



Bulletin

March 18, 2021

With the greatest surge in migrant and asylum seekers at the U.S. southwestern border in 20 years, the Biden administration will have to quickly establish an efficient system to manage the influx of people. This kind of event tends to “crowd out” other acute issues at our border such as continuing restrictions to non-essential travel and wastewater treatment in the Tijuana River Valley.

Historically, migration and drug trafficking are the two major border topics competing with efforts to attract legislator and agency attention to other topics the Smart Border Coalition finds significant. While the importance of those two aspects about the border should not be downplayed, the coalition must not let up on its advocacy for what we believe to be fundamental, vitally important improvements at our border. Our congressional delegation and the authorities at Homeland Security must not lose sight of the big picture by falling into “crisis mode.”

The Smart Border Coalition prioritizes pushing the U.S. and Mexican governments to increase and maintain their focus on the basic cross-border problems that have inflicted enormous costs on our region for decades. It is frustrating to see national decision makers and opinion leaders respond with intensity to legitimate but relatively short-term issues such as the current migration surge while promoting no effective solutions to persistently damaging conditions in and around the ports of entry.

Our congressional delegation and the authorities at Homeland Security must not lose sight of the big picture by falling too deeply into “crisis mode” thinking. In my view, migration and drug and human trafficking must not crowd out the more mundane but equally harmful issues

of unexplained restrictions on nonessential travel, exorbitant crossing delays and traffic congestion, and longstanding Tijuana River pollution.

U.S. Customs and Border Protection believes increasingly in the use of biometrics and advanced tools at U.S. border crossings. In previous bulletins I have written about the implementation of facial biometrics at all land ports. This is an important step in a much needed modernization process.

CBP will also be tackling advanced passenger data, high traveler volumes at certain ports using analytical models for biometric matching, modeling for the ports of the future, detecting concealed identities in vehicles, and counting passengers, among others.

It has unleashed a large, aggressive modernization effort. In the near future, CBP will be launching “**CBP-1**,” an app for travelers wishing to know about port facilities, documentation, wait times, traveler programs, visas and other important border crossing information.

Innovation in the air travel environment could be a good predictor of developments at the land ports of entry. Today, several companies are working with CBP on vetting air travelers before they land so they avoid waiting in line, or vetting them while at airports and allowing them to get to gates even faster than having the “TSA Pre-check” status. Imagine a **mobile passport** that could clear travelers before driving to the port of entry. This is not an impossible dream.

Our March 4 **Stakeholders Working Committee Meeting** featured Mexican **Consul General Carlos Gonzalez Gutierrez** on a Covid-19 prevalence and incidence study for Baja California. The project was funded by the California Healthcare Foundation with a \$50,000 grant. Tests were applied in Tijuana, Ensenada, and Mexicali.

The **International Community Foundation, the University of California, San Diego, the Universidad Autónoma de Baja California (UABC), the Colegio de la Frontera Norte (COLEF), and the Mexican Consulate General in San Diego** are partners.

Field work consisting of data collection has recently finished. 154 UABC students and interns participated, doing 1,250 PCR (polymerase chain reaction that detects genetic material from the virus) and serological tests. PCR results will come in soon, performed by the state laboratory in Mexicali. The Massachusetts Institute of Technology's Broad Institute is analyzing serological results. Findings are a few weeks away.

We also heard from **Hernando Duran, Antonieta Peregrina, and Sergio Cisneros on the Rio Tijuana Initiative** whose mission is to ensure an ecologically sustainable Tijuana River, while connecting the city and providing public access to all, through a collaborative management process, community action, and strategic leadership.

This is a 20-50 year solution to restore the river, generate open spaces, connect the city, build community, and create value.

The team's action plan for 2021 looks at communication, education/engagement, public policy alignment, and technical implementation. They need to raise **\$850,000**. The first stage, from December 2020 to March 2021, requires **\$34,000**.

Mario Lopez of IEnova, a Sempra-owned company in Mexico, remarked that the company has enormous presence in Mexico, with electric assets, gas utilities, gas/liquid assets, gas pipelines, and storage facilities. It has invested \$9.5 billion and has another \$2.5 billion under development.

