

July 15, 2015

**TO:** MR. BRUCE BRACKER, CHAIRMAN, GNSCCPA

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

**SUBJECT:** Activity Report

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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. **Governor’s Delegation to Mexico City;**
2. **Querobabi Update;**
3. **US-Mexico Binational Bridges and Border Crossings Meeting;**
4. **Crossborder Transportation Initiatives;**
5. **Testimony Before Transportation Board;**
6. **Meeting with Arizona Department of Transportation;**
7. **Border Banking Update;**
8. **Overweight Permits Study;**
9. **Cross-border Trucking Update;**
  
10. **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. *GOVERNOR'S DELEGATION TO MEXICO CITY***

- ✦ On June 17-20, 2015, The Honorable Doug Ducey, lead a trade delegation to Mexico City.
  - More than 50 industry, trade association and higher education leaders joined the Governor on this trip, including Dr. Ann Weaver Hart, President of the University of Arizona, Jerry Moyes, CEO of Swift Trucking, Jason Rowley, President of the Phoenix Suns, Todd Sanders, President and CEO of the Greater Phoenix Chamber of Commerce, and Javier Cardenas, Neurosurgeon from Barrows Medical Center to name a few.
  - Representing Nogales and the border was Mr. Jaime Chamberlain, President of JC Distributing
  - The Governor was the only elected official that was part of the delegation.
  
- ✦ The agenda was intense and highly focused, with meetings with some of Mexico's top business and government leaders, including:
  - Carlos Slim Helu, Chairman of the Board of Grupo Carso
  - Xavier Garcia de Quebedo, President of Grupo Mexico
  - Jaime Lomelin, Corporate Director and President of Industrias Peñoles
  - His Excellency Anthony Wayne, US Ambassador to Mexico
  - Secretary Jose Antonio Mead, Minister of Foreign Affairs
  - Secretary Ildefonso Guajardo, Minister of the Economy
  - Secretary Claudia Ruiz Massieu, Minister of Tourism
  - National Olympic Committee of Mexico
  - Young Presidents Organization (YPO)/World Presidents Organization (WPO)
  - Grupo de los XXI
  
- ✦ The Governor's visit garnered a lot of positive media throughout Mexico. The Governor and the entire delegation conveyed the message that Arizona is open for business.
  
- ✦ Additionally, during the visit, a number of Memoranda and Agreements were executed, including:
  - KJZZ, the Phoenix-based National Public Radio station, and the Tecnologico de Monterrey executed an agreement for the establishment of Mexico Desk for news coverage of Mexican current events for KJZZ and National Public Radio
  - The University of Arizona and the National Autonomous University of Mexico (UNAM) signed an agreement for the establishment of the

Center for Mexican Studies in Tucson, Arizona, the eleventh such center by UNAM outside of Mexico

- A Memorandum of Understanding (MOU) between State of Arizona and the Ministry of Foreign Affairs to promote education and training in accordance with the needs identified by business and industry to increase their competitiveness in the global market; and to promote academic activities and research, including student and faculty mobility, as well as collaboration in the exchange of information, research, and ideas.
  - An MOU between Arizona Department of Child Safety (DCS) and the Ministry of Foreign Affairs to establish the mechanisms for collaboration between DCS and the Consulates of Mexico in Arizona, with respect to the Bilateral Convention and the Vienna Convention, during custody proceedings involving Mexican minors.
  - A Letter of Intent between the Arizona Commerce Authority (ACA) and the National Institute for Entrepreneurship (INADEM). The letter expresses the intent to explore opportunities and mechanisms for collaboration, identify specific projects, and promote the exchange of experiences between the ACA and INADEM in accordance with the mission of the Mexico-US Entrepreneurship and Innovation Council (MUSEIC).
- A copy of the list of delegates is provided in Attachment #1.

