken in McKinley County, reflecting the potential synergies, efficiencies and attractive features of such a multifaceted development strategy;
  - Site plans, maps, architectural/conceptual drawings and other visual products, and preliminary engineering reports related to and reflecting the proposed buildout.
  - A Final Report that pulls together all elements of this engagement and provides an actionable plan for short- and long-term implementation.

- Initial funding and implementation of the local infrastructure developments necessary for the Inland Port buildout;
- Inter-agency consultation leading to execution of agreements among principal players in Greater Gallup, the southern California and Houston ports, the affected Native American tribes and the State of New Mexico, as necessary to establish a functional partnership, with an oversight, governance and accountability structure to monitor, guide and ensure sustained success.

#### **IV. SUMMARY OF THE TRADEPORT CLUSTER**

The Appendix to this paper consists of a PowerPoint that summarizes the inter-related elements of the Gallup Regional TradePort initiative.



# APPENDIX

## Gallup Regional TradePort:

GGEDC's Bold Outreach

to Connect Greater Gallup with the Global Supply Chain

PowerPoint Presentation  
by Greater Gallup Economic Development Corporation  
January 2024

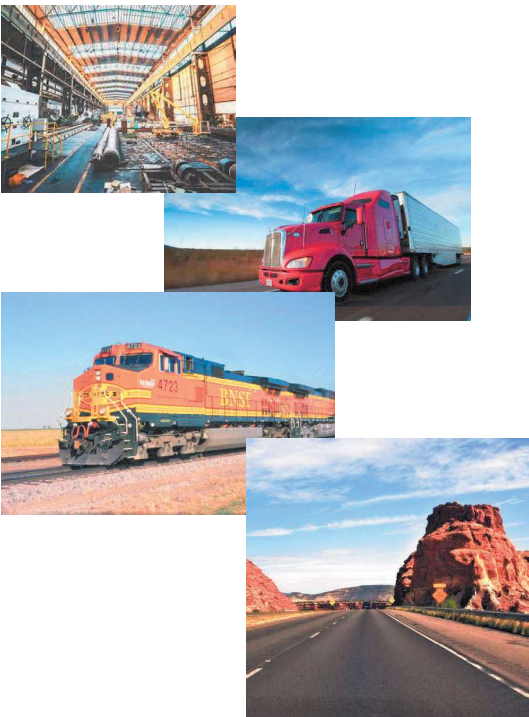
# Gallup/McKinley County Regional TradePort

GGEDC's Bold Outreach  
to connect Greater Gallup  
with the Global Supply Chain



presentation by  
Greater Gallup Economic Development Corporation  
January 19, 2024

## 1) Growth Focus in Greater Gallup



### ➤ Our Economic Assets

- **Geographic Location:** a commercial hub in the Four Corners region at “midpoint” between West Coast, Midwest & Gulf Coast hubs
- **Interstate-40:** a major commodity corridor runs through us
- **BNSF Railway:** the east-west Transcon helped define Gallup; great partnership with the community; now poised to take us to next level
- **Land:** Thousands of acres of privately-owned high desert property suited to development “with elbow room” + transportation connectivity
- **Labor Pool:** an unemployed and under-employed workforce is ready to work at competitive labor prices

### ➤ From Planning to Development

- **Prepared for Growth:** New on-the-ground assets in place, for example:
  - **Gallup Energy Logistics Park (GELP):** a BNSF-certified and TBIC- certified site in an FDI-qualified and Opportunity Zone community, with transloading rail loop, in partnership with Gallup Land Partners
  - **Carbon Coal Road:** improved to prime, 4-lane, multiuse condition, leading to GELP from truck-friendly intersection at US Highway 491
  - **Hydrogen-powered Energy & Fuel:** public & private investments in re-purposing the coal-fired Escalante Generating Station
- **Recruitment:** Industry has arrived – real development is emerging