Though there is a challenging energy sector relationship with Mexico's President Lopez Obrador, IEnova has been able to grow.

Its **liquefied natural gas (LNG) terminal** in Ensenada will be able to liquefy gas to sell in Asia. This is a \$2-billion investment.

Another IEnova venture, Energía Sierra Juarez, in the Rumorosa Mountains between Tecate and Mexicali is supplying wind energy to San Diego and is expanding.

Congratulations to **Consul General Carlos González Gutiérrez** for arranging a visit from the **Acting Undersecretary of the Mexican Foreign Ministry (SRE)** in late February. Undersecretary **Roberto Velasco** stated that the federal government is fully committed to finding a solution to the Tijuana River Valley cross-border pollution problem and is strongly supporting the construction of the Otay Mesa East Port of Entry.

At the joint **COBRO and Borders Committee** meeting, the San Diego Association of Governments (**SANDAG**) unveiled its new **study on the impact of wait times in our region**. The study derives from a 2016 effort that captured 11,000 surveys on travel behavior characteristics and emissions-related information and more than 12,000 direct measurements of border crossing times.

SANDAG's economic analysis estimates impact to regional, state, and binational economies in terms of losses to economic output, labor income, and jobs. The analysis quantifies impacts to regional air quality in terms of emissions (including greenhouse gases) from vehicle delays in cross-border movements of personal and commercial vehicles.

In general, the economic analysis finds that in **2016 output losses are \$3.4 billion and a job loss of 88,000**. Anticipated losses by the year 2025 grow by nearly 50% in terms of output, and 10% in jobs. However, when additional capacity enhancements are implemented (i.e., new Otay Mesa East Port of Entry, Calexico East bridge expansion, etc.), this growth could be fully mitigated to below-2016 levels.

In terms of pollution levels, planned infrastructure and operational improvements are needed by 2025 and 2035 so that growing delay and queuing do not overwhelm emission reductions derived from less-polluting fuels and more efficient vehicles.

For much more information please go to:

https://www.sandag.org/uploads/projectid/projectid_535_28727.pdf

There's been a very positive evolution in the planning and execution of the Otay Mesa East Port of Entry.

The new port is to begin operating in the fall of **2024!** It will reduce wait times, spur economic growth, strengthen border security and resiliency, reduce greenhouse gas emissions, and enhance regional mobility binational trade.

Most of **State Route 11** connectors have been completed. Currently, **Caltrans** is working with CBP on port requirements including new technology and innovations.

Mexico has started to work on intelligent transportation systems and design for their facilities to complement the U.S. facilities to work as a system.

There will be **one single toll collection location** on the U.S. side, with toll sharing. The Mexican side will fund its side of the port of entry and its right-of-way with public funds and will finance the roadway leading to the port.

The **U.S. Environmental Protection Agency's USMCA Tijuana River Watershed Public Information Meeting** in late February focused on 10 key projects that address treatment, conveyance, and/or source control. The agency focused on projects on the U.S. side, but I believe this does not mean they are the most cost-effective or practical solutions.

Four projects for Mexico went unaddressed. One diverts or reuses treated wastewater from existing wastewater treatment plants in Mexico to reduce flows into the Tijuana River. Reuse is a large part of the solution given the high cost of bringing water to Tijuana via the Colorado River and an even higher cost if a desalination plant is ever built.

It was good to sit down with **Baja California Water Sanitation, Protection, and Management Secretary (SEPROA) Salomón Faz** last week. In good spirits, Salomon was open to new ideas and projects about wastewater treatment in

Tijuana is intent on finding solutions to the issue before leaving office at the end of October.

The **Tijuana Economic Development Council (CDT)** continues its quest to organize a large stakeholder group including doctors, transformation industry chamber (**CANACINTRA**), state government, business people, and the exporter association (**INDEX**), to speed up vaccination efforts in Baja California. The group is considering the **CanSino** and **AstraZeneca** vaccines for this effort. The objective could be one million vaccines.

I have predicted that the U.S. will be awash with vaccines by May. Now is a perfect time to create a policy to allow the U.S. to assign vaccines to border areas. Already many Mexicans are travelling by air to U.S. locations in the U.S. to be vaccinated.

