US-Mexico Commerce:

Tracking the Final Destination and Mexico's Fiscal Benefit with Greater Border Efficiency

by Edgar David Gaytán Alfaro, John Gibson,
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Between 2022 and 2023, the Atlantic Council collaborated with the University of Texas at El Paso's Hunt Institute for Global Competitiveness and El Colegio de la Frontera Norte to publish a two-part study analyzing the economic impact of a 10-minute reduction in wait times at the US-Mexico border. Findings presented new data on the economic benefits of shorter wait times alongside job creation potential. The first report, The economic impact of a more efficient US-Mexico border: How reducing wait times at land ports of entry would promote commerce, resilience, and job creation, looks at the impact on a national level, while the second report, The transformative power of reduced wait times at the US-Mexico border: Economic benefits for border states takes a more granular approach, looking at the economic impact of reduced wait times at a border-state level.

This new report determines the value of commercial trade flows that remain in border states compared to non-border states and the economic impact (by commodity type) for the US Northeast, Midwest, South, and West. It finds that 45 percent of trade passing through three main US-Mexico border ports of entry remains in border states, while 55 percent is distributed to other regions of the United States. After the border state region, the Midwest receives the greatest amount of commercialized goods. The top five states receiving imports entering Texas are Texas, Michigan, California, Ohio, and Illinois, while the top five states receiving commerce entering California are California, Massachusetts, Illinois, Georgia, and Texas. The report also shows that a 10-minute reduction in wait times results in $3.8 million additional cargo value entering the United States via El Paso, $11.1 million entering via Laredo, and $2.6 million entering via San Diego each month. This equals $17.5 additional cargo value entering the United States monthly.

The report also estimates the additional tax revenue that would be generated for Mexican border states due to shorter border wait times and the resulting increase in commercial activity. It finds that a 10-minute reduction in wait times could have a yearly tax revenue impact of $583,600 on payroll taxes, $8.3 million on income taxes, and $1.5 million on value-added taxes, totaling $10.5 million in tax revenue across Mexico's six border states.

By providing a clearer picture of traded goods' final destinations and identifying the US communities benefitting most from greater efficiency at the US-Mexico border, this report offers a new perspective on the importance of facilitating greater border efficiency between the United States and Mexico.

Final Destinations

The findings analyze cargo entering the United States from Mexico via three major ports of entry: El Paso, Laredo, and San Diego.[1] This section indicates the portion of commercial traffic that crosses the US-Mexico border by truck to distinct border and non-border domestic destinations by any mode of transportation. Final destinations are divided into five groups: *goods remaining in the crossing county, goods remaining in* *the crossing state (excluding crossing county), goods remaining in the crossing state (including crossing county), goods transported to other border states,*[2] *and goods transported to non-border states*.[3] The final category – goods transported to non-border states – is divided into four subcategories; **Northeast**,[4] **Midwest**,[5] **South**,[6] and **West**.[7] Figure 1 depicts the regional subdivision.[8]

