

January 26, 2021

**TO: Jaime Chamberlain, Chairman**

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

SUBJECT: Monthly Report of Activities – December 2020

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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. 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. Hearing on Sonoran Corridor Transportation Study;
4. ADEQ/NADBank discussion on IOI debris equipment;
5. FPAA Transportation Committee Meeting;
6. ADOT Announcement of Touchless Border Initiative;
7. ADOT Call with City and County on Overweight permits fees and SR-189;
8. SR-189 Construction progress;
9. Presentation of *Friend of the Border Award*;
10. Arizona Transportation Board meeting and Testimony;
11. Chairman participates in Southern Arizona Economy Roundtable with Senator Kelly; and
12. Approval of Pilot Program to expand geographic distance for BCC holders in Arizona and New Mexico.

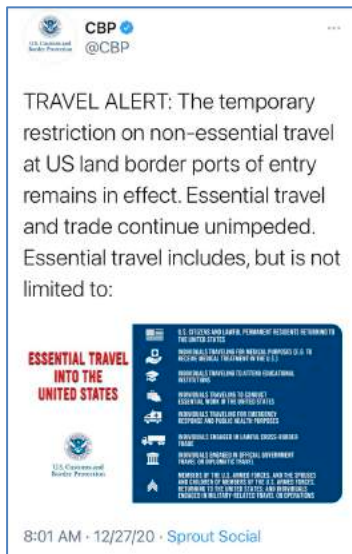
This report is not intended to be a full description of all activities but rather, provides highlights and information on the direction of our activities to keep the Board of Directors informed and to ensure adherence to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. Throughout 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.

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 January 21, 2021.



- We anticipate that, until COVID-19 contagion numbers start to decrease that these restrictions will continue for the foreseeable future.

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

**3. HEARING ON SONORAN CORRIDOR TRANSPORTATION STUDY**

- On December 3, 2020, the Arizona Department of Transportation hosted a public hearing on the proposed Sonoran Corridor in Tucson.
- Sonoran Corridor Transportation Study seeks to identify viable routes to connect I-19 and I-10 south of the Tucson International Airport.
- Sonoran Corridor was designated by the US Congress under the 2015 FAST Act.
- A high-capacity route would help truck traffic by reducing travel times and costs by allowing better linkages for drivers heading from Nogales to I-10 East.
- According to the Draft Tier 1 Environmental Impact Statement, the preferred alternative is I-19 to El Toro Road (south of Sahuarita Road) to Alvernon Way to E. Old Vail Road to Rita Road/I-10
- Analysis indicates that this route would reduce travel time by 16.6 minutes.
- The Port Authority sent a letter to ADOT in support of this project that has regional and international trade consequences.
- A copy of the letter in support of this project is provided in Attachment #1.



**4. ADEQ/NADBANK DISCUSSION ON IOI DEBRIS EQUIPMENT**



- On December 3, 2020, the Port Authority facilitated and participated in a meeting with the Arizona Department of Environmental Quality (ADEQ) and the North American Development Bank (NADBank) regarding the need to deploy a Debris Screen to prevent the flow of drug bundles through the International Outfall Interceptor (IOI).
- An extensive discussion took place about strategies to help secure the funding necessary to pay for the

installation of the equipment as well as the maintenance and operation on a go-forward basis.

- Notes from the meeting are provided below:

**Discussion on Nogales IOI Debris Screen Project**

Arizona Department of Environmental Quality

Thursday, December 3, 2020

Participants:

- Arizona Department of Environmental Quality
  - Edna Mendoza, Manager, Office of Regional and Border Assistance
  - Amanda Stone, Director of Intergovernmental and Community Affairs
  - Claudia Gil, Agency Liaison
  - Joaquin Marrufo, Associate Environment Science Specialist
  - Trevor Baggione, Water Quality Division Director
- North American Development Bank
  - Renata Manning, Grant Financing Director
  - Gerardo Calza, Project Manager
  - Roberto Molina, Associate Director for West Region, Grant Financing Department
- Ramirez Advisors
  - Luis Ramirez
  - Martin Rodriguez

