

July 23, 2021

# TO: Jaime Chamberlain, Chairman

FROM: Luis Ramirez, President, Ramirez Advisors Inter-National

SUBJECT: Monthly Report of Activities – June 2021

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. As always, 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 directives and ensure an effective implantation of the initiatives at hand.

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

- 1. Mariposa Cold Room Project Update;
- 2. Extension of Border Crossing Restrictions;
- 3. Letter from Congressional Members on Travel Restrictions;
- 4. Brief on Mexico's Mid-Term elections;
- 5. Chairman presents during AZ Tech Council Panel;
- 6. Arizona-Sonora Port of Entry Technical Meeting;
- 7. Vice Chair participates in Economic Development Panel;
- 8. PA Testifies before Senate Government Operations and Border Management Sub-Committee;
- 9. Santa Cruz County Broadband Action Team Meeting;
- 10. Governor Ducey visits Nogales;
- 11. PA Supports Chief Magnus Nomination as CBP Commissioner; and
- 12. A For Arizona offers Education Micro-Grant Opportunity.

This report is not intended to be a full description of all activities but rather, provides highlights and information on the direction of our activities to keep the Board of Directors informed and to ensure adherence 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 COLD ROOM PROJECT UPDATE

- Work with the General Services Administration (GSA) continues on the project.
- GSA has provided initial response to changes suggested by Technical Team on the Revocable License Agreement.
- Technical discussions continue between PA and GSA on architectural requirements.
- Port Authority is awaiting final version of the Licensing Agreement in order to bring it to the Board for approval.

#### 2. EXTENSION OF BORDER CROSSING RESTRICTIONS



- The governments of the United States, Mexico and Canada have once again agreed to extend the border crossing restrictions for another 30 days, as of this report, it has been extended through July 21, 2021.
- The Biden Administration has indicated that they are now looking at the vaccination rates in all three countries as a key benchmark in determining when border crossing restrictions for non-essential travel will be lifted.
- Latest announcements also make reference

to the growing concern over the Delta variant of COVID-19, something that will take weeks to see how that variant behaves.

- Who is considered an "essential" traveler?
  - Citizens and lawful permanent residents returning to the United States.
  - Individuals traveling for medical purposes (e.g., to receive medical treatment in the United States).
  - Individuals traveling to attend educational institutions.
  - Individuals traveling to work in the United States (e.g., individuals working in the agriculture industry who must travel between the United States and Canada or Mexico in furtherance of such work).
  - Individuals traveling for emergency response and public health purposes (e.g., government officials or emergency responders entering the United States to support federal, state, local, tribal, or territorial government efforts to respond to COVID-19 or other emergencies).
  - Individuals engaged in lawful cross-border trade (e.g., truck drivers supporting the movement of cargo between the United States and Canada and Mexico).

- o Individuals engaged in official government travel or diplomatic travel.
- o Individuals engaged in military-related travel or operations.

#### 3. LETTER FROM CONGRESSIONAL MEMBERS ON BORDER CROSSING RESTRICTIONS

- On May 12, 2021, the Port Authority sent a letter to the White House asking for the lifting of the border crossing restrictions on non-essential travel.
- "While at one time these measures may have serve d a valuable purpose, their continued application is unfairly punishing border communities, aggravating the economic hardship resulting from the COVID-129 pandemic," stated the letter to the White House.
- A copy of the letter is provided in Attachment #1.
- Joining the Port Authority in this effort are the Cities of San Luis and Douglas, Santa Cruz County, the Arizona Border Counties Coalition, and other Arizona based organizations.
- Additionally, communities from all over the border have also been sending similar messages to the White House, including the Texas Border Coalition, the Otay Chamber of Commerce and many more.
- While the actual meeting took place on February 24, 2021, the official Minutes from the meeting were not provided until March, 2021.
- Copies of the additional letters are provided in Attachment #2 and #3.

#### 4. Brief on Mexico's Mid-Term Elections

- On June 6, 2021 Mexico held the nation's largest md-term election in history.
- The principal results of significance to Arizona are:
  - Dr. Alfonzo Durazo of the Morena Party won as the next Governor of Sonora;
  - Juan Gim of the Morena Party won as the next Municipal President of Nogales, Sonora;
  - Jesus Montaño Durazo of Agua Prieta and Santos Gonzalez Yescas of San Luis Rio Colorado, both won re-election in these critical border communities.
  - Morena won a majority in the Mexican Chamber of Deputies but did not win an absolute majority which impacts the ability to propose and adopt future constitutional reforms that were under consideration.
- On June 7, RAI-N Provided the following update on the outcome of the elections to PA leadership:



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- MORENA is so far leading the race for 22 out of the 70 municipalities in the state of Sonora.
- San Luis Rio Colorado. Santos Gonzales Yescas (MORENA) maintains a significant margin over his competitors and will likely be re-elected as municipal president.
- municipal president.

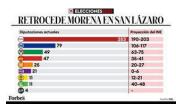
  Nogales. Juan Francisco Gim (MORENA) has a 4-point lead and is expected to be elected as municipal president. He was previously with Aduanas as the port administrator for Nogales.

  Agua Prieta. Jesus Montaño Durazo has a 7-point lead and will likely be re-elected as municipal president. He is Alfonso Durazo's first-cousin.