Figure 1. Border State and Non-Border State Regions
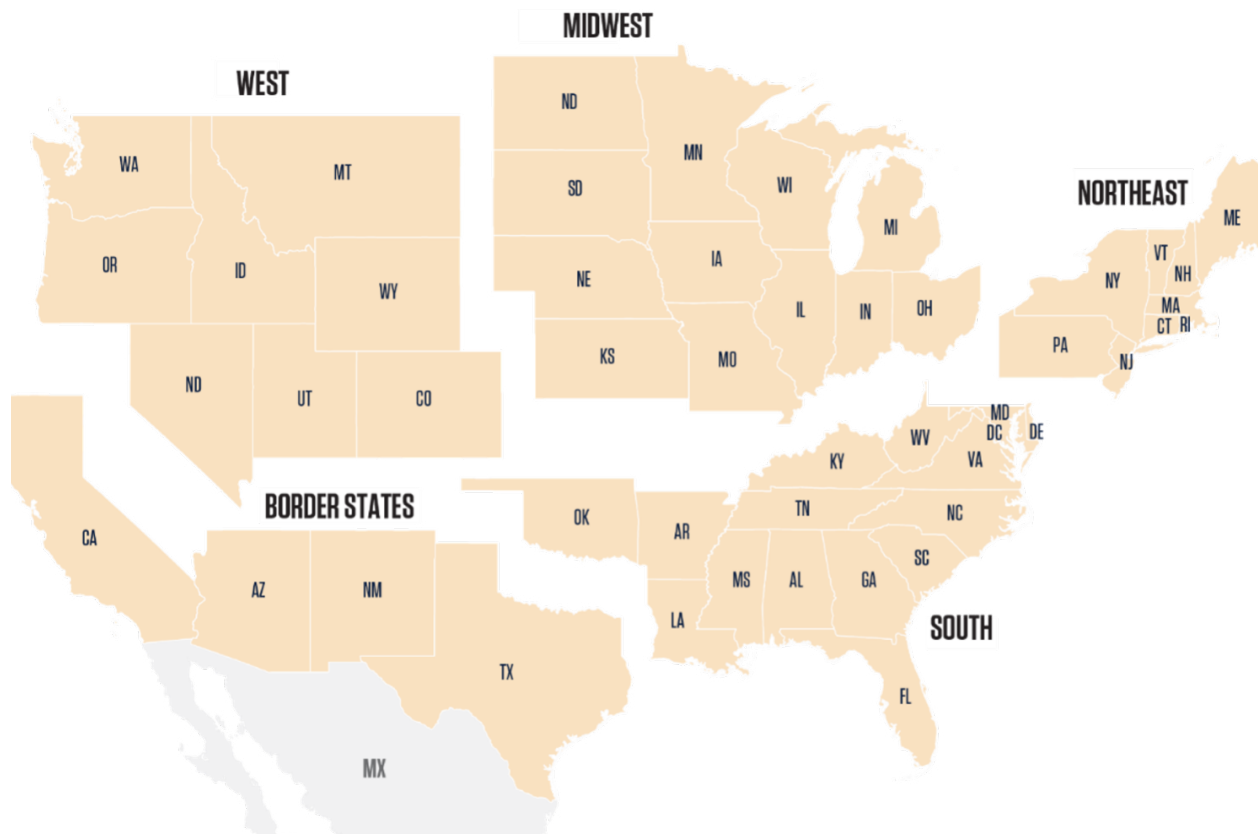
SOURCE: Hunt Institute map based on US Census Bureau regions. The map includes another region, "Border States".

1   See Appendix B for additional information on why El Paso, Laredo, and San Diego were selected as the ports of entry for analysis in this report.

2   Goods transported to other border states that include California, Arizona, New Mexico, and Texas.

3   See Appendix E for additional information on the areas covered in each category.

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4   The Northeast includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Philadelphia, Rhode Island, and Vermont.

5   The Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

6   The South includes Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia. .

7   The West includes Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

8   These regions were designed according to the US Census Bureau regions found in Appendix C.

Table 1 depicts the share of trade passing through El Paso, Laredo, and San Diego that remains in the crossing county, the crossing state (Texas for El Paso and Laredo, and California for San Diego), or is transported to another border state or one of the four US subregions.[9]

Of the goods entering El Paso, 49.4 percent remain in Texas. Similarly, 29.3 percent of goods crossing Laredo stay in Texas. California is an exception to the Texas trend since approximately 64.8 percent of goods entering via San Diego remain in the state.[10]

The results show that the majority of goods entering the United States through the three ports of entry are eventually distributed to other states. For instance, 50.5 percent of goods entering the United States via El Paso and 70.7 percent of goods entering via Laredo are distributed to a different state. For California, only 35.1 percent of goods entering via San Diego are transported out-of-state.

Except for Laredo, the results show that the majority of commerce crossing the US-Mexico border remains within the broader border region. Table 1 shows that 59 percent of cargo entering El Paso stays in the border region, while 34.5 percent entering Laredo and 69.1 percent arriving via San Diego have a final destination in Arizona, California, New Mexico, or Texas.

Commodities entering through the San Diego port of entry by truck from Mexico are distributed more evenly to non-border regions, with 10.8 percent of trade flows going to the Northeast, 10 percent to the Midwest, 7.9 percent to the South, and 2.2 percent to the West. Most trade flows in Laredo and El Paso go to the Midwest (29.5 percent and 27.3 percent, respectively).

Forty-one percent of cargo entering the United States via El Paso is delivered to non-border regions. That number reaches 65.5 percent for cargo entering Laredo and 30.9 percent for cargo entering San Diego.

