



**Efficient Border:  
A Globally Competitive Region**

Our border region is located at the crossroads of busy international trade corridors. An efficient border and increased regional collaboration will contribute to improve our global competitiveness.

Tuesday, June 3, 2014  
12:00 – 4:30 p.m.

Southwestern College, Otay Mesa  
8100 Gigantic Street, San Diego, CA 92154

- |    |  |                         |
|----|--|-------------------------|
| 1. | REGISTRATION AND NETWORKING TIME<br>Refreshments will be served.   | 12:00 p.m.<br>(30 min.) |
| 2. | WELCOME AND INTRODUCTORY REMARKS (Hon. Jack Dale, City of Santee Councilmember and Chair of SANDAG Board of Directors; Hon. Remedios Gómez-Arnau, Consul General of Mexico in San Diego; Hon. Jorge Astiazarán, Mayor of Tijuana <i>(Invited)</i> ; Dr. Paul Ganster, Director of the Institute for Regional Studies of the Californias at San Diego State University and Chair of SANDAG Committee on Binational Regional Opportunities; and Laurie Berman, Director of Caltrans District 11) | 12:30 p.m.<br>(20 min.) |
| 3. | SETTING THE STAGE FOR A DISCUSSION ON AN EFFICIENT BORDER<br>(Gary Gallegos, SANDAG)   | 12:50 p.m.<br>(20 min.) |
|    | This will be a brief introduction to the seminar’s objectives and will provide context for the upcoming presentations and discussions.   |                         |
| 4. | KEYNOTE SPEAKER (Raúl Urteaga, Mexican Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food [SAGARPA])  | 1:10 p.m.<br>(20 min.)  |

Raúl Urteaga has extensive experience in Mexico’s free trade agreement negotiations, including the North American Free Trade Agreement, and the Agreement between Japan and Mexico for the Strengthening of the Economic Partnership. Mr. Urteaga will share his experience regarding how other regions have made advancements in order to enhance competitiveness.

5. EFFICIENCY AND COMPETITIVENESS ON THE BORDER (Alejandro Díaz-Bautista, Colegio de la Frontera Norte; Marney Cox and Daniel Flyte, SANDAG; Michael Combs, San Diego Regional Economic Development Corporation; and David Shirk, UC San Diego Center for U.S.-Mexico Studies) 1:30 p.m. (45 min.)

This panel presentation will provide an introduction to a binational industry cluster study that is being conducted, and preliminary findings from the draft report on employment concentrations in the region. Participants will have an opportunity to provide input and pose questions.

**\*BREAK\***

2:15 p.m.  
(15 min.)

6. PANEL REFLECTIONS, ROUNDTABLE, AND OPEN DISCUSSION: ADDRESSING CHALLENGES AND OPPORTUNITIES FOR AN EFFICIENT BORDER 2:30 p.m. (90 min.)

Moderator: Former California Senator Denise Ducheny

Panelists and presenters will share perspectives on innovative ideas to improve efficiency in the border region, and participants will have an opportunity to provide input and pose questions.

*Mario Orso, Caltrans*

*Juan Hernández Nieblas, Consejo Coordinador Empresarial*

*Luis Duarte, Colegio de Arquitectos de Tijuana*

*Paola Avila, San Diego Regional Chamber of Commerce*

*Cindy Gompper Graves, South County Economic Development Council*

*James Clark, Smart Border Coalition*

*Jason M-B Wells, San Ysidro Chamber of Commerce*

7. SEMINAR CONCLUSIONS 4:00 p.m. (30 min.)

Dr. Paul Ganster, Director of the Institute for Regional Studies of the Californias at San Diego State University and Chair of SANDAG Committee on Binational Regional Opportunities

8. END OF SEMINAR 4:30 p.m.



**Tuesday, June 3, 2014**  
**12:00-4:30 p.m.**  
**Southwestern College, Otay Mesa**  
**8100 Gigantic Street, San Diego, CA 92154**

## **Introduction**

Every year since 1997, SANDAG has organized a binational seminar to address a variety of border related issues. The Committee of Binational Regional Opportunities (COBRO) is tasked to support the preparation and organization of this annual seminar, and the Borders Committee receives input from conclusions drawn at the events, and, when appropriate, makes recommendations to the SANDAG Board of Directors for follow up actions. These binational events have included a wide range of topics, from water, energy supply and crossborder climate change to border wait times and homeland security issues. The purpose of these events has been to bring together stakeholders from both sides of the border, to address key regional issues, and to identify solutions and opportunities.

The theme of the 2014 Binational Seminar addresses two recommendations from the 2013 event:

- 1) Explore ways for the San Diego-Tijuana Border Liaison Mechanism, which is led by the consuls general of Mexico in San Diego and of the United States of America in Tijuana, to become our region's key stakeholder voice for the bilateral program United States-Mexico Partnership: Managing our 21st Century Border, concerning the 21st Century Border Management; and
- 2) Convene a forum to discuss elevating the issue of border crossing wait times to become a local, state, and national priority. This forum should broaden the circle of participants to include staff of elected representatives and stakeholders from the private sector.

This white paper provides an overview of border crossing infrastructure and trade for the land Ports of Entry (POEs) in the San Diego-Baja California region, as well as information about a study that analyzes crossborder economic connections. The paper concludes with a section on key United States-Mexico Border institutions.

