The Economic Impacts of Border Wait Times in the San Diego-Baja California Region

July 2005
Presentation Outline

- Overview and objectives of the study
- Study Success Factors
- Findings of Economic Impacts of Border Wait Times
Study Objectives

- Understand the economic significance of delays at the San Diego Region - Baja California border
- Measure local and regional economic impacts of wait times
  - Crossborder personal travel
  - Crossborder freight movements
- Ability to test changes in wait times
- Tool for improved policy analysis and decision making
Study Success Factors

- 3,603 surveys of border crossers at San Ysidro, Otay Mesa, and Tecate
- Estimated incremental impacts for both sides of the border
- Risk analysis approach
- Continuous involvement of panel of experts and stakeholders
Panel of Experts

- Consulate of Mexico in San Diego
- U.S. Customs and Border Protection
- Otay Mesa and San Diego Regional Chambers of Commerce, South County EDC
- SDSU, USD Transborder Institute, San Diego Dialogue, COLEF, UABC
Crossborder Travel

- More than 60 million trips cross the San Diego - Baja California border annually
- Over half of those trips are for shopping or recreation
- Another 10 million trips are made for work or business
- More than 90% of the crossborder trips are local
Destination Among those Who Live in the United States

- Tijuana: 86.7%
- Ensenada: 2.8%
- Tecate: 4.5%
- Rosarito: 4.8%
- Other area in Mexico: 1.1%
Destination Among those Who Live in Mexico

- Chula Vista: 33.6%
- San Ysidro (City of San Diego): 27.2%
- Other areas in City of San Diego: 20.8%
- Other area in San Diego County: 5.5%
- Otay Mesa (City of San Diego): 4.3%
- National City: 2.9%
- Outside San Diego County: 5.6%

Out of all destinations, Chula Vista is the most popular among those who live in Mexico.
Expected Wait Time

<table>
<thead>
<tr>
<th>Expected Wait Time</th>
<th>Live in Mexico</th>
<th>Live in United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 15</td>
<td>13.3</td>
<td>9.6</td>
</tr>
<tr>
<td>16 to 30</td>
<td>32.6</td>
<td>29.8</td>
</tr>
<tr>
<td>31 to 45</td>
<td>11.0</td>
<td>11.0</td>
</tr>
<tr>
<td>46 to 60</td>
<td>28.8</td>
<td>31.6</td>
</tr>
<tr>
<td>61 to 90</td>
<td>9.1</td>
<td>9.0</td>
</tr>
<tr>
<td>More than 90</td>
<td>5.1</td>
<td>9.0</td>
</tr>
</tbody>
</table>
Economic Impact of Wait Times: San Diego Region

At today’s level of waits (45 minutes 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 minutes 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> (millions of U.S. dollars)</td>
<td>-$2,428</td>
</tr>
<tr>
<td><strong>Labor Income</strong> (millions of U.S. dollars)</td>
<td>-$1,018</td>
</tr>
<tr>
<td><strong>Employment</strong> (FTE jobs)</td>
<td>-32,821</td>
</tr>
</tbody>
</table>

Mean Expected Outcomes
Sensitivity Analysis

What happens if wait times increase by 15 minutes?

Additional annual impacts on both sides of the border estimated at:

- $1 billion loss in output  
  (Cumulative Loss of $3.4 billion)
- 13,400 jobs lost  
  (Cumulative Loss of 46,200 jobs)
Economic Impacts in the San Diego - Baja California Region: Ten-Year Estimate

Net Revenue Foregone, $million

- Year 1
- Year 2
- Year 3
- Year 4
- Year 5
- Year 6
- Year 7
- Year 8
- Year 9
- Year 10

- $6,000
- $5,000
- $4,000
- $3,000
- $2,000
- $1,000
- $0

San Diego County
Baja California
Crossing Delays (right axis)
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%
Next Steps

• Outreach to elected officials, government agencies, and other stakeholders

• Complete assessment of economic impacts of border waits on freight movements and trade between the U.S. and Mexico

• Develop collaborative strategies to improve management of border crossings and to implement new infrastructure
The Economic Impacts of Border Wait Times in the San Diego-Baja California Region

July 2005