Table 1 also shows an overview of the total impact across the three ports of entry. Most of the cargo value (55 percent) that crosses the US-Mexico border goes to non-border states, whereas only 45 percent remains in border states.

Table 1. Final Destination of Cargo Value through El Paso, Laredo, and San Diego, and the Total Across Three Ports of Entry (%)

Final Destination Areas	El Paso	Laredo	San Diego	Total Across Three Ports of Entry
Goods Remaining in the Crossing County	0.7%	0.1%	5.2%	1.0%
Goods Remaining in the Crossing State (excluding crossing county)	48.7%	29.2%	59.6%	38.0%
Goods Remaining in the Crossing State (including crossing county)	49.9%	29.3%	64.8%	39.0%
Goods Transported to Other Border States	9.5%	5.2%	4.2%	6.0%
Total Goods Remaining in Border States	**59.0%**	**34.5%**	**69.1%**	**45.0%**
Non-Border Regions				
Region 1: Northeast	5.0%	9.4%	10.8%	8.6%
Region 2: Midwest	27.3%	29.5%	10.0%	26.1%
Region 3: South	7.6%	23.1%	7.9%	17.5%
Region 4: West	1.1%	3.5%	2.3%	2.8%
Total Goods Transported to Non-Border States	**41.0%**	**65.5%**	**30.9%**	**55.0%**

NOTE: Estimated percentages based on 2017 data. Regions refer to statistical areas.
SOURCE: Hunt Institute estimations with Freight Analysis Framework data.

9   This study analyzes trade entering the United States via any mode of transportation through land ports of entry. Final destination shares were extracted from the Freight Analysis Framework 2017 from the US Department of Transportation's Bureau of Transportation Statistics. Additional information is in Appendix B.

10   The percentage is shown in Table 1 under "Goods Remaining in the Crossing State (including crossing county)."

Table 2 shows the top five final destination states for each port of entry. It shows that across each port of entry analyzed in this study, over half of northbound commerce is directed to the top five final destination states (77.5 percent for El Paso, 55.4 percent for Laredo, and 81.4 percent for San Diego). El Paso and Laredo share the same five states as their top commercial destinations, albeit in a slightly different order. The San Diego port of entry varies somewhat, with California, Massachusetts, Illinois, Georgia, and Texas among the top five.

Table 2. Top 5 Final Destination States for Cargo Value through El Paso, Laredo, and San Diego (%)

El Paso		Laredo		San Diego	
Texas	49.5%	Texas	29.3%	California	64.9%
Michigan	12.0%	Michigan	12.1%	Massachusetts	5.1%
California	8.9%	Ohio	4.7%	Illinois	4.8%
Ohio	3.9%	Illinois	4.7%	Georgia	3.9%
Illinois	3.2%	California	4.6%	Texas	2.7%
Total	**77.5%**	**Total**	**55.4%**	**Total**	**81.4%**

NOTE: Estimated percentages based on 2017 data.
SOURCE: Hunt Institute estimations with Freight Analysis Framework data.

Economic Impact

Next, it is important to analyze the impact of the ten most ubiquitous commodity types entering the United States from Mexico. Tables 3, 4, and 5 depict the monthly estimated additional cargo value following a 10-minute reduction in wait times at the El Paso, Laredo, and San Diego ports of entry. Results show that the reduction would facilitate the entrance of $3.8 million additional cargo value at the El Paso port of entry, $11.1 million at the Laredo port of entry, and $2.6 million at the San Diego port of entry.[11] TThe tables highlight the additional

cargo value by commodity for each port of entry. According to the US International Trade Commission, a large portion of these commodities are intermediate goods used to produce final goods.[12]

Table 3 shows that a 10-minute reduction in wait times could result in $3.8 million worth of additional cargo value entering the United States via El Paso each month. Approximately $2.2 million would remain in border states, while non-border states stand to benefit $1.6 million, with the Midwest experiencing the greatest impact.

