

September 9, 2014

TO: MR. BRUCE BRACKER, CHAIRMAN, GNSCCPA

FROM: Luis E. Ramírez Thomas, President, RAI-N

SUBJECT: Activity Report

On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority (“GNSCCPA”). Before outlining the issues and efforts we have addressed on your behalf to date, we request and welcome your continued comments and suggestions as to how we can improve on our services, our communications and on our activities on your behalf. With your feedback we will make every effort to improve our response to your needs and learn to better anticipate your directives.

Our activities on behalf of the GNSCCPA have focused on the following key areas:

- 1. Mariposa Ribbon Cutting Ceremony;**
- 2. Arizona Delegation visit to Mexico City (Aug. 2014)**
- 3. Binational Bridges and Border Crossings Meeting;**
- 4. Mexico City Office Opening;**
- 5. Crossborder Trucking Update;**
- 6. Joint Working Committee Meeting; and**
- 7. Representation of GNSCCPA with Key Entities.**

This report is not intended to be a full description of all our activities but rather provides highlights and information on the direction of our activities to keep Board of Directors informed and to ensure that our activities adhere to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. Throughout this period, RAI-N has maintained active and frequent communications with Ms. Allison Moore, Mr. Bruce Bracker and various other members of the Board of Directors in order to ensure that we have a fully coordinated approach to our efforts. RAI-N stands ready to address any issue, concern or suggestion that may arise from this report and from our on-going dialogue with the leadership and the Board of Directors.

1. ***MARIPOSA RIBBON CUTTING CEREMONY***

➤ **The Mariposa Reconfiguration Project was formally completed on August 20, 2014.**

- I would like to express my personal congratulations to the Greater Nogales Santa Cruz County Port Authority for this tremendous achievement. The vision and dedication of the leadership and the Board of Directors has had a tremendous impact on the community. I am proud to have been part of the team that has made this project come to reality. This was the prime directive from the Board from day one, and some 9 years later, more than \$250 million have been invested in the port of entry and the related transportation projects that will serve the Ambos Nogales community and the entire corridor for decades to come.

- Now to the celebration. The date has been set for October 15, 2014.
 - The General Services Administration (GSA) is hosting the formal ceremony for the ribbon cutting at the compound. Due to security and space restrictions, this event is limited in attendance. GSA is handling the invitations for the event at the compound directly.
 - The GNSCCPA is hosting the main celebration immediately after the ceremony at the compound.
 - Special thanks to our sponsors to date:
 - Stantec
 - Jones Studio
 - Hensel Phelps
 - Arizona-Mexico Commission
 - Nogales Customs Brokers Association
 - Special thanks to Del Campo for the use of their facilities!!

 - If there are any individuals that need to be invited please provide the names, as this is one of the best instances we will have to promote the port and Nogales before key decision makers and the media.

2. ***ARIZONA DELEGATION VISIT TO MEXICO CITY, AUGUST 2014***

- On August 5-8, 2014 John Halikowski, Director of the Arizona Department of Transportation (ADOT). Also participating in the visit to Mexico City were:
 - Margie Emmermann, Executive Director, Arizona-Mexico Commission and Mexico Policy Advisor to the Governor
 - Gail Lewis, Director, P3 Initiatives and International Projects, ADOT

- JB Manson, Past Chair of the GNSCCPA and Chair of the Mexico and Ports of Entry Committee, Transportation and Trade Corridor Alliance (TTCA)
- ✦ During the visit, the delegation met with:
 - Ministry of Foreign Affairs (SRE)
 - Ministry of Communications and Transportation (SCT)
 - Mexican Customs (Aduanas)
 - Ferromex
 - Vias Concesionadas
 - Embassy of the United States, including attaches from the Foreign Commercial Service, Agriculture, Customs and Border Protection, and the Economic Officer for the Embassy
- ✦ Among the key topics that were discussed
 - The improvements to the Mexican side of Mariposa
 - The delays at Querobabi
 - The efficiency of the Corridor from central Mexico to the Arizona border
 - Rail initiatives through Nogales

3. BINATIONAL BRIDGES AND BORDER CROSSINGS MEETING

- ✦ The US Department of State and the Mexican Ministry of Foreign Affairs will be hosting the next Binational Bridges and Border Crossings meeting in San Diego on September 29th and 30th.
- ✦ It is imperative that the GNSCCPA participate in this meeting to push the completion of the improvements on the Commercial Corridor and continue to raise the issue of the delays at Querobabi.

4. OPENING OF ARIZONA OFFICE IN MEXICO CITY

- ✦ On October 7, 2014 the State of Arizona will open up a trade and tourism office in Mexico City. This is a collaborative effort by the Arizona Commerce Authority, the Arizona office of Tourism and the City of Phoenix. The Arizona-Mexico Commission is also providing tremendous amounts of support for this endeavor.

5. CROSS-BORDER TRUCKING UPDATE

- ✦ ADOT continues to be actively involved on this issue.

- ✦ There have been delays on the dialogue with the Federal Motor Carrier Safety Administration (FMCSA) as the Administrator resigned and the General Counsel is currently serving as the Acting Administrator.
- ✦ Director Halikowski of ADOT will be sending a letter to Associate Administrator for Field Operations, Annie Collins, inquiring as to the status of the proposal to have ADOT take over all Level 1 inspections at the ports of entry.
 - Director Halikowski is very much aware that the peak of the produce season is around the corner and would like to see something defined to help avoid any negative impacts to trade.

6. *JOINT WORKING COMMITTEE MEETING*

- ✦ On September 7-9, the US-Mexico Joint Working Committee on Transportation met in San Diego.
- ✦ During the meeting the meeting the Arizona delegation raised the concern of the delays created by the Mexican military inspection at Querobabi. The issue was presented as a main concern for our corridor but that it is having an impact on bilateral trade and that these inspection points are being deployed in other locations.
 - SRE indicated that there is an ongoing dialogue on this issue, in large part because of the request by Arizona, with the Mexican Ministry of National Defense.
- ✦ Additionally the issue of the improvements to the Mexican side of the Mariposa port of entry was raised.
- ✦ The US Department of State confirmed that Mariposa has been selected as one of six projects that are now part of the High Level economic Dialogue (HLED) between both nations. This means that Mariposa is getting a lot more high-level attention. The lack of advancement on the improvements on the Mexican side along with the delays at Querobabi essentially zero out many of the gains from the Mariposa project. That argument was strongly made by the Arizona delegation.

7. *MARKETING EFFORTS*

- ✦ RAI-N has held several conference calls with the team that was selected to help structure the port of entry's marketing. This has included providing data and reviewing various documents.

8. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES

- ✦ Continuing efforts to maintain an on-going dialogue with various agencies in order to ensure full coordination of efforts and maximizing the impact of our limited resources, including:
 - ADOT;
 - AMC;
 - DHS/CBP;
 - Ferromex;
 - GSA;
 - Offices of Arizona Congressional Delegation;
 - Office of the Governor;
 - SCT;
 - SRE;
 - State Department;
 - State of Sonora;
 - Transportation and Trade Corridor Alliance;
 - Union Pacific; and
 - US Consulate in Nogales, Sonora.

- ✦ It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, the City of Nogales and others as each has well established relationships with most of these entities.