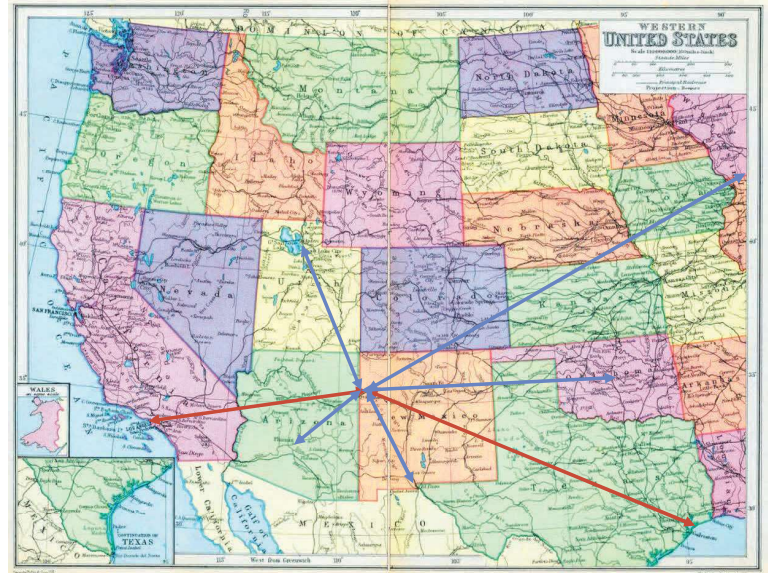


# Pieces of the Puzzle

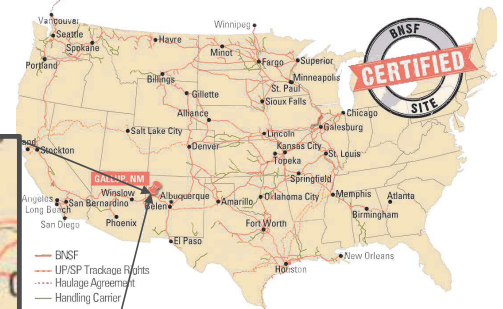
## GALLUP TRADEPORT:

### Greater Gallup's Multifaceted Economic Strategy

- 1) Growth Focus in Greater Gallup
- 2) Hydrogen Energy Cluster at Prewitt
- 3) Carbon Coal Road/Energy Logistics Park Projects
- 4) SuperCenter Travel/Trucking Hub
- 5) McKinley County Business Park
- 6) Hydrogen/Multi-Fuel Hub in Gallup
- 7) Foreign Trade Zone/User Fee Airport Certification
- 8) Autonomous Trucks Test Track
- 9) Inland Port
  - Supply Chain
  - Ports of LA and Long Beach
  - Port Houston
  - Inland Port: Work to be Done—Study & Action
  - Status & Next Steps

