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Cost of Commercial Vehicles Border Trade at the Texas-Mexico Border

Roads as Catalyst for Sustainable and Inclusive Development

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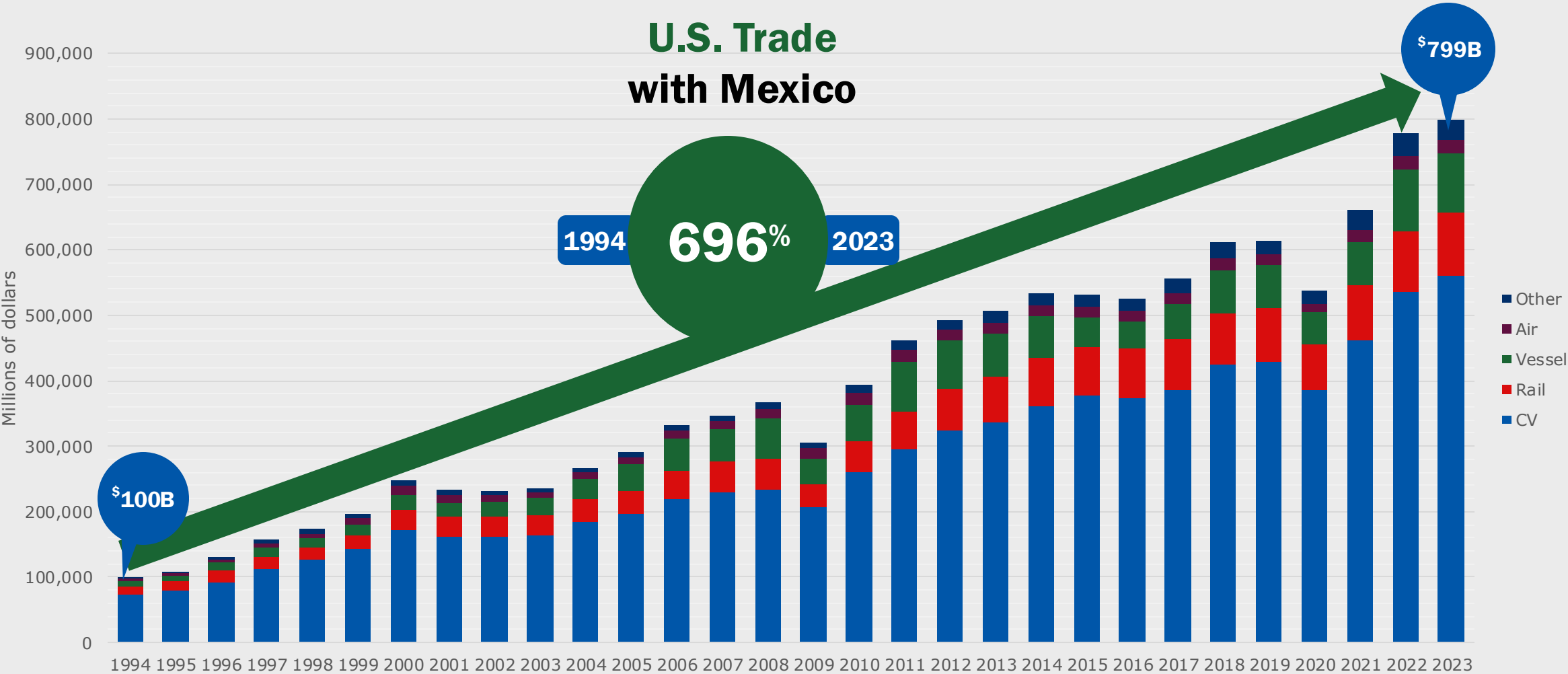
Guadalajara, Mexico

April 29, 2025

Agenda

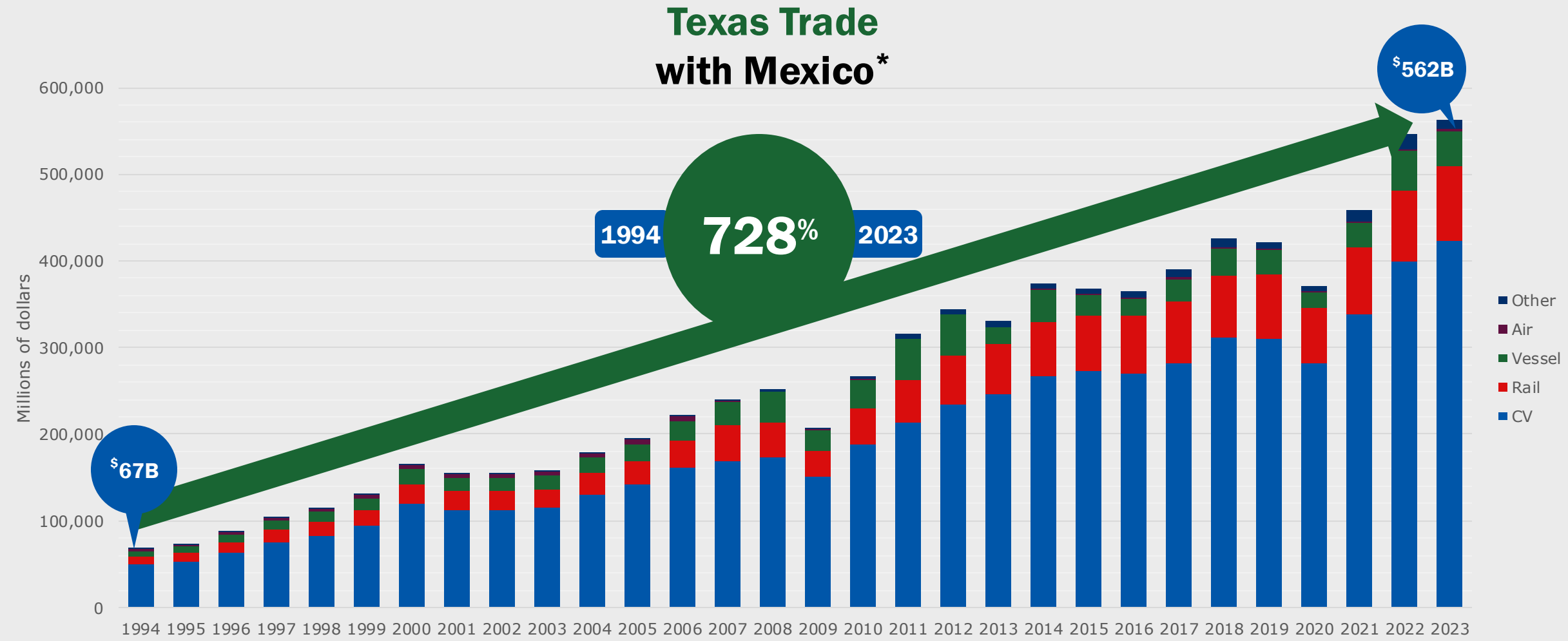
- Overview of U.S.-Mexico Trade and Texas-Mexico Trade
- Overview and Economic Importance of Texas-Mexico Border
- Border Crossing Delays and Economic Impact
 - Economic impact and Border Crossing Time
 - Impact of Recommended Border Crossing Projects
- Cost of Border Crossing Closures and Delay
- What is Texas Doing to Ensure a Better Border and Support Trade?