## **Background**

The San Diego-Baja California region has three land POEs: San Ysidro-Puerta México, Otay Mesa-Mesa de Otay, and Tecate-Tecate. A fourth POE is planned at Otay Mesa East and construction has begun on a crossborder passenger connection to the Tijuana International Airport. The San Ysidro land POE is one of the world's busiest international border crossings. One in every ten people entering the United States through sea, air, or land POEs crosses through this POE. The Otay Mesa POE is the main commercial gateway for international trade between California and Mexico, reaching a value of almost \$36 billion in bilateral trade in 2013. The following are the major projects that are currently underway in the region to improve border infrastructure capacity:

### **San Ysidro-Puerta México**

The U.S. General Services Administration (GSA) is the lead agency for the reconfiguration of the San Ysidro POE. This project calls for a new expanded northbound inspection facility, including primary booths, a secondary inspection area, administration space, and a pedestrian processing facility. Improvements to southbound capacity also are part of the project. On the Mexican side, the project also includes the newly constructed El Chaparral facilities for an expanded ingress to Mexico, as well as new transit facilities at both the eastern and western ends of the port, and a future transportation management center. When complete, the U.S. POE's infrastructure will be increased from 24 to 34 northbound vehicle lanes and from 6 to 12 southbound vehicle lanes. Funding

availability on both sides of the border has been a challenge, and the synchronization of construction while remaining in full operation has been difficult. This POE handled over 28 million border travelers traveling from Tijuana to San Diego in 2013. It is assumed that a similar number of crossings take place from San Diego to Tijuana, which means there were approximately 56 million crossings through the POE last year.

#### Otay Mesa-Mesa de Otay

Among the ten busiest land POEs in the country, this is the busiest commercial border crossing on the California-Baja California border and is the third most important cargo facility along the U.S. southern border in terms of volume (after Laredo and El Paso). In 2013, the Otay Mesa POE processed nearly 770,000 northbound commercial trucks in 2013. In that same year, the POE admitted more than 14 million individual northbound border travelers or an estimated total of 28 million individuals crossed through this port. In 2009, the U.S. Otay Mesa facility initiated a modernization project that included acquiring a parcel to expand the commercial facilities, and began initial design work before the available funds were depleted. The project for the expansion of vehicle and commercial crossings is suspended subject to the availability of funding in the future. The upgrades are expected to cost \$120 million. On the Mexican side, authorities are planning to improve amenities such as sidewalks at the Mesa de Otay POE, and have proposed a plan to build a new transit center and a pedestrian bridge. The U.S. and Mexican governments are also collaborating to implement a pre-inspection facility for agricultural perishables in the commercial section of the port.

#### Tecate-Tecate

This POE mostly serves the Municipality of Tecate, Baja California, and the San Diego rural communities located on the eastern part of the region, providing services for pedestrians, passenger vehicles, buses, and commercial vehicles. Last year, the Tecate POE handled more than 745,000 northbound passenger vehicles, nearly 48,000 northbound trucks, and more than 750,000 northbound pedestrians. On the Mexican side, the Municipality of Tecate is exploring mechanisms to keep the POE open 24 hours a day, and to implement Ready Lanes. Two rail projects, one on either side of the border, have been proposed to modernize the crossborder rail line that would double-stack, which would increase the market potential of this route for international and interstate movement of goods. On the U.S. side, the San Diego Arizona & Eastern Railway (SDA&E) entered into a 50-year operating lease for freight trains with the Pacific Imperial Railroad (PIR) company in December 2012. The lease requires that certain operating goals and repairs take place within a specific time frame. In 2013, PIR began its reconstruction plan of the Desert Line segment of the railroad, including assessing the condition of 57 bridges, performing necessary repairs, and testing trains. In Mexico, directors of Baja California Railroad, Inc., announced in 2013 that they plan to spend \$20 million on repairing and rebuilding a 44.4-mile section of the Tijuana-Tecate Short Rail Line over a five year period.

#### Future Otay Mesa East-Mesa de Otay II

SANDAG and Caltrans, in cooperation with the U.S. GSA and other project stakeholders, are the lead agencies collaborating in the planning and construction of the future toll highway, State Route 11 (SR 11), the new Otay Mesa East POE, and a Commercial Vehicle Enforcement Facility. Local, regional, and binational land use studies have identified the eastern side of

Otay Mesa as the best available location for the future POE, and a corresponding POE site has been identified on the Mexican side of the border. The proposed Otay Mesa East-Mesa de Otay II POE will be located approximately two miles east of the existing Otay Mesa POE and would be the fourth land border crossing along the San Diego region's border with Baja California (the San Diego-Tijuana Airport Cross-Border Facility (CBF) is considered as a hybrid POE). The Otay Mesa East POE, as well as the SR 11 toll road and connecting roadways in Mexico will take advantage of innovative technologies in order to help reduce congestion at the other regional ports, and offer travelers a faster, more predictable option for crossing the border. In December 2013, a groundbreaking ceremony for SR 11 marked the initiation of the project on the U.S. side. A binational project team of partners and stakeholders from the United States and Mexico are working together to align project development schedules for the respective POEs, to resolve tolling issues, and to work jointly on the Intelligent Transportation Systems Concept of Operations for an anticipated opening to traffic in 2017.

#### San Diego-Tijuana Airport Cross-Border Facility

The San Diego-Tijuana Airport CBF is a project led by a public-private partnership and would enable ticketed airline passengers who pay a toll to travel between Mexico's Tijuana International Airport (TIJ) and San Diego, California, via an enclosed, elevated pedestrian bridge. The CBF is expected to open in mid-2015 and to serve two million passengers annually, a number that is expected to increase to 4.9 million by 2030.

