



Bulletin

July 22, 2021

Once again, **restrictions to non-essential travel have been extended for yet another month**. The border communities were notified on July 19th, just two days ago. I thought that last month would be the final month of full restrictions, but it is status quo once again.

It appears that industry groups see **Jeff Zients**, coordinator of the White House's coronavirus pandemic response, as the main obstacle standing in the way of lifting the restrictions. It is ironic that the WH has not communicated the public health criteria for lifting these restrictions. When our region has reached herd immunity on both sides of the border, what is stopping us? Is it immigration issues? Increases in drug trafficking? Lack of staffing at CBP?

When detailed communication does not exist on the subject of what will get us back to a pre-covid crossing environment, speculation runs amok, feeding uncertainty and wild theories.

On June 28th our coalition hosted the Mexican Federal Government delegation that signed the Memorandum of Understanding with Caltrans and SANDAG for the **Port of Otay Mesa East**. The memorandum stated both countries' desire to start operating the port by **September 2024**, only 38 months away. I applaud

Caltrans' and **SANDAG's** efforts in making this happen. They have relentlessly pursued this ambitious project that will mark an historic watershed for border crossings along the entire U.S.-Mexico border.

Our coalition was fortunate enough to offer a luncheon to most of the delegation at the **University Club**. I want to thank **Consul General Carlos Gonzalez Gutierrez** for his initiative in making this opportunity possible.

During the luncheon, some of the learnings from top officials of the **Foreign Relations Ministry (SRE)**, the **Communications and Transportation Ministry (SCT)** and the **Customs Authority (SAT)** were as follows:

The Future Otay Mesa East Port of Entry

- On the Mexican side, 35% of the Otay Mesa East right-of-way has been acquired. This includes the port area and the roadway leading to it. The SCT will step up efforts to complete acquisitions by December 2021.
- The formal project for the port is almost finished. This will be a guide for similar projects along the border.
- The roadway to the port will be managed as a public-private partnership. The private entity has not been chosen.
- The North American Development Bank (NADB) will not get involved until a private company has been chosen.

- The future Otay Mesa East Port of Entry and the eight new lanes on the Mexican side at the existing San Ysidro Port of Entry are priority projects for the Foreign Ministry and SCT. The eight new lanes have been finished. They are waiting for the lifting of restrictions to get started.
- SCT will be implementing a new wait time system currently being installed (Wi-Fi readers in various lanes and points beyond the border) in Tijuana and Mexicali. This technology will be part of an intelligent transportation network that will help northbound crossers make best decisions as to when and where to cross.
- SAT needs to work with CBP to make sure it agrees on the information it receives from cargo and border crossers before they arrive at the ports. Much more communication between the agencies is required.

Tijuana Water Treatment and Replenishment

- Mexico is finishing details on the new CILA (Comisión Internacional de Límites y Aguas or Mexican section of the International Boundary and Water Commission) station pump. This will be helpful in preventing more untreated water from crossing the border.
- An important unresolved issue is how to respond to flooding.

Border Infrastructure in General

- The Mexican federal government's strategy for border infrastructure is to create public-private partnerships (PPP) for roads, water and other matters. They will rely heavily on private enterprise so long as there is a clear source of revenue. "They" is unclear: the government or the partnerships? Rewrite this last sentence?
- Interested parties can submit formal projects for border infrastructure on the Mexican side to two individuals:
 - **For road infrastructure:** Rogelio Rivero Marquez, Highway Development Director, Communications and Transportation Ministry.
 - **For water infrastructure:** Pablo Galvez Yturbe, Director for Border Issues, Foreign Relations Ministry.

Please contact me for further information about this.

On June 30th the **Smart Border Coalition**, the **Institute of the Americas**, the **Consulate General of Mexico** and the **Center for U.S.-Mexican Studies** bade farewell to **U.S. Consul General Sue Saarnio** onboard the **USS Midway Museum**.

The occasion was one of the first for in-person meetings with binational stakeholders since the start of the pandemic.