Growth of U.S. Trade with Mexico – 1994-2023



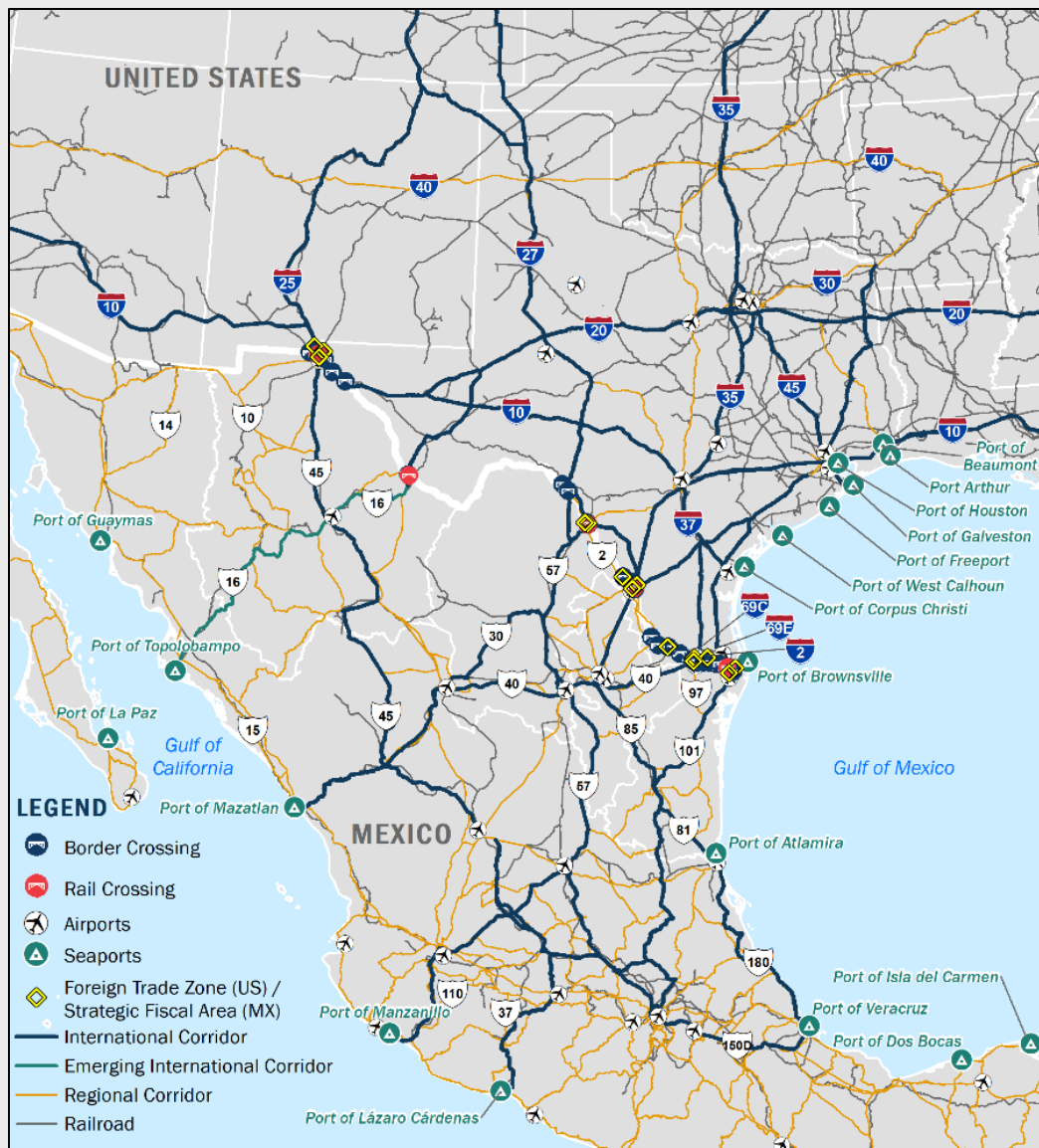
Source: 1994-2006 numbers were obtained from the U.S. Census Data
2007-2023 data was obtained from the Bureau of Transportation Statistics/Freight Data

Growth of Texas Trade with Mexico – 1994-2023



Source: *1994-2006 numbers were estimated from 2007-2023 Data
2007-2023 data was obtained from the Bureau of Transportation Statistics/Freight Data

Overview of the Texas-Mexico Border



28

ROADWAY
BORDER
CROSSINGS



6

FREIGHT
RAIL
CROSSINGS



21

SEAPORTS



46

AIRPORTS

FTZ

8

FOREIGN
TRADE ZONES

6

CORRIDORS
NORTH-SOUTH
MOVEMENT

These corridors primarily serve north-south movement across the Texas-Mexico border to connect the wider U.S. and Texas to Mexico.

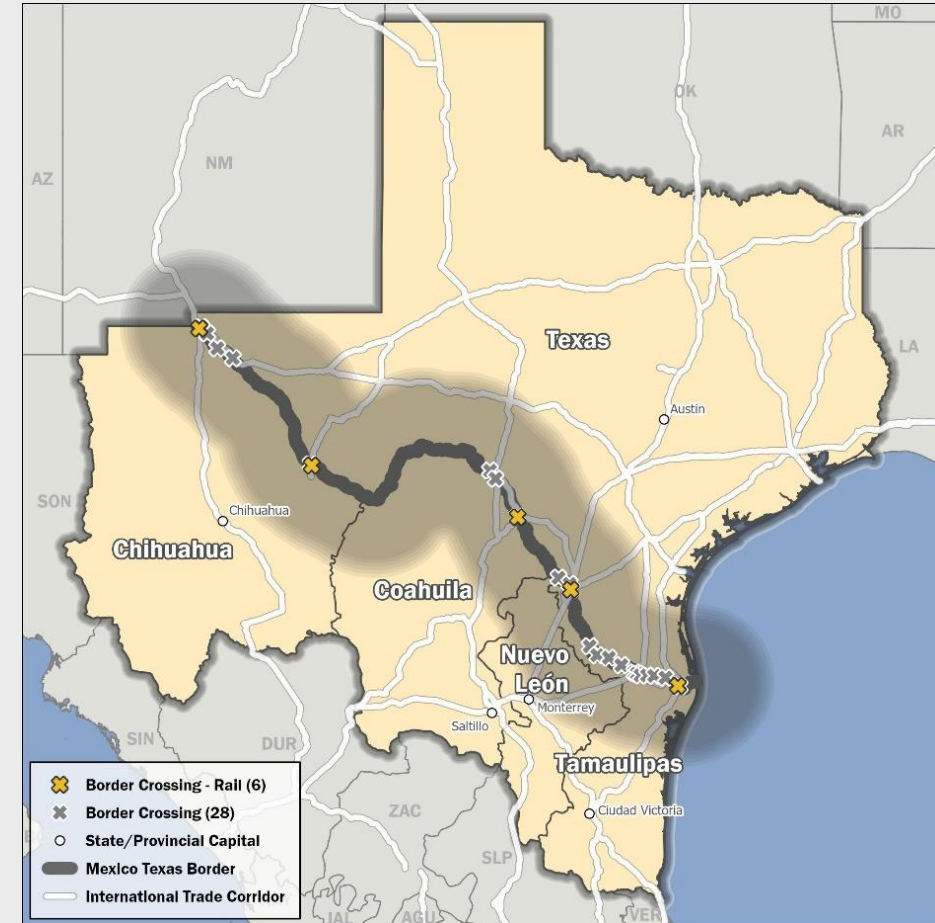
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CORRIDORS
EAST-WEST
MOVEMENT