**Table 3. El Paso: Estimated additional cargo value (monthly) based on
a 10-minute reduction in average wait times in El Paso**

Commodity Type	Stays in El Paso	Goes to Rest of Texas	Goes to Other Border States	Total to Border State Region	Census Bureau Regions				Total Non-Border State Regions
					Region 1: Northeast	Region 2: Midwest	Region 3: South	Region 4: West	
Farm products	$821.7	$55,320.9	$5,785.3	$61,927.9	$485.2	$2,241.8	$4,099.0	$38.0	$6,864.0
Food or kindred products	$517.0	$34,807.6	$373.7	$35,698.3	$137.2	$4,106.5	$845.9	$614.7	$5,704.3
Non-metallic minerals	$94.2	$6,341.4	$2,762.0	$9,197.6	$542.8	$1,520.1	$5,129.3	$76.9	$7,269.2
Chemicals, coal, petroleum or natural gas	$640.5	$43,123.1	$5,689.8	$49,453.4	$25,190.4	$27,742.3	$8,264.7	$1,830.5	$63,027.9
Lumber or wood products	$18.3	$1,234.3	$547.4	$1,800.0	$1,598.6	$9,777.6	$2,567.9	$1,713.1	$15,657.2
Pulp, paper or allied products, and printed matter	$141.4	$9,517.0	$2,232.5	$11,890.8	$133.4	$1,680.2	$336.2	$140.4	$2,290.3
Textile mill products	$798.4	$53,750.9	$16,834.4	$71,383.7	$6,047.6	$2,203.2	$22,266.5	$4,323.8	$34,841.0
Metal products	$378.1	$25,458.4	$8,334.9	$34,171.4	$19,486.3	$19,178.3	$965.6	$906.0	$40,536.3
Electronics, machinery, and equipment	$23,334.6	$1,571,003.5	$313,394.8	$1,907,733.0	$108,005.5	$834,522.0	$175,358.5	$30,736.0	$1,148,622.0
Furniture	$656.0	$44,163.1	$4,895.0	$49,714.1	$19,685.9	$132,610.7	$68,869.6	$1,349.5	$222,515.7
Others	$202.9	$13,662.8	$2,541.2	$16,406.9	$9,780.3	$5,122.3	$1,383.2	$259.2	$16,545.0
Total	$27,603.1	$1,858,383.1	$363,391.0	$2,249,377.2	$191,093.4	$1,040,705.0	$290,086.4	$41,988.0	$1,563,872.8

NOTE: Details about estimations are in Appendix A. Details about Commodity Type are in Appendix D.
SOURCE: Hunt Institute estimations.

11   These numbers are calculated by adding the "Goes to Border States Total" and "Goes to Non-Border States Total" columns.
12   Mihir Torsekar, "Intermediate Goods Imports in Key US Manufacturing Sectors," United States International Trade Commission, accessed February 17, 2023, https://usitc.gov/research_and_analysis/trade_shifts_2017/specialtopic.htm.

Both border and non-border states would benefit most from additional electronics, machinery, and equipment, estimated at $1.9 million and $1.1 million, respectively.

Table 4 shows that a 10-minute reduction in wait times could result in $11.1 million worth of additional cargo value entering the United States via Laredo each month. Approximately $3.8 million of additional cargo would remain in border states, while non-border states stand to benefit $7.2 million, with the Midwest experiencing the greatest impact. Both border and non-border states would benefit most from additional electronics, machinery, and equipment, estimated at $2.5 million and $5.3 million, respectively.

Table 4. Laredo: Estimated additional cargo value (monthly) based on a 10-minute reduction in average wait times

