

Stakeholders Working Committee Meeting



MAY 8, 2019

San
Diego

**SAN DIEGO
FOUNDATION**



SMARTBORDERCOALITION.COM

Insights

- **Border Innovation Challenge**
- **March Stakeholder Working Committee highlights**
- **March Board Luncheon highlights**
- **Initiative Progress**
- **Port Closure threat and CBP Officer return press releases**
- **SAT *Aduanas* Border Project Coordination**
- **San Diego Regional Chamber of Commerce Delegation trip to Mexico City**



Universities / Tech Collaboration



SD Economic Engines

Military



\$51 Billion

Tourism



\$18.3 Billion

Innovation



\$14.4 Billion

Border



15% - 20%?? x GDP =
\$35 - \$50 Billion

March Stakeholder Working Committee meeting highlights and follow up:

- **CARLOS LOPEZ, SIDUE BAJA CALIFORNIA:** they have been working more closely with INDAABIN, SAT and SCT on **Puerta de Mexico demolition and opening to traffic, export corridor, and Otay II land on Tijuana side.** Caltrans is investing \$400,000 to update the Border Master Plan due to impact of border wait times. For Otay I, SIDUE working on project to add vehicle lanes, implement Intelligent Transportation System including digital signage and website to guide travelers. Otay II: \$800 million pesos have been earmarked to purchase land, SIDUE will visit property owners. Appraisal will be brought current. In parallel, transit model will be discussed so that fee amounts are established in coordination with Caltrans/SANDAG.
- **SALLY CARRILLO OF CBP announced the April opening of PedEast Plaza for travelers going to Mexico. In May, 4 southbound lanes will move over near El Chaparral to make way for the 10 final lanes to be ready by September. 8 additional northbound lanes will be ready in the fall as well. PedEast wait times have been no more that 10 minutes. PedWest times have come down substantially. There is no more need for Ready pedestrian lanes at PedEast, though they remain at Otay Mesa. CBP is still looking for a solution for SENTRI West lanes – there is a communications plan they are working on with the City of Tijuana.**
- **JORGE D'GARAY, PR CONSULTANT TO COINTER for toll road from Airport to Playas:** authorization pending, still stuck in BC Congress.
- **MONIQUE CASELLAS, RADY SCHOOL OF MANAGEMENT** spoke about the Border Innovation Challenge and collaboration with Smart Border Coalition and Jacobs School of Engineering to make this a reality. SBC and some of its members are financially backing the competition. This is the beginning stage in Rady's involvement with Mexico.



March Board meeting

- **IMPORTANT SENTRI INFORMATION:** If you apply for SENTRI renewal before the date of expiration, you can cross for up to six months after your SENTRI/Global Entry expires. However, if you renew before the time of expiration and six months go by and your renewal still has not been processed, you will NOT be able to cross through the SENTRI lane. There is a similar situation with Global Entry.
- **COMMENTS ABOUT OTAY 2:** “unified” port and CBP staffing
- **BORDER CONFERENCE, JEFF LIGHT:** We need to change the conversation about the border: educate, inspire, refocus the debate and change minds. Need to bring fresh winds to border.
- **CONSUL GENERAL CELORIO:** taking on CG responsibility in Los Angeles. Carlos González Gutiérrez will be new CG in San Diego. He is a very accomplished career diplomat. Mexico’s Foreign Relations Minister (Marcelo Ebrard) has much interest in California. The “Comisión de las Californias” is being revived; relationship with Gavin Newsome is very strong; there have been legislative efforts in Sacramento to reach out to Mexico.
- **STEVE WILLIAMS:** Border must be seen as economic generator, just like the military.