These corridors primarily serve east-west movement across Texas and provide vital connections to and from other Texas-Mexico corridors that primarily run north and south.

Importance of the Texas-Mexico Border

- Texas plays a vital role in the U.S.-Mexico relationship.
- U.S.-Mexico shares 1,954 miles of common border, of which Texas-Mexico share 1,254 miles (equivalent to 64%).
 - Texas-Mexico border connects people and facilitates trade between the two countries.
- Border region **population grew by 93.2%*** from 1990 to 2024.
- U.S.-Mexico trade grew 740% from 1994 to 2024, increasing from **\$100 billion to \$840 billion**.
 - More than 70% of trade between the two countries passes through the Texas-Mexico border.
- U.S.-Mexico trade processed through Texas **increased by 779%** from **\$67 billion in 1994 to \$589 billion** in 2024.

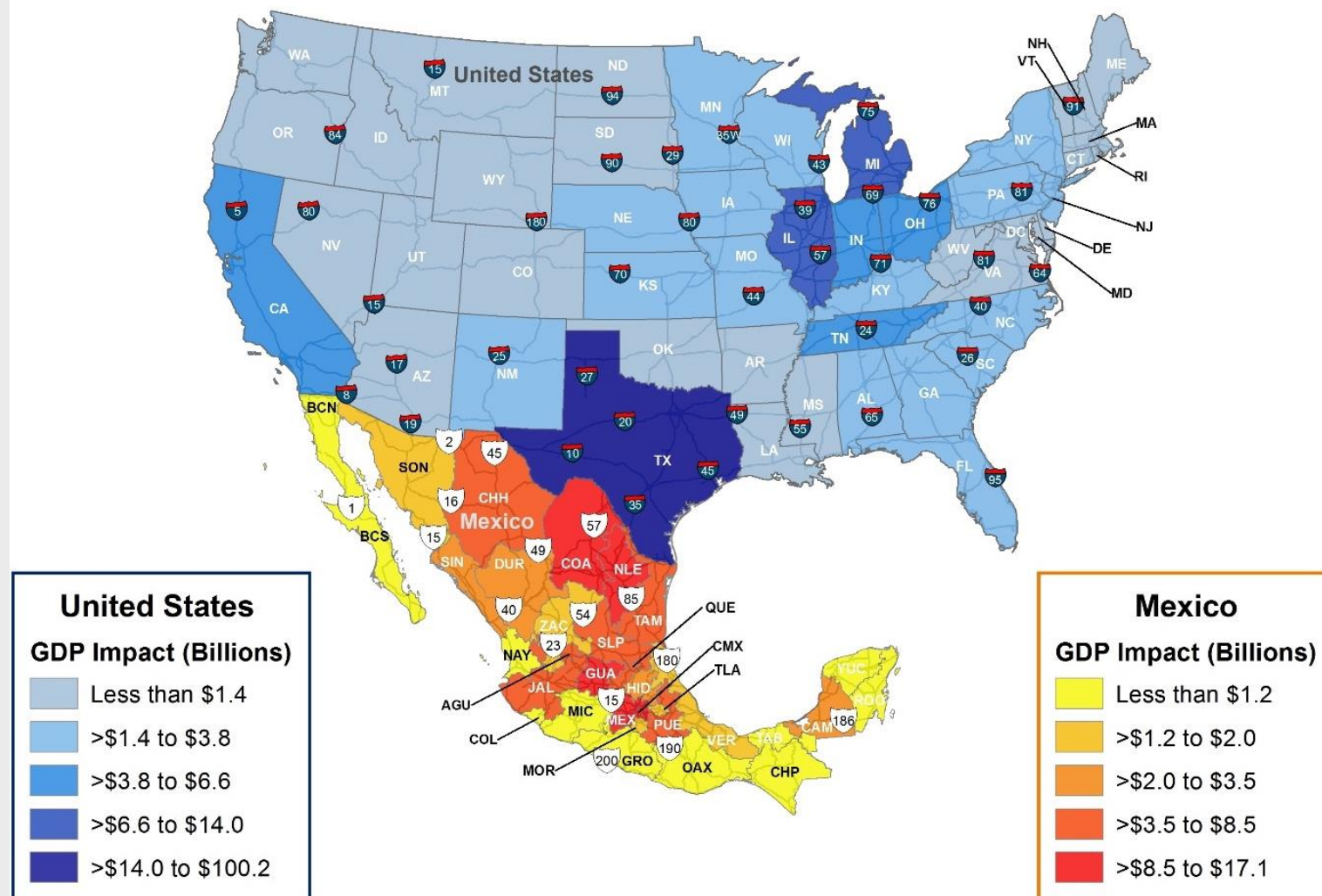


Economic Importance of the Texas-Mexico Border

Trade across the Texas-Mexico border adds value to the GDP of states well beyond the border

- U.S states with the highest GDP impact are:
 - Texas: \$100.2 B or 5.3% of GDP
 - Michigan: \$13.5 B or 2.5% of GDP
 - Illinois: \$9.5 B or 1.1% of GDP
 - California: \$6.6 B or 0.2% of GDP
 - Ohio: \$6.2 B or 0.9% of GDP
- Mexico states with the highest GDP impact are:
 - Nuevo León: \$17.0 B or 14.7% of GDP
 - México: \$14.6 B or 10.9% of GDP
 - Coahuila: \$13.7 B or 24.9% of GDP
 - Ciudad de México: \$11.9 B or 5.0% of GDP
 - Guanajuato: \$9.6 B or 15.0% of GDP

