

## **In the News: Economic Impacts of Delays in Crossborder Freight Movement**

### **San Diego Union Tribune**

[Border delays said to cost billions](#), February 15, 2006

[Time is money at San Diego border crossings](#), February 16, 2006

### **North County Times**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **NBC 7/39**

[Study: Border Wait Costs Region Billions](#), February 15, 2006

### **Fox 6 News**

[Border-Crossing Costs](#), February 15, 2006

### **KPBS San Diego**

[Long border waits cause huge economic impact](#), February 15, 2006

[Border Delay Economic s](#), Full Focus, February 22, 2006

### **San Jose Mercury News**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **Mail Tribune**

[Crossing the line](#), February 15, 2006

### **The Desert Sun**

[Study: San Diego border wait cost U.S. \\$3.74 billion last year](#), February 15, 2006

### **Contra Costa Times**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **San Francisco Chronicle**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **San Luis Obispo Tribune**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **Monterey County Herald**

[Study: San Diego border wait cost \\$3.74 billion last year](#), February 15, 2006

### **La Opinión**

<http://www.laopinion.com/negocios/?rkey=00060217115102714287>

### **La Voz**

Retrasos en cruce fronterizo cuesta 600.000 millones

<http://www.azcentral.com/lavoz/noticias/frontera/articles/0216retrasos-CR.html>

### **Portada Terra**

Retrasos en la frontera le costaron 3.740 millones a San Diego

<http://www.terra.com/noticias/articulo/html/act340106.htm>

### **EnlaceLink**

Retrasos en frontera costaron 3,740 millones a San Diego

<http://www.enlacelink.com/noticias/article.asp?nw=703>

### **El Mexicano**

Analizan impacto de lentitud en las garitas

<http://www.el-mexicano.com.mx/nota.aspx?idNota=165474&SecId=4&esSecc=True>

### **El Mexicano**

Pierde la región 6 mmdd por lento cruce en garitas

<http://www.el-mexicano.com.mx/nota.aspx?idNota=165639&SecId=4&esSecc=True>

### **San Diego Daily Transcript**

#### **SANDAG: Delays at border costing billions,**

By Elizabeth Malloy

February 15, 2006

For years, companies with operations in both San Diego and Baja California have contended that lengthy freight delays at the border crossing have cost them billions of dollars and prevented them from creating thousands of jobs. Now a San Diego Association of Governments report appears to back up that assertion, saying that the United States and Mexico lose out on a combined \$6 billion each year due to border delays.

Several groups are hoping that loss will be enough to convince the United States to open a second border crossing east of the current port of entry.

"This is a result of a very long effort that was generated just after 9/11; we started talking about the impact of longer wait times," said Hector Vanegas, border project manager for SANDAG.

Vanegas said Mexico already has reserved land to make a new border crossing about two miles east of the Otay Mesa freight crossing, but the United States has not set aside equal land on the American side of the border yet. Much of this was due to a lack of concrete numbers, which SANDAG is hopeful the report will supply.

The SANDAG study found that delays in getting trucks across the Otay Mesa and Tecate border crossings cost the combined economies of the United States and Mexico about \$6 billion, and most of the money is in the San Diego and Baja California regions. Companies also said they could expand and generate about 51,000 more jobs if border crossings were more efficient.

San Diego and northern Baja California bear most of the lost revenue. San Diego loses an estimated \$455 million from reduced freight activity, and Baja loses \$1.3 billion. San Diego also misses out on about 2,400 jobs, and Baja loses a potential 3,600 positions.

The problem is mainly for companies with manufacturing plants in Mexico, like Toyota (NYSE: TM), Sony (NYSE: SNE), and local companies like dj Orthopedics (NYSE: DJO), according to SANDAG planner Elisa Arias.

It takes about two and a half hours to cross on average, and companies cannot always get parts and products across the border in the order or timeframe they'd like. Arias said representatives from dj Orthopedics told her any products it promises to deliver within 24 hours are not manufactured in the company's Tijuana plant simply because the company cannot guarantee it will receive the products in time to ship them.

In addition to a new border exit, SANDAG representatives said improved infrastructure and better use of technology on both sides of the border would help the situation.

Gary Gallegos, executive director of SANDAG, said he thinks these improvements would also assist with security and are, therefore, in the federal government's best interest for reasons of security and commerce.

"We can accomplish both; we can accomplish international trade, but still make the homeland more secure," Gallegos said. "It doesn't necessarily have to be one at the expense of the other."

A representative from the U.S. Immigration services said the federal government is open to working with SANDAG and other groups but has not made a decision yet.

"We're getting good cooperation from all levels of government," Gallegos said.

However, he later indicated he had been less than pleased with the progress of the border project, saying that he hoped the data would convince local business owners and governments that opening another border crossing would be a better alternative to "chasing Super Bowls."

### **San Diego Business Journal** **Jobs, Dollars Idled By Border**

by Brad Graves  
February 20, 2006

Imagine Petco Park filled to its capacity of 42,000-plus people.

That is how many more jobs the San Diego-Baja California region could have supported in 2005 had it not been for sluggish truck traffic at the international border crossings.

Waits of two hours or more drain the local economies, according to research released last week by the San Diego Association of Governments. Sandag said that number is poised to grow to 104,146 jobs by 2014 if nothing is done to remedy the situation.

The economic impact of those waits was \$4.2 billion in 2005 in both San Diego County and Baja California. The number could grow to \$9.98 billion in 2014, Sandag said.

By itself, San Diego County business output was stunted by \$2.71 billion in 2005 due to delays in people and freight crossing the border.

Sandag came up with its figures by studying data from government and private industry. Its researchers complemented that by interviewing corporate officials. The agency found "a pretty close correlation" between the data and the interviews, said Sandag Executive Director Gary Gallegos.

The waits affect large companies such as Toyota Motor Manufacturing North America, Inc. and dj Orthopedics, which both have factories in Baja California, as well as the Mexican tomato farmer trying to get his perishable product to markets in the United States, said Elisa Arias, a senior transportation planner for Sandag.

Delays at Otay Mesa are just as important as the much-publicized delays at the ports of Los Angeles and Long Beach, Arias said. She added that this is particularly true if parts have to go across the border several times, or if companies use techniques such as just-in-time manufacturing — where, in Arias' words, a shipping container functions as a "movable warehouse."

### *No Special Orders*

Arias said she learned that dj Orthopedics, a Vista-based company that makes braces and other medical devices, cannot make special orders in Tijuana and guarantee a 24-hour turnaround because of the border delay. Therefore, the company has to make special orders in North County.

Gallegos said an investment in infrastructure could expedite trade and do another large thing that concerns the government — secure the homeland.

“We can do both,” he said.

Yet Gallegos warned that an investment on the U.S. side of the border alone will not accomplish the goal.

Sandag called for financing and building new highway infrastructure at Otay Mesa, including the completion of state Route 905 and the building of a second Otay Mesa crossing point, east of the current border crossing.

The agency also said that people crossing the border would be willing to pay a toll if delays could be reduced. Sandag released results of a survey that found 59.4 percent of respondents would be willing to pay \$3 to cross at the proposed East Otay Mesa border crossing.

Some \$23 billion worth of goods crossed the border at Otay Mesa and Tecate during 2004, according to Sandag.

The California Department of Transportation helped Sandag develop the model to measure the economic impact of border delays.