  Hermosillo. The Va por Sonora coalition candidate is leading the race by
- 3-points and will likely result in Celida Lopez (MORENA) losing her bid for re-election.
- o Chart of current party distribution for the municipalities:

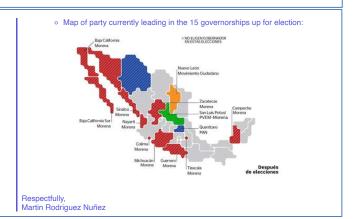
	Votos	Porcentaje de votos
2	189,869	22.7946%
4	4,229	0.5077%
1	4,153	0.4985%
1	236	0.0283%
0	24,340	2.9221%
8	56,940	6.8358%
5	76,665	9.2039%
22	294,804	35.3925%
1	4,331	0.5199%
0	27,515	3.3032%
3	10,368	1.2447%
0	14,190	1.7035%
3	46,776	5.6156%
20	55,378	6.6483%
	4 1 1 0 8 5 22 1 0 3 0 3	2 189,869 4 4,229 1 4,153 1 236 0 24,340 8 56,940 5 76,665 22 294,804 1 4,331 0 27,515 3 10,368 0 14,190 3 46,776

- MORENA is on track to lose its supermajority in the Chamber of Deputies but will still maintain a majority. In order to pass any constitutional amendments, MORENA will be forced to ally with another party.
- Deputies:



#### · Governorships in Mexico

 MORENA is so far leading, and expecting to secure, 11 of the 15 governorships that were up for election which include Baja California, Baja California Sur, Campeche, Colima, Guerrero, Michoacan, Nayarit, Sinaloa, Sonora, Tlaxcala, y Zacatecas. (El Universal)



#### 5. CHAIRMAN PRESENTS DURING AZ TECH COUNCIL PANEL

- On June 9, Chairman Chamberlain represented the Port Authority during a panel discussion on economic development and trade hosted by the Arizona Tech Council (aztechcouncil.org).
- In preparation of the event, and with the questions provided by event organziwers, the following talking points were provided:

Questions for Panel on Local Economic Development after COVID-19:

- 1. Describe how your economic development efforts were affected with the shutdown and
- subsequent economic slowdown because of COVID-19.
  - Along with the closing down of the state by the Governor, the border also faced, and continues to face a major challenge as the US, Mexican and Canadian governments have imposed restrictions on non-essential crossborder travel.
  - The restrictions have resulted in a decrease of cross border traffic that has had severe impacts on our restaurants, hotels, stores, and our entire merchant and small business sectors.
  - In 2020, we saw a drop of over 51% in the volume of people that crossed the border at Nogales. From 10.4 million down to 5 million people.
  - Car traffic was down by 38.9% from 3.4 million cars down to 2 million. The impacts are not just for Nogales but for all of Arizona.
  - The drop in travel impacts Tucson, Scottsdale and Flagstaff.
  - Our retail sales tax has been down dramatically since the restrictions were imposed in March of 2020.
  - 15 months later and the restrictions continue.
  - We are asking the Biden Administration to lift these restrictions that no longer serve their intended purpose.
  - In Nogales, like the rest of the nation, we have taken our fight against COVID-19 very seriously.
  - At one point in time we were perhaps the worst county in terms of positivity rates. Since then, with great leadership from Santa Cruz County and the Mariposa Health Center, the County is now among the best in the nation, with 825 of our population with at least one shot and 71% that are fully vaccinated.
  - We have reached heard immunity at Santa Cruz County.
- 2. What were you planning on focusing on before the pandemic? Were you able to pull it off?
  - As a port authority our focus is to improve our ports of entry and to find ways to improve the quality of life for our residents.

- We worked with ADOT to make sure that the modernization of SR-189 continued, and in fact it is moving forward under budget and ahead of schedule. The \$134 million project should be completed by September of this year.
- The project had a tremendous economic spill over in our community and it happened during the exact same time frame as the pandemic. We did the groundbreaking on March 4, 2020 and on March 21 the border and out nation were shut down.
- The project has kept our hotels ranging in the 80% occupancy rate and helped out some restaurants. Without this project, I fear that Nogales would have been in far worse trouble than what became reality.
- But that project is coming to an end that is why we are actively asking for the reopening of the border.
- I should also add that during the height of the pandemic we worked with the Governor and our Congressional delegation on helping to secure vaccines, securing funds for local government and grants for small business, promoting the Payroll Protection Program, and we worked with essential industry to implement strict protocols that would ensue that they would remain open during the pandemic.
- As a border community a vast majority of our local labor force is deemed essential, including city and county employees, produce warehouse staff, logistics service providers, local and federal law enforcement (Nogales PD, County Sheriff, fire department, educators, grocery store workers, health care professionals CBP, National Guard, Border Patrol, USDA, ATF, FBI, and many more).
- What people don't understand is that if Nogales shuts down, so does \$30 billion in trade, 6.5 billion pounds of fresh produce.
- Nogales had to remain operational at all times.
- 3. What is the economy like for your area of economic development responsibility?
  - Our focus I on pour ports of entry, and that is because they are the principal economic engine for our community and critical to our nation.
  - From trade and tourism, to the environment and national security, to our shared history and our familial ties, they all depend on our ports of entry in one way or another.
- 4. Who are the big losers and how do you plan to address the effect on the economy?
  - The biggest losers have been small business.
  - It is not just the loss of business but because of COVID, businesses have had to spend substantial resources in securing masks, gloves, sanitizing

gels, and much more to protect the health of our workers and those that we serve.

- But Santa Cruz County is full of small businesses. In our community, a company that employs 250 people is a huge business, and there are very few of them.
- For those that live in major Metropolitan areas, this is hard to comprehend.
- 5. What were surprising developments that you hope to foster in future economic development efforts?
  - Not that this is a surprise, but we must continue to educate people beyond the border that what happens at the border is important to the nation.
  - If our port of entry shuts down, that means that the tomatoes and mangoes you eat won't get to the store, it means that the ford bronco that you want to buy won't get to the dealer, and that the Otis Elevator parts needed to maintain of repair the elevator in a Phoenix Highrise won't be available. And those are just a few examples of the complexity of the border.
- 6. There have been comments that Tucson is positioned to recover more quickly than other

places after COVID-19? How do you see it?

- Absolutely!
- And we hope that Nogales will also recover. We believe that once the border reopens, Nogales and Tucson will benefit greatly.
- But we also invite every Tucsonan to come and visit us in Nogales, eat in our restaurants, come taste our wines and experience some of the best birdwatching in the world.
- We are a beautiful and safe community
- 7. If you agree, what can leaders do to create the right atmosphere to make it happen?
  - Continue to promote programs that help our small businesses recover from the economic downturn that resulted from the pandemic.
  - Make a real commitment to economic development
- 8. If you disagree, what are the challenges that make it harder for Tucson to recover quickly?
  - Can only talk about Nogales and Santa Cruz County
  - And our challenge remains that people don't fully grasp what Nogales and the border means for Tucson, for Arizona and beyond.