#### Border Crossings and Trade

Despite gradual increases in crossborder travel at the San Diego-Baja California POEs during the late 1990s and early 2000s, border crossings of various types have decreased in recent years at all three POEs in the San Diego region. Despite the declines for many types of border crossings, some increases have occurred in the last three years: San Ysidro pedestrian crossings in 2010 and 2011; Otay Mesa vehicle and individual crossings in 2011, 2012, and 2013; and Tecate individual crossings in 2011, 2012, and 2013. Another notable exception in which border crossings increased in recent years is Otay Mesa truck crossings; after a decline in 2009 due to the economic crisis, volumes climbed until 2012, reaching their highest level. Though the number of trucks declined slightly in 2013, the value of trade at Otay Mesa was at its highest historical level.

Crossborder trade in the region increased substantially from the passage of the North American Free Trade Agreement (NAFTA) in 1993. Mexico continues to be California's number one export market. In 2013, California exported \$23.9 billion in goods to Mexico, accounting for 14 percent of all California exports. At a national level, Mexico is the United States' third largest trading partner, after Canada and China, accounting for more than \$506 billion in bilateral trade in 2013. Seven percent of the total U.S.-Mexico trade value crosses at the Otay Mesa and Tecate POEs. Approximately 99 percent of total trade between California and Mexico is transported by trucks.

Table 1 shows that in 2013 an estimated 1.5 million trucks carried nearly \$36 billion worth of imports and exports through the Otay Mesa POE, which is the highest annual total for trade by truck at this POE. The 2013 dollar value of trade crossing this POE was 144 percent higher than the 1998 figure.

Table 1: Otay Mesa POE Truck Crossing and Trade 1998-2013

Year	Number of Trucks Crossing Northbound	% Annual Change Trucks	Value of Exports by Trucks	% Annual Change Exports	Value of Imports by Trucks	% Annual Change Imports	Total Trade Value by Truck	% Annual Change Total Trade
1998	606,384	—	\$5,927,772,131	—	\$8,717,899,856	—	\$14,645,671,987	—
1999	646,587	6.6%	\$6,134,728,067	3.5%	\$9,448,834,750	8.4%	\$15,583,562,817	6.4%
2000	688,340	6.5%	\$8,110,052,031	32.2%	\$10,649,827,179	12.7%	\$18,759,879,210	20.4%
2001	708,446	2.9%	\$8,225,985,115	1.4%	\$11,158,787,544	4.8%	\$19,384,772,659	3.3%
2002	731,291	3.2%	\$8,549,456,838	3.9%	\$11,818,167,825	5.9%	\$20,367,624,663	5.1%
2003	697,152	-4.7%	\$8,260,389,400	-3.4%	\$11,400,334,548	-3.5%	\$19,660,723,948	-3.5%
2004	726,164	4.2%	\$8,917,456,915	8.0%	\$13,254,426,155	16.3%	\$22,171,883,070	12.8%
2005	730,253	0.6%	\$9,269,520,520	3.9%	\$15,131,098,440	14.2%	\$24,400,618,960	10.1%
2006	749,472	2.6%	\$9,937,653,489	7.2%	\$18,659,789,989	23.3%	\$28,597,443,478	17.2%
2007	738,765	-1.4%	\$9,939,099,890	0.0%	\$20,757,417,829	11.2%	\$30,696,517,719	7.3%
2008	776,972	5.2%	\$10,499,853,431	5.6%	\$21,223,710,762	2.2%	\$31,723,564,193	3.3%
2009	684,425	-11.9%	\$9,040,450,491	-13.9%	\$19,172,443,024	-9.7%	\$28,212,893,515	-11.1%
2010	729,605	6.6%	\$10,062,454,134	11.3%	\$20,683,530,060	7.9%	\$30,745,984,194	9.0%
2011	744,929	2.1%	\$11,126,257,314	10.6%	\$21,683,560,461	4.8%	\$32,809,817,775	6.7%
2012	778,929	4.6%	\$12,081,681,516	8.6%	\$22,423,378,426	3.4%	\$34,505,059,942	5.2%
2013	769,886	-1.2%	\$12,815,561,018	6.1%	\$22,934,403,792	2.3%	\$35,749,964,810	3.6%

Source: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation

The Tecate-Tecate POE, which is the second most important commercial POE in the region for trade transported by truck. Rail service at this POE ceased in 2009. As shown in Table 2, since 2007, trade by truck through this POE has decreased from its peak of \$1.19 billion to its low in 2012 of \$606 million. From 2012 to 2013, total trade by truck experienced an annual increase of 11 percent, but the 2013 is still 43.6 percent below its peak in 2007, and 24 percent below the 1998 level.

