

2007 UPDATE: ECONOMIC IMPACTS OF WAIT TIMES IN THE SAN DIEGO–BAJA CALIFORNIA BORDER REGION FACT SHEET

JURISDICTIONS OF THE SAN DIEGO REGION

City of Carlsbad
City of Chula Vista
City of Coronado
City of Del Mar
City of El Cajon
City of Encinitas
City of Escondido
City of Imperial Beach
City of La Mesa
City of Lemon Grove
City of National City
City of Oceanside
City of Poway
City of San Diego
City of San Marcos
City of Santee
City of Solana Beach
City of Vista
County of San Diego

ADVISORY MEMBERS

Imperial County
California Department of
Transportation
Metropolitan Transit System
North County Transit District
U.S. Department of Defense
San Diego Unified Port District
San Diego County Water
Authority
Southern California Tribal
Chairmen's Association
Mexico



401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
Fax (619) 699-1905
www.sandag.org

Inadequate infrastructure capacity at the border crossings between San Diego County and Baja California currently creates traffic congestion and delays for cross-border personal trips and freight movements that cost the U.S. and Mexican economies an estimated \$7.2 billion in foregone gross output and more than 62,000 jobs in 2007.

Two-hour or longer delays in freight movement at the Otay Mesa – Mesa de Otay and Tecate –Tecate ports of entry are significantly impacting productivity, industry competitiveness, and lost business income at the regional, state, and national level.

The Otay Mesa – Mesa de Otay Port-of-Entry (POE) is the busiest commercial border crossing between California and Mexico. In 2006, this POE handled more than 1.4 million trucks and \$28.6 billion worth of goods in both directions, which represents the third highest dollar value of trade among all land border crossings between the United States and Mexico. Another \$1.2 billion in

merchandise and more than 140,000 trucks crossed at the Tecate –Tecate POE.

Trade is the fastest expanding component of the San Diego regional economy. Mexico is the United States' third largest trading partner (after Canada and China) and California's number one export market. Inadequate and aging infrastructure and more stringent security requirements create congestion at these two commercial border crossings.

Added wait times also discourage personal trips across the border at the San Ysidro, Otay Mesa, and Tecate POEs. In 2007, delays at the border are expected to contribute to a loss in output that exceeds \$2.9 billion and a loss in employment of more than 40,000 jobs for the San Diego region and Baja California combined.

Border delays in freight movement result in increased transportation costs and interruptions in manufacturing and delivery cycles. It is estimated that at today's level of
(Continued on reverse)



processing time at the border — more than two hours per truck—San Diego County loses \$539 million in annual revenue from reduced freight activity. This translates into more than 2,900 jobs or \$155 million in lost labor income a year in 2007. Labor income losses fall heavily in the machinery and equipment sector.

In 2007, the overall impact at the state level is anticipated at \$847 million in foregone output and \$242 million in labor income losses (or more than 4,300 jobs). For the United States, total output losses are estimated at \$1.5 billion and employment losses at more than 9,000 jobs in 2007.

The overall economic impacts of delaying trucks at the border are substantially higher on the Mexican side of the border than the American side. For Baja California, total output losses are expected to amount to \$1.6 billion and 8,200 jobs annually in 2007. Though the machinery and equipment sector is the most affected in terms of output losses, manufactured goods and agricultural and food products experience most of the jobs lost. For Mexico, total impact is estimated at \$2.4 billion in lost output and about 12,900 fewer jobs in 2007.

SANDAG, in partnership with Caltrans, developed an economic model to assess the magnitude of regional economic impacts resulting from delays at the ports of entry. This model serves as an analysis tool to understand economic impacts as the volume of travel increases and/or as a result of security screenings