- 9. How is the changing demands on office and industrial space going to affect your economic development efforts?
  - Since the new port of entry went on-line in 2013 at Mariposa, we have seen near 2 million SF of new warehousing and distribution center space going up at Nogales.
  - Federal Express, about 18 months ago completed a brand-new transshipment facility to service Nogales Arizona and Nogales Sonora. A state-of-the-art facility that is designed for speed and efficiency and they acquired plenty of land for future growth.
- 10. How is the desire to reshore operations going to affect your economic development efforts?
  - This is an exciting area of opportunity for our binational community.
  - We have reports of several companies that had operations in China that are now looking at the border, particularly because of the USMCA and what it offers.
  - Our manufacturing sector, which was severely impacted for about 6 months due to the pandemic, has recovered well and in fact, have more employees on the payrolls now than before the start of the pandemic.
  - I want to give the Maquila industry in Nogales some real kudos for finding ways to keep their employees healthy and their facilities operational throughout. They have also, on their own initiative, recently vaccinated more than 5,000 of their employees and they are continuing to vaccinate more people every day.
  - It is important for everyone to know that our binational community and our trade corridor is ready for new investment.
  - We have state of the art transportation infrastructure, innovative security and safety inspection programs, a great business environment, a great educational system and affordable land.
  - While in other parts of the border they measure border crossing times, at Nogales we measure it in minutes - Usually 30 minutes to cross the border for those that participate in the Unified Cargo Processing program.
  - We are innovators, entrepreneurs and bilingual.
- 11. How will work-from-home desires going to affect your economic development efforts?
  - The nature of our business in Nogales requires in-person operations. But whenever possible, we are leveraging new communication platforms to help gain efficiencies and offer flexibility to those employees that are not required in person.
  - But crates and pallets need to have forklift drivers to move them.

12. What lessons have your organization learned from the pandemic's effects on your efforts to

keep Southern Arizona economically strong?

- That even in a pandemic, we can operate.
- We proved it and with great success. Our truck traffic increased by almost 1% in 2020. It may not sound like much but that translates into 2,600 trucks more and the first quarter of 2021 is showing a growth rate of 8.3%, that means 8,600 trucks more in Q1 of 2021 than in Q1 of 2020. We are growing by leaps and bounds.
- We do ask for your support in asking the Biden Administration to lift the border crossing restrictions and allow legal travel across the border.

#### 6. ARIZONA-SONORA PORT OF ENTRY TECHNICAL TEAM MEETING

- On June 10, 2021, the US Consulate General, along with its Mexican counterparts in the Mexican Consulates on the Arizona border, hosted another Technical Meeting focused on the Arizona-Sonora Port of entry projects.
- During the meeting, Chairman Chamberlain provided comments on behalf of the Port Authority focused on the need to modernize the DeConcini port of entry.
- The principal action item regarding the DeConcini port of entry was:

#### **Nogales-DeConcini Action Items**

- Regional stakeholders request that the General Services Administration (GSA) conduct a feasibility study for the modernization of the DeConcini port of entry in downtown Nogales.
- Special thanks to Consul General of the United States, Laura Biedebach and her team for helping to put this critical meeting together and ensuring the continuation of the binational dialogue on Arizona-Sonora port of entry projects.
- A copy of the complete minutes from the meeting are provided in Attachment #1.

#### 7. VICE CHAIR PRESENTS DURING ECONOMIC DEVELOPMENT PANEL

- On June 10, 2021, Port Authority Vice Chair, Josh Rubin, participated in a panel discussion focused on international trade and investment opportunities hosted by the Arizona Association for Economic Development (aaed.com).
- Joining Vice Chair Rubin in the panel was Honorary Consul of Canada Glenn
   Williamson and Luis Ramirez of Ramirez Advisors who moderated the discussion.
- Vice Chair Rubin provided an overview of what it is like to manufacture in Mexico and the border, and the many opportunities that exist for Arizona companies that want to participate in North American supply chains.







# 8. PA TESTIFIES BEFORE SENATE GOVERNMENT OPERATIONS AND BORDER MANAGEMENT SUB-COMMITTEE

- On June 16, 2021, the Senate Government Operations and Border management Sub-Committee hosted a hearing on the border and prots of entry.
- Past Chairman and Board member Guillermo Valencia testified on behalf of the Port Authority.
- A copy of his testimony is provided below:

# Testimony by Mr. Guillermo Valencia Past Chairman, Greater Nogales Santa Cruz County Port Authority

# Homeland Security and Governmental Affairs Committee Subcommittee on Government Operations and Border Management

# Wednesday, June 16, 2021

Chairwoman Sinema and Ranking Member Lankford,

My name is Guillermo Valencia, and I am the past chairman of the Greater Nogales Santa Cruz County Port Authority. For my day job, I am President and Co-Owner of Valencia International, a customs brokerage services company that has been in business for over 40 years. Our current chairman, Mr. Jaime Chamberlain, was unable to join us today because of a schedule conflict with Governor Doug Ducey in Nogales. I am here to present on his behalf.

The Board of the Port Authority is comprised of the City of Nogales, Santa Cruz County, the Fresh Produce Association of the Americas, the Nogales Customs Brokers Association, INDEX Nogales, Nogales Community Development, Nogales Santa Cruz County Economic Development Corporation, and the Santa Cruz County Mining Cluster.

We have been in existence for just over 16 years and our principal focus is the improvement of our port of entry system and the quality of life of our residents.

I would like to bring to your attention the needs of our community, and what I suspect are the needs of other border communities.

The first issue is our border infrastructure, including our ports of entry and the connectivity to our federal highway system. While we have a state-of-the-art facility at the Mariposa port of entry, we also have one of the most outdated, overburdened and literally crumbling ports in the nation at the DeConcini port of entry.