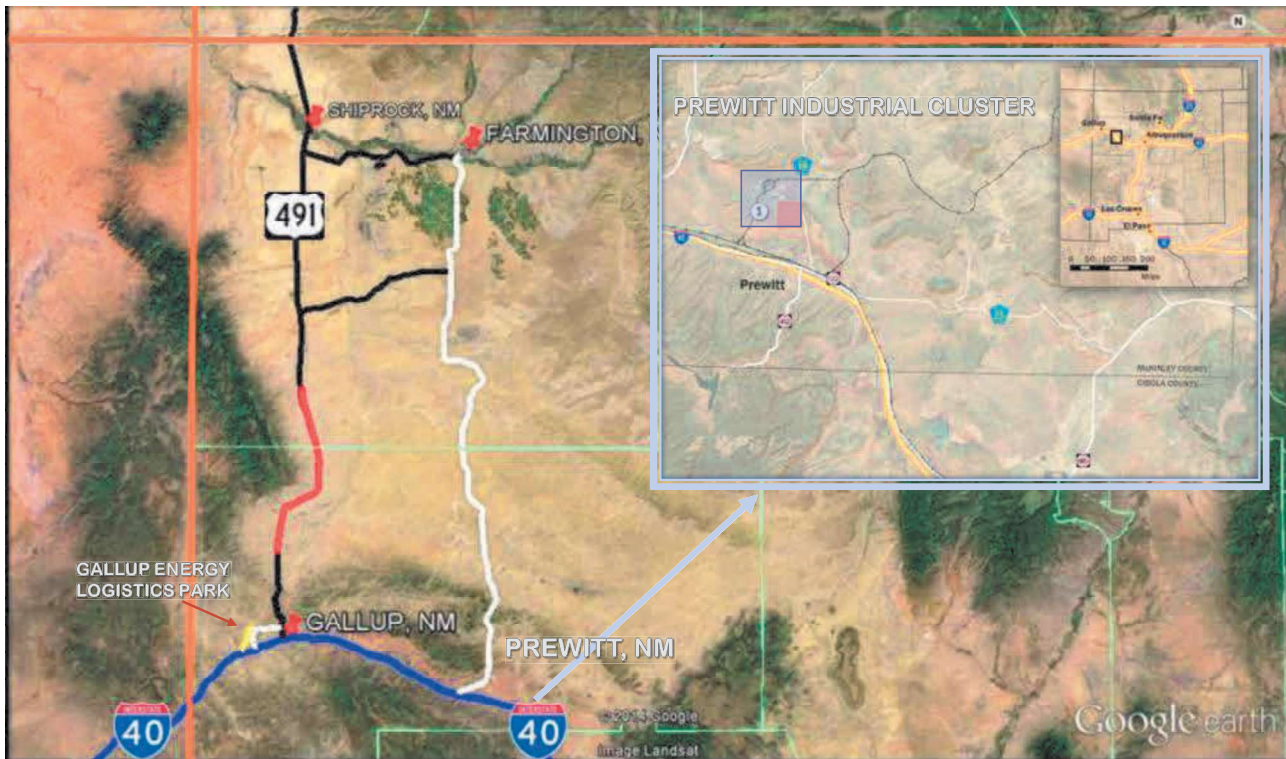


## BNSF Railway Network

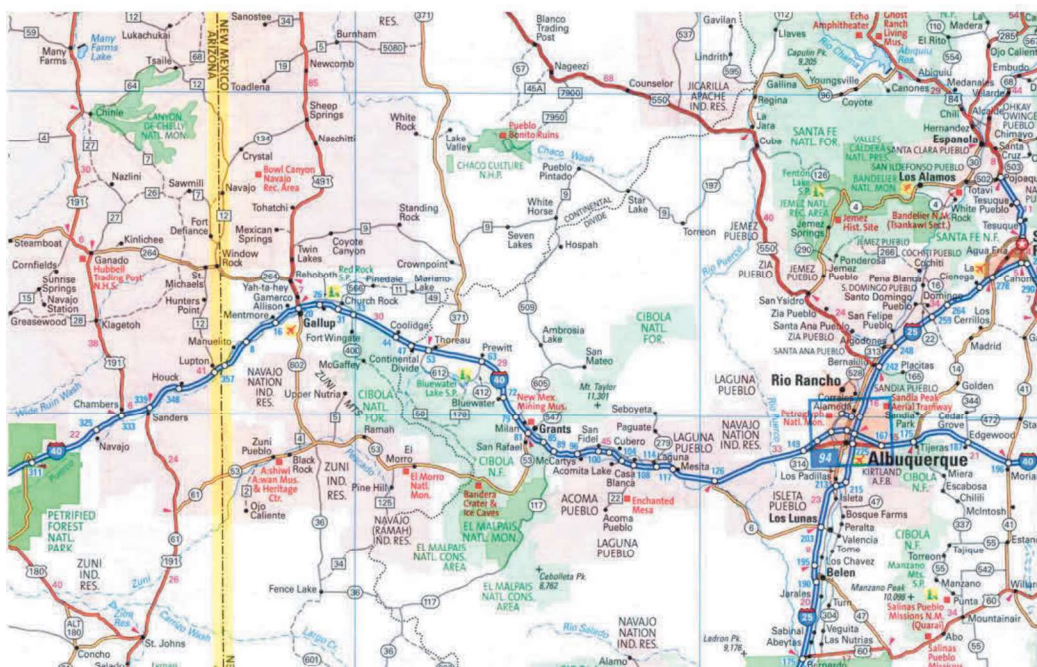




# Rail-Served Industrial Development in McKinley County

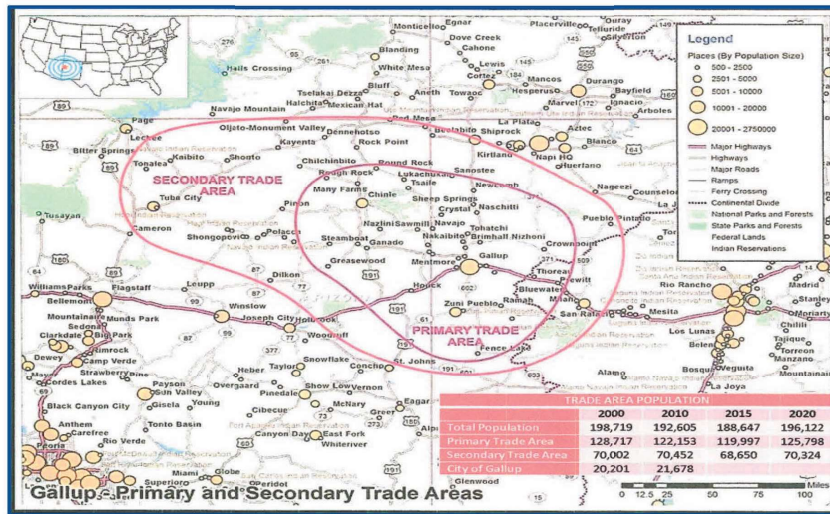


## Gallup/McKinley County: Western New Mexico Hub in the I-40/BNSF Corridor





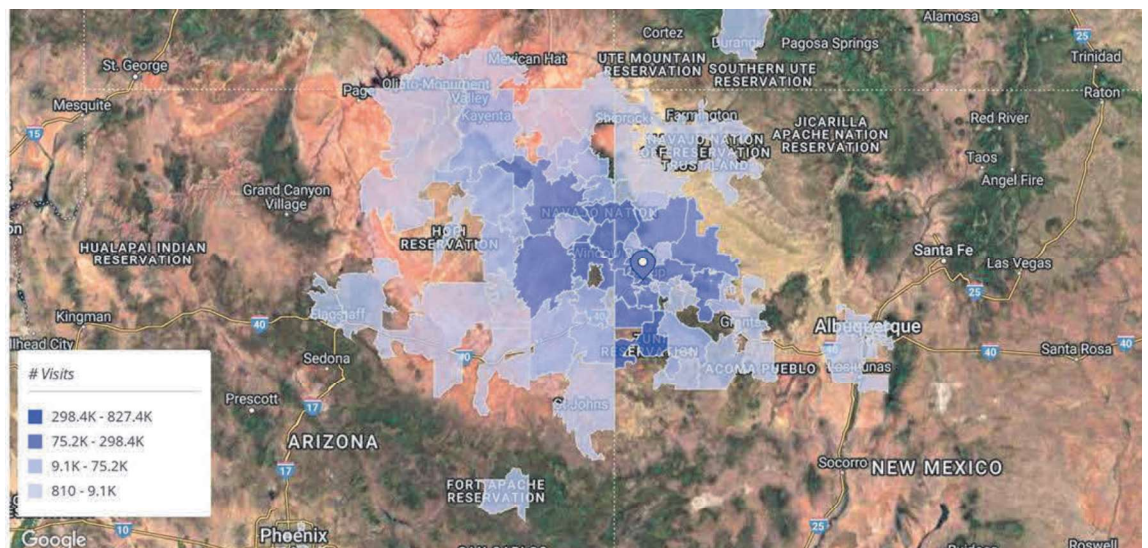
# Primary & Secondary Trade Areas Gallup, New Mexico