Commodity Type	Stays in Laredo	Goes to Rest of Texas	Goes to Other Border States	Total to Border State Region	Census Bureau Regions				Total Non-Border State Regions
					Region 1: Northeast	Region 2: Midwest	Region 3: South	Region 4: West	
Farm products	$514.7	$116,411.5	$163,479.2	$280,405.4	$16,521.3	$67,920.4	$37,533.9	$2,610.6	$124,586.2
Food or kindred products	$775.2	$175,336.3	$45,126.6	$221,238.2	$103,280.7	$77,573.5	$62,077.6	$34,421.0	$277,352.8
Non-metallic minerals	$376.7	$85,182.1	$16,413.6	$101,972.5	$39,152.1	$50,277.0	$28,947.0	$2,159.4	$120,535.5
Chemicals, coal, petroleum or natural gas	$814.5	$184,218.1	$34,141.0	$219,173.6	$89,326.8	$171,968.5	$179,293.2	$31,973.1	$472,561.7
Lumber or wood products	$14.9	$3,380.4	$593.5	$3,988.9	$121.8	$1,801.9	$1,988.3	$26.1	$3,938.1
Pulp, paper or allied products, and printed matter	$134.0	$30,310.9	$3,734.3	$34,179.2	$7,453.2	$34,173.7	$19,116.2	$951.9	$61,695.0
Textile mill products	$252.6	$57,136.7	$34,784.2	$92,173.5	$28,073.5	$45,172.3	$71,652.5	$6,813.2	$151,711.4
Metal products	$893.4	$202,063.3	$24,181.0	$227,137.8	$23,998.0	$114,122.9	$104,709.9	$12,871.1	$255,701.8
Electronics, machinery, and equipment	$9,927.3	$2,245,252.0	$219,374.4	$2,474,553.7	$697,446.4	$2,533,673.9	$1,820,172.2	$289,167.4	$5,340,459.9
Furniture	$558.6	$126,327.9	$30,315.6	$157,202.1	$29,327.6	$161,737.0	$220,874.9	$7,056.3	$418,995.8
Others	$73.8	$16,684.2	$2,141.4	$18,899.4	$4,084.2	$15,161.4	$20,962.8	$669.2	$40,877.6
Total	**$14,335.8**	**$3,242,303.4**	**$574,284.9**	**$3,830,924.2**	**$1,038,785.7**	**$3,273,582.5**	**$2,567,328.3**	**$388,719.2**	**$7,268,415.8**

NOTE: Details about estimations are in Appendix A. Details about Commodity Type are in Appendix D.
SOURCE: Hunt Institute estimations.

Table 5 shows that a 10-minute reduction in wait times could result in $2.6 million worth of additional cargo value entering the United States via San Diego monthly. Approximately $1.8 million of additional cargo would remain in border states, while non-border states stand to benefit $803,185, with the Northeast experiencing the greatest impact. Both border and non-border states would benefit most from additional electronics, machinery, and equipment estimated at $1.3 million and $655,029, respectively.

Overall, a 10-minute reduction in wait times could result in $17.5 million of additional cargo value entering the US per month.[13] Table 6 shows that these import flows would mainly go to non-border states ($9.6 million, or 55 percent) compared to border states ($7.8

million, or 45 percent). The top two final non-border destinations for these import flows would be the Midwest ($4.6 million) and the South ($3.1 million). The leading additional commodity types in cargo value into the United States would be electronics, machinery, and equipment ($12.8 million), with 73.1 percent of the total cargo value of import flows into the United States.

These figures symbolize a minimum baseline for the potential impact. The analysis was implemented using limited available data. Increased efforts from the United States and Mexico to collect commercial data would allow studies like this to depict far more accurate values.

Table 5. San Diego: Estimated additional cargo value (monthly) based on a 10-minute reduction in average wait times

Commodity Type	Stays in San Diego	Goes to Rest of California	Goes to Other Border States	Total to Border State Region	Census Bureau Regions				Total to Non-Border State Regions
					Region 1: North East	Region 2: Mid West	Region 3: South	Region 4: West	
Farm products	$12,886.4	$147,305.2	$12,674.2	$172,865.8	$438.5	$607.9	$1,656.0	$764.6	$3,467.1
Food or kindred products	$2,720.8	$31,101.0	$11,833.1	$45,654.9	$7,758.1	$4,657.0	$4,804.3	$3,653.5	$20,873.0
Non-metallic minerals	$1,292.7	$14,776.2	$4,434.0	$20,502.9	$142.4	$5,120.5	$438.6	$247.4	$5,948.9
Chemicals, coal, petroleum or natural gas	$5,590.2	$63,901.2	$3,053.1	$72,544.5	$5,139.4	$5,809.1	$2,848.2	$2,042.0	$15,838.6
Lumber or wood products	$362.1	$4,138.8	$32.5	$4,533.4	$7.4	$525.2	$23.6	$1.2	$557.4
Pulp, paper or allied products, and printed matter	$845.7	$9,666.7	$475.8	$10,988.1	$1,271.7	$257.6	$13,795.3	$80.6	$15,405.2
Textile mill products	$6,312.7	$72,160.8	$113.5	$78,587.0	$2,488.7	$6,633.1	$4,317.0	$179.7	$13,618.5
Metal products	$3,376.2	$38,593.3	$2,595.4	$44,565.0	$2,308.6	$28,610.8	$2,896.4	$4,540.6	$38,356.3
Electronics, machinery, and equipment	$96,679.2	$1,105,141.3	$73,746.8	$1,275,567.2	$257,118.1	$194,423.1	$157,449.6	$46,038.3	$655,029.1
Furniture	$3,640.3	$41,611.9	$667.9	$45,920.0	$3,843.6	$10,510.8	$15,879.1	$781.2	$31,014.7
Others	$1,806.5	$20,650.5	$56.5	$22,513.5	$193.3	$1,759.3	$1,056.3	$68.0	$3,076.9
Total	**$135,512.8**	**$1,549,046.7**	**$109,682.8**	**$1,794,242.2**	**$280,709.9**	**$258,914.4**	**$205,164.4**	**$58,397.0**	**$803,185.8**