Contribution of Trade Through Texas-Mexico Border to State GDP in 2019



Source: IMPLAN, U.S. Census, BTS Transborder Freight Data, U.S Bureau of Economic Analysis and INEGI

Economic Importance of Texas-Mexico Border: Goods Movement

CROSS-BORDER GOODS MOVEMENT:

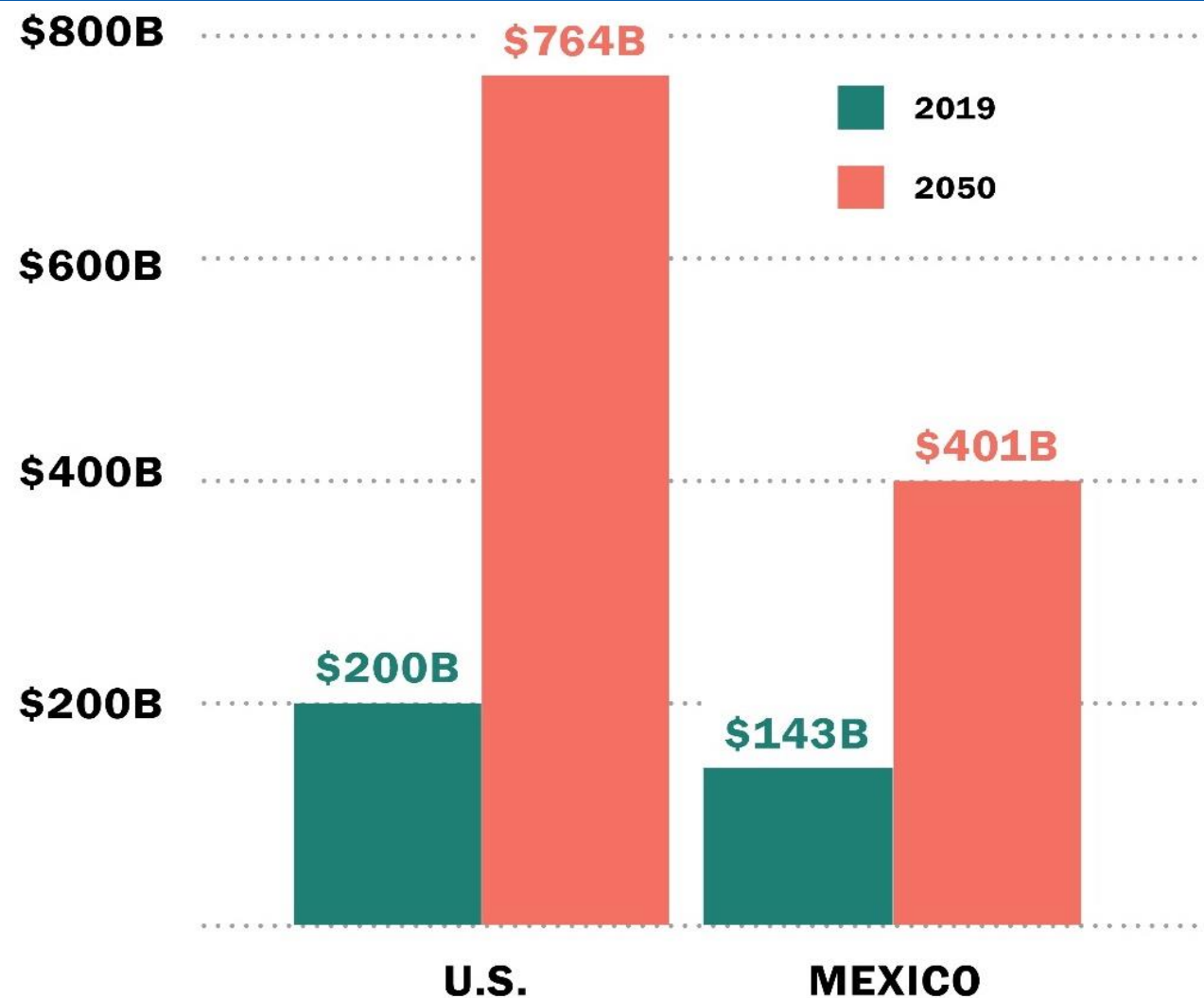
- Generated over **\$343 billion GDP** in 2019 for U.S. and Mexico.
- Forecasted to more than triple from \$343 billion in 2019 to **\$1.16 trillion GDP** annually by 2050.

Goods movement across the Texas-Mexico border touches all U.S. and Mexico states.

Includes CMV, freight rail, aviation, maritime, and pipeline.

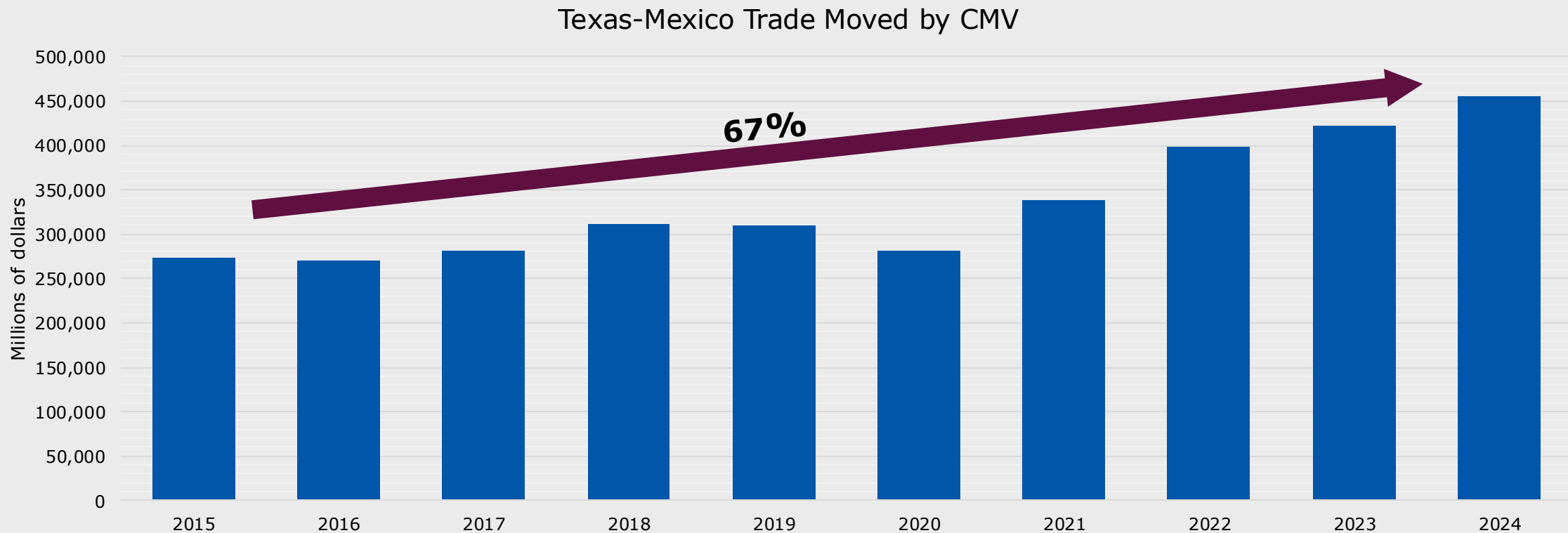
Source: IMPLAN 2018, BTS Border Crossing/Entry Data, INRIX GPS Analysis, INEGI Population Forecasts, TDC Population Forecasts, University of New Mexico Population Forecasts.