In terms of our transportation infrastructure, we work extensively with the Arizona Department of Transportation, but ADOT is focused on road maintenance with the funding they have versus investing in new projects or innovative approaches to transportation. As you might know, we are about complete a \$134 million dollar modernization of SR-189 that connects our commercial port to Interstate 19. But that is only one aspect of the transportation investments we need. Modernizations are desperately needed at the Ruby Road and Rio Rico interchanges on interstate 19. Our mining, manufacturing and fresh produce sectors could greatly benefit from a multimodal facility at Rio Rico but there is simply no funding for this to happen. Multimodal alternatives are essential if we are to remain competitive as a region and a nation.

We also need additional CBP staffing at out ports. While staffing has improved in recent years, we still see a situation in which CBP is unable to open every lane during our peak hours and our peak operations and port directors are forced to play a game of opening and closing of different aspects of the ports in order to help maximize operations. They are trying to do their best with what they got. But that is simply not a standard for our nation's security. Staffing needs to be a thoughtful and deliberative process that meets not only immediate but future needs.

But staffing is not limited to our customs specialists. Our ports need additional USDA inspectors, and I know that San Luis needs an entomologist as well. I ask you if a country like ours should not ensure that every port is fully staffed with all the needs of our nation's security but also the needs of industry that creates jobs, and in our case, feeds the nation.

I would also propose that we need to engage with Mexico in a dialogue to establish a joint binational mechanism to advance binational infrastructure projects. We have bodies like the IBWC with its Mexican counterpart, CILA. We have the North American Development Bank that looks at the certification and financing of infrastructure projects. Why can't we create a binational institution that takes ports of entry in a binational format to ensure that projects move forward? Today there is a lack of coordination on key projects, and it is left up to an intense advocacy

process that is a hit or miss at best. This body would be tasked with ports of entry only and not a broader binational agenda.

I would also propose that in order to eliminate the constant battle for funding for efforts at the ports of entry versus the space between them, that the Department of Homeland Security be modified to create directorates that are highly specialized. While those of you in this committee know the difference, not every member of the Senate or the House of Representatives understands the difference between the Office of Field Operations and the Border Patrol, both commonly and at times erroneously referred to as Customs and Border Patrol. It is important that the customs functions be kept separate than those of the Border Patrol. Too often we hear that funding was provided to CBP when it was to the Border Patrol, and not to the OFO at the Ports of Entry.

Our ports are the trade and tourism lifeline of our nation. Border patrol does law enforcement between the ports of entry. Their training of the officers and the laws they enforce are very different and not easily interchangeable, thus I propose that this structure be better defined.

I would propose the following structure that would help ensure the distinction in function and in funding. Separate what is today the Office of Field Operations, or OFO, from the US Border Patrol. This would allow the OFO to focus on legitimate trade and travel, bolster antiterrorism efforts at our ports of entry, ensure a focused approach to safeguarding against illegal trade practices and allow for the centralized approach to those seeking asylum with the creation of standalone processing centers. These centers would be structured as a one-stop-shop for the processing of asylum seekers an offer an immediate resolution versus a drawn-out process that is taking on the individuals, their families, and the officers.

This structure would also benefit from the creation of a Border Security Administration, that would bring together Border Patrol, Citizenship and Immigration Services or USCIS, and Immigration and Customs Enforcement or ICE. Another essential component is the urgent need to lighten the workload of immigration judges so that case adjudication can happen in a timely manner.

This structure is more transparent, more specialized approach to our ports of entry, the border and immigration enforcement.

Far too often, border communities, which are some of the safest in the country, get lumped into a discussion of activities that occur in remote areas of the border. The same thing happens with activities at the ports of entry versus the activities that occur between the ports of entry or interior enforcement.

Finally, I implore you to work with the White House in lifting border crossing restrictions for non- essential travel. While these measures may have served an

important role at critical times during the height of the pandemic, the continuation of these provisions are engendering the negative impacts on border economies. Border crossing travel is down by over 46% at Nogales and that has decimated our small business, our restaurants, our hotels, and our stores. Santa Cruz County, in partnership with the Mariposa Health Center, and other local partners have done an exceptional job and as of the latest reports, more than 82% of the eligible population in Santa Cruz County has been fully vaccinated.

Our hospitalization rates have decreased dramatically and positivity rates in our county and on the Mexican side have decreased significantly. While we remain committed to pushing a message of protecting the health of our residents, we must also protect the health of our business community. And just a few days ago, the Centers for Disease Control, lowered the travel advisory for Mexico from level 4 or Very High to Level 3 of High reflecting the improving conditions on the ground combating the pandemic. The conditions have dramatically improved, and we must reopen the border to all travel.

I want to thank you for taking the time to convene this hearing and for your personal commitment to making a difference for the border. We are the frontline of our nation's security but are also the principal gateway for trade and tourism.

Thank you and I would be happy to address any questions you might have.





# 9. SANTA CRUZ COUNTY BROADBAND ACTION TEAM MEETING

- On June 23, 2021, Santa Cruz County hosted the inaugural meeting of the Broadband Action Team to discuss how Santa Cruz County is preparing to meet the needs of the community in terms of broadband.
- A copy of the notes from that meeting are provided below:

# **Santa Cruz County Broadband Action Team** 06/23/2021

#### **Participants:**

- Juan Balderas, IT Director, Santa Cruz County
- Chris Young, Chief Deputy, School Superintendent's Office, Santa Cruz County
- Greg Lucero, VP of Government Affairs, South 32 (and on behalf of Nogales Unified School District, Nogales Santa Cruz Chamber of Commerce)
- Britta Appel, Sonoita area resident and former State Broadband Manager for the State of Nevada
- Ron Robinson, Town Manager, Town of Patagonia
- Stephanie Bermudez, Pima County Small Business Development Center
- Martin Rodriguez Nuñez, on behalf of Mr. Jaime Chamberlain, Chairman of the Greater Nogales Santa Cruz County Port Authority

## **Discussion Highlights:**

- Purpose of the Broadband Action Team is to provide input and support to the County as it develops a countywide Broadband Strategy Plan to present to the Board of Supervisors.
- Part of the strategy will recommend the ideal mechanism for expanding broadband infrastructure. County, per current statute, cannot get into the business of building broadband infrastructure.
- Broadband Action Team will support the county in encouraging the community to complete surveys and collect relevant data that is required to pursue grant opportunities.
- The school districts will also be a part of the Broadband Action Team.
- Because of COVID federal stimulus packages, school districts have received more targeted grant opportunities for expanding internet connectivity for students.
- The County previously hired a consultant to provide a high-level assessment of the current broadband infrastructure and resources available within the county.
- Based on that assessment, last mile infrastructure will likely be area of highest need.