March Board meeting

■ MERIDA INITIATIVE AND BORDER SECURITY-MIGRATION MANAGEMENT PROGRAM

- Want to get to 100% joint scanning and revision capacity with Mexico, northbound and southbound lanes (cargo, POV, pedestrian and rail). Department of State through Merida Initiative is working with DHS and SAT to expand the UCP concept across all north and southbound lanes at all LPOEs. Want to use in-site or remote review locations for imagery reading and adjudication. Key criteria to make this happen are low screening levels, sufficient manpower, UCP in place.
- In partnership with DHS, State Department (International Narcotics Group) is funding Sandia National Labs to conduct a comprehensive assessment of a number of Mexican Land Ports of Entry that will define standards for the secure and efficient operation of a Mexican land port of entry.



Initiative List and Progress

○ Wait Times

- **SBC expressed interest in investing wait time readers** in Tijuana to establish a baseline for accurate wait times. At SAT forum it was decided that Caltrans would coordinate with SCT and SBC to get this done. SCT initially stated the need for a study and that there was no budget to purchase the readers; however, they now have resources and will use Caltrans' study on best locations for readers. The objective is to have them up and running in 60 days. SCT will inform us if there is any possibility for private capital.

○ Signage

- **The first 16 nodes were completed in March.** Tourism signage study has been completed. *Fondos Tijuana* (medical lane money) will be used to pay for this.

○ Access Roads

- **By end of April, 26 of 51 CBP reassigned officers returned. CBP now has 9 lanes working and wait times have started to diminish.**
- On April 1st, CBP personnel reassignment to support increasing migrant arrivals has reduced 10 cargo lanes to 8 and has affected wait times from the average 1.5 to 2 hours to 4, 5 or even 7 hours, and even longer for perishables.



Initiative List and Progress

○ No Tags

- SBC had a discussion with Lonnie McRorey and Jesús Romero of **Framework Science** in Tijuana to review possible collaboration to help solve No Tags challenge in collaboration with CBP, but primarily to support plan and execution of Smart City technology.

○ Ped West

- **The Umbral de las Americas project will only become a reality with private funding.** SBC has approached a non-profit consultant from Mexico to understand how best to “sell” this project to philanthropic organizations or social impact funds.

○ Joint Inspection / Unified Cargo Processing

- **Due to CBP officer reduction and decrease in lanes from 10 to 8, UCP is performing in a substandard way. Starting last week, 9 lanes are now working and wait times have been reduced.** There is still no news on when the personnel shortage will end, as immigration has taken center stage.

Initiative List and Progress

- **Puerta de Mexico (demolition and prep for 8 new northbound lanes)**
 - **Executive project getting under way shortly, coordinated by SCT, will use bidding system.** Demolition will occur in June. This is a 60-day project and has an approximate cost of \$1.7 million pesos, according to SCT's delegate in Baja California, Felipe Verdugo. The second phase will include new pavement and a return lane. City of Tijuana has given go-ahead to use street. Investment between \$10-\$12 million pesos.

- **SENTRI Cars**
 - Backlog at 3 weeks.

- **Railroad**
 - **SAT's conclusion is that the most viable option will be for each country to have their own inspection facility.** What is still subject to discussion is where non-intrusive inspection equipment (X-Rays, Gamma Rays) will be. SAT's equipment Administrator will send proposal to CBP.

Initiative List and Progress

○ Commuters

- SBC has not pursued this program lately based on changing priorities primarily for US Immigration and Citizenship Services (USCIS) and to a lesser extent CBP.

○ Cargo Pre-Clearance

- **Though a full-fledged solution has not been publicly stated, there is a clear undertaking to create a SAT-managed export corridor (2.3 kms., 3 stages), once and for all.** Stages 2 and 3 have private property that has yet to be donated to INDAABIN. SIDUE is working on public registry information for 10 private parcels involved and putting all legal docs together by 4/22 to give to INDAABIN, who will review and begin donation process.