GDP IMPACTS OF CROSS-BORDER GOODS MOVEMENT



Texas-Mexico Border Trade Value 2015-2024

U.S.-Mexico goods trade value processed through the Texas POEs by Commercial Motor Vehicles (CMVs) **increased 67%** in the last decade, from \$273 billion to \$455 billion.

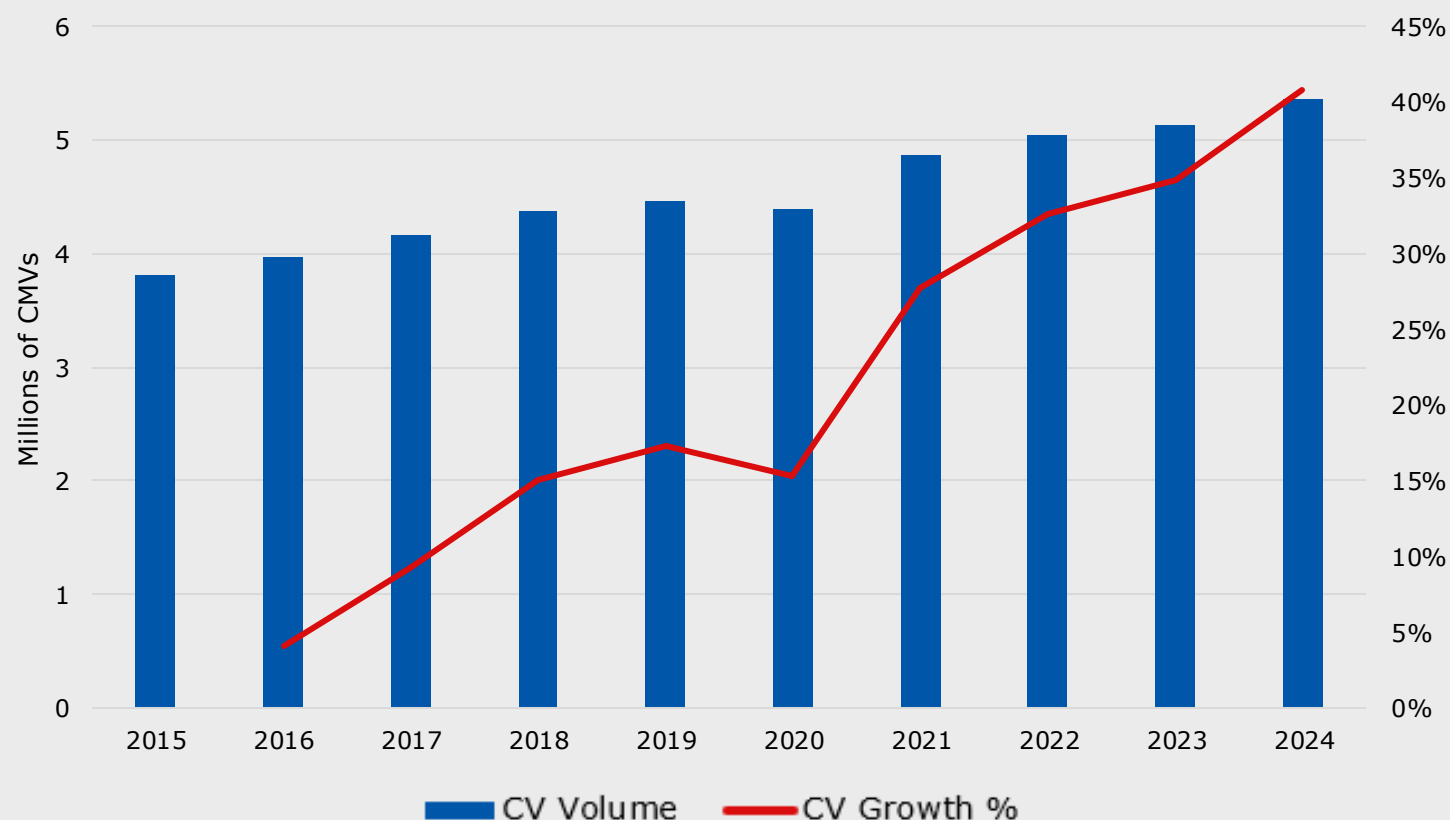


Texas-Mexico Border CMV Crossing Northbound 2015-2024

The number of CMVs entering Texas from Mexico reached a total of **5.4 million** in 2024, an increase of **1.6 million** (41%) from the 2015 – 2024 period.