## Gallup Trade/Labor Shed

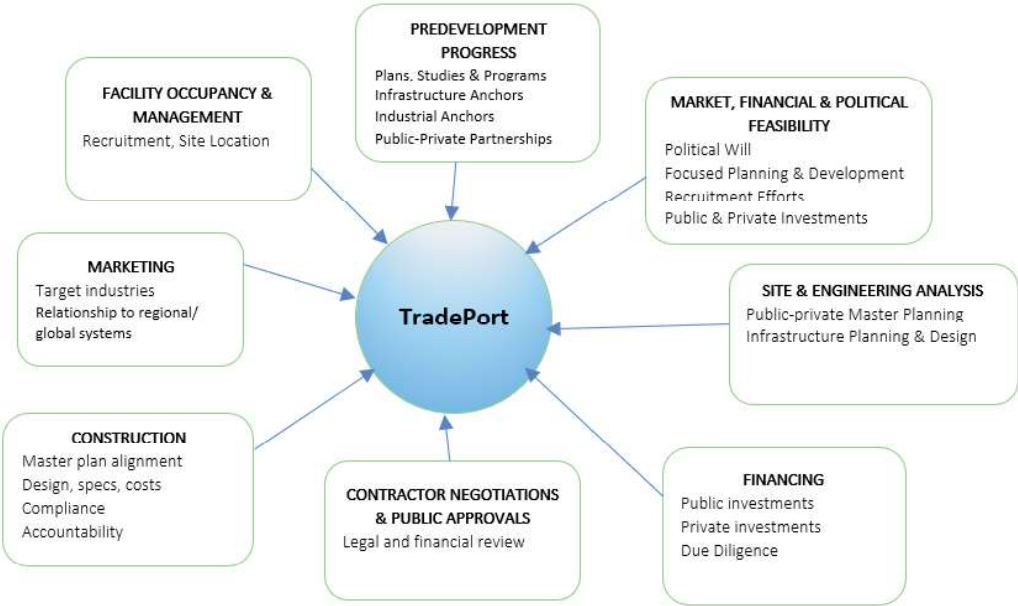
### Retail & Labor Sheds

- Shoppers at the Gallup Super Walmart come from **72 different zip codes**.
- 80% of Walmart shoppers reside **outside the Gallup (87301) zip code**.
- Majority of workers commute from communities across a **60-mile radius** from Gallup



Walmart Shopper Distribution--2023

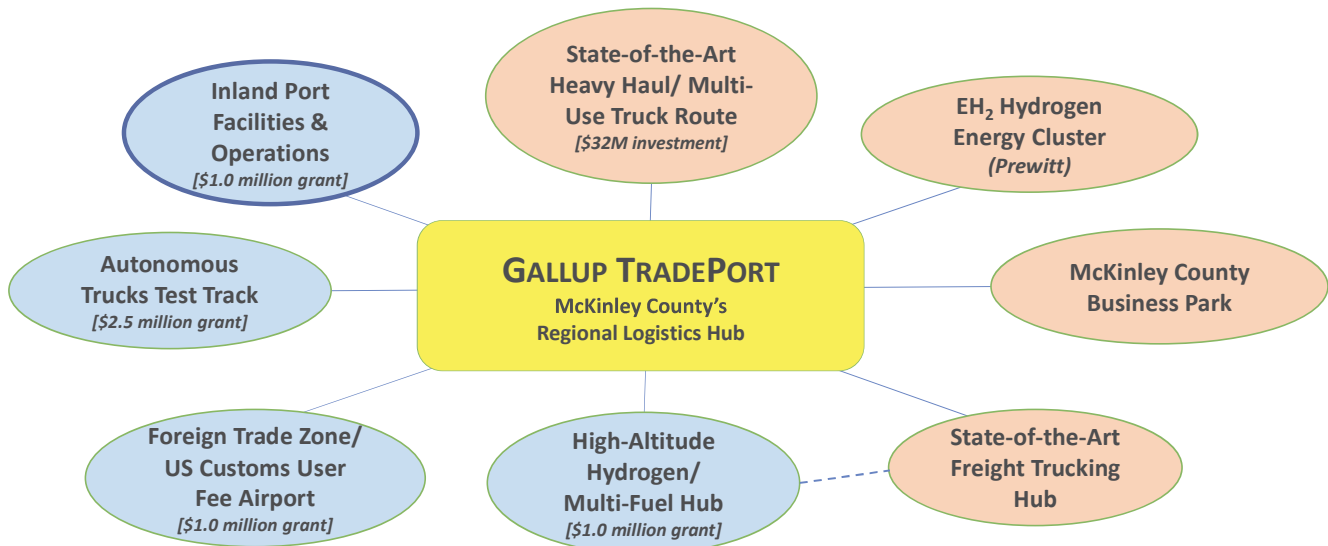
**IEDC BEST PRACTICES/CRITICAL REQUIREMENTS**  
**Greater Gallup Role**  
*in Resolving Supply Chain Disruption*