## 2. *QUEROBABI UPDATE*

- During the trip to Mexico City, as part of the Governor's visit, we were able to confirm that the projects to improve the situation at Querobabi continue on track and on time for completion in the September/October time frame.
- On July 8, 2015 and at the invitation of the Fresh Produce Association of the Americas, RAI-N participated in a conference call with the Staff of Congresswoman Martha McSally to provide an update on the Querobabi Inspection Station and other related corridor initiatives.
  - As a result of the conference call, RAI-N will be working with Ms. Georgina Felix in drafting text for the consideration of the Congresswoman to use for two letters:
    - A letter to US Customs and Border Protection encouraging greater cooperation and information sharing between CBP and Mexican Customs and the Mexican Military
    - A letter to CBP urging for the Arizona border to be the 4<sup>th</sup> location for a pilot program on pre-clearance initiatives between the US and Mexico

### ***3. US-MEXICO BINATIONAL BRIDGES AND BORDER CROSSINGS MEETING***

- ✦ The US Department of State and its Mexican counterpart, the Ministry of Foreign Affairs hosted the Binational Bridges and Border Crossings meeting in Washington, D.C. May 20-21, 2015.
  - As a result of the meeting, a high-level delegation of representatives from the Mexican government conducted a visit to the Mariposa port of entry and toured the facilities on both sides of the border.
  - The Ministry of Communications and Transportation of Mexico (SCT) has confirmed that during the visit the agreement was reached that an independent consultant would be hired at SCT's expense to monitor the progress of the remaining improvements to the Corridor on the Mexican side of Mariposa.

### ***4. CROSS-BORDER TRANSPORTATION INITIATIVES***

- ✦ As indicated in previous reports, the Arizona Department of Transportation and SCT are prepared to execute an MOU that will define the scope of work and the responsibilities for conducting a study of the Arizona-Mexico corridor.
  - This MOU was originally intended to be signed during the Governor's visit to Mexico City but due to scheduling conflicts, the Undersecretary of SCT, Raul Murrieta Cummings, requested a postponement of the signing until such time as the event could take place in Arizona. Tentatively, we are looking at a date in late September for the ceremony.
  - Once a date has been selected RAI-N will notify the leadership of the GNSCCPA.

### ***5. TESTIMONY BEFORE TRANSPORTATION BOARD***

- ✦ During the June 2015 Arizona Transportation Board Meeting, Chairman Bracker testified on the need to make the necessary improvements to SR-189.
  - The improvements need to meet three primary goals:
    - Create grade separation at Frank Reed Road to ensure safety of traveling public
    - Address the long queues that are being generated by south-bound commercial traffic coming off of I-19, merging on to SR-189 bound for the port of entry
    - Address the long delays and queues generated by north-bound traffic from SR-189 and merging on to I-19

- ✦ A copy of Chairman Bracker's Testimony is provided in Attachment #2

#### 6. ***MEETING WITH ARIZONA DEPARTMENT OF TRANSPORTATION***

- ✦ On June 26, 2015, John Halikowski, Director of ADOT, along with Floyd Roerich, ADOT former Deputy Director and now responsible for ADOT Board initiatives, and Gail Lewis, Director of P3 Initiatives and International Affairs, traveled to Nogales for a meeting with representatives of the GNSCCPA, the City of Nogales, Santa Cruz County and the Fresh Produce Association of the Americas.
  - The meeting focused on strategies and possible alternatives to bring the road improvements to the Nogales region to fruition
  - ADOT stressed that their approach is as a system versus single projects to ensure that there is seamless, safe and efficient flows to foster economic development throughout Arizona.



#### 7. ***BORDER BANKING UPDATE***

- ✦ The Federal Depository Insurance Corporation (FDIC) hosted its first training seminar that was attended by local banking industry representatives and various representatives of the produce industry.
  - FDIC indicates that there will be additional such seminars in the future.

#### 8. ***OVERWEIGHT STUDY***

- ✦ ADOT is conducting a study to determine the feasibility of issuing overweight permits to other destinations beyond the immediate border region;
  - ADOT's consultant Cambridge Systematics is conducting a series of

meetings with interested parties and stakeholders throughout Arizona .

- ADOT still has to make a determination of the advantages that Arizona would gain from permits that allow travel beyond the border, address wear and tear on roads and the cost of each permit to ensure that maintenance of impacted roads is covered.

**9. 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;
- GSA;
- SCT;
- SRE;
- Offices of Arizona Congressional Delegation;
- Office of the Governor;
- SCT;
- State Department;
- State of Sonora;
- Union Pacific; and
- Vias Concesionadas

- 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.