NOTE: Details about estimations are in Appendix A. Details about Commodity Type are in Appendix D.
SOURCE: Hunt Institute estimations.

13   This value was identified by adding the "Goes to Border State Total" and "Goes to Non-Border States Total" for each port of entry studied in this report. The results are in Table 6.

**Table 6. United States: Estimated additional cargo value (monthly) based
on a 10-minute reduction in average wait times**

Commodity Type	Stays in Crossing County	Goes to Rest of Border State	Goes to Other Border States	Total to Border State Region	Census Bureau Regions				Total to Non-Border State Regions
					Region 1: North East	Region 2: Mid West	Region 3: South	Region 4: West	
Farm products	$14,222.90	$319,037.50	$181,938.70	$515,199.06	$17,445.00	$70,770.20	$43,288.80	$3,413.20	$134,917.25
Food or kindred products	$4,013.00	$241,244.90	$57,333.40	$302,591.39	$111,176.10	$86,337.00	$67,727.80	$38,689.30	$303,930.06
Non-metallic minerals	$1,763.60	$106,299.80	$23,609.60	$131,673.01	$39,837.30	$56,917.60	$34,515.00	$2,483.80	$133,753.64
Chemicals, coal, petroleum or natural gas	$7,045.20	$291,242.40	$42,883.90	$341,171.49	$119,656.60	$205,519.90	$190,406.10	$35,845.60	$551,428.16
Lumber or wood products	$395.30	$8,753.50	$1,173.40	$10,322.28	$1,727.90	$12,104.60	$4,579.80	$1,740.40	$20,152.68
Pulp, paper or allied products, and printed matter	$1,121.00	$49,494.50	$6,442.50	$57,058.12	$8,858.30	$36,111.60	$33,247.70	$1,173.00	$79,390.58
Textile mill products	$7,363.70	$183,048.40	$51,732.10	$242,144.20	$36,609.80	$54,008.60	$98,236.00	$11,316.60	$200,170.94
Metal products	$4,647.80	$266,115.00	$35,111.40	$305,874.16	$45,792.90	$161,912.00	$108,571.90	$18,317.60	$334,594.42
Electronics, machinery, and equipment	$129,941.10	$4,921,396.90	$606,516.00	$5,657,853.94	$1,062,570.00	$3,562,619.00	$2,152,980.30	$365,941.70	$7,144,110.94
Furniture	$4,854.80	$212,103.00	$35,878.50	$252,836.24	$52,857.10	$304,858.50	$305,623.60	$9,186.90	$672,526.15
Others	$2,083.20	$50,997.40	$4,739.10	$57,819.76	$14,057.80	$22,043.00	$23,402.30	$996.30	$60,499.52
Total	$177,451.70	$6,649,733.30	$1,047,358.70	$7,874,543.65	$1,510,589.00	$4,573,201.90	$3,062,579.20	$489,104.30	$9,635,474.35

NOTE: The estimations details are in Appendix A. The Commodity Type details are in Appendix D. The US includes information on the El Paso, Laredo, and San Diego ports of entry only.

SOURCE: Hunt Institute estimations.

Additional Tax Revenue For Mexican Border States

The United States-Mexico-Canada Agreement (USMCA) is designed to stimulate free markets, fair trade, and economic development across North America. Among the characteristics of USMCA is a reduction in tariffs on traded goods. While this decreases the participating nation's fiscal benefits, it enhances trade between the three countries. However, greater commerce between the United States and Mexico has a slightly positive fiscal effect for the United States and Mexico. What is the additional tax revenue created for Mexican border states following a 10-minute reduction in wait times at the US-Mexico border?