# TradePort Features

LOGISTICS INDUSTRY NEEDS/DEMANDS	GREATER GALLUP TRADEPORT ASSETS
<b>Trucking Transport Facilities</b> Major roadways; entry/exit access; refueling & maintenance, etc.	Interstate-40; US Hwy 491; US Hwy 371 Carbon Coal Road; A-V Test Track (in process)
<b>Rail Transport Facilities</b> Mainline & Site-based/Shortline	BNSF Railway Transcontinental Line Rail Loop-Gallup Energy Logistics Park/Transloading
<b>Freight-related Services &amp; Businesses</b> Railcar, Container & Vehicle Maintenance; Intermodal Operations; Foreign Trade Zone/User Fee Airport Certifications; Logistics Businesses	Land Availability for Development In process: Foreign Trade Zone & User Fee Airport; Refueling & Vehicle Maintenance
<b>Infrastructure</b> Broadband & Telecommunications; Water & Wastewater; Electricity; Natural Gas; Site-based Rail; Roadways; Warehousing; Office Space	In process: Broadband Improvement; Water & Wastewater extensions; Solar Field; shortline study underway for San Juan County); McKinley County Business Park (property acquired) Electric Services (City of Gallup, Continental Divide); Site-based Rail (GELP, other local lines)
<b>Decarbonization</b> Hydrogen Fuel/Energy Production; Solar Electricity; Eco-friendly industry (production from recycled material; water recycling; energy efficiency; etc.); Virtual Communications; etc.	In process: Hydrogen/Multifuel Station Hub; Solar Field; Business prospects in recycled material re-purposing/production

# Greater Gallup's Value Proposition: A multifaceted TradePort cluster



## 2) Hydrogen Energy Cluster

- New Mexico and its interstate partners (Colorado, Utah and Wyoming) almost got Federally designated as a **regional clean hydrogen hub** (as the Four Corners WISHH) -- but **still part of the I-40 Decarbonization initiative**
- Private sector interest is still strong in **repurposing Escalante Generating Station** to use Hydrogen for energy generation
- A whole **economic cluster** is possible, related to the H<sub>2</sub> innovation at Prewitt.

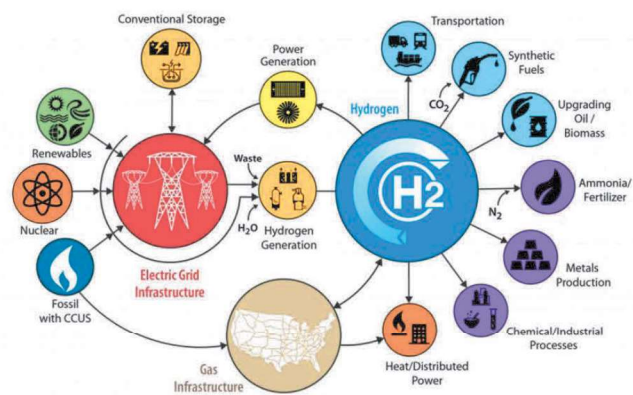
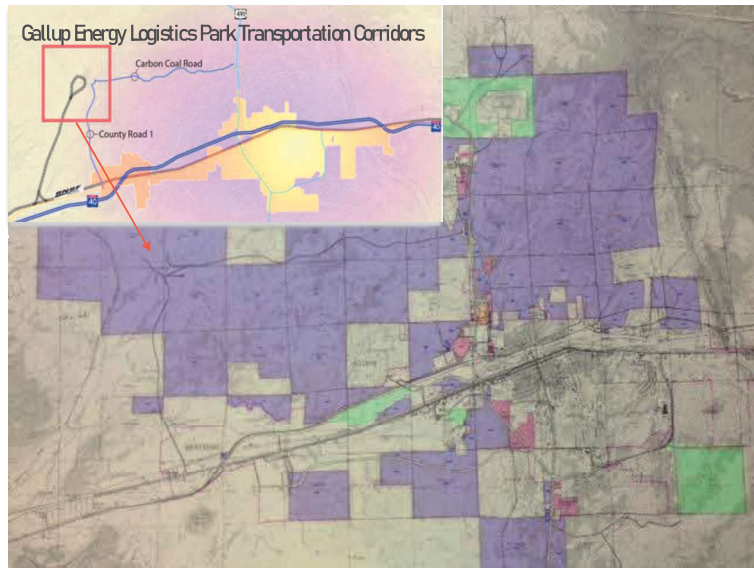


