

Moving Toward Smart Borders

June 2003

Prepared for San Diego Dialogue's Forum *Fronterizo* program on
"Our Ports of Entry and Homeland Security:
A Dialogue with Asa Hutchinson"

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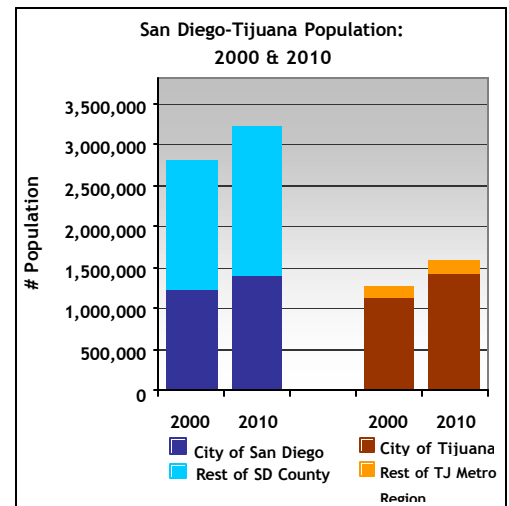
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Since September 2001, significant efforts have been made to increase security at all U.S. land ports of entry (POE). The initial impacts of this increased security have included more variable border waits, additional enforcement of immigration requirements, and some increased fees for non-immigrant visitors. The combination of these impacts, plus continued economic weakness and regional unemployment, had resulted in an almost 10% decrease in overall monthly border crossings at San Ysidro POE by the end of 2002 (compared to average monthly crossings of early-2001).

Some action is underway to develop “smart borders” that can both provide appropriate levels of security, as well as facilitate the enormous flow of legitimate border crossers here in the San Diego-Tijuana region (and across the U.S.-Mexico border). These efforts include:

- Extension of SENTRI expiration terms to two years for enrolled participants, and related decreases in SENTRI enrollment delays;
- Probable expansion of the existing SENTRI pre-clearance program beyond the three Southwestern ports of entry where it is currently operating (San Ysidro, Otay Mesa, and El Paso POEs) to other ports of entry, as well as to include pedestrian crossings; and
- Expansion of hours at the region’s second largest border crossing, Otay Mesa POE.

Creating a “smart border” in San Diego-Tijuana should not be a secondary policy goal, but a requirement that will assist the region to achieve better growth, a stable economy, and a more secure community. Within just a few short years – by the year 2010 – San Diego County’s population will grow to nearly 3.2 million, while the Greater Tijuana metropolitan region (including the cities of Tijuana, Tecate and Playas de Rosarito) is officially projected to grow to 1.6 million. These projections, in fact, show that Tijuana will have a larger population than the City of San Diego before 2010, making it the largest municipal entity in the regionⁱ. This fact alone makes it critical that border planning efforts extend across political lines to encompass the wide mosaic of community members and their leaders from both sides of this well-connected crossborder region.



ⁱ 2000 and 2010 population figures based on data and projections from the San Diego Association of Governments (SANDAG) data, and from Mexico’s Consejo Nacional de Población (CONAPO). It should be noted that these are “official” figures, and it is broadly believed that Tijuana’s current (2003) “unofficial” population (i.e.: not based on census data) is already larger than the 1.2 million estimated by CONAPO.

Connecting Across the San Diego-Tijuana Border

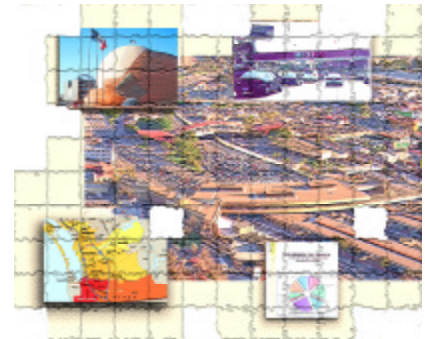
A Preview of Selected Findings from the upcoming research & survey project of the South County Economic Development Council