## **10. GOVERNOR DUCEY VISITS NOGALES**

- On June 16, Governor Doug Ducey visited Nogales and hosted a meeting with local elected and business leaders and stakeholders.
- During the meeting such topics as job creation, mining investments, impacts of the pandemic on the retail sector, importance of fresh produce through Nogales for the nation, the benefits from the investment in the modernization of SR-189, banking for border communities and much more, were discussed with the Governor.
- Governor Ducey also participated in the ribbon cutting of St James Cooler, a multimillion-dollar investment by Jaime Chamberlain and Chamberlain Distributing.

Below please find a copy of the press release from Governor Ducey's office.



#### 11. PA SUPPORTS CHIEF MAGNUS NOMINATION AS CBP COMMISSIONER

- On June 23, 2021, the Port Authority submitted a letter to the US Senate Committee on Finance in support of the nomination of Tucson Police Chief, Chris Magnus, as the next Commissioner of US Customs and Border Protection.
- A copy of the letter can be found in Attachment #2.

#### 12. A FOR ARIZONA OFFERS EDUCATION MICRO-GRANT OPPORTUNITY

- On June 3, 2021, A For Arizona sent out a press release on a new Micro-Grant opportunity for educational institutions.
- A for Arizona (aforariozna.org) is a non-profit organization focused on education policy and ensuring that every student in Arizona has an equal opportunity for the best education possible.
- A copy of the press release on the Micro-Grants is provided in Attachment #3.

## Attachment #1

Copy Minutes from Port of Entry Technical Meeting

# **Minutes**

# **Arizona-Sonora Port of Entry Technical Meeting**

US Consulate General in Nogales, Sonora via Zoom Video Conference Thursday, June 10, 2021

## San Luis I / San Luis Rio Colorado I

## San Luis / San Luis Rio Colorado Action Items

- The North American Development Bank (NADBank) to provide a formal response to the joint application submitted by the Municipality of San Luis Rio Colorado and the Sonora Department of Infrastructure and Urban Development (SIDUR) for a Technical Assistant Grant to pay for the traffic studies required to advance the Mexican side of the project.
- The General Services Administration (GSA) requests that the Ministry of Communications and Transport in Mexico (SCT) provide a timeline for carrying out the traffic studies if funding is provided by NADBank.
- The Municipality of San Luis Rio Colorado to provide a written update on the status of the land acquisition for the expansion of Mexican customs inspection facilities.
- San Luis regional stakeholders continue to advocate for Congress to fund the remaining ~\$140 million needed for the full build-out of the modernization project in the Fiscal Year 2022 Appropriations.

#### Discussion

- The Sonora Department of Infrastructure and Urban Development (SIDUR), in coordination with the Municipality of San Luis Rio Colorado, submitted a joint application to the North American Development Bank (NADBank) for a Technical Assistance Grant to pay for the traffic studies required by the Ministry of Communications and Transport in Mexico (SCT) to advance the Mexican side of the port of entry project. The Arizona Department of Transportation (ADOT) and the City of San Luis has been actively supporting this effort and has participated in the meetings with NADBank.
- The traffic studies would determine a feasible design alternative to reconfigure the flow of southbound traffic using the proposed Archibald-Morelos alignment.
- NADBank leadership expressed support for the grant application but have requested a modified proposal that would split the studies into two phases (with a separate funding amount for each) to fit within NADBanks's budgetary constraints.
- If approved, NADBank would award a grant to carry out the first phase of studies.
- SIDUR has reached out to SCT to determine which studies to include in the first phase before resubmitting the application.
- The General Services Administration (GSA) requests that SCT provide a rough timeline for completing the traffic studies and developing a Master Plan so that the U.S. federal government can properly coordinate with its Mexican counterparts in the binational planning.

- GSA is pursuing a multi-phase approach for the modernization of the port of entry on the U.S. side since it has yet to receive the full project funding. The Master Plan for the project is about 50% complete and is expected to be completed as early as August 2021.
- GSA has provided a copy of the proposed design for phase 1 of the project to the U.S. Department of State and the Ministry of Foreign Affairs in Mexico (SRE) for their review.
- The proposed design includes a "return to Mexico" lane for northbound vehicle crossings to turn back before being admitted into the US.
- Once the Master Plan is complete, GSA plans to convene public meetings later this year to present the document and gather public feedback.
- GSA has completed the process of transferring ownership of the land at Friendship Park from the City of San Luis back to the U.S. federal government. The land will be used to expand the San Luis I port of entry's footprint and allow the single-campus approach for U.S. Customs and Border Protection (CBP).

# **Douglas / Agua Prieta Two-Port Solution**

# **Douglas / Agua Prieta Action Items**

- The International Boundary and Water Commission of Mexico (CILA) to complete its due diligence on the proposed location of the new port of entry in Agua Prieta and confirm the coordinates of the new border crossing.
- The General Services Administration (GSA) and U.S. Customs and Border Protection (CBP) request that Ministry of Foreign Affairs in Mexico (SRE) issue a formal response to the U.S. Diplomatic Note from February 2020 so that there is federal, binational agreement to advance the Two-Port Solution.
- Mr. Rascón to submit an unsolicited bid to the Ministry of Communications and Transport (SCT) and Mexican Customs (Aduanas) for the design, construction, maintenance and operation of the road and inspection facilities on the Mexican side.
- Douglas regional stakeholders continue to advocate for Congress to fund the \$325 to \$350 million needed to fund the Two-Port Solution in the Fiscal Year 2022 Appropriations.