Insights

- **San Diego Regional Chamber (SDRCC) Mexico City Delegation**
 - **Mayors' Panel (Mayors from San Diego, Encinitas, Imperial Beach, National City, Chula Vista, and Deputy Mayor for Mexico City):** Mobility, Water scarcity and treatment, Border Closure effects, Raising our Voice
 - **Mexico's Trade Policy (Luz Mara de la Mora):** Inclusion, Innovation and Diversification
 - **Beatriz Leycegui (former deputy Secretary of Economy) and Ambassador Enrique Berruga:** No presidential meeting in first 100 days but both populist, anti-establishment. Disregard for facts and stats, not using bilateral mechanisms, no back channels; issues must be compartmentalized. No federal units to manage the border – huge economic opportunity zone.
 - **Ambassador Jesus Seade on USMCA:** “Love and Problem” relationship; sees USMCA as serious, far-reaching revision due to manufacturing content changes, labor/anti-corruption/environmental/SME chapters.
 - **Federal Congresswoman Patricia Ramirez (Morena):** humanitarian and work visas are effort to respect human rights; Mex-U.S. relationship must be one of respect and collaboration. Must let U.S. administration what new immigration programs are; INAMI must not allow for Tijuana to have to fend for itself when caravans come; combatting corruption is critical.



Insights

- **SDRCC Mexico City Delegation**
 - **Citibanamex – Mexico's Economic Outlook:** Pemex is Achille's heel; 1.4% GDP growth in 2019; Mexican peso will remain strong for a while, but companies not investing as much; economic nationalism vs. real world economics; Government losing many talented people.
 - **CONAGUA (Delegate Jesús Liñán Guevara, various):** funds are not yet available for a comprehensive solution to the Tijuana sewage issue. 50 points along river where large bursts can happen; \$222 million pesos to repair collectors; need much more pump capacity; foremost are the technical aspects of a solution that will be presented in San Diego in May; then money from FONADIN and private entities. Any CONAGUA funds must be matched by State Government.
 - **Tourism Secretary (Miguel Torruco):** Industry represents 8.8% of Mexican GDP, almost 43 million tourists. 80% of tourism dollars in 5 locations; 65% dependence on U.S. and Canada; eliminated 35% of personnel at SECTUR. Per capita tourism spend is low; more experiential tourism – investment in Mexicali (Chinese legacy) and Loreto (Nautical Ladder).
 - **Border Infrastructure Panel (SAT, INDAABIN, SCT):** broached topics covered at Tijuana meetings led by National Customs Administrator Ricardo Peralta.

Insights

- **SDRCC Mexico City Delegation**
 - **Interior Secretary Interview (Olga Sanchez Cordero):** Colleague of AMLO's for decades; migration in Southern states and upper Central America part of back-and-forth cycle similar in some respects to what happens at the U.S.-Mexico border. Key is respect of human rights and nation-to-nation respect. Mexico facing many complicated issues: impunity, corruption, insecurity, and violence (women and children, in particular)

Social Media

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Next meeting is in San Diego on Thursday July 11, 2019 at City Hall in Tijuana

THANK YOU



Lista de Proyectos Prioritarios, 4ta Transformación, Aduanas de México

Ruta Estatal 11/Garita Otay Mesa East (Otay II)
Parque de Carga Aérea y Logística de Tijuana
Corredor de Exportación
Integración vial Garita de Otay - Boulevard Bellas Artes
Cruce Fronterizo el Chaparral – Puerta México- Puerta México
Este
Cruce Fronterizo Otay I
Trolley San Ysidro (Tren Ligero Tijuana)
Cruce Fronterizo Mexicali II
Ramal Ferroviario vía corta Mexicali – el Centinela
Cruce Fronterizo Mexicali – Río Nuevo
Cruce Fronterizo Algodones
Revisión Conjunta Aduanera Tecate - Ocampo
Cruce Fronterizo Jacumé
Cruce Fronterizo Turístico y de Carga Tecate
Línea Ferroviaria Tecate – el Sauzal
Puerto Seco en el Sauzal



Initiative List - Update from SAT's latest Meeting (4/15)