It would be interesting to know how many Mexican nationals have been vaccinated in the U.S. – I think the number is considerable. The U.S. has a strategic interest in keeping Mexico healthy, particularly in the border areas. A good neighbor policy will not only avoid deaths but will stabilize our supply chains stable and potentially accelerate the re-opening of the border to nonessential northbound travel.

I want to congratulate **Flavio Olivieri, Fellow at the University of California, San Diego's Center for U.S.-Mexican Studies**, for presenting his research on **“The Evolution of the Baja California Economy Towards High Value-Added Processes.”**

His goal was to **“identify and evaluate the degree of progress of the determining factors that enable the development of an economy based on high value-added processes in the State of Baja California.”**

He hypothesizes that in Baja there are “emerging economic sectors based on high-value added processes that are linked to the economy of Southern California. These sectors demonstrate growth opportunities and more equitable income distribution, and they are tied to investments in determining factors associated with high value-added economies.”

Key opportunities are in digital media, gaming, and movie/series production. Software development is starting to run out of talent. The Tijuana start-up

environment requires a portfolio of projects that can be scaled and attract outside resources.

What seems to be missing? Flavio, a long-time coalition participant, sees a clear need for a merit-based “multidisciplinary collaboration culture, investment in innovation infrastructure, risk capital culture, prioritization of applied research, internationalization of higher education, industry cluster convergence, talent, and quality of life.”

Congratulations to **Pedro Montejo**, new **INDEX** leader for Tijuana, Ensenada and Rosarito (Zona Costa)! I spoke with Pedro not long ago. INDEX has 350 members and is growing. One of his priorities is to survey *maquiladoras* (manufacturing plants on the Mexican side of the border) about needs for new services. The association has been a champion for supply chain and water distribution issues, becoming an effective intermediary between the state government and exporters/importers.

I came across **Tracelinx**, a food traceability and logistics software company in Tijuana. It is led by founder **Juan de Dios Ledezma** and **Guillermo Mejía**, a well-know actor in Tijuana’s entrepreneurial ecosystem. Increasingly, real-time traceability “from field to fork” is gaining converts as the food and beverage industry faces unprecedented regulation for safety and quality control.

Tracelinx works with one of the largest tomato producers in Mexico, with fields in both Sinaloa and Baja California. Imagine real-time visibility and tagging of tomatoes from the grower in Culiacán through the packer, transportation, the broker, and a Subway restaurant in Minneapolis.

Cubic Corporation, represented on the Smart Border Coalition Board of Directors for many years, will go private sometime this year. Veritas Capital and Evergreen Coast Capital will acquire the public company for \$2.8 billion. Cubic is one of San Diego’s oldest publicly traded companies.

Our coalition will be teaming up with **Grupo Expansión**, one of Mexico's largest media groups, to showcase our border region's many examples of success stories as well as the advantages it offers to those willing to take some risk. The online magazine has the most recognized name in business in Mexico, not unlike *Forbes* in the U.S.

Bill Richardson, president of the **San Diego History Center**, is putting together an hour-long video on the remarkable photographic journeys of **Harry Crosby** throughout Baja California, including his book *Tijuana 1964*. I confess that until **James Clark** introduced me to Crosby's work, I was unfamiliar with it.

What I saw was absolutely astounding: Harry Crosby in the late 1960s decided to retrace the old **El Camino Real** in the Baja Peninsula by traversing it as Jesuit and Franciscan priests did in the 1700s. You may also know that in his journey he was accompanied by someone who was in his early 20s and is today a veritable giant in the multifaceted understanding of our region: Professor **Paul Ganster** of **SDSU**, another faithful coalition friend.

Here is a 4-minute preview of Crosby's adventure:

<https://www.indiegogo.com/projects/the-journeys-of-harry-crosby--2#/>

Our next online **Stakeholders Working Committee** meeting will convene on Zoom on **May 6th** from 9:00 to 11:00 a.m. Please register in advance at: <https://us02web.zoom.us/meeting/register/tZApdOGhqTgrHtR1JhqQziqnamiJOftq1jf>

After registering, you will receive a confirmation email containing information about joining the meeting.

Thank you,

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