# Discussion

- Cochise County completed the Water and Wastewater Feasibility Study along with the County Master Plan to plan for the expansion of utility infrastructure that would be needed to service the new port of entry and surrounding area. The City of Douglas is pursuing grant opportunities to pay for the engineering design for water and wastewater services.
- Leadership and staff from the Arizona Department of Transportation (ADOT) conducted a site visit to Douglas to land that the City of Douglas will be donating to the federal government for the new port of entry and evaluate future road connectivity to State Route 80 using the James Ranch Road alignment.
- ADOT announced that it has identified funding in Fiscal Year 2022 to conduct a Design Concept Report (DCR) for a connector road between the new commercial port of entry and State Route 80 at James Ranch Road. The DCR will identify the required right-of-way, provide a preliminary design and cost estimate, and include the environmental compliance.
- The DCR and environmental compliance is estimated to cost between \$500,000 to \$800,000 and could start by the end of the year. Once completed, the project becomes eligible for federal funding opportunities.

- The City of Douglas and regional stakeholders are pursuing all federal funding opportunities available to pay for the Two-Port Solution, including the regular congressional appropriations process and the President's infrastructure stimulus proposal.
- Municipal President Montaño Durazo has raised the issue of the port of entry project to the Governor-elect of Sonora, Alfonso Durazo, and is advocating for it to be a top agenda item for the next administration. The Municipality is also asking for the incoming administration to help secure federal funding or support public-private partnerships to carry out the project on the Mexican side.
- In early May, the U.S. International Boundary and Water Commission (IBWC) conducted a site visit to tour the 80-acre that the City of Douglas will be donating to the U.S. federal government and to determine the exact coordinates of the point-of-crossing at the international boundary. That information is being shared with its Mexican counterpart, CILA, for their review and agreement.
- Following the last Technical Meeting convened in late February 2021, Mr. Rascon has held several meetings with the Mexican federal government to identify the proper mechanism for donating the privately-owned land and building the inspections facilities to complement the planned investments on the U.S. side.
- Mr. Rascon is moving forward with the submittal of an unsolicited bid for the concession to design, build, maintain and operate the connector road to Federal Highway 2 (MX-2) and the Mexican inspection facilities. The proposal would be submitted to the Ministry of Communications and Transport (SCT) and Mexican Customs (Aduanas).
- Mr. Rascon expects to receive an official response from the federal government within 90 of submitting the proposal.
- SCT expressed support for receiving an unsolicited bid and noted that they have received guidance from SCT leadership and the Presidency to advance privately funded projects.
- GSA and CBP reiterated the need for the Mexican federal government to response to the U.S. Diplomatic Note. U.S. federal government requested the following information be included in the Diplomatic Note or other official communication: timeline of acquiring right-of-way for the road, update on the land donation, confirmation of the coordinates for the new crossing, and whether the government ultimately supports the Two-Port Solution.
- SRE is waiting for CILA to complete its due diligence and confirm the coordinates where the new border crossing will be located. Once that information has been provided, SRE would be ready to respond to the Diplomatic Note.
- CBP stressed that a prompt response to the U.S. Diplomatic Note is needed given several
  funding opportunities under consideration between Congress and the White House. If the
  project were to be funded this year, a response from the Mexican federal government on the
  Two-Port Solution would allow the project to move up on the priority list. The U.S. federal
  government needs confirmation from its Mexican counterparts on its intent to prepare for
  that possibility.

## **Nogales-Deconcini Port of Entry**

## **Nogales-DeConcini Action Items**

• Regional stakeholders request that the General Services Administration (GSA) conduct a feasibility study for the modernization of the DeConcini port of entry in downtown Nogales.

#### **Discussion**

- The modernization of State Route 189/Mariposa Road is about 80% complete and is expected to be completed as early as September, according to the Arizona Department of Transportation (ADOT). The project will bring major improvements to the flow and safety of traffic on a key connector road between Federal Highway 15 (MX-15) and the U.S. interstate system. The project is running ahead of schedule and under budget.
- The Enforcement and Compliance Division at ADOT implemented the *Touchless Border Initiative* to expedite the processing of truck permits at the ports of entry. Trucking companies can now purchase permits ahead of time using an online permitting system, reducing the amount of time it takes a truck to cross the ADOT truck inspection facilities.
- Nogales industry on both sides of the border is partnering with health services providers and the U.S. and Mexican consulates to set up vaccination clinics for Mexican truck drivers who cross the border daily. Similar efforts are already underway in other US-Mexico border communities.
- Leadership from the Greater Nogales Santa Cruz County Port Authority and Santa Cruz County stressed the urgent need to elevate the priority status of the modernization of the DeConcini port of entry. The current conditions at the port present a wide array of safety concerns for U.S. Customs and Border Protection (CBP) officers and the traveling public that will only be exacerbated when the non-essential travel restrictions are lifted.
- CBP noted that it would request for GSA to conduct a Feasibility Study with the understanding that it would receive funding to carry out the project within 5 years of completing the study. With the current backlog of port of entry projects awaiting funding, the modernization of DeConcini is not considered in CBP's current 5-Year Plan.
- CBP noted that if sufficient federal funding is given to GSA/CBP through the regular appropriations process or infrastructure stimulus package, that would help clear the project backlog and move up the DeConcini modernization project.
- In response to a question by GSA, Mexican federal officials noted that they have yet to consider a modernization project for Mexican side of the downtown port of entry. GSA clarified that the U.S. federal government has yet to submit a formal request to its Mexican counterparts to address the issue but noted that the advocacy on the project is being led at the grassroots level.

# **Cross-Border Water & Wastewater**

#### Discussion

- The U.S. International Boundary and Water Commission (IBWC) is issuing the Request for Proposal for the first three phases of the rehabilitation project for the Nogales International Outfall Interceptor (IOI) and expects to award a contract in the third or fourth quarter of 2021. Phase 4 of the project will be carried out in Fiscal Year 2022-23 and Phase 5 in Fiscal Year 2023-24.
- IBWC has been coordinating with the Arizona Department of Environmental Quality (ADEQ) to identify the needed improvements to the Nogales Wash to incorporate as part of the broader rehabilitation project for the Nogales IOI.
- CILA Mexico has been installing flow meters within the Municipality of Nogales, Sonora to better monitor and regulate wastewater flows into the United States through the IOI.