Table 2: Tecate POE Truck Crossings and Trade 1998-2013

Year	Trucks	% Annual Change Trucks	Exports by Truck	% Annual Change Exports	Imports by Truck	% Annual Change Imports	Total Trade by Truck	% Annual Change Total Trade
1998	50,805	—	\$413,826,332	—	\$472,659,130	—	\$886,485,462	—
1999	59,606	17.3%	\$468,007,379	13.1%	\$516,710,956	9.3%	\$984,718,335	11.1%
2000	62,878	5.5%	\$432,768,494	-7.5%	\$487,408,026	-5.7%	\$920,176,520	-6.6%
2001	60,887	-3.2%	\$385,793,569	-10.9%	\$464,300,198	-4.7%	\$850,093,767	-7.6%
2002	57,655	-5.3%	\$461,317,587	19.6%	\$488,744,665	5.3%	\$950,062,252	11.8%
2003	59,363	3.0%	\$410,793,578	-11.0%	\$487,139,784	-0.3%	\$897,933,362	-5.5%
2004	69,670	17.4%	\$465,119,844	13.2%	\$538,703,225	10.6%	\$1,003,823,069	11.8%
2005	69,586	-0.1%	\$532,658,355	14.5%	\$619,587,980	15.0%	\$1,152,246,335	14.8%
2006	73,441	5.5%	\$571,135,015	7.2%	\$620,813,658	0.2%	\$1,191,948,673	3.4%
2007	77,320	5.3%	\$595,403,763	4.2%	\$599,128,790	-3.5%	\$1,194,532,553	0.2%
2008	75,595	-2.2%	\$546,484,361	-8.2%	\$569,252,314	-5.0%	\$1,115,736,675	-6.6%
2009	65,039	-14.0%	\$412,209,272	-24.6%	\$505,280,122	-11.2%	\$917,489,394	-17.8%
2010	55,208	-15.1%	\$431,292,772	4.6%	\$511,212,928	1.2%	\$942,505,700	2.7%
2011	47,762	-13.5%	\$306,458,194	-28.9%	\$445,971,908	-12.8%	\$752,430,102	-20.2%
2012	43,245	-9.5%	\$263,210,526	-14.1%	\$343,499,345	-23.0%	\$606,709,871	-19.4%
2013	47,762	10.4%	\$302,255,076	14.8%	\$371,483,936	8.1%	\$673,739,012	11.0%

Source: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation

Although commercial operations began to be transferred to the Otay Mesa POE when it opened in 1983, the San Ysidro POE still handles trade through its intermodal rail cargo facility. In 2013, the top three categories of commodities transported by rail at this POE were mineral fuels, plastics, and sugars and sugar confectionary.<sup>1</sup> As shown in Table 3, total trade by rail through this POE reached

<sup>1</sup> U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation, Transborder Freight Data

\$264 million in 2012, its peak level since 1998. From 2012 to 2013, although total trade transported via rail decreased by 24.2 percent, the 2013 value is still almost 362 percent greater than in 1998.

Table 3: San Ysidro Trade by Rail 1998-2013

Year	Exports by Rail	% Annual Change Exports	Imports by Rail	% Annual Change Imports	Total Trade by Rail	% Annual Change Total Trade
1998	\$43,096,821	—	\$301,802	—	\$43,398,623	—
1999	\$60,450,466	40.3%	\$1,178,062	290.3%	\$61,628,528	42.0%
2000	\$64,941,077	7.4%	\$1,039,824	-11.7%	\$65,980,901	7.1%
2001	\$71,335,135	9.8%	\$216,302	-79.2%	\$71,551,437	8.4%
2002	\$65,299,988	-8.5%	\$241,817	11.8%	\$65,541,805	-8.4%
2003	\$68,033,554	4.2%	\$373,711	54.5%	\$68,407,265	4.4%
2004	\$135,705,761	99.5%	\$154,145	-58.8%	\$135,859,906	98.6%
2005	\$161,339,532	18.9%	\$1,639,125	963.4%	\$162,978,657	20.0%
2006	\$175,489,616	8.8%	\$368,834	-77.5%	\$175,858,450	7.9%
2007	\$216,869,666	23.6%	\$361,297	-2.0%	\$217,230,963	23.5%
2008	\$249,484,628	15.0%	\$394,445	9.2%	\$249,879,073	15.0%
2009	\$146,314,768	-41.4%	\$31,349	-92.1%	\$146,346,117	-41.4%
2010	\$189,041,649	29.2%	\$57,626	83.8%	\$189,099,275	29.2%
2011	\$161,039,009	-14.8%	\$0	-100.0%	\$161,039,009	-14.8%
2012	\$264,155,868	64.0%	\$13,500	100%	\$264,169,368	64.0%
2013	\$200,354,878	-24.2%	\$3,886	-71.2%	\$200,358,764	-24.2%

Source: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation

## TRADED INDUSTRY CLUSTER ANALYSIS FOR THE CALIBAJA REGION

As previously stated in this white paper, NAFTA boosted crossborder trade, economic growth, and jobs between the United States and Mexico. U.S.-Mexico trade through land ports of entry grew from \$71 billion U.S. dollars in 1995 to \$255 billion in 2010.<sup>2</sup> Furthermore, Mexican exports to the United States include 40 percent American content, far exceeding any other foreign imports.<sup>3</sup> International trade between the two countries is a key contributor to local, state, and national economic growth, and reducing border wait times is critical in order for the regional crossborder economy to function effectively.

Understanding the crossborder economy is important for quantifying the effects of border crossing delays on the region and on both nations. One recent study that provides new insights into crossborder economic connections is being undertaken by a binational team composed of researchers from the Colegio de la Frontera Norte (COLEF); University of California, San Diego Center for U.S.-Mexican Studies, San Diego Regional Economic Development Corporation, and SANDAG. The study focuses on identifying traded industry clusters in the CaliBaja Region, which encompasses San Diego and Imperial counties and Baja California in Mexico.

Traded industry clusters are groups of interrelated, export-oriented industries that bring new money into the region. Industries within an industry cluster have business transactions with one another, and therefore are interdependent. The primary steps are to: 1) Identify industries that

<sup>2</sup> Lee, Erik, Wilson, Christopher E., Lara-Valencia, Francisco, de la Para, Carlos A., Van Schoik, Rick, Patron-Soberano, Kristofer, Olsen, Eric L., Salee, Andrew, Wilson Center, Mexico Institute, et al, The State of the Border Report – A Comprehensive Analysis of the U.S.-Mexico Border, May 2013.