**Attachment #1****Copy of Delegate Agenda and Delegate List for Governor's Visit to Mexico City**

<b>Governor Delegation Visit to Mexico City June 17-20, 2015</b>				
	<b>Last</b>	<b>First</b>	<b>Title/Company</b>	<b>Sector</b>
	<b>Ducey</b>	<b>Doug</b>	<b>Governor, State of Arizona</b>	<b>Government</b>
1	Adams	Kirk	Chief of Staff, Office of the Governor	Government
2	Anton	John	President, Anton Sport & Design Shirt	Consumer Products
3	Astorga	Tony	Chairman, Arizona-Hispanic Chamber of Commerce Foundation	Healthcare
4	Bakay	Berke	President & CEO of Kona Grill	Restaurant/ Retail
5	Britt	Edward	CEO, Applied Biologics, LLC	Healthcare
6	Bustamante	Chris	President, Rio Salado Community College	Education
7	Camacho	Chris	CEO & President, Greater Phoenix Economic Council	Economic Development
8	Cardenas	Javier	Neurologist, Barrow Consussion and Brain Injury Center	Healthcare
9	Chamberlain	Jaime	President, JC Distributing Inc.	Distribution Services
10	Ciscomani	Juan	Director, Southern Arizona Office, Office of the Governor	Government
11	Coleman	Chris	President, Continental Flooring	Construction
12	De La Melena	Gonzalo	President & CEO, Arizona Hispanic Chamber of Commerce	Chamber of Commerce
13	Ducey	Doug	Governor, State of Arizona	Government
14	Dutram	Justin	Deputy Director, Arizona-Mexico Commission	Government
15	Farca	David	President, TOH Design Studio & Arizona-Mexico Commission President	Construction/ Government
16	Franco	Enrique	Representative, State of Sonora in Arizona	Government
17	Flores	Victor	Vice President Arizona Region, Mobile Corporation	Telecom
18	Graham	Pat	State Director, The Nature Conservancy	Environment
19	Halikowski	John	Director, Arizona Department of Transportation	Government
20	Hall	Jay	Owner, Harco Metal Products	Construction
21	Hamer	Glenn	President & CEO, Arizona Chamber of Commerce	Chamber of Commerce
22	Harper	Sharon	President & CEO, Plaza Companies	Construction
23	Hart	Dr. Ann Weaver	President, University of Arizona	Education
24	Henry	Sherry	Director, Arizona Office of Tourism	Government
25	Rodriguez Hernandez	Roberto	Consul General of Mexico in Phoenix	Government
26	Hoopes	John	Vice President, Salt River Project	Utility
27	Ingram	Mike	Chairman, El Dorado Holdings	Real Estate
28	Jackson	Andrew	CEO, ASJ Investments Co. Inc.	Real Estate
29	Janssen	Anthony	Executive Aide/Digital Media Specialist, Office of the Governor	Government
30	Jimenez	Karin	Director of Business Development & Events, Arizona-Mexico Commission	Government
31	Johnson	Debbie	President & CEO, Arizona Lodging & Tourism Association	Tourism
32	Lavidge	Bill	CEO, Lavidge	Professional Services
33	Lever	Jose	Director of Mexico Office, University of Arizona	Education
34	Lewis	Gail	Director, Office of P3 Initiatives and International Affairs, Arizona Department of Transportation	Government
35	Lopez	Marco	Senior Advisor to the Chairman, Grupo Carso	Professional Services
36	Lopez	Rodrigo	Arizona Diamondbacks	Sports
37	Lucero	Larry	Sr. Director, Government Relations & Economic Development, Tucson Electric Power	Utility
38	Marquez	Lea	CEO and President, Tucson Hispanic Chamber of Commerce	Chamber of Commerce
39	Moyes	Jerry	Chairman & CEO, Swift Transportation	Transportation
40	Nabonzy	Julian	Owner & Operator, Gaucho LTD	Restaurant/ Retail