- The North America Development Bank (NADBank) is working with IBWC to address bank erosion of the Nogales Wash near Produce Row Bridge in Nogales, Arizona. The area was designated as a wetland during the preliminary surveys which has created delays and challenges in the environmental permitting process for the project.
- ADEQ is concerned about the increased metal discharges in the wastewater flowing through
  the IOI to the Rio Rico Wastewater Treatment Plant. The plant does not have the capability
  to filter those contaminants in the treatment process which can end up in the water
  discharged to the Santa Cruz River.
- NADBank carried out a feasibility study to identify a long-term solution for the transboundary flows of stormwater and wastewater between Naco, Arizona / Naco, Sonora. There had been sanitary sewer overflows which were causing environmental and public health concerns in recent years.

# **PARTICIPANTS**

# San Luis / San Luis Rio Colorado Regional Stakeholders

- The Honorable Gerardo Sanchez, Mayor, City of San Luis
- Tadeo De La Hoya, City Manager, City of San Luis
- The Honorable Matias Rosales, Council Member, City of San Luis; Chairman, Greater Yuma Port Authority
- Buna George, Executive Director, Greater Yuma Port Authority
- Susan Thorpe, County Administrator, Yuma County
- Alejandro Figueroa, Director of Economic Development and Intergovernmental Affairs, Yuma County

## Douglas / Agua Prieta Regional Stakeholders

- The Honorable Donald Huish, Mayor, City of Douglas
- Luis Pedroza, Interim City Manager, City of Douglas
- The Honorable Ann English, Supervisor, Cochise County
- Lic. Jesus Montaño Durazo, Municipal President, Municipality of San Luis Rio Colorado
- Marcelo Rascon, Landowner of Mexican Side of James Ranch Road

## **Ambos Nogales Regional Stakeholders**

- Jaime Chamberlain, Chairman, Greater Nogales Santa Cruz County Port Authority
- The Honorable Bruce Bracker, Supervisor, Santa Cruz County
- Josh Rubin, Board Member on behalf of INDEX Nogales, Greater Nogales Santa Cruz County Port Authority
- John Kissinger, Deputy City Manager, City of Nogales

## State of Arizona

- Mark Sanders, Director of International Affairs, Arizona Department of Transportation
- Edna Mendoza, Director of Border Environmental Protection, Arizona Department of Environmental Quality
- Trevor Baggiore, Director of Water Quality Division, Arizona Department of Environmental Quality

- Luis Ramirez, Ramirez Advisors
- Martin Rodriguez, Ramirez Advisors

#### State of Sonora

- Arq. Angel Lopez, Undersecretary for Urban Development, Sonora Department of Infrastructure and Urban Development
- Arq. Diego Ledgard, Director of Binational Projects, Sonora Department of Infrastructure and Urban Development

#### **U.S. Federal Government**

# U.S. Department of State

- The Honorable Laura Biedebach, Consul General of the United States in Nogales, Sonora
- Tom Radke, Political/Economic Affairs Officer, U.S. Consulate General in Hermosillo, Sonora
- Claire Mark, Political/Economic Affairs Associate, U.S. Consulate General in Nogales, Sonora
- Pablo Perez, Political Affairs Assistant, U.S. Consulate General in Nogales, Sonora
- Alonso Martinez, Public Diplomacy Officer, U.S. Consulate General in Nogales, Sonora
- Rebecca Daley, Border Affairs Coordinator, Mexico Desk, U.S. Department of State
- Zachary Levitt, Mexico Desk, U.S. Department of State
- Ramon Macias, Principal Engineer, U.S. International Boundary and Water Commission

#### General Services Administration

- Anthony Kleppe, Land Port of Entry Portfolio Manager, General Services Administration
- Ramon Riesgo, Southern Border Projects Director, General Services Administration

## U.S. Customs and Border Protection

- Mikhail Pavlov, Field Operation Management Office, U.S. Customs and Border Protection
- Armando Goncalvez, Assistant Director for Trade, Tucson Field Office, U.S. Customs and Border Protection
- Mark Jankowski, Tucson Field Office, U.S. Customs and Border Protection
- Ricardo Robles, U.S. Customs and Border Protection

# U.S. Department of Transportation

- Karla Petty, Division Administrator for Arizona, Federal Highways Administration, U.S. Department of Transportation
- Lateefah Burgess, Program Manager, U.S.-Mexico Binational Relations Program, Federal Highways Administration, U.S. Department of Transportation

#### **Mexican Federal Government**

# Ministry of Foreign Affairs

- The Honorable Jose Larios, Consul of Mexico in Yuma, Arizona
- The Honorable Ricardo Pineda, Consul of Mexico in Douglas, Arizona
- The Honorable Alejandro Martinez, Acting Consul General of Mexico in Nogales, Arizona
- Andres Galvan, Border Affairs Officer, Embassy of Mexico in the United States
- Pablo Galvez, Director of Border Affairs, Ministry of Foreign Affairs

• Jose Antonio Segovia, Deputy Director, CILA Mexico

# Ministry of Communications and Transport

- Erika Garcia, Special Projects Coordinator, Ministry of Communications and Transport
- Francisco Calvario, Assistant Director for International Crossings and Bridges, Ministry of Communications and Transport
- Diana Berenice Lopez, Executive Director of the Sonora Office, Ministry of Communications and Transport

# **North American Development Bank**

- Jesse Hereford, Director of Public Affairs
- Mario Vazquez, Technical Assistance Director
- Renata Manning-Gbogbo, Director of Grant Financing
- Roberto Molina, Associate Director for West Region, Grant Financing Department
- Gerardo Calza, Project Manager

# Attachment #2 Copy of letter in support of Magnus Nomination



June 23, 2021

The Honorable Ron Wyden Chairman Committee on Finance U.S. Senate 219 Dirksen Senate Office Building Washington, DC 20510-6200

The Honorable Mike Crapo Ranking Member Committee on Finance U.S. Senate 219 Dirksen Senate Office Building Washington, DC 20510-6200

RE: Support for the nomination of Chief Magnus as Commissioner of U.S. Customs and Border Protection

Dear Chairman Wyden and Ranking Member Crapo:

On behalf of the Greater Nogales Santa Cruz County Port Authority, I write to express our support for the nomination of Chief Chris Magnus to serve as the Commissioner for Customs and Border Protection.