Action Items

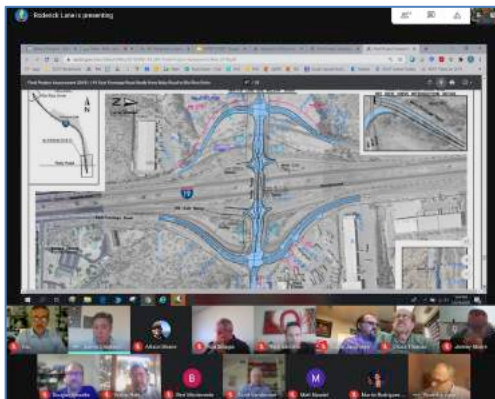
- ADEQ team will put together a project overview with project information.
- Need to brief Consulate General of the United States in Nogales, Sonora.
- Reach out to Arizona congressional delegation, particularly Congressman Raul Grijalva and Senators Kelly and Sinema requesting their intervention

Discussion Notes

- Project overview: Consideration of a debris screen inside the IOI pipeline near Manhole 1 to capture drug bundles that could damage the infrastructure and cause blockages in the system.
  - Estimated cost \$2.5-3 million
- Potential funding source for the project: Border Environment Infrastructure Fund (<https://www.nadb.org/infrastructure-financing/grants/border-environment-infrastructure-fund-beif-pdap>)

- The Environmental Protection Agency has yet to confirm how it intends to spend \$300 million allocated through USMCA legislation for cross-border water/wastewater projects.
  - The Port Authority has advocated for a portion of the funds (approximately \$4 million) to be directed to the IBWC so that it can assume the operations and maintenance of the Nogales IOI.
- A major challenge to the project is identifying a **project sponsor** (preferable a federal entity) that will ultimately **assume the O&M of the debris screen** once it is installed.
  - The IOI pipeline and area immediately surrounding Manhole 1 is on federally-owned property.
  - NADBank representatives expressed that they would be receptive to funding the project through BIEF if a project sponsor is identified.
- Relevant stakeholder agencies to engage with throughout the process:
  - Office of Congressman Raul Grijalva
  - Senators Mark Kelly and Kyrsten Sinema
  - U.S. Consulate General in Nogales, Sonora
  - International Boundary and Water Commission
  - General Services Administration, Region 9
  - Customs and Border Protection, Tucson Field Office
  - Border Patrol, Tucson Sector
  - City of Nogales
  - Santa Cruz County
  - Greater Nogales Santa Cruz County Port Authority
  - North American Development Bank
  - Arizona Department of Environmental Quality

##### 5. **FPAA TRANSPORTATION COMMITTEE MEETING**



- On December 16, 2020, the Port Authority facilitated a meeting of the Fresh Produce Association Transportation Committee with the Arizona Department of Transportation to address questions the committee had regarding the interchanges at Ruby Road and Rio Rico Drive.
- Here are some notes from that meeting:

**I-19 Interchange Project Discussion**  
**FPAA Transportation Committee**  
**Wednesday, December 16, 2020**

Participants:

- Arizona Department of Transportation
  - Rod Lane, District Engineer
  - Jeremy Moore, Assistant District Engineer
  - Mark Sanders, Director of International Affairs
  
- Fresh Produce Association
  - Allison Moore
  - Bert Monteverde
  - Douglas Mosebe
  - Jaime Chamberlain
  - Lance Jungmeyer
  - Matt Mandel
  - Rod Sbragia
  - Scott Vandervoet
  - Walter Ram
  - Chuck Thomas
  
- Ramirez Advisors
  - Luis Ramirez
  - Martin Rodriguez

Discussion Highlights:

- ADOT completed a project assessment in 2017 to identify potential solutions for improvements to the I-19 Rio Rico interchange and frontage road.
  - A copy of the study can be found here: <https://azdot.gov/planning/transportation-studies/completed-transportation-studies/interstate-19-east-frontage-road>
  
- Report concludes that the preferred solution (Alternative D) is a diverging diamond interchange at Ruby Road along with Alternative A and E for the expansion of Frontage Road on both the east and west side of I-19.
  - Diverging diamond alternative was found to be more driver-friendly for both commercial/non-commercial vehicles while being able to handle increased throughput.
  - Committee members on the call expressed support for the design alternatives recommended by the study.