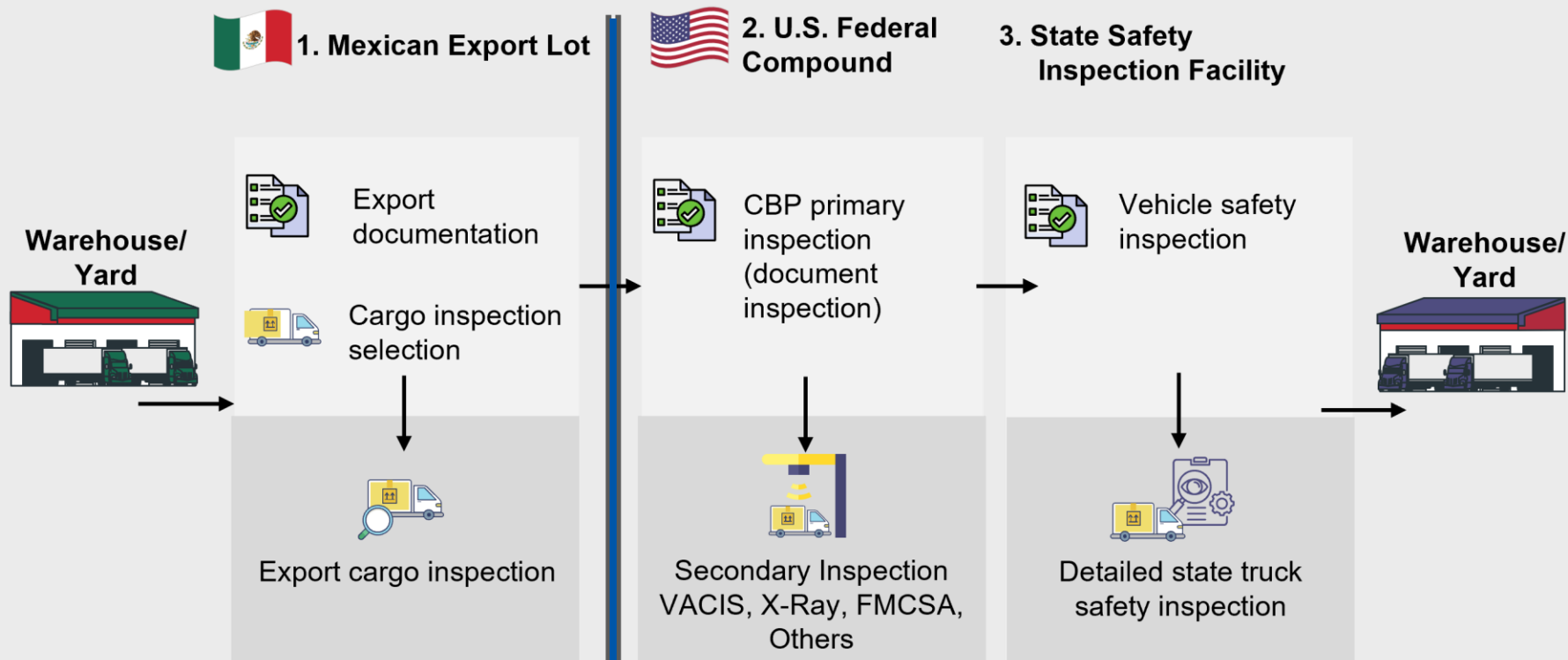


Northbound CMVs (2015-2024)

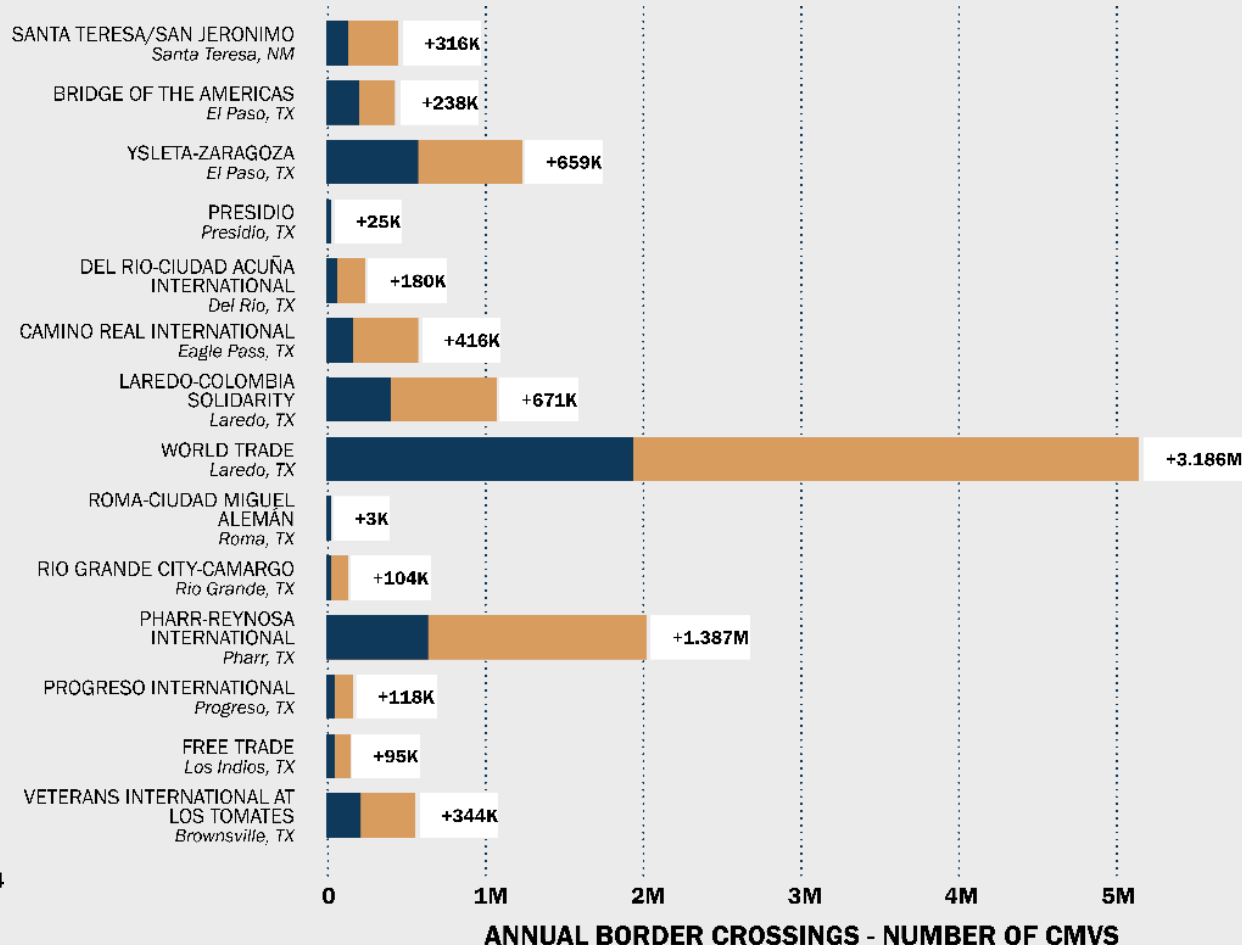
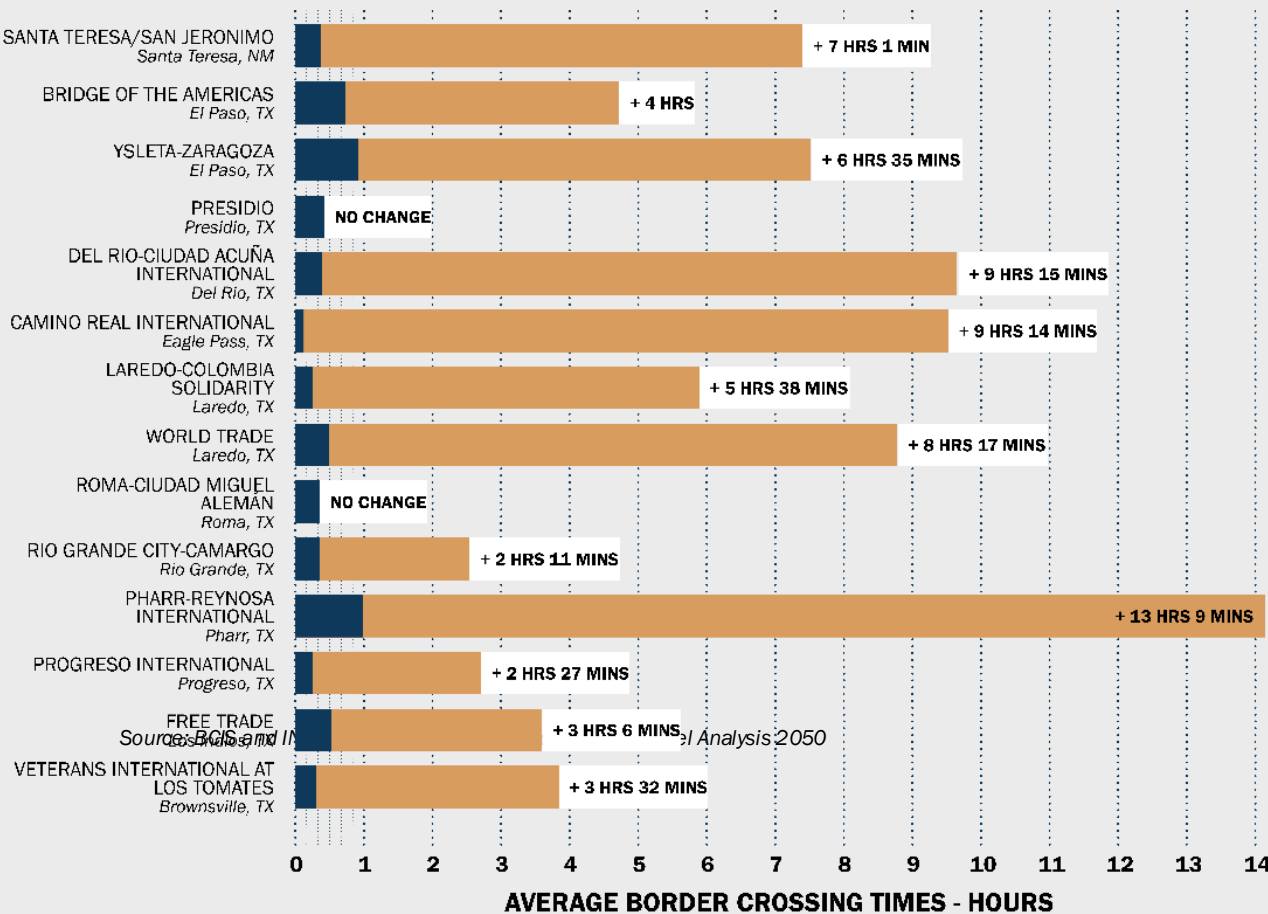