<sup>3</sup> U.S. Chamber of Commerce, NAFTA Triumphant: Assessing Two Decades of Gains in Trade, Growth, and Jobs, 2012.

drive economic growth; 2) Determine which other sectors have strong relationships (either buyer or supplier) with the driver industries; and 3) Discuss the findings with a binational technical advisory group. The first step of this effort has been completed. A new report, "Jobs Without Borders: Employment, Industry Concentrations, and Competitiveness in the CaliBaja Region," offers new insights on employment concentration in the U.S.-Mexico border region and is the first to analyze industry employment concentrations within the CaliBaja Region. Overall results from this analysis provide evidence of the region's importance as a hub for manufacturing, with particular strengths in industry sectors like audio and video equipment manufacturing and medical device and supplies manufacturing. This study helps to illustrate the strengths and diversity of the binational region's three sub-economies: the combination of high-tech research and development capability in the San Diego region, agricultural production in Imperial Valley, and manufacturing in Baja California.<sup>4</sup> Understanding the economic interactions can help inform economic and workforce development efforts in the CaliBaja Region.

### **Key United States – Mexico Border Institutions:**

There are four formal binational institutions, with equal representation from Mexico and the United States that are key organizations along the border. These are the Border Environment Cooperation Commission; the North American Development Bank; the International Boundary and Water Commission (IBWC); and the United States-Mexico Border Health Commission. A brief background on the history, objectives and organization of these institutions, along with information on a number of binational working groups and initiatives, will be presented in this section.

#### **Border Environment Cooperation Commission/Comisión de Cooperación Ecológica Fronteriza**

The Border Environment Cooperation Commission (BECC), or *Comisión de Cooperación Ecológica Fronteriza* (COCEF) in Spanish, is a binational institution created by the United States and Mexico in 1993 under an environmental side-agreement to NAFTA. BECC's mission is "to preserve and enhance environmental conditions and quality of life for people living along the U.S.-Mexico border" by effectively applying binational policies and programs that support the sustainable development of environmental infrastructure in the border region. BECC's original mandate focused on water pollution and conservation, wastewater, waste management and recycling, and was later expanded to include air quality, clean and efficient energy, public transportation and municipal planning and development. More recently, the following sectors have been added to the scope of BECC's mandate: international border crossings; energy transmission and distribution; production of goods and services to enhance or protect the environment; and infrastructure projects to minimize future negative environmental impacts in the region have been added to BECC's areas of work.

The institution's objectives include certifying the technical feasibility and the environmental and health impacts of projects; ensuring transparency and promoting community-based support for projects; and providing technical assistance for project development. Project jurisdiction in the border region is defined as the area located within 100 kilometers (about 62 miles) north of the

---

<sup>4</sup> "Jobs Without Borders: Employment, Industry Concentrations, and Competitiveness in the CaliBaja Region," Special Report by the CaliBaja Research Initiative (La Jolla and Tijuana: Center for U.S.-Mexican Studies; Colegio de la Frontera Norte, 2014).

international boundary and 300 kilometers (about 186 miles) south of the border. As of December 2013, BECC had completed 227 certified projects corresponding to \$6.99 billion in environmental infrastructure projects in Mexico and the United States.

BECC shares a Board of Directors with its sister institution, the North American Development Bank (NADB). The Board is a structure of binational organizations in which civil society is represented, and the chairmanship of the board alternates between U.S. and Mexican representatives every year. Under the direction of the joint BECC-NADB Board of Directors, day-to-day operations at BECC are overseen by a General Manager and a Deputy General Manager. This leadership team is comprised of a national of either the United States or Mexico, enforcing the model for binational teamwork. BECC and NADB also work closely with other border stakeholders including federal, state, and local agencies, the private-sector and civil society to identify, develop, finance, and implement environmental infrastructure projects on both sides of the border.

BECC's operating budget is funded by federal contributions from Mexico, through the Ministry of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales* or SEMARNAT in Spanish), and from the United States through the Department of State. In addition to its operating budget, BECC manages the Project Development Assistance Program (PDAP), and the Border Environmental Infrastructure Fund (BEIF), which allocate grants from the U.S. Environmental Protection Agency (EPA) for municipal drinking water and wastewater projects through the U.S.-Mexico Border Water Infrastructure Program. These grant programs help supplement loans and guaranties for communities that cannot afford to fund projects solely through credit financing. In addition, BECC manages several environmental management initiatives funded by the EPA through the Border 2020 Program. To ensure funds are used efficiently, BECC and the EPA conduct a biannual prioritization process to rank project funding applications. To offset the resources required to manage these border programs, the EPA provides an administrative subsidy to BECC, which supplements its normal operating budget. Another source of funding for BECC projects on both sides of the border is NADB, which was created at the same time as BECC in order to concentrate on project financing.

#### North American Development Bank/Banco de Desarrollo de América del Norte

The North American Development Bank (NADB), or *Banco de Desarrollo de América del Norte* (BDAN) in Spanish, was created by Mexico and the United States in 1993 under a side environmental agreement to the NAFTA. NADB was created to serve as the financing arm of its sister institution, the BECC. NADB began operations in November 1994, with the initial capital subscriptions of the U.S. and Mexican governments. NADB's mission is shared with BECC (see above), and its specific role is to facilitate financing for the development, execution, and operation of environmental infrastructure projects that have been certified by BECC.

The institution's services include acting as a financial advisor and strategist, an investment banker and lender. Under the charter between BECC and NADB, amended in August 2004, NADB is "authorized to finance projects that will prevent, control or reduce environmental pollutants or contaminants, improve the drinking water supply, or protect flora and fauna, so as to improve human health, promote sustainable development, or contribute to a higher quality of life." NADB typically finances the following types of projects: water, waste management, renewable energy, air

quality, industrial and hazardous waste, and energy efficiency. Since its inception, NADB has managed approximately \$1.91 billion to finance 171 certified projects.