- Expansion and improvements to east/west Frontage Road can alleviate truck traffic volume that has to exit at Ruby Road to access warehouse facilities near Rio Rico Drive.
- Project design alternatives were assessed on their ability to handle increased traffic volumes through the year 2040.
- Funding for this expansion project is currently unavailable due to limited funding availability for rural transportation infrastructure.
  - Estimated construction costs:
    - Alternative D: \$11.15 million
    - Alternative A: \$6.38 million
    - Alternative E (with non-ADOT funding): \$8.56 million
- County is looking into the construction of an overpass bridge where the Union Pacific Railroad crosses Ruby Road to prevent further traffic bottlenecks.

**6. *ADOT ANNOUNCEMENT ON “TOUCHLESS BORDER” INITIATIVE***

- On December 16, 2020, ADOT issued a press release formally announcing the Touchless Border Initiative at the ports of entry with Mexico.
- Effective January 1, 2021, ADOT will ask truck drivers to either prepay for their permits by securing them online through ADOT’s truck permitting systems, ePro and Transport or to pay with a credit card at the border.
- This initiative offers huge gains in efficiency over cash payments and also adheres to the Centers for Disease Control (CDC) on preventing the spread of COVID-19 and other communicable diseases.
- This is the first-of-its-kind program along the entire US-Mexico border.
- A copy of the prese release can be found below:

**From:** "Arizona Department of Transportation" <[adot@info.azdot.gov](mailto:adot@info.azdot.gov)>  
**Subject:** ADOT News: ADOT moving to fully-cashless permitting system for commercial trucks  
**Date:** December 16, 2020 at 11:45:33 AM MST  
**To:** [luis@ramirezadvisors.com](mailto:luis@ramirezadvisors.com)  
**Reply-To:** [adot@info.azdot.gov](mailto:adot@info.azdot.gov)

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**ADOT moving to fully-cashless permitting system for commercial trucks**  
*Will help keep commerce flowing more efficiently*

PHOENIX – When commercial truckers purchase their permits for driving through Arizona online ahead of time or use a cashless method at the port of entry, they spend less time making payments and get on their way faster.



That's one reason the Arizona Department of Transportation successfully implemented a pilot program to move to a fully-cashless permitting system. Now, after working with trucking companies that pay with cash to ensure they have enough time to convert to a cashless system, ADOT's ports of entry intend to go fully cashless on Jan. 1, 2021.

The move to end the acceptance of cash and checks at ports of entry also supports recommendations by the U.S. Center for Disease Control and Prevention to curb the spread of COVID-19 through the exchange of currency.

ADOT's truck permitting systems, ePro and Transport, have cashless features and nearly 80% of truckers getting permits use those features. But in order to help trucks move through the ports more efficiently, ADOT's Enforcement and Compliance Division began to encourage the other 20% of truckers to pay for permits online using Apple Pay, Android Pay or credit card.

"We have been getting a feel from the trucking industry on how much they would support this change and the feedback has been positive," said Lt. Jason Sloan, team lead for implementing the change. "This improvement will help eliminate waste and maximize resources available at ports of entry to process commercial traffic faster."

The move also allows more officers to be available for enforcement duties instead of having one or more of them make a long drive from a remote port of entry to a financial institution to deposit the cash and checks collected.

This change is one more way ADOT's continuous improvement process is making more efficient use of time, resources and taxpayer dollars. It will also be implemented at VIN inspection stations around the state.

ADOT is also developing a new commercial permitting system that will support the move to cashless and touchless that is expected to be operational by the end of next year.

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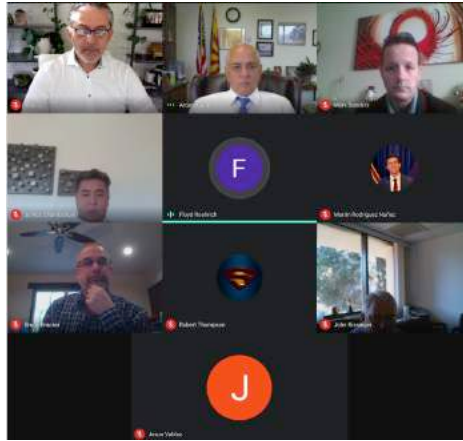
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## 7. **ADOT CALL WITH CITY AND COUNTY ON OVERWEIGHT PERMIT FEES AND SR-189**

- On December 17, 2020 the Port Authority facilitated a call between the City of Nogales and Santa Cruz County with leadership at ADOT to update on the





project and discuss the City and County contributions from the Overweight permit fee revenue towards payment of the SR-189 modernization project.