San Diego's Voice for Binational Business

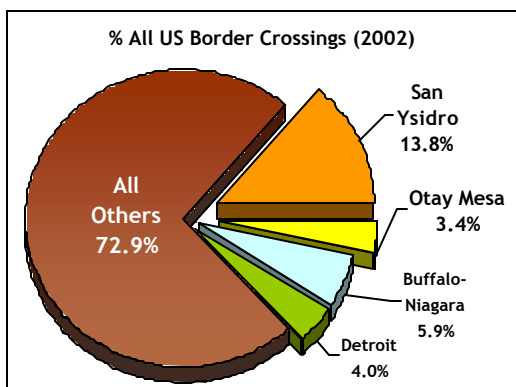
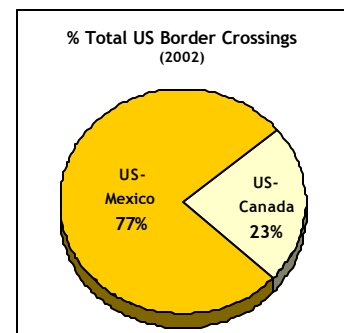
The South County Economic Development Council (SCEDC) is pleased to provide this preview of selected initial findings from its upcoming August 2003 research study. The study and surveys (funded entirely by SCEDC and its members, and developed by Crossborder Business Associates¹), will be the first major analysis of the impact that our regional border crossings have on the San Diego-Tijuana region since San Diego Dialogue's groundbreaking study, "Who Crosses the Border," in 1994. The study's components will include results from 2003 at-border surveys of those crossing the border, a Fall 2002 South San Diego business survey, a look at visitors to South San Diego retail malls, and a variety of regional economic and tourism data.

Below is a preview of selected pieces of the "mosaic" of facts and issues that make up our border region. They are presented here to underscore the continuing need to facilitate legal and secure border crossings, and to highlight the positive economic and social benefits that both sides of the border receive from those that cross. More detailed information will be available from the SCEDC following the release of the report (*in late-July, contact the SCEDC at 619-424-5143 for more information, or get added to our announcement list by emailing bordervalues@crossborderbusiness.com*)



Magnitude of Crossings

- In 2002, over 400 million individuals entered into the United States - either through land ports of entry (border crossings), airports, or seaports. The vast majority of these - comprising nearly 330 million individuals - entered at our land borders.²
- More than three-quarters of all individuals crossing across U.S. borders come from Mexico. The majority of people crossing the U.S.-Mexico border cross in personal vehicles, although a substantial number (nearly 20%) are pedestrians. In 2002, approximately 200 million individuals crossed by vehicle, with approximately 50 million pedestrian crossings. These massive volumes contrast with the 70 million car passengers and 1 million pedestrians that crossed the U.S.-Canada border that year.

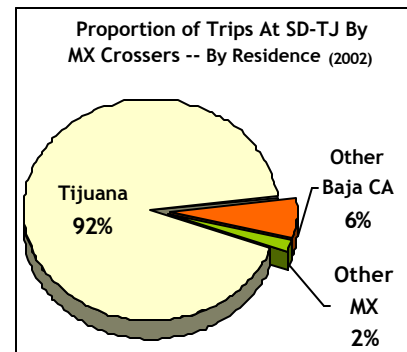


- The single most-traveled border crossing along either U.S. border is the San Ysidro Port of Entry (POE). This one border crossing handles nearly 14% of all individuals that cross the U.S.' borders. Otay Mesa POE is also, by all standards, a major crossing as well - handling approximately 3.4% of all U.S. border entries. In other words, these two crossing points between San Diego and Tijuana handled 56.6 million individuals in 2002 - nearly one-fifth of all U.S. border crossings.

- Based on 2002 data, the combined number of people crossing north through the two local POEs of San Ysidro and Otay Mesa (8 miles from each other) was equivalent to nearly 75% of the total number of individuals crossing south across the 5,525 mile U.S. -Canada border.
- From another perspective, more people, in fact, used the border crossing facilities of San Ysidro and Otay Mesa's POEs (56.6 million) in 2002 than the combined number of domestic and international passengers that used LAX (56.2 million) that year.³

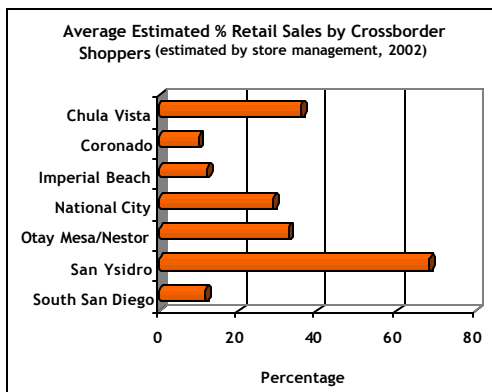
Who's Crossing?

