



CHILD MIGRATION: Crossings Surge as Smugglers Exploit U.S. Policy

More than 62,000 unaccompanied children were apprehended along the U.S.–Mexico border between October 2013 and July 2014, nearly 50,000 of them taken into custody in South Texas—representing a 148 percent increase over prior-year levels. By comparison, such apprehensions along the rest of the border increased 16 percent. Most of the children come from Honduras, Guatemala and El Salvador.

While economic conditions along with gang violence in the home countries have been cited as motivating the migration, government data indicate the Central American economies continue to expand at around 3 percent annually, the region’s average since 2010. Additionally, while homicide rates are high, they have decreased in El Salvador and remained flat in Guatemala, while rising in Honduras.

Anecdotal reports suggest that smugglers have played a key role in the recent activity by promising parents that their children will be admitted into the U.S. and reunited with family members already here. Federal immigration policy dictates that children from noncontiguous countries be reunited with a family member in the U.S., if possible, while awaiting a court hearing, which can take years. Child migration is particularly profitable for smugglers because, while adults must evade detection to improve their chances of staying in the U.S., children need only to cross the border.

—Chelsea LeHew



ENERGY: Condensate Ruling Could Expand Eagle Ford Shale Exports

Two months after the U.S. Commerce Department allowed two Texas-based companies to export condensate, an ultralight oil, a tanker left Galveston for Asia in August, carrying the first shipment. The federal decision could clear the way for sale abroad of oil from South Texas’ Eagle Ford Shale formation that could equal 25 to 50 percent of last year’s total output. Nationwide, condensate made up approximately 12 percent of 2013 oil production.

With few exceptions, crude oil exports are banned under a 1975 federal law. The Commerce Department’s Bureau of Industry and Security ruled that Irving-based Pioneer Natural Resources Co. and Enterprise Products Partners LP of Houston may export condensate.

Under the 1975 law, only exports of finished petroleum products, such as gasoline, diesel and jet fuel, are allowed. Officials defined condensate as a finished petroleum product because it is subject to some processing.

Following the decision, the price of benchmark West Texas Intermediate crude oil spiked to \$107.25 per barrel—nearly \$4 higher than the second-quarter average price—on anticipation that the export ban would be eased further. The price subsequently fell when officials indicated that existing policies will remain in place while the Commerce Department considers new industrywide guidelines.

—Kristin Shepard



BUSINESS CLIMATE: Texas Edges Out Florida for Survey’s Top Spot

Texas has been named the best state for business in a survey conducted by *Chief Executive* magazine, a distinction it has held since the annual ranking began in 2004. Texas edged out No. 2 Florida. Texas graded well for job growth, taxation and regulation, and workforce quality—a measure of employee work ethic, workforce education attainment and labor costs. Florida advanced on the basis of quality of living environment.

The magazine’s rating is based on responses from more than 500 chief executive officers, who are asked about their home state’s business environment. Among states in the Eleventh District, Louisiana improved the most, jumping from 40th in 2009 to ninth in 2014, while New Mexico, after reducing its corporate income tax rate, advanced from 33rd in 2012 to 30th in 2014.

Although Texas remained first overall, it ranked ninth in terms of quality of living environment, a category that includes public education, public health, real estate costs and access to public transportation. According to the 2012 American Community Survey, 81 percent of Texans age 25 and older hold at least a high school degree, the lowest such share in the nation. Additionally, Texas has the highest percentage lacking health insurance, 23 percent.

—Sarah Bindner