NADB's Board of Directors is a joint Board with BECC and Bank operations are carried out through seven different departments. The total authorized capital of NADB amounts to \$3 billion, with equal commitments from the United States and Mexico. The costs of borrowing and bank operations, as well as credit risk coverage, determine the rate at which the NADB can lend.

#### International Boundary and Water Commission/Comisión Internacional de Límites y Aguas

The International Boundary and Water Commission, United States and Mexico (IBWC) was first established as the IBWC in 1889 by the two countries to address boundary and related issues along the U.S.-Mexico border produced by the 1848 Treaty of Hidalgo. The IBWC is an international body composed of two national sections. The Spanish-language name for the IBWC is *Comisión Internacional de Límites y Aguas* or CILA.

The IBWC emerged into its modern form as a result of the 1944 Water Treaty between the United States and Mexico. The treaty established that the IBWC shall in all respects have the status of an international body and that the head of each Section be an Engineer Commissioner appointed by his/her respective president, and that wherever Treaty provisions called for joint action or joint agreement by the two governments, such matters would be handled by or through the U.S. Department of State and the Mexican Ministry of Foreign Affairs (*Secretaría de Relaciones Exteriores* or SRE in Spanish). The IBWC's overall aim is "to apply the boundary and water treaties between the two countries and to settle any differences that arise in their application."

The organization's specific objectives include: distribution between the two countries of the waters of the Rio Grande (named *Río Bravo* in Mexico) and of the Colorado River; regulation and conservation of the waters of the Rio Grande for their use by the two countries by joint construction; operation and maintenance of international storage dams and reservoirs and plants for generating hydroelectric energy at the dams; regulation of the Colorado River waters allocated to Mexico; protection of lands along the river from floods by levee and floodway projects; solution of border sanitation and other border water quality problems; preservation of the Rio Grande and Colorado River as the international boundary; and demarcation of the land boundary.

Both the U.S. and Mexican Sections maintain their own engineering staff, a secretary and legal advisers. Each Section also has field offices strategically located along the border to operate and maintain joint works and provide support in resolving binational issues. Each government funds the cost of the operation of its Section of the IBWC, while the cost of joint projects is generally shared between the U.S. and Mexican Governments; the two governments share the total costs of the projects in proportion to their respective benefits therefrom. In cases of man-made works or operations in one country causing or threatening to cause damage in the other country, the cost is borne by the government in whose territory the problem originated.

#### United States – Mexico Border Health Commission

In recognition of the need for an international commission to address border health issues, the United States-México Border Health Commission (BHC) was created as a binational health commission in July 2000, with the signing of an agreement by the U.S. Secretary of Health and Human Services and the Mexican Secretary of Health. In December 2004, the BHC was designated as

a Public International Organization by Executive Order of the President. The mission of the BHC is: "To provide international leadership for developing coordinated and binational actions that optimize health and quality of life along the U.S.-Mexico border; and "to eliminate health disparities through an effort that focuses attention on regional health issues." The BHC works to promote sustainable partnerships, bringing together government and non-governmental organizations, academic institutions, and public and private stakeholders.

The BHC's two primary objectives are to institutionalize a domestic focus on border health that can transcend political changes, and to create an effective venue for binational discussion to address the public health issues and problems affecting the U.S.-Mexico border populations. To accomplish these goals, the BHC facilitates identification of public health issues; supports studies and research on border health; and brings effective federal, state, and local public/private resources together by forming dynamic partnerships and alliances to improve the health of the border populations through creative, multi-sectorial approaches. Key priority areas for the BHC include access to care, obesity and diabetes, tuberculosis, strategic planning, infectious disease and public health emergencies, research, data collection, and academic alliances.

The BHC is comprised of the federal secretaries of health, the chief health officers of the ten border states, and prominent community health professionals from both nations. Practicing health care professionals or members of the academic/research community also contribute as individual members to offer an important cross-section of border population health needs and experiences at the local level and link with a multitude of stakeholders within a given community. The Office of Global Affairs within the Office of the Secretary, U.S. Department of Health and Human Services (HHS) in Washington D.C., and the General Directorate for International Relations of the Mexican Ministry of Health (*Secretaría de Salud* or SS in Spanish) in México, D.F., serve as the federal points of coordination. The BHC receives ongoing annual federal appropriations and support for its Work Plan and Budgets through HHS on the U.S. side and the SS on the Mexican side.

### 21st Century Border Initiative

The 21st Century Border Initiative was designed to support the Declaration of the 21st Century Border Management, which the governments of Mexico and the United States issued in April 2010. Through the Declaration, the two countries expressed their commitment to strengthen cooperation in the following areas: enhancing economic competitiveness by expediting lawful trade; facilitating lawful travel in a manner that prevents the illegal movement of people between the two countries; sharing information that enhances secure flows of goods and people; and disrupting and dismantling transnational criminal organizations. The two countries agreed to work in a collaborative and coordinated fashion across a wide-range of border-related activities.

In order to coordinate and facilitate the work required to meet the goals of the Declaration, the 21st Century Border Bilateral Executive Steering Committee (ESC) was formed as the implementation and oversight mechanism to coordinate and facilitate the work required to meet the goals of the Declaration. The ESC is committed to improving infrastructure, facilitating legitimate trade and travel, and strengthening security cooperation on our common border. Under the ESC, there are three working groups: Infrastructure, Secure Flows, and Law Enforcement and Security Cooperation.