Overview of Texas-Mexico Border CMV Border Crossing Process

- The **Northbound process** requires a high number of procedures in each participating country due to the number of stakeholders that participate from various levels of government.
- There are at least three inspections that the CMVs are subject to that create congestion and delays at the Border.



CMV Average Annual Border Crossing Times in 2019 and 2050



Forecasted crossing times correspond to "do nothing" scenario and could change if improvements are made between now and 2050

Key: 2019 2050

Impact of Texas-Mexico Border Delays and Congestion

- In 2019, border delays resulted in \$68.3M in economic productivity losses, reducing GDP by \$2.3B in both countries.
- If no improvements are made, border delays may result in an economic productivity loss of \$4.4B in 2050, reducing GDP by \$116B in both countries.

ESTIMATED 2019 GDP LOSS DUE TO BORDER DELAYS

\$1.1B U.S.
GDP

\$1.2B MEXICO
GDP

POTENTIAL 2050 GDP LOSS DUE TO BORDER DELAYS

\$75B U.S.
GDP

\$41B MEXICO
GDP

If nothing is done between now and 2050, the negative impact of Texas-Mexico border delays on the GDP of the U.S. and Mexico will increase from \$2.3B in 2019 to \$116B in 2050. This is a growth of over 50 times.

Source: IMPLAN, U.S. Census, BTS Transborder Freight Data, U.S. Bureau of Economic Analysis and INEGI.

Impact of Implementing Recommended Border Crossing Projects at Existing Crossings Plus Construction of New Crossings

IMPLEMENTING 185 PROJECTS AT AN ESTIMATED COST OF \$5.3B				
Indicator	Do Nothing (2050)	\$5.3B (2050)	Absolute Change	% Change
Crossing Time in Hours	230M	91M	139M ↓	60% ↓
GDP	-\$119.3B	-\$70.2B	\$49.1B ↑	41% ↑
Jobs	-4.8M	-2.8M	2.0M ↑	42% ↑
Labor	-\$75.0B	-\$44.5B	\$30.5B ↑	41% ↑

Cost of Texas-Mexico Border Crossing Closures and Delays

At the port of entry:

- Overtime pay for onsite staff
- Higher utility costs
- Accelerated wear on port of entry infrastructure

Transportation:

- Higher wages
- Increased fuel use
- Accelerated wear on drayage trucks

Customs brokers:

- Additional staff time and wages

Shippers:

- Risk of degrading or spoiling perishables.
- Potential disruptions to just-in-time manufacturing and retail inventories
- Requirements for larger “safety stocks”

Difficulty of re-routing shipments:

- Paperwork must be withdrawn and refiled, new fees paid
- Limited POEs for Mexican customs brokers
- “Commercial zone” limitations for Mexican drayage trucks
- Lack of trade infrastructure at commercial border crossings

Cost of One Hour Additional Delay at the Texas-Mexico Border

- \$550,000 in operational cost to the trucking industry.
- \$1.3 million economic impact in the state of Texas: direct, indirect, and induced impacts resulting from the trucking industry additional cost.
- \$142,000 in local, state, and federal taxes.
- Missed shipments: Queues at the border could reach miles and shipments can't cross the border during the border crossing hours of operation.
- Ripple effects throughout national supply chains such as:
 - Autoparts not reaching assembly plants, leading to manufacturing stoppages.
 - Fresh Produce going bad.
- Inventory Cost increase: \$1 billion /day in northbound truck trade.
- Environmental impacts: Vehicle idling emissions impacting millions of border residents.

What is Texas Doing to Ensure a Better Border and Support Trade?