The tax revenue is divided into three main categories:

1. Payroll tax: This tax is levied on the payroll of formally employed workers. These rates are federally determined and vary across states;

2. Income tax: This tax is levied by the federal government on any form of income. For this study, a rate of 30 percent income tax was used to estimate the aggregated gross income per Mexican border state; and

3. Value-added tax: This tax is levied on the consumption of goods and services. Mexico's border states have a relatively low value-added tax of 8 percent, while the rate across most Mexican states is around 16 percent. Differences in value-added tax between border and non-border states seek to make the border more competitive

Table 7 estimates the additional revenue for each Mexican border state (Baja California, Chihuahua, Coahuila, Nuevo León, Sonora, and Tamaulipas) by type of tax due to an increase in commercial activity following a 10-minute reduction in border wait times.

Table 7. Mexican Border States: Estimated annual tax revenue (thousands of USD), 2023 projection

State	Payroll Tax	Income Tax	Value Added Tax	Total
Baja California	$135.0	$1,360.9	$254.0	$1,749.9
Chihuahua	$91.5	$1,306.7	$243.9	$1,642.1
Coahuila	$77.7	$1,665.1	$310.8	$2,053.6
Nuevo León	$196.7	$2,809.2	$524.4	$3,530.3
Sonora	$44.2	$630.8	$117.8	$792.7
Tamaulipas	$38.7	$552.5	$103.1	$694.3
Border States	**$583.6**	**$8,325.2**	**$1,554.0**	**$10,462.8**

SOURCE: COLEF estimations.

Conclusion

The impact of a reduction of ten minutes in border wait times would increase cargo value into the United States by at least $17.5 million per month, with most commodities coming in as intermediate goods used in the production of US final goods. Of these trade flows, the majority of cargo value would remain in non-border states ($9.6 million or 55 percent) rather than in border states ($7.8 million or 45 percent). The top non-border destination of commodity trade flows is the Midwest (except for those crossing via San Diego, which is the Northeast). The leading additional commodity types coming into the United States include electronics, machinery, and equipment, estimated at $12.8 million (73.1%) per month. Limited data availability constrained this analysis to three ports of entry only. Although this report analyzed the El Paso, Laredo, and San Diego ports of entry, additional data for other ports of entry along the border would help refine these estimates and increase understanding of the real and larger impact that commerce through ports of entry has across the United States.

Appendices

APPENDIX A – ESTIMATIONS

Estimates on additional cargo value are based on the share of loaded containers (2019), the average value of loaded containers (2019), the final destination of commodities (2017), and the regression model from the first of these series reports (which includes information from 2016 to 2019 and are **here**).

APPENDIX B – DATA SOURCES AND LIMITATIONS

Data sources are the US Department of Transportation's Bureau of Transportation Statistics (2019 data) and the Freight Analysis Framework (2017 data). Unfortunately, for this study, the Freight

Analysis Framework only includes data from 2017 for the El Paso-Las Cruces, Texas-New Mexico combined statistical area, the Laredo, Texas metropolitan statistical area, and the San Diego, California metropolitan statistical area. More data availability across other ports of entry for the final destination of cargo crossing the US-Mexico border would improve the estimations of this study and exhibit the actual and larger impact commerce has in the United States.

APPENDIX C – REGION BREAKDOWN

Regions were selected using the US Census Bureau Regions divisions; border states were extracted to create a separate region. Details of these regions are shown in Table 8.

Table 8. US States by US Census Region

Acronym	Name State	Region
CA	California	Border State
AZ	Arizona	Border State
NM	New Mexico	Border State
TX	Texas	Border State
WA	Washington	West
OR	Oregon	West
NV	Nevada	West
UT	Utah	West
CO	Colorado	West
WY	Wyoming	West
ID	Idaho	West
HI	Hawaii	West
MT	Montana	West
ND	North Dakota	Midwest
SD	South Dakota	Midwest
NE	Nebraska	Midwest
KS	Kansas	Midwest