- ADOT informed the City and the County, that in accordance with the Intergovernmental agreement executed in 2018, effective January 2021, ADOT will start the withholding the respective percentage of the allocation of both the City and the County from their portion of the revenue generated by the

overweight fee program at Nogales.

- Recall that both the City and the County committed that 50% of their share from the overweight fees would be used towards payment of the modernization project.

#### 8. ***SR-189 CONSTRUCTION PROGRESS***

- At the request of Chairman Chamberlain, Mark Sanders and Joanna Bradley of the Arizona Department of Transportation provided this update on the progress made to date on the SR-189 Modernization project:

##### **SR 189: INTERNATIONAL BORDER TO GRAND AVE.**

Holiday schedule:

- The last nighttime closure on northbound I-19 will be complete by 5 a.m. on Dec. 24. There will be no construction during the holidays between Dec. 25 and Jan. 4, 2021.

Current Progress:

- The project just reached the halfway point. All girders have been placed for the individual fly-over ramps (Ramp EN and SW). Currently crews are working to place the overhang falsework on both sides of each bridge, as well as the stay-in-place decking that will hold the concrete in place while it is poured and cured.
- Crews will follow behind and begin placing the rebar for the decks. The Contractor is tentatively planning for March to begin pouring the decks due to cold weather restrictions. The decks will most likely be poured in two span increments (over two sets of girders, or between three columns).
- The first column and pier cap for the combination bridge (the bridge which carries traffic over Frank Reed Road) is complete, and this holds up the last span of both the Ramp EN and SW bridges. The drilling subcontractor is

currently working hard to finish the drilled shafts for the remaining combination bridge columns. They hope to have this work finished by Christmas or shortly thereafter. This will be followed by Ames working to get the columns and pier caps complete by mid-March.

In the New Year:

- The roundabout construction is broken into several phases, which is necessary in order to construct it while keeping one lane of traffic open in each direction. The first phase of concrete paving is complete and is being cured. Ames plans to place temporary pavement after the new year, which will allow them to place traffic on this newly constructed concrete pavement. This will enable them to begin the next phase of roundabout construction and concrete paving. The final traffic switch is scheduled to occur in late March, followed by the final items to complete the roundabout, which is scheduled to be finished in late June.

Project Completion Update:

- Overall the project is currently scheduled for completion in early October 2021. There have been some challenges and delays experienced due to utilities that were encountered which need to be relocated in order to construct the job. However Ames/Horrocks is working with ADOT to try to mitigate these delays as much as possible.

#### 9. **PRESENTATION OF "FRIEND OF THE BORDER" AWARD**



- During a special Board Meeting of the port Authority, the Friend of the Border Award was presented to Director John Halikowski of the Arizona Department of Transportation.
- This recognition was presented after a vote by the Board of Directors based on the continuous collaborative work between the Port Authority and ADOT on a number of projects that have resulted in gains in efficiency in the inspection process at the border, the deployment of overweight permits for produce, creation of the Border Liaison Unit, fighting efforts by the Federal Motor Carrier and Safety Administration to build stand-alone inspection facilities, an innovative approach to the financing and construction for the modernization of SR-189 and much more.
- Director Halikowski joins the late William K. Brooks and former Consul General of the United States Virginia Staab as recipient of this award.



**10. ARIZONA TRANSPORTATION BOARD MEETING AND TESTIMONY**

- On December 17, 2020, Chairman Chamberlain testified during the *Call to the Public* portion of the Arizona Transportation Board meeting.
- The focus of his testimony was to raise awareness on the need to modernize the I-19 interchanges at Ruby Road and Rio Rico Drive, including the frontage roads between these two interchanges.
- A copy of the testimony is provided in Attachment #2.

**11. CHAIRMAN PARTICIPATES IN SOUTHERN ARIZONA ECONOMY ROUNDTABLE WITH SENATOR KELLY**

- On December 21, 2020, Chairman Chamberlain participated in a Southern Arizona Economy Roundtable discussion with Senator Mark Kelly and other regional leaders.
- A copy of the Chairman's remarks are provided in Attachment #3.