Figure 1. DOE's H2@Scale® initiative will enable decarbonization across sectors using clean hydrogen.<sup>11</sup>



### 3) Carbon Coal Road Developments



- ✓ For economic development in Greater Gallup/McKinley County, Carbon Coal Road is “where it’s at.”
- ✓ The \$32 million in public investments created 5 miles of heavy-haul truck capacity roadway, connecting the regional corridors with the Energy Logistics Park
- ✓ We build on the unique configuration of our location and our **TRANSPORTATION ASSETS**.
- ✓ We partner with both **public and private sector** stakeholders.
- ✓ GGEDC has led Carbon Coal Road development as a foundation for **transformative investments**.
- ✓ **Private land investments** have helped open up development on the Carbon Coal Road corridor.

### 4) SuperCenter Travel/Truck Hub

#### ➤ RESPONSIVE DESIGN

- Designed to serve Trucking Logistics Supply Chain Industries

#### ➤ GALLUP: Location-Location-Location

- 9.5 hours from LA/Long Beach/9.5 hours from Oklahoma City
- 11 hours to Houston
- BNSF, I-40 & US 491 run through us
- Energy Logistics Park and “Land-Land-Land”

#### ➤ THE FUTURE IS NOW: The new-concept Truck SuperCenter will be very different:

- Automation-driven communications
- Autonomous vehicles
- New generation of truckers – demand for more/different accommodations



GALLUP SUPER CENTER SOUTHEAST AERIAL VIEW RENDERING



## 5) McKinley County Industrial/Business Park

- McKinley County owns a 40-acre industrial park site along Carbon Coal Road, currently envisioned as a prime location for **industrial and/or office park use**
- The County, GGEDC, Gallup Land Partners and other agencies are already **interested in locating** offices in this Park.



## 6) Hydrogen/Multi-Fuel Hub

Per subcontract from McKinley County under a \$1 million DOT grant, GGEDC is managing a study process to provide for **conventional and alternative fueling options** for autonomous commercial vehicles on I-40.

- This multi-fuel station could become part of the **Gallup SuperCenter** truck & travel hub.
- **Hydrogen** is gaining prominence as an **alternative fuel**, especially for the transportation sector, as the world seeks **innovative technologies** to reduce greenhouse gas emissions.
- While the technology continues to advance, the development of **necessary infrastructure** remains crucial to meeting net-zero targets.
- In conjunction with the **Tallgrass EH<sub>2</sub> project at Prewitt**, Greater Gallup has the opportunity to ride **“the wave of the future”** by including Hydrogen fueling stations for truckers and travelers, in conjunction with diesel, electric, etc.



## 7) Foreign Trade Zone/ User Fee Airport



- ✓ Per subcontract from the City of Gallup under a \$2.5 million DOT grant, GGEDC will be managing a consulting firm that will facilitate the establishment of US Customs **User Fee Airport (UFA)** and **Foreign Trade Zone** status in Gallup.
- ✓ The Gallup Municipal Airport has plans and funding for a **major upgrade of the airport**, well-timed to coincide with FTZ/UFA and related economic initiatives.
- ✓ GGEDC is working continuously on attracting **manufacturing** firms and facilities into the corridor, which will serve as **anchors** for FTZ/UFA services.



## 8) Autonomous Trucks Test Track

- Per subcontract from McKinley County under a \$2.5 million DOT grant, GGEDC is managing a study process for designing and implementing an **A-V test track** on property near the Energy Logistics Park.
- We are tapping the interest & expertise of several companies involved in A-V truck testing, for example:
  - **Torc Robotics** in Albuquerque;
  - **Volvo Group Trucks Technology**
  - **Aurora Technologies**
  - **Trillium** (Love's)
- This gives Torc and others a **western corridor** out of Albuquerque and toward the West Coast; A-V trucks will be a **major new reality** in that corridor.



# 9) Inland Port

## *Helping the Global Supply Chain + Building Local Economic Opportunity*

Major **inland relief for Trans-Pacific trade** continues to be needed to **un-clog the backlog** of ships trying to get into the **Ports of LA & Long Beach**, caused by lack of inland storage capacity for commodities -- resulting in supply chain delays & rising commodity prices. **Gallup TradePort** can be an **important solution to the supply chain problem**.

Turning eastward, **Port Houston** is the premier seaport connecting the US economy with the **Trans-Atlantic market**. Success in standing up the Gallup inland port will also **open up new industry and jobs** in the Carbon Coal corridor.