41	Najafi	Francis	CEO, Pivotal Group	Real Estate
42	Pacheco	Jessica	Vice President, State and Local Affairs, Arizona Public Service Company	Utility
43	Paolini	Stella	Executive Producer/Host, Mujeres Unicas	Media
44	Ramirez	Luis	President, Ramirez Advisors Inter-National, LLC	Professional Services
45	Rousseau	David	President, Salt River Project	Utility
46	Sabow	Kim	Policy Advisor for International Affairs & Strategic Initiatives And Executive Director, Arizona-Mexico Commission	Government
47	Sanders	Todd	President & CEO Greater Phoenix Chamber of Commerce	Chamber of Commerce
48	Sanderson	Melissa	VP, International, Freeport McMoRan Inc.	Mining
49	Stegmayer	Joseph	CEO/President Cavco Industries, Inc.	Construction
50	Sugich	Carlos	Partner and head of the Mexico practice at Snell & Wilmer, LLP	Legal Services
50	Watson	Sandra	President & CEO, Arizona Commerce Authority	Government
51	Yonko	Doug	VP Communications, Hensley Beverage Company	Retail



**Attachment #2**  
Testimony Before Transportation Board

TESTIMONY  
Before the Arizona Transportation Board  
By: Bruce Bracker, Chairman  
Greater Nogales Santa Cruz County Port Authority

Dear Mr. Chairman,

Mr. Chairman and members of the Board, my name is Bruce Bracker, Chairman of the Greater Nogales Santa Cruz County Port Authority. I stand before you to speak in favor of the improvements required for SR-189, better known as Mariposa Road in Nogales. To be more specific, we are willing to support the option that addresses three components. It must address northbound traffic flow, It must address southbound traffic flow and it must address the Frank Reed Road Intersection. Currently all these issues are addresses in Option D of the Mariposa Design Concept Report, the option called *Diamond with Inside Flyover and Grade Separation*.

Nogales is Arizona's most significant port of entry for both the flow of goods and people between Arizona and Mexico. In 2014, in two-way traffic, the Nogales port of entry system, processed more than 624,000 trucks, 6.6 million cars, 1,700 trains and 20.6 million people. According to Customs and Border Protection, more than \$26 billion worth of goods were processed at Nogales.

For a community of about 20,000 people the economic impact of Nogales goes far beyond our surrounding community.

When you think that Mariposa Road, a road that is less than 3 miles in length is the path for \$26 billion worth of goods and millions of tourists, it hard to overestimate the importance of this road to Arizona and our nation.

But that is not the entire picture. Just last October we just celebrated the completion of the Mariposa Port of Entry Reconfiguration project, a project that saw more than \$250 million invested at the port of entry, creating one of the most effective and efficient federal and state inspection facilities to process goods and people on the entire US-Mexico border. We have doubled the number of lanes for processing trucks, more than doubled the secondary inspection docks. We have tripled the number of car lanes and have the first truly dedicated bus processing facility. And we now have state of the art pedestrian processing facilities – facilities that we did not have before! In short, the Mariposa port of entry is second to none.

We are also working on and strongly advocating for the necessary improvements on the Mexican side so that we don't move the bottleneck from one side of the border to the other. We still have a long way to go but I want to take the opportunity to thank Director Halikowski and Gail Lewis of ADOT for their incessant work on working with their Mexican counterparts for the improvements on the Mexican side.

The final factor that I want to mention is that while we saw a significant drop in the volume of trade and tourism during the great recession 5 or 6 years ago, the last 4 plus years are clearly indicating an upward trend in the volume of cars and trucks. Combined with the continued growth in Mexico and the recovery of our economy, we expect our upward trends to continue for years to come.

All this to say that Nogales and Arizona are poised for tremendous growth and the Mariposa port of entry is a critical component for this potential. But we know that Mariposa Road, while it may be functional today, faces tremendous challenges in the future that could impact the safety of the traveling public and lead to untenable congestion impacting the flow of the billions of dollars of trade that flow through our community.

Again, we are strong advocates for a solution that addresses the three key issues at the interchange of Mariposa Rd. & I-19, currently Option D of Mariposa Road DCR. It is critical for the future of Nogales and the future of Arizona. We are proud of the partnership we have been able to develop with Director Halikowski, and the entire ADOT team and look forward to our continued work on these critical issues. I thank you for your attention and I stand ready to answer any questions you may have.

Thank you.