**12. APPROVAL OF PILOT PROGRAM TO EXPAND GEOGRAPHIC DISTANCE FOR BCC HOLDERS IN ARIZONA AND NEW MEXICO**

- On December 22, 2020, the Maricopa Association of Governments issued a press release confirming that the Federal Appropriations bill included language that expands the ability for Border Crossin Card holders to travel through all of Arizona, and no longer limited to the border region.
- The initiative had the support of Senator Sinema and Congressmen Stanton and Schweikert and Congresswoman Kirkpatrick. According to the press release, a study by the University of Arizona indicates that this initiative could generate up to \$181 million in annual spending for the state by Mexican visitors.
- The final language of the bill indicates that this is a recommendation for Customs and Border Protection and that they will have 60 days to study the

recommendation and put forward a recommendation to Congress on the proposed pilot program.

- The final language also expands the program to all of New Mexico, not just Arizona.
- A copy of the Press Release is provided in Attachment # 4.
- A copy of the final language of the bill is provided below:
  - **Expansion of Arizona and New Mexico Border Zone Travel.**  
“Under current policy, eligible Mexican nationals can travel in certain areas of Arizona and New Mexico for up to 30 days. With CBP increasing security due to the recurrent vetting of travelers, this policy focuses on efficiencies and has shown both a decrease in costs to CBP and an increase in revenue to local economies in those states as a result of additional opportunities for freedom of movement. CBP is encouraged to initiate a pilot program to expand travel opportunities to the entire State of Arizona and State of New Mexico. The pilot should not change who would be eligible for a visa, the duration of each visit, or the method of entry. CBP shall provide a briefing to the Committees within 60 days of the date of enactment of this Act on the status of the pilot program, which shall include identifying any applicable statutes, federal rules, or regulations that would require revision to carry out the program and ensure compliance.”

**Attachment #1**

Copy of letter in Support of Sonoran Corridor Project



December 3, 2020

John Halikowski  
Director  
Arizona Department of Transportation  
206 South 17<sup>th</sup> Ave., MD 100A  
Phoenix, Arizona 85007

Re: Support for Sonoran Corridor Project

Dear Director Halikowski,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I am writing to express our support for the development of the Sonoran Corridor in the Tucson area. Nogales is a community that has for decades been at the forefront of efficient global logistics. As such, we clearly understand that this project will offer gains in efficiency and safety for the movement of the goods and people that cross our community and depend on the connectivity to I-10.

In two-way traffic, more than 700,000 trucks cross through Nogales each year, and a great portion of that cargo continues to destinations all over the United States and one of the first junctures is the I-10/I-19 interchange. Even with the recent investments by the Arizona Department of Transportation to improve this juncture, the intersection continues to be a congestion point in the regional transportation network. We believe that the Sonora Corridor will help alleviate congestion and offer long-term solutions to the challenges at this critical intersection by offering an alternative connector route to I-10 east of town.

The Sonoran Corridor is also a magnifier of the investment at the Mariposa Port of Entry and the current modernization project of SR-189. We are grateful for your vision of the transportation system and not looking at projects as single stretches of road infrastructure.

Again, we support the development of the Sonoran Corridor and thank you for the consideration you give to this communique.

Respectfully,

Jaime Chamberlain  
Chairman

**Attachment #2**

Copy of Testimony Before Arizona Transportation Board

**“Call to the Public” Comments  
Arizona Transportation Board Meeting**

Presented by:  
Jaime Chamberlain, Chairman  
Greater Nogales Santa Cruz County Port Authority

December 17, 2020

Chairman Hammond and Members of the Board.

My name is Jaime Chamberlain and I am here as Chairman of the Greater Nogales Santa Cruz County Port Authority. Our Board of directors includes the City of Nogales, Santa Cruz County, the Fresh Produce Association of the Americas, INDEX Sonora, Nogales Customs Brokers Association, Nogales Community Development, Nogales Economic Development Foundation and the Santa Cruz County Mining Cluster.