The ESC is composed of representatives from the following U.S. federal departments: State, Homeland Security, Justice, Transportation, Agriculture, Commerce, Interior, Defense, and the Office of the United State Trade Representative. Mexico is represented by the Ministries of Foreign Relations, Interior, Finance and Public Credit, Economy, Public Security, Communications and Transportation, Agriculture, and the Office of the Attorney General of the Republic. Each agency funds its own participation. The ESC meets periodically and creates annual action plans, through which Mexico and the U.S. collaborate to improve infrastructure, develop joint security strategies and facilitate the secure and efficient flow of goods and people. The 2013 proposed action items include coordinating efforts to ensure that the following infrastructure projects which have been agreed upon binationally are delivered as envisioned: the renovation project for the San Ysidro POE and its compatibility with Mexico's new El Chaparral POE, the San Diego-Tijuana Airport CBF, and financial studies and Phase I of construction for the proposed new Otay Mesa-Mesa de Otay II POE. Also included in the proposed 2013 action items is expanding and promoting trusted traveler programs and coordinating traffic segmentation to reduce border crossing wait times, as well as exploring mechanisms related to the use of Public-Private Partnerships and their feasibility for funding border infrastructure. <sup>5</sup>

During the SANDAG 2013 Binational Seminar "Moving the Border Forward: Competitiveness and Sustainability", local stakeholders suggested forming a coalition under the umbrella of the local San Diego-Tijuana Border Liaison Mechanism, led by the Consul General of the United States in Tijuana, and the Consul General of Mexico in San Diego, that could be used as a stakeholder forum to formally provide input to the 21st Century Border Management Initiative. On December 20, 2013, this event recommendation was approved by the SANDAG Board of Directors.

#### U.S.-Mexico High Level Economic Dialogue

During U.S. President Barack Obama's visit to Mexico in May 2013, he and Mexican President Enrique Peña Nieto announced the formation of the U.S.-Mexico High Level Economic Dialogue (HLED) to advance strategic economic and commercial priorities central to promoting mutual economic growth, job creation, and global competitiveness. A U.S. delegation led by Vice President Joe Biden visited Mexico City in September 2013, and constituted the first meeting of the HLED. The report from the meetings emphasized the important trade relationship between the two countries, highlighting the United States' role as the number one trading partner for Mexico, and Mexico's role as the third largest trading partner for the United States, and the strategic opportunity this relationship presents to increase global competitiveness.

During the meeting, the specific topics identified as being of interest to the two administrations were: Increasing economic connections, including trade and the utilization of the border as a competitive advantage to promote and facilitate people and goods crossings; increasing financial opportunities, including the use of collaboration mechanisms and multilateral financial institutions; and reviewing collaboration mechanisms, including those in the fields of economic development and the private sector, as well as those in areas of education and research to explore promoting exchange programs for students between the two countries.

---

<sup>5</sup> 21st Century Border Initiative Proposed 2013 Action Items:  
<http://www.dhs.gov/sites/default/files/publications/21cb-2013-action-plan.pdf>

The HLED is co-chaired by the U.S. Departments of State and Commerce, Office of the U.S. Trade Representative and their Mexican counterparts. The HLED will meet annually at the cabinet level and will bring together leaders from the public and private sectors to build on and promote sustained progress on a range of existing successful bilateral dialogues and working groups. Mexico and the United States have developed an initial work plan laying out potential areas for cooperation under three broad pillars: 1) Promoting Competitiveness and Connectivity; 2) Fostering Economic Growth, Productivity, Entrepreneurship; and 3) Innovation and Partnering for Regional and Global Leadership.<sup>6</sup>

As initial steps toward accomplishing the goals laid out in the HLED work plan, the United States and Mexico plan to continue the work of the Mexico-U.S. Entrepreneurship and Innovation Council (MUSEIC) and expand entrepreneurship delegation exchanges; collaborate on organizing an information and communications technology road show, regulatory workshop series, and broadband innovation information exchanges; announce negotiations to modernize and expand the bilateral air transport relationship; develop an agenda of ongoing cooperation on intelligent transportation and freight systems; make efficient use of the NADB by supporting new and ongoing crossborder initiatives and directing its Board to begin an assessment of the Bank's long-term capital needs, as well as how it can more effectively leverage private sector capital to support border infrastructure; and pursue joint investment initiatives.

#### United States-Mexico Joint Working Committee

The United States-Mexico Joint Working Committee (JWC) has its roots in the onset of NAFTA, which entered into force in January 1994. In anticipation of expanding economic and commercial relations associated with NAFTA, the United States and Mexico recognized the need for a well-coordinated transportation planning process in the border region. On April 29, 1994, the U.S. Department of Transportation (DOT) and the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*, or SCT in Spanish), signed a Memorandum of Understanding (MOU), which established the JWC. A second binational MOU was signed in October 2000. This MOU was developed to strengthen the working relationship that evolved over the years and provided direction for the group in the future. Goals of the second MOU included stimulating and promoting innovative methods to improve the safe, efficient, and economical crossborder movement of people and goods and closely coordinating between the entities involved in the JWC.