Per subcontract from McKinley County under a \$1 million DOT grant, GGEDC is managing a study process, now extended to late Spring 2025, to assess feasibility & design/initiate development of the **Inland Port**. The consultant will be tasked to:

- assess **market feasibility**,
- provide **designs**, layouts & graphic presentations of inland port facilities
- identify, guide & help assemble **financing** to develop needed **local infrastructure**, and
- establish **partnerships** with major ports & other logistics stakeholders

### ***Definition of an INLAND PORT:***

*A physical site **located away from traditional coastal borders** with the vision to **facilitate and process international trade** through strategic investment in **multi-modal transportation assets** and by promoting **value-added services** as goods move through the **supply chain**.*



## Supply Chain Accelerator/Inland Port Study OBJECTIVES

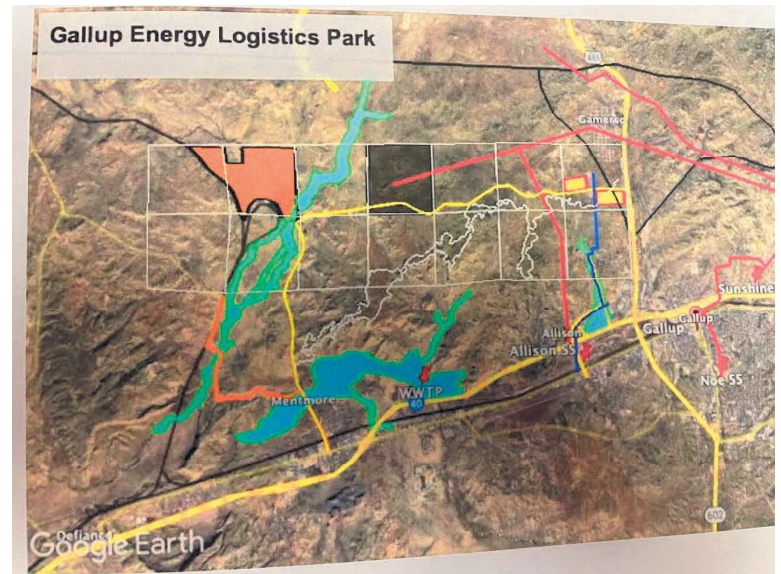
*Facilitate **establishment of an inland port** with the **strategic connections and local capacity** needed to forge functional **partnerships** between the Greater Gallup Inland Port project (**Gallup Regional TradePort**) and Tier 1 & Tier 2 ports and trade hubs, most prominently **the Ports of Los Angeles, Long Beach & Houston**, based on a detailed, data-informed, feasible and **actionable plan** for piloting and building upon these partnerships.*



## GALLUP REGIONAL TRADEPORT: Building the Value Proposition

Building on the region's economic assets and partnering with the public and private sectors to:

- **add value** to the efforts of the logistics industry to reduce disruption in and efficiently manage the **national/global supply chain**
- attract **new industry** that can best **benefit from & contribute to the assets** being assembled at the Gallup Energy Logistics Park and along **Carbon Coal Road**, and
- establish a **functional Inland Port cluster** in the Greater Gallup/McKinley County area.



## Supply Chain

A complex system of stakeholders engaged in planning, implementing & managing

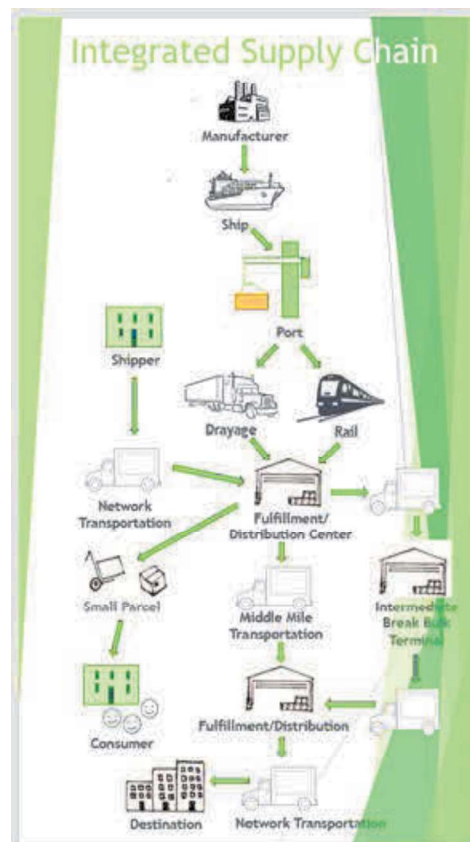
**the efficient movement of commodities**

from point of manufacture

via various shipping & distribution methods

**to retail destinations**

that sell commodities to end-customers

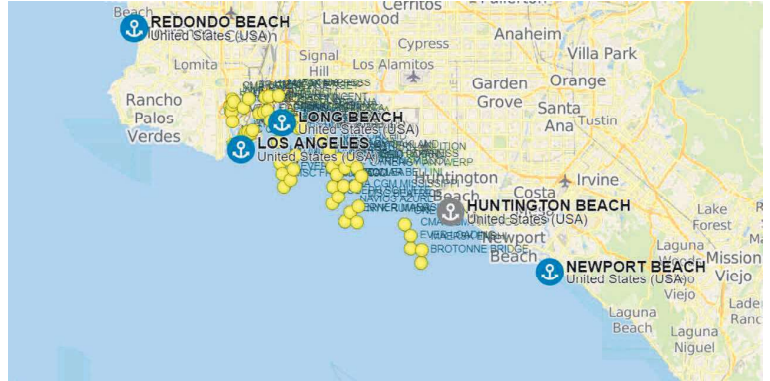


# POLA & POLB

## Ports to the Trans-Pacific Marketplace

The Ports of Los Angeles & Long Beach are the **busiest container ports in North America**, receiving about 40% of US imports. Due to their record volume of containerized trade, the ports often experience **massive vessel congestion and backlog**. In early 2023, **over 100 ships were waiting** to dock at the Port of LA – stranding more than 800,000 TEUs (20-foot equivalent units). A major part of the challenge is the lack of inland storage and distribution capacity.