Acronym	Name State	Region
MN	Minnesota	Midwest
IA	Iowa	Midwest
MO	Missouri	Midwest
WI	Wisconsin	Midwest
IL	Illinois	Midwest
MI	Michigan	Midwest
IN	Indiana	Midwest
OH	Ohio	Midwest
PA	Pennsylvania	Northeast
NY	New York	Northeast
NJ	New Jersey	Northeast
RI	Rhode Island	Northeast
CT	Connecticut	Northeast
MA	Massachusetts	Northeast
NH	New Hampshire	Northeast
VT	Vermont	Northeast
ME	Maine	Northeast

Acronym	Name State	Region
DE	Delaware	South
MD	Maryland	South
DC	District of Columbia	South
VA	Virginia	South
WV	West Virginia	South
NC	North Carolina	South
SC	South Carolina	South
KY	Kentucky	South
TN	Tennessee	South
GA	Georgia	South
FL	Florida	South
AL	Alabama	South
MS	Mississippi	South
LA	Louisiana	South
AR	Arkansas	South
OK	Oklahoma	South

APPENDIX D – COMMODITY TYPES

A breakdown of commodities by type from the freight analysis framework is in the standard classification of transported goods. A crosswalk of this classification to a broader system of the standard transportation commodity codes was developed and is in Table 9.

Table 9. Commodities by Type Grouping

SCTG Codes	Commodity Type
02-Cereal grains	Farm products
03-Other ag prods.	Farm products
04-Animal feed	Farm products
05-Meat/seafood	Farm products
06-Milled grain prods.	Food or kindred products
07-Other foodstuffs	Food or kindred products
08-Alcoholic beverages	Food or kindred products
10-Building stone	Non-metallic minerals
12-Gravel	Non-metallic minerals
13-Nonmetallic minerals	Non-metallic minerals
22-Fertilizers	Non-metallic minerals
31-Nonmetal min. prods.	Non-metallic minerals
14-Metallic ores	Metal products
32-Base metals	Metal products
33-Articles-base metal	Metal products
18-Fuel oils	Chemicals, coal, petroleum, or natural gas
19-Coal-n.e.c.	Chemicals, coal, petroleum, or natural gas
20-Basic chemicals	Chemicals, coal, petroleum, or natural gas
21-Pharmaceuticals	Chemicals, coal, petroleum, or natural gas
23-Chemical prods.	Chemicals, coal, petroleum, or natural gas
24-Plastics/rubber	Chemicals, coal, petroleum, or natural gas

SCTG Codes	Commodity Type
25-Logs	Lumber or wood products
26-Wood prods.	Lumber or wood products
27-Newsprint/paper	Pulp, paper or allied products, and printed matter
28-Paper articles	Pulp, paper or allied products, and printed matter
29-Printed prods.	Pulp, paper or allied products, and printed matter
30-Textiles/leather	Textile mill products
34-Machinery	Electronics, machinery, and equipment
35-Electronics	Electronics, machinery, and equipment
36-Motorized vehicles	Electronics, machinery, and equipment
37-Transport equip.	Electronics, machinery, and equipment
38-Precision instruments	Electronics, machinery, and equipment
40-Misc. mfg. prods.	Electronics, machinery, and equipment
39-Furniture	Furniture
41-Waste/scrap	Others
43-Mixed freight	Others

SOURCE: Hunt Institute commodities by type grouping based on the Standard Classification of Transported Goods.

APPENDIX E – FINAL DESTINATION AREA DELIMITATIONS

This appendix provides additional information regarding the definition and area covered by each final destination area.

- **Goods Remaining in the Crossing County**: Trade flows that remain in the statistical area of that port of entry (0.7 percent for El Paso; 0.1 percent for Laredo; 5.2 percent for San Diego).

- **Goods Remaining in the Crossing State (excluding crossing county)**: Trade flows that go beyond the statistical area of that port of entry but remain within the crossing state (48.7 percent for El Paso; 29.2 percent for Laredo; 59.6 percent for San Diego).

- **Goods Transported to Other Border States**: Trade flows that go beyond the home state into other border states.

  - For El Paso and Laredo, this refers to Arizona, California and New Mexico.

  - For San Diego, this refers to Arizona, New Mexico, and Texas.

- **Goods Remaining in Border States:** Trade flows that remain in border states region.

- **Goods Transported to Non-Border States:** Trade flows with final destination areas that are not within border states. These regions were created using the US Census Bureau regions (See Appendix C).

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