The JWC's primary focus is to facilitate efficient, safe, and economical crossborder transportation movements and cooperate on land transportation planning. A chief area of focus for the JWC is the development and coordination of Regional Border Master Plans (BMPs) between the United States and Mexico. The BMPs are a tool to help prioritize infrastructure projects and enhance binational coordination of planning and implementation of POE and transportation projects on both sides of the border. The first BMP was created for the California-Baja California region in 2008 to be used as a model that could be expanded to other border states, resulting in a master planning process for the entire U.S.-Mexico border. As part of this effort, it was determined that Caltrans and the Mexican Ministry of Infrastructure and Urban Development (*Secretaría de Infraestructura y Desarrollo Urbano*, or SIDUE in Spanish) would lead the efforts to conduct periodic updates to the

---

<sup>6</sup> U.S. Department of Commerce Federal Register Notice, Vol. 78, No. 227: <http://www.gpo.gov/fdsys/pkg/FR-2013-11-25/pdf/2013-28006.pdf>

California-Baja California BMP. Additional BMPs have recently been completed for Arizona-Sonora, Laredo-Coahuila/Nuevo Leon/Tamaulipas, El Paso/Santa Teresa-Chihuahua, and Lower Rio Grande Valley-Tamaulipas, and one is currently under development for New Mexico-Chihuahua and is anticipated to be finalized in mid-2015. Another recent JWC activity includes conducting workshops on "greening" transportation at the border. The workshops focused on four border transportation themes: green technology, performance/reliability measures, livability/sustainability, and green financing/industry. Other JWC work plan priorities include a U.S.-Mexico Border Wait-time Peer Exchange Roundtable, with the goal being to reduce border wait times and congestion at international border POEs, as well as an analysis between border wait times and emissions to evaluate environmental impacts.

The group is made up of transportation professionals from the Federal Highway Administration and SCT, and also includes representatives from the U.S. Department of State (DOS), the Mexican Ministry of Foreign Affairs of Mexico (*Secretaría de Relaciones Exteriores* or SRE in Spanish), the four U.S. border states DOTs, and the six Mexican border States. The General Services Administration (GSA) and Customs and Border Protection (CBP) also participate in JWC meetings. The members meet twice a year to develop and implement work plans and address border issues. For purposes of coordination and information, the JWC keeps the United States-Mexico Bilateral Committee on Bridges and Border Crossings informed of its findings with formal presentations twice a year and interim reports as necessary. According to the MOU, each member country contributes towards the budget of the JWC by paying its respective costs.

#### Border Liaison Mechanism

The Border Liaison Mechanism (BLM) was developed in response to a growing need for institutionalized border cooperation. It was established in 1992 as a result of a bilateral agreement between the United States and Mexico calling for the formation of crossborder meetings of federal, state, and local authorities organized and chaired by diplomatic representatives from both countries. The BLM was established in the San Diego-Tijuana region in 1993. The BLM's mission is to enhance crossborder communication, ensure that unique local issues are not overlooked by the federal governments, and address local issues directly without guidance from the capitals.

The BLM is a flexible mechanism that enables the consuls general of Mexico and the United States in the border cities to formally convene state, local, and federal agency representatives and others from both sides of the border to formally discuss new and evolving matters of mutual interest, including port of entry security, public health, immigration, public safety coordination, natural resources, and the environment. BLMs hold both regularly-scheduled meetings and emergency meetings in the event of any important border incident; emergency meetings have dealt with problems arising from bridge blockades and incidences of violence. The BLM in the San Diego-Tijuana-Tecate region has worked for years on transborder water issues, including shared water infrastructure and water resource management.

Chaired by U.S. and Mexican consuls general, the BLMs include U.S. and Mexican civic leaders, and inspection agency representatives and law enforcement contacts who meet to share information and discuss problems. The meetings are to be alternatively held on the American and Mexican sides of the border, with each principal officer jointly responsible for determine the agendas. The BLMs operate in "sister city" pairs, which exist in Tijuana-San Diego, Mexicali-Calexico, Nogales-Hermosillo, Ciudad Juárez-El Paso, Laredo-Nuevo Laredo, Matamoros-McAllen, and Matamoros-

Brownsville. Due to the increasing number of issues dealt with by the BLM, and the length of the plenary meetings, subgroups or baskets focused on issues such as border security, migration, bridges and border crossings and the environment were created. Federal funds are appropriated to the BLM through respective U.S. and Mexican federal agencies.

#### U.S.-Mexico Binational Group on Bridges and Border Crossings

The U.S.-Mexico Binational Group on Bridges and Border Crossings (BBBXG) was established in the mid-1980s to provide a forum for a binational effort to manage the planning, construction, and maintenance of planned, ongoing or new border crossing projects and POEs along the 1,952-mile U.S.-Mexico border. The purpose of the BBBXG's semi-annual meetings is to discuss operational matters involving existing and proposed bridges and border crossings and their related infrastructure, and to exchange views on policy as well as technical information. Related issues involving facilitation of travel between the two countries, such as border region highways and other infrastructure projects are also discussed.

This group is co-chaired by the U.S. Department of State and SRE, and its meetings are attended by federal agencies with an interest in border crossings. The State Department is the U.S. co-chair because it is the federal agency responsible for the presidential permitting process required for new border crossings and substantial modifications to existing border crossings. The ten U.S. and Mexican border states are active participants in these meetings, and local actors are able to participate in the public sessions.

The BBBXG holds annual meetings at locations along the border, rotating between the states and countries. BBBXG meetings generally consist of three separate sections: Separate U.S. and Mexican delegation meetings where general issues are discussed; a public session in which individuals or organizations can make presentations to the group, including proposals for new crossings; and a government-only technical session, where the binational group discusses the status of ongoing border crossing projects and related issues. There is one border-wide BBBXG meeting and two or more regional BBBXG meetings held annually. SRE and the Department of State alternate hosting the BBBXG's meeting venues and attendees fund their own participation.