I pointed out in my remarks that Sue has seen, as *El Tercer País* author Michael Malone has stated, “two cities on opposite sides of the border, two different cultures that are cross-pollinating on a continuous basis and more and more as the border opens up and the freedom of movement increases. That is a powerful thing. This region has a singular future, a destiny, and your great work has added to this future in spades. It’s up to us to decide if we want to grasp for it or not.”

We presented Sue, who served as an honorary coalition board member, with a crystal award that read: “We salute you for your strong advocacy for the binational interests of the CaliBaja region, promoting the best of our community, our relations, and our culture. We thank you for being an integral part of our organization.”

I appreciate **U.S. Customs and Border Protection San Diego Sector Director of Field Operations Pete Flores**’s openness in the start of a frank discussion on wait times with some of the Smart Border Coalition board members. We had an opportunity to better understand the factors that impact wait times and to propose approaches to reduce wait times in the short and long run.

There is something very satisfying and powerful about having candid discussions on critical topics with our government agencies.

I had coffee with a well-known infrastructure company that coordinates large projects out of its Los Angeles headquarters. They let me know that the administrations of the **ports of Long Beach and Los Angeles** are willing to fund transportation efforts to move ship containers to Ensenada instead of arriving in the U.S.

You may know of the container saturation issue in those ports. Most Asian exports to the United States arrive there, to the tune of more than one trillion dollars each year.

The **Government of the State of Baja California** should immediately open a conversation with the ports to make investments in the port of **Ensenada** and surrounding areas to create a rail logistics hub between Ensenada and Tijuana/Tecate to move containers by rail to the border once they arrive by boat. In the meantime, cargo movement on land could start with trucks only.

Our region's public broadcasting station, KPBS, is opening a South County San Diego bureau. This is very positive news for the binational community, as it reflects the growing importance of the most dynamic area in San Diego County and its neighbor Tijuana. During coffee with **Alex Kim** of KPBS, I told him that instead of only programming human interest stories, they should go deeper into the binational integration opportunities we have, still awaiting a media outlet to discover them.

What will the next 5-10 years of the binational relationship look like and who is starting to write this story? What of binational efforts in the life sciences, biotech, film, fashion, and software development industries? Cross-border employment and education? How can KPBS look at our water treatment issue in a different way, less politicized, with solutions at the source of the problem (Tijuana treatment system) instead of on the U.S. side?

Casey Durst, executive director, Operations at U.S. Customs and Border Protection in Washington, D.C., addressed the **Border Trade Alliance** recently and let us know that RFID capability is coming to all ports to obtain correct wait times. Congress is also allocating \$800

million for **non-intrusive inspection technology** at the southwest border.

This is all part of a new concept of operations called the “**Border of the Future,**” where command centers will be vetting cargo at each port. CBP has two working prototypes in **Brownsville** and **Anzalduas, Texas** for cargo and passenger vehicles. There will be 84 systems set up across the southern border, 34 for cargo and 50 for passenger vehicles. The deployment is expected for the 2022-2023 fiscal year.

The objective for scanning rates for cargo is **90%** from the current 16-17%, and for passenger vehicles it would go from 2% to **40%** to make a dent in the drug cartel operation. CBP is also piloting facial recognition for vehicles.

The agency’s staffing has been quite successful as of late. There are close to 10,000 applicants. Onboarding an officer takes 56 weeks on average.

In the last six months there has been a keen re-engagement from U.S. and Mexican authorities and agencies to share information, improve joint inspections, and, in general, finding efficiencies in day-to-day port operations.

David Shirk, professor and chair of the Department of Political Science and International Relations at the **University of San Diego** met with me as part of his support for the **McNair Scholars Program** which serves high-achieving USD undergraduates who are committed to pursuing a Ph.D. or other graduate degree.

He has been guiding senior **Allyson Teague** in her work on a project to better understand our binational region. It is motivating to see students from the Midwest or east coast realize just how unique this region is and devote so much attention to it.

