Estimating Economic Impacts of Border Wait Times

in the

San Diego-Baja California Region

June 10, 2005
Study Objectives

- Assess economic impacts of waits at the San Diego Region-Baja California ports of entry
  - Crossborder personal travel
  - Crossborder freight movements
- Ability to test changes in wait times
- Tool for improved policy analysis and decision making
Study Framework

- 3,603 surveys of border crossers at San Ysidro, Otay Mesa, and Tecate
- Estimated incremental impacts for both sides of the border
- Panel of experts and stakeholders provided oversight
Economic Impact of Wait Times: San Diego Region

At today’s level of waits (45’ average)

- More than 8 million trips lost
- $1.28 billion potential revenues lost
- 3 million potential working hours and $42 million in wages lost
- Output Loss: Between $2 billion and $2.5 billion (total economic impact)
- Job Loss: Between 28,000 and 35,000 jobs
Economic Impact of Wait Times: Baja California

At today’s level of waits (45’ average)

- More than 2 million trips lost
- $120 million potential revenues lost
- More than 500,000 potential working hours and $10 million in wages lost
- Output Loss: Between $100 million and $230 million (total economic impact)
- Job Loss: Between 800 and 1,900 jobs
## Combined Regional Economic Impacts

*(San Diego County & Baja California)*

<table>
<thead>
<tr>
<th>Impact Category</th>
<th>Total Annual Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output</strong></td>
<td>-$2,428</td>
</tr>
<tr>
<td>(millions of U.S. dollars)</td>
<td></td>
</tr>
<tr>
<td><strong>Labor Income</strong></td>
<td>-$1,018</td>
</tr>
<tr>
<td>(millions of U.S. dollars)</td>
<td></td>
</tr>
<tr>
<td><strong>Employment</strong> (FTE jobs)</td>
<td>-32,821</td>
</tr>
</tbody>
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Mean Expected Outcomes
What happens if wait times increase by 15 minutes?

- Additional annual impacts on both sides of the border:
  - $1 billion loss in output (Total $3.4 billion)
  - 13,400 jobs lost (Total 46,200 jobs)
Conclusions

- Impacts from current wait times affect both sides of the border
  - $2.4 billion loss in output
  - 32,800 jobs lost

- A 15-minute increase in waits would result in additional combined losses:
  - $1 billion loss in output
    (Total $3.4 billion)
  - 13,400 jobs lost
    (Total 46,200 jobs)

- Findings provide much needed data for policy makers
Willingness to Pay $3 at Proposed East Otay Mesa POE

- Would use East Otay Mesa POE: 59.4%
- Would not use East Otay Mesa POE: 26.5%
- Sometimes use East Otay Mesa POE: 14.2%
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