Nogales is in the midst of one of rural Arizona’s largest transportation projects ever, the modernization of State Route 189. I want to thank the Board, Director Halikowski and the entire ADOT team for fighting to keep the project moving forward during this unprecedented pandemic and the negative economic impacts it has had on Arizona and our nation. We are very happy to hear that the project is moving forward ahead of schedule and that through the innovative approaches by the design and engineering teams, there are substantial savings associated with the total cost of the project.

This project will have long-lasting repercussions for the safety of the traveling public at Nogales and for the billions of dollars of trade and the millions of tourists that cross the border at each year. But as we have stated for years, this is a critical component of a broader transportation and logistics system at Nogales.

The other significant portion of the improvements needed are at the access points to and from the many warehouses that are the logistics hubs for billions of pounds of fresh produce in the Rio Rico area. In particular, the I-19 interchanges at Ruby Road and Rio Rico Drive remain a growing concern for the community. To put things into perspective, of the 340,000 northbound trucks that cross each year at Nogales, more than half of them carry produce.

For the close to 8 months of the produce season, we see tremendous backups for trucks coming from Mexico and exiting northbound on Ruby Road to drop off their loads. Those trucks typically turn around and return to Mexico.

But then there are all the trucks that come into Nogales from all over the United States to pick up the loads and take them to their destinations. These trucks also create long lines to exit I-19 southbound at Ruby Road. Currently, trucks cannot exit at Rio Rico Drive to access the warehousing district, so it all falls on Ruby Road.

Additionally, just this past month, we have seen announcements of major new warehousing and distribution centers that will greatly impact the flow of traffic at these two interchanges. So, we have the increased truck traffic out of Mexico, the increase truck traffic from all over the nation to come and pick up 6.5 billion pounds of fresh produce and we have investments in new distribution centers. This tells us that the congestion we see at Ruby Road today will only get worse and in a short period of time.

We continue to work with Rod Lane, our district engineer, on the optimal design to maximize the gains in safety, efficiency and throughput. It is a coordinated dialogue that includes industry, developers and the county.

Currently the project to modernize the interchanges at Ruby Road and Rio Rico Drive, is part of the extended 10-Year plan but we hope that, by working together, we can find a way to have this project move up to address the situation that only gets worse by the day.

Again, we are grateful for the tremendous working relationship we have with you as the Board and with ADOT. In fact, just yesterday the Port Authority presented the Friend of the Border Award to Director Halikowski, a reflection of the collaborative work we have with him and his entire team.

I thank you for your attention and would be happy to address any questions you may have.

**Attachment #3**

Copy of Chairman's remarks during Southern Arizona Economy Round Table

**Southern Arizona Economy Roundtable with Senator Mark Kelly**

Remarks by:  
Jaime Chamberlain  
Chairman, Greater Nogales Santa Cruz County Port Authority  
December 21, 2020

Senator Kelly,

Thank you for the invitation to be here with you today. I am honored to be included among a true panel of experts. I want to let you know that I am not only here as the owner of a fresh produce distribution company, Chamberlain Distributing Inc. , but I am also the Chairman of the Greater Nogales Santa Cruz County Port Authority, and the Past Chairman of The Fresh Produce Association of the Americas. So my comments will cover a bit of many border regional issues.

Chamberlain Distributing was established by my parents 49 years ago and my sister and I own the company the company now. We represent 12 Mexico based farming operations in the marketing and distribution of approximately 5 million boxes or roughly 125 million pounds of produce per produce season. It is a large operation but managed with about 30 employees. There are approximately 120 other companies in Nogales who we compete with every day. In simple terms our Nogales Produce Industry has been responsible for responsible for feeding North America for over a Century. More than 6.5 billion pounds of produce come through Nogales each year and distributed throughout Canada and the U.S.

It is a safe bet that if you are eating any type of fruits or vegetables anywhere in North America 365 days a year, there is more than a 50/50 chance that that Produce sold out of Nogales. Our industry allows consumers all over North America to have high quality, affordable fresh produce pretty much all year along. During the pandemic, the produce industry, because we are an essential part of the nation's food supply, remained open even when the rest of the country was essentially shutdown.

But in order for those fruits & vegetable to get from farm to the grocery stores, foodservice companies or wholesale markets a lot must happen. From just in time logistics for a perishable commodity, to the security and food safety inspection requirements, to the trucker that has to pick up and deliver it, and to making sure it gets to the grocery store or restaurant with plenty of shelf life left so that it can be sold and consumed.



