

# EMBRACING CHANGE ON THE U.S.-MEXICO BORDER

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BY ELIZABETH MARTIN

any Mexicans, Canadians and Americans welcomed the North American Free Trade Agreement as a way to stimulate the economies of all three countries and usher in a new era of growth and progress. In the nearly 14 years that have followed NAFTA's entry into force on Jan. 1, 1994, commerce has become even more global, and technology has revolutionized business in ways that were only beginning to materialize then. These changes, combined with the opportunities created by NAFTA, have made the economies of Mexico and the United States more dependent on each other than ever, to the benefit of U.S. companies and consumers.

U.S. exports to Mexico have increased enormously since the implementation of NAFTA, growing from \$41.6 billion in 1993 to \$134.2 billion in 2006, a 223-percent jump. At the same time, U.S. imports from Mexico have grown fourfold over the same period, going from \$39.9 billion to \$198.3 billion. Overall trade in goods and services across the U.S.-Mexico border now exceeds a billion dollars a day, with commercial trucks carrying 75 to 80 percent of the freight.

Yet while NAFTA promised to tear down trade barriers,

many business leaders in both countries now believe that the border between Mexico and the United States has itself become an obstacle, pointing to excessive commercial inspections and lack of infrastructure at the border. Following the Security and Prosperity Partnership ministerial meeting in March and President George W. Bush's visit with Mexican President Felipe Calderon in Merida, Mexico, the two countries reaffirmed their commitment to balancing security precautions with trade facilitation.

## The Weight of Waiting

Particularly in the post-9/11 era, no one questions the importance of customs and security inspections for vehicles and cargo entering the United States. However, the increasingly long wait times such scrutiny requires, affecting not only cargo-laden trucks but also day-trippers crossing the border into the United States, are a concern of business leaders and government officials alike. Often it takes several hours just to reach the U.S. point of inspection at the port of entry. Equally troubling, some U.S. Customs and Border Protection officials say the delays may leave those vehicles more susceptible to security threats. Border communities have also expressed concern about the environmental costs of pollution spewing from engines kept idling in long lines.

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Long wait times for trucks seeking to enter the United States may seem like a minor inconvenience, similar to what a typical air traveler might encounter these days. Yet in an economy that has become increasingly dependent on “just-in-time” delivery of goods and services, extended delays mean increased costs for businesses, which translates into increased prices for consumers. For ports of entry like Nogales, where up to four billion pounds of fresh produce enter the U.S. each year, long waits at CBP checkpoints mean spoiled loads and lost revenue.

While border delays most directly affect southern border cities such as El Paso or Nogales, companies and consumers throughout the United States feel the effects. Three of the top six U.S. states in terms of volume of surface trade with Mexico are Michigan, Illinois and Ohio. Thus, reducing the amount of time trucks spend in those lines will result in fresher produce and cheaper products for all Americans.

Business leaders often stress the need for increased U.S. and Mexican infrastructure at land ports of entry into the United States — in terms of more inspection lanes and booths, and additional customs inspectors. CBP facilities were built decades ago, before NAFTA fostered the growth of binational trade, including Mexico-based maquiladoras (factories) and other industries such as car manufacturers, to produce goods for the American market, creating an enormous upsurge in the number of trucks using the POEs.

Not all border-crossing problems can be blamed on infrastructure, however. Some businesses have been slow to alter their routines to take advantage of extended hours at ports of entry or Department of Homeland Security programs, such as Fast and Secure Trade and the Customs-Trade Partnership Against Terrorism, that give certified companies faster access to POE inspection facilities. In addition, the lack of road infrastructure to permit

dedicated FAST lanes on the Mexican side reduces the benefits of that program. Personnel shortages and lack of coordination between banks (for customs payments), government agencies and businesses along the border also compound the problem.

Complicating any attempt to improve the flow of people and goods across the border is the sheer number of stakeholders involved. Keeping a single American POE operational involves an alphabet soup of government officials, often including: the CBP and other DHS entities, the Centers for Disease Control, the Food and Drug Administration, the Department of Agriculture and the applicable state department of transportation, just to name a few. Nor does this include the many financial establishments, including customs brokers and banks, involved in moving commodities across the border

## **Creative Solutions**

Individual POEs have used community support and innovative methods to address these issues. One example of a community group that has made a difference is the Greater Nogales-Santa Cruz County Port Authority in Nogales. This coalition encompasses city and county representatives, the local chamber of commerce and tourism council, as well as local CBP officials, the Arizona Department of Transportation, local Mexican government representatives and the U.S. consulate in Nogales, Sonora. These organizations recently worked together to lobby Congress and key agencies in Washington to win funding for the reconfiguration of a key Nogales POE.

The El Paso-Ciudad Juarez community has also benefited from the efforts of grassroots organizations working together with official, nongovernmental and private-sector stakeholders. The West Texas Advisory Group, formed in 2006 by the director of the El Paso CBP field office, has been an effective forum for addressing issues of mutual concern and planning binational strategies to mitigate problems in border communities. For instance, the group succeeded in brokering a compromise between the CBP and local businesses over the planned renovation of the busy Paso del Norte Bridge. By working together, the group ensured that the much-needed renovation would not harm El Paso businesses that depend on shoppers from across the border.

Where resources for optimum border-crossing streamlining are realistically limited, such local community efforts have helped to clear up the worst bottlenecks. ■

### **Snapshot of a Port of Entry**

The four ports of entry in Nogales processed 16.6 million legal travelers during Fiscal Year 2006. To put this statistic in perspective, the John F. Kennedy and Los Angeles International Airports handle a combined 18 million travelers per year, without the additional worry of inspecting passenger and commercial vehicles. And the traffic Nogales sees pales in comparison to larger POEs such as Laredo and Otay Mesa.