Al Zapanta, President of the **U.S.-Mexico Chamber of Commerce**, wants to establish better ties to San Diego and Tijuana. **Marlen Marroquin**, CEO of the Southern California chapter and a good friend of our coalition, joined Al to discuss border issues with **Vincent Blocker** and me.

Zapanta is searching for more regional content to help focus his organization's attention on the pulse at the border. He can support what we do here by taking our most significant needs and issues to Washington insiders, congressional representatives, and organizations to keep us relevant in D.C.

The University of California at San Diego's downtown campus at 1100 Market Street is quite a gem of a building. I visited with construction coordinator and soon-to-be building manager, Todd Miller. The building will open its doors on October 1st and will have four distinctive floors for many different purposes, including theater, film, digital productions, co-working space, private offices, classrooms, gym, large conference space, and small conference rooms.

The underlying philosophy is to congregate many disciplines to produce not only great ideas but better implementations. The San Diego Economic Development Corporation, the Qualcomm Institute, and the Burnham Center for Community Advancement will all be housed there, among other high quality organizations and companies.

The periodic **CBP Passenger Meeting** convened on July 13th. Here are the highlights:

- **San Ysidro Port of Entry:** pedestrian crossings are only 10% below pre-covid levels. Passenger vehicles are 15-20% below pre-covid numbers.

- **Otay Mesa Port of Entry:**
 - Cargo volume from October through May was **60%** greater than the previous October-May period. Passenger vehicles are already at **88%** of pre-covid traffic.
 - Modernization is proceeding on schedule, with the new pedestrian ramp – pedestrian bridge connection to be completed by early September. CBP expects the General Services Administration to release the commercial annex, the SENTRI processing, and the Food and Drug Administration buildings in January 2022. Cargo inspection lanes will go from 10 to 16 in March. The modernization of the pedestrian facility will begin in March.
- **Tecate Port of Entry:** there has been a noticeable reduction in wait times due to use of cargo lanes for passenger vehicles.
- **CBX** is above pre-covid numbers even though Mexican nationals are not allowed to cross into the United States. It will conclude an expansion from four to eight lanes (double stacked booths) by November.

Most of the increase in travelers comes from U.S. citizens and Green Card holders. There are some H-2 visa workers and B1 or B2 visa people traveling for essential reasons.

The **City of San Diego International Affairs Board** met on July 14. This was my first meeting as a proud member of this diverse group of intelligent and enthusiastic people seeking to amplify the relationships established with cities and countries all over the world as well as to create new relationships.

Mayor Gloria has been quite diligent in advocating for the lifting of border restrictions with DHS Secretary **Alejandro Mayorkas**. The mayor's global affairs staff is working on the next iteration of the U.S.-Mexico **Border Mayors Conference**.

Congratulations are in order for **Malin Burnham** and **Tad Parzen** for launching the **Burnham Center for Community Advancement (BCCA)**

<https://burnhamcenter.org/> where “good ideas aren’t enough... we’re here to get work done.” I am a member of the advisory committee and have had several meetings with Malin and Tad about big projects for the binational region. The BCCA is a top-notch platform --a think-and-do tank-- that is ready and willing to take on hard problems and issues.

The Mexican federal government has given its **customs authority** more independence by reporting directly to the **Ministry of Tax and Public Credit (Secretaría de Hacienda y Crédito Público, SHCP)**. It had been reporting to the Tax Authority (SAT). Now, both SAT and the new customs authority report to SHCP. The new organization will be called **Administración Nacional de Aduanas (ANA)**. Another sea change is that the military apparatus will be managing the new group.

This could have serious implications for the binational relationship, particularly for operational improvements and efficiency generation at land ports. The reorganization will take time to stabilize and could put on hold projects requiring agreement between customs authorities of both our countries.

Thank you,

Gustavo De La Fuente
Executive Director
gdelafuente@smartbordercoalition.com
(619) 814-1386