Planning and Funding

- Address current and future cross-border transportation needs
 - Texas-Mexico Border Transportation Master Plan
 - Corridor Studies
 - Unified Transportation Program



Access and Connectivity Investments

- International Trade Corridors (e.g., IH 35, Ports-to-Plains, IH 10, etc.)
- Provide connectivity to border crossings, rail terminals, and border airports
- Heavy Weight Corridors



Facilitate Economic Development

- Engage border stakeholders (public and private sector)
- Promote binational supply chain efficiency (Texas and Mexico)
- Enhance economic competitiveness
- Monitor and prepare for economic trends







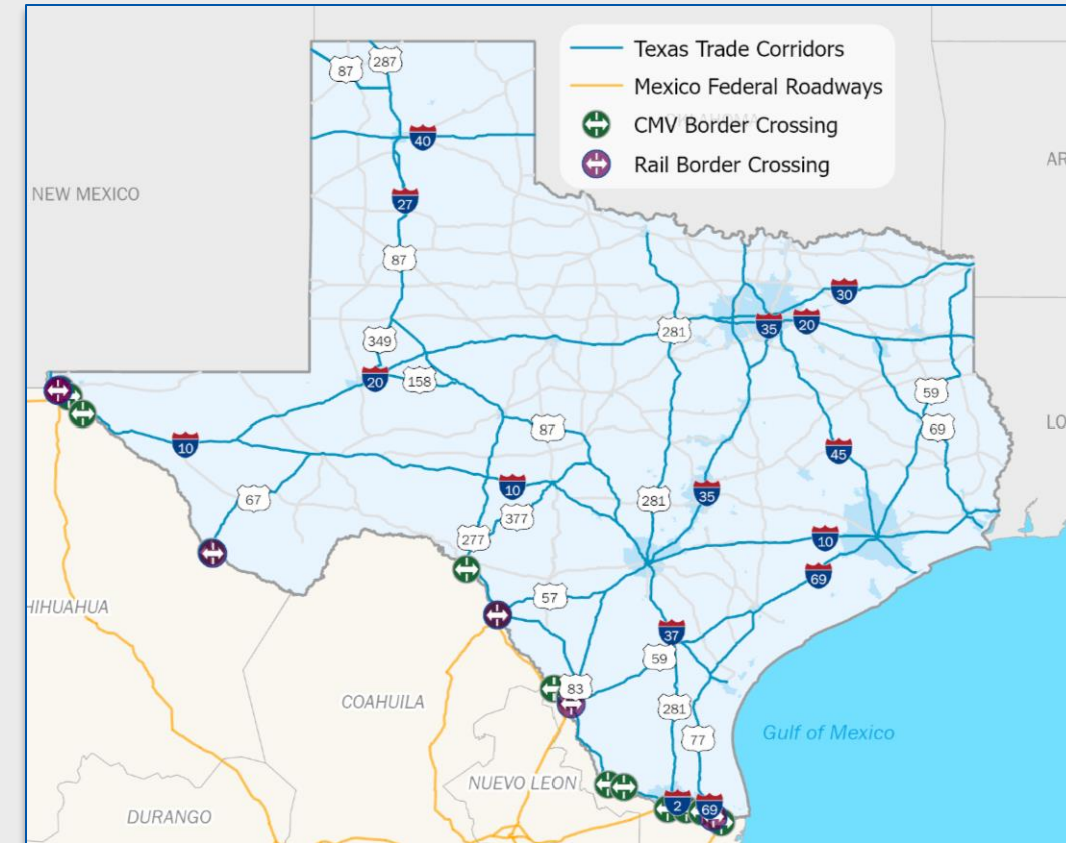
Operations and Technology

- Identify technology and operations solutions (e.g., Border Crossing Information System)
- Support transportation safety and mobility (Border Safety Inspection Facilities)
- Support automated/connected truck operations

TxDOT Investments in International Trade Corridors

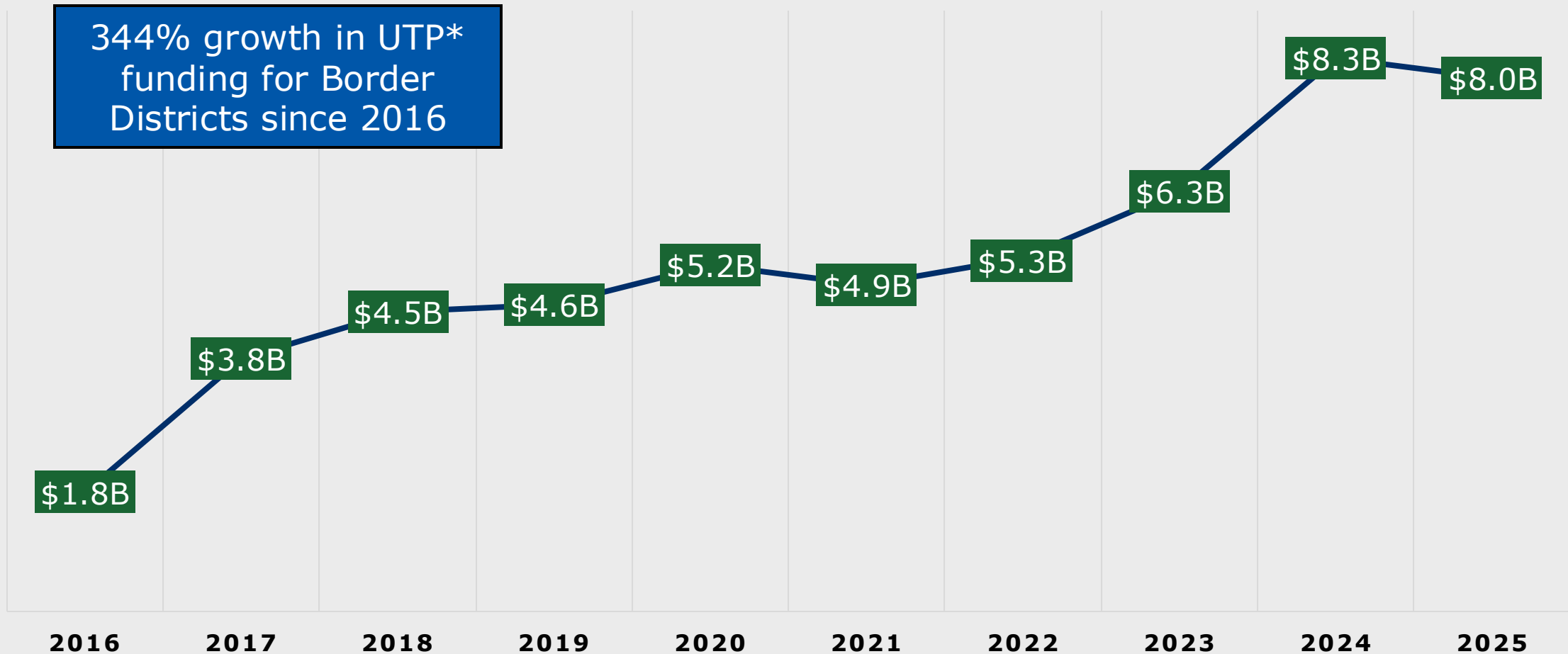
- TxDOT let 599 trade corridor projects at a cost of \$10.6 billion in Fiscal Years 2023 and 2024.
- 806 corridor projects under development in the 2025 UTP at a cost of \$41.2 billion

Project Type	Number of Projects	Project Cost (\$B)
 Bridge	166	\$1.2
 Mobility	135	\$31.8
 Preservation	329	\$1.9
 Safety/Operational	176	\$6.2
Total	806	\$41.2



Targeted UTP* funding for the Three TxDOT Border Districts

*UTP: TxDOT Unified Transportation Program





Thank you!

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