○ Puerta de México

- Executive project getting under way shortly, coordinated by SCT, will use bidding system. Demolition will occur in June. This is a 60-day project and has an approximate cost of \$1.7 million pesos, according to SCT's delegate in Baja California, Felipe Verdugo. Second phase will include new pavement and return lane. City of Tijuana has given go-ahead to use street.
- GSA, INDAABIN, and SAT have recently walked through area. SIDUE reported that both demolition and pavement are required. It is a \$10 - \$12 million peso project. INDAABIN will begin project analysis (there was no executive project) but requires SCT to pay for service. 8 lanes will be added by September, when GSA finishes their part. There will be one emergency lane for ambulance / firefighters. INDAABIN #2, Santiago Arenas Tamayo, National Works and Valuations Director, asked SIDUE and City of Tijuana to work with INDAABIN to have the City donate a small piece of land and move vendor "island" to open up the new lanes well in advance.

○ Wait Times

- **SBC expressed interest in investing wait time readers** in Tijuana to establish a baseline for accurate wait times. At SAT forum it was decided that Caltrans would coordinate with SCT and SBC to get this done. SCT initially stated the need for a study and that there was no budget to purchase the readers; however, they now have resources and will use Caltrans' study on best locations for readers. The objective is to have them up and running in 60 days. SCT will inform us if there is any possibility for private capital.

Initiative List – Latest Update from SAT Meeting (4/15)

○ Export Corridor for Cargo (Tijuana side)

- SIDUE will send progress report from the Public Registry to identify the landowner for the part of the corridor that is not public land (4/22) and will provide documentation to INDAABIN which will then analyze file to start donation process. SAT's Equipment and Infrastructure Director will explain way it will spend allocated resources and time frame on 5/9. SIDUE will generate official instructions for water, sewage and power services to the corridor.
- Local Development Council has taken leadership role. Will decide on executive project proposal (several options on the table). SIDUE already provided current information on all land ownership status. 80% of all land is publically registered. Only one private property needs to be incorporated into corridor. INDAABIN will start conversation with owner's attorney this week. City and State will get involved. Property that City of Tijuana donated to INDAABIN has yet to be assigned to SAT for administration purposes.

○ Tecate Railroad

- SAT's conclusion is that the most viable option will be for each country to have a separate inspection facility. What is still subject to discussion is where non-intrusive inspection equipment (X-Rays, Gamma Rays) will be. SAT's equipment Administrator will send proposal to CBP.
- CBP is convinced that Unified Cargo Processing works, but CBP will not accept a joint inspection area on the Mexican side of the border. A Mexican location does not fulfill the agency's security requirements. Ricardo Peralta, National Customs Director, assigned the project to Sean Cázares, International Affairs Director for SHCP (IRS). He will meet with CBP team next week to make a decision about a U.S. location(s) to build the inspection station. Baja Rail stated they had an excellent meeting with BANCOMEXT on Tuesday 3/5 for the \$52 million USD financing.



Initiative List – Latest Update from SAT Meeting (4/15)

- **Otay II**
 - INDAABIN received valuation request for the right of way and is working with consultant to conclude this. SCT still needs to pay for the valuation exercise. The State Government met with FONADIN (National Infrastructure Fund) on 4/8 and highlighted the urgency for land acquisition. Bid is out for traffic study in Mexico to establish fee structure. CALTRANS will share its wait time study with SCT as reference.
 - \$800 million pesos are available to purchase property until December 31st, 2020.
- **New Tecate Crossing**
 - SAT's Equipment Director will give an update on this initiative at the 5/9/19 meeting.
 - Land on Mexican side for port available but needs U.S. corridor to work. This would be a long process due to political and environmental issues on U.S. side.
- **Jacumba/Jacumé Crossing**
 - This project was not addressed in 4/15/19 meeting. Attractive location (flat, has water, wind canyon for energy generation, railroad close by in U.S., seismic stability), but long term project at least from U.S. point of view.