**Gallup TradePort** can **serve the national supply chain** by relieving some of that pressure, providing 1-day access from LA and giving Greater Gallup a chance to **develop its own economy** by building on its transportation & logistics assets.



## Port Houston

*Port to the Trans-Atlantic Marketplace  
[South America-Europe-Africa-Middle East]*

- For 100+ years, Port Houston has served as a strategic leader for the **Houston Ship Channel** and is instrumental in the City of Houston's development of **international trade**.
- Port Houston owns, manages, & operates 8 public terminals along the 52-mile waterway, including the area's largest **breakbulk facility** and **two of the most efficient container terminals** in the country.
- The Houston Ship Channel complex (with its more than **200 public & private facilities**) is the **nation's largest port for waterborne tonnage**, and an essential **economic engine** for the Houston region, the state of Texas, and the U.S.
- **Gallup is a convenient midpoint** for truck traffic between the West Coast and Port Houston – an **important asset** under new Federal laws limiting driving times (11 hours).
- Gallup's trade connection to Houston is key to our **Foreign Direct Investment (FDI)** strategy and to our partnership with the **Transatlantic Business & Investment Council (TBIC)**.
  - FDI is a **major source of manufacturing jobs** in the US.



## Scope of Work: *Study & Action*

- **Commodity Flows** – Assess **historical, current and projected commodity flows** through the McKinley County corridor, relationship to West Coast and other key commodity markets, and potential for investment in warehousing and value-added manufacturing that enhances export opportunities in the region and contributes to the supply chain;
- **Barriers** – Identify and resolve **jurisdictional, legal and regulatory issues and barriers** to successful port partnerships and to improved commodity flow and value-added export;
- **Infrastructure Capacity** – Identify inland port-related infrastructure and other capacity needs in the Greater Gallup area, and put forth an **action plan** for meeting these needs and shortfalls, including warehousing and other logistical systems needed by shippers and carriers;
- **Demand** – Identify **demands and needs of the Long Beach, Los Angeles and Houston seaports** for inland relief of commodity flow;
- **Market Study** – Conduct a study of the **national and international markets** of relevance to a McKinley County inland port, including market opportunities for locally manufactured value-added products and locational requirements of investors and site selectors;

## Scope/2

- **Feasibility and Value Proposition** – Match local assets with demands and opportunities in the marketplace, formulate a **supply-side value proposition and statement of feasibility and competitive advantage** for the McKinley County Inland Port;
- **Development and Implementation** – **Articulate and design the Inland Port** facilities, resources, innovations and processes necessary in McKinley County to serve the trade corridor partnership;
- **Visual/graphical products** – Generate maps, architectural/conceptual renderings, site layouts and relationships, and other **visual products depicting feasible development plans** and potential investments;
- **Agreements** – Facilitate consultations leading to **execution of agreements** among principal players in McKinley County, principal seaports, affected Native American tribes and the State of New Mexico that establish a functional partnership, along with governance and accountability structure;
- **Funding** – Identify and assist in the securing of **public and private funding resources** necessary for implementation of the plans and agreements to be established;
- **Implementation** – Guide and facilitate initial phases of **implementing the Inland Port Plan** as produced for this engagement.



## Status & Next Steps

- 1. Oversight/Coordination** – GGEDC will work with a local steering committee, as well as technical advisors, to oversee and coordinate the consultant work to be carried out on the interrelated studies under subcontracts with the City of Gallup and McKinley County.
- 2. Consultant Contracts**– Consultant firms have been retained for the FTZ/UFA and the Inland Port contracts, and consultants are still to be vetted and hired for the Hydrogen/Multi-fuel Station Hub and the A-V Test Track.
- 3. Collaboration** – Participate in and contribute to the I-40 Clean Corridor Initiative, involving collaboration and coordination with other inland port sites along the corridor in New Mexico and neighboring states.
- 4. Ports Site Visits** – Site visits will be conducted to the Ports of Long Beach, Los Angeles and Houston, to include preliminary consultations with Port leadership on the feasibility of establishing a partnership with the Gallup TradePort.
- 5. Roundtable 2024** – Host the 2024 GGEDC Economic Roundtable on “The Gallup Trade Port: New Prospects for the Western New Mexico Logistics Hub”: January 26, 2024 in Santa Fe.
- 6. Do the Work** – Work with the consultants on all facets of the TradePort scopes of work.
- 7. Break Ground** – Implement the phased development of the Gallup TradePort.