- According to a 2002 report issued by the INS: "...[T]he great majority of persons arriving at land border POEs are residents of the border area who cross frequently...."⁴
- Recent data from Mexico's Central Bank (Banco de México) supports this observation: both at the border with Tijuana (and generally along the U.S. -Mexico border), approximately 95% of trips made by Mexican visitors to the U.S. are day trips (i.e.: not overnight). Borderwide, Mexican citizens that are residents of the states adjacent to the U.S. make up over 96% of the total trips across the border (primarily from the municipalities next to the crossing itself).⁵
- Among Mexican citizens crossing between San Diego and Tijuana, residents of the Tijuana metropolitan region make 92% of all trips. Another 6% of total trips at this crossing are made by residents from other areas of Baja California.
- Banco de México's 2002 data also shows that residents of the San Diego region made up approximately two-thirds of all southbound trips for those crossing into Tijuana. Another 28% of trips were made by residents of other areas of California.
- Another useful indicator of who is crossing southbound: recently released U.S. Census data shows that over 2,500 residents of San Diego County reported that their place of employment was in Mexico.⁶



Updated survey data from border crossers will be presented in the August 2003 release.

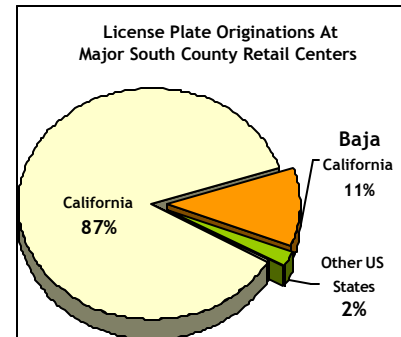
Crossborder Expenditures



- Current estimates of regional crossborder expenditures vary widely, although several studies have concluded that 40-60% of border crossings are made for shopping. A 2001 survey by the Universidad Autónoma de Baja California conservatively estimated that Baja Californians spent at least \$1.6 billion each year in the border region⁷; other estimates of \$2-3 billion have also been made (based on a factor of San Diego's taxable retail sales).⁸
- A SCEDC survey of South County retail store management in Fall 2002 concluded that approximately 11% of sales were made by crossborder shoppers. Cities such as Chula Vista and

National City, as well as communities such as San Ysidro and Otay Mesa (adjacent to the border) all reported much higher rates of sales by crossborder shoppers (*as might be expected, although it should be noted that the actual proportion of sales might be somewhat lower than reported due to perceptual biases*).

- Recent survey data from Banco de México further supports these estimates, showing that Mexican citizens crossing into the U.S. at Tijuana made expenditures of at least \$950 million in 2002. Those crossing into the U.S. from Mexicali were estimated to have spent an additional \$200 million that year. Visitors from the U.S. that crossed at Tijuana were estimated to have made at least \$812 million in expenditures during that time period.
- SCEDC surveys of vehicles at South San Diego shopping centers in mid-2002 found that at least 11% of the vehicles were from Baja California (a likely undercount, given the number of Tijuana residents with California-plated vehicles).
- Based on these initial estimates, the annual economic impact from retail spending by Baja California border crossers to the San Diego region is worth the equivalent of at least 4-8 Super Bowls.



¹ This summary report was compiled by Crossborder Business Associates (www.crossborderbusiness.com), based on research conducted during 2002-2003 for the South County Economic Development Council.

² All US port of entry border crossing numbers presented in this document were derived using data provided by the U.S. Department of Transportation and the U.S. Department of Homeland Security.

³ LAX passenger data obtained from Los Angeles World Airports (www.lawa.org)

⁴ *DMIA Task Force - First Annual Report to Congress*, U.S. Department of Justice Immigration & Naturalization Service (December 2002, p. 11)

⁵ Crossborder Business Associates' analysis of Banco de México data (2001 and 2002).

⁶ Crossborder Business Associates' analysis of U.S. Census *County-To-County Worker Flow Files* (Census 2000 data, www.census.gov)

⁷ Sierra López, Olga and Serrano Contreras, Sandra, "Patrones y Hábitos de consume en Baja California", *Comercio Exterior* (August 2002, p. 704)

⁸ Nathanson, Dr. Charles E. & Lampell, Julio, "Solving Our Border Crossing Problem In an Era of Terrorism", *Forum Fronterizo* briefing paper, San Diego Dialogue/UCSD Extension (December 2001, p. 6).