Throughout his career Chief Magnus has focused on building solid police-community engagement, reducing crime through innovative approaches, and leading efforts to improve accountability and transparency around professional standards. A strategic thinker and strong collaborator, Chief Magnus cultivates exceptional leadership teams through a commitment to intellectual empowerment.

During his time in Tucson, Chief Magnus advanced the agency's work to address mental health, substance misuse, and homelessness. Chief Magnus ushered in technology advances, including full deployment of body-worn cameras, automated text messaging to survey crime victims, and improved emergency communication systems. He established a sentinel event review process focusing on continuous organizational improvements rather than assigning blame. Chief Magnus also addressed the challenges of living and working close to the border, from combatting human

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US Senate Committee on Finance June 23, 2021

smuggling and cross-border drug trafficking to increasing the willingness of Tucson's immigrant population to work with the police.

The Board of Directors of the Port Authority includes the City of Nogales, Santa Cruz County, the Fresh Produce Association of the Americas, Nogales US Customs House Brokers Association, INDEX – the Maquila Association, Nogales Economic Development Foundation, Nogales Community Development, and the Santa Cruz County Mining Cluster.

Chief Magnus's more than four decades of honorable and courageous public service make him an ideal candidate for Commissioner of Customs and Border Protection. We urge that your Committee and the Senate move to approve his nomination.

Thank you for your consideration.

Respectfully,

Joshua Rubin Vice Chair

# Attachment #3 A for Arizona Micro-Grant information

From: A for Arizona emilyanne@aforarizona.org
Subject: A for Arizona Launches New PreK-12 Southern Arizona Microgrant Opportunity to Accelerate Education Innovation
Date: June 3, 2021 at 9:04 AM
To: martin@ramirezadvisors.com





Media Contacts: Lorna Romero Ferguson Lorna@elevatestrategiesaz.com (480) 231-8930

#### FOR IMMEDIATE RELEASE

June 3, 2021

#### A for Arizona Launches New PreK-12 Southern Arizona Microgrant Opportunity to Accelerate Education Innovation

Phoenix, AZ— In partnership with local and national philanthropy and community donors, A for Arizona announced a regional microgrant opportunity for Southern Arizona to meet PreK-12 students' and families' unique education needs. Over \$600,000 in seed funding will be awarded through A for Arizona's Expansion & Innovation Fund empowering innovative school and community leaders, teachers, and families to implement their bold ideas for reimagining learning models, creating and scaling more student-focused programs, and developing better teaching and learning educational approaches.

"For decades, leaders in Southern Arizona have led the way with first-of-its-kind community-driven concepts and disruptive student-focused models of learning," said Emily Anne Gullickson, Founder and CEO of A for Arizona. "The educational landscape will not return to business-as-usual post-pandemic, so it is a no brainer to launch our first regional microgrant opportunity in the heart of Southern Arizona with its long-standing track record of excellence, innovation and bold visionaries, especially within the remote and rural communities along the border."

This microgrant opportunity is funded by private philanthropic support in collaboration with the VELA Education Fund, Burton Family Foundation, Pima IDA and Community Investment Corporation, as well as generous individuals in the community.

"VELA is proud to partner with A for Arizona to advance the entrepreneurial spirit that is so prevalent in Southern Arizona," said Meredith Olson, President of VELA. "VELA supports families and communities to develop nontraditional educational models that meet students' needs, and we are excited to learn from Southern Arizona grantees in the months and years ahead."

A for Arizona will award Southern Arizona Microgrants up to \$25,000 in seed funding through its Expansion & Innovation Fund for bold proposals that accelerate education innovation and opportunity for PreK-12 students in Southern Arizona. Teachers, public and private school and system leaders, families, and innovative community partnerships all play a critical role to meet the moment and accelerate learning for their students in Southern Arizona communities. Eligibility is limited to PreK-12 edupreneurs in Cochise, Pima, Santa Cruz, and Yuma counties.

"Our children will be better off if we choose to invest in those who are proving that despite the current challenges, schooling can be reinvented, and students can thrive," said Angel Investor and Vetting Committee member Christy Burton of the Burton Family Foundation. "We have been an early believer in the power of the Expansion & Innovation Fund and know we must treat this moment with the urgency it deserves, and targeted investments will halp deliver access and consortivity now especially for our biphest peed.

students and families."

Over the past two years, A for Arizona has awarded over \$1.5 million in seed funding through the Expansion & Innovation Fund to develop, implement, or expand innovative models and better teaching and learning practices to best support Arizona's most vulnerable student populations. A for Arizona is working with local partners to raise a total of \$1 million for seedfunding ideas to thoughtfully reimagine PreK-12 learning models and nontraditional approaches in Southern Arizona.

"The Pima IDA is pleased to support A for Arizona's Expansion & Innovation Fund in collaboration with the Community Investment Corporation as a tangible way to enhance bold solutions for reimagining education and to expand the scope of the Fund into southern Arizona with matching funds," said Ken Silverman, President of the Pima IDA. "We look forward to seeing the amazing results of their innovation on PreK-12 education opportunities in our

The application window is open for five weeks, with final submissions due by Thursday, July 8 at noon (MST). For more information about the Expansion & Innovation Fund, or to apply, visit the A for Arizona website.

#### About A for Arizona:

At A for Arizona, we firmly believe that expanding excellence is our best chance to ensure all K-12 students have access to, and benefit from, high-performing schools and all educational opportunities. We imagine a day where excellence has spread, and failure has fallen away, leaving only the best learning options available for all students.

A for Arizona | www.aforarizona.org | @AforArizona | Subscribe







A for Arizona | 2801 E. Camelback Rd., Phoenix, AZ 85016

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