None of this can be accomplished without the work of Customs and Border Protection. It is imperative that we have sufficient customs staffing and agriculture inspectors at each port of entry in Arizona. It also means that our Arizona U.S Mexico ports of entry, where all of our International Trade with our largest American Trade Partner in MEXICO happens, must have state of the art facilities with the latest in non-intrusive inspection technology and food safety, food security capabilities. It also means that the roads that connect the ports of entry to the warehouse facilities must be safe, secure and not congested.

But the reality is that it IS a constant battle to make sure that we have sufficient staffing, that our ports of entry are not dilapidated, overburdened and congested, and that our roads are modern, safe and efficient. That US Customs and the Food and Drug Administration, and the US Department of Agriculture are fully staffed to meet the needs of trade. And there is similar story to be told about manufactured products made in Mexico and sold to the US or vice versa and a similar story for the movement of people and the tourism that is so important to Arizona.

But the story does not end there, Senator. It is also a story of great opportunity. While global competition is growing, we know North America is still the place to be. Everyone in the world wants to business with North America. China, for the first time ever, in their new 5-year plan, has stated that the new policy is quality not quantity. In other words, they want to create a consumer market in country because having a large consumer market means that you are not dependent on the growth of your economy by selling to someone else. They want what we have, a resilient consumer market that continues to grow.

This is why the USMCA was and is so important. It cements North America's standing as the most competitive regional market in the world. We are seeing a renaissance of investment in manufacturing, particularly in the northern border of Mexico that is OUR MEGA border region. The Arizona border with Mexico and the Arizona-Mexico corridor has been and remains a highly desirable place to invest and grow your business. We have invested hundreds of millions of dollars on our border infrastructure to help us compete with Texas and California. And we have done so well, that those states are coming to Arizona to see how we are getting things done. Arizona is ready for business and with our tremendous relationship with the State of Sonora, we are truly a top-of-mind place to attract new investment.

I want to conclude with a personal note of congratulations to you Senator on your campaign and becoming our new senator. We look forward to our continued working relationship with you and your entire team. There is a lot of work to be done and I know we can make things happen by working together.

## Attachment #4

### Copy of MAG Press Release on BCC Pilot Program for all of Arizona



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Newsroom / Press Releases

## Press Releases

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December 23, 2020

# Federal Appropriations Bill Expands Tourism from Mexico

## New pilot program projected to generate millions of dollars for Arizona's economy

**FOR IMMEDIATE RELEASE**

**PHOENIX (December 22, 2020)**—The new federal spending bill passed by Congress last night includes a provision for the U.S. Customs and Border Protection “to initiate a pilot program to expand travel opportunities” for travelers from Mexico, a move that could generate up to \$181 million dollars in additional spending in just the first year alone.

Every year, thousands of frequent, low-risk, short-term visitors travel from Mexico into Arizona to conduct business, visit family and friends, or shop at local stores—spending billions of dollars. Currently, pre-cleared travelers with U.S.-issued Border Crossing Cards cannot travel beyond Tucson or Yuma. This legislation would allow those visitors with the card to travel anywhere in Arizona and New Mexico.

“This pilot program extends Arizona’s tourism and shopping zone so that business and leisure travelers can visit and enjoy Arizona’s many breathtaking landscapes and quality shopping experiences which in turn benefits our economy and our communities by generating increased tax revenues,” said **Glendale Mayor Jerry Weiers**, chair of the Maricopa Association of Governments (MAG). “This program is a win-win for both tourists and Arizona’s economy and it couldn’t have come at a better time.”

MAG, which has supported a travel zone extension for many years, has received strong support for the effort from Arizona’s congressional delegation, including **Sen. Kyrsten Sinema, Rep. Greg Stanton, Rep. David Schweikert** and **Rep. Ann Kirkpatrick**.

“Modernizing and expanding Arizona and Mexico’s approved cross border travel fuels jobs, promotes commerce, and expands economic opportunity across our state,” said Arizona senior **Senator Kyrsten Sinema**.

“Our state benefits in so many ways from our strong relationship with Mexico—and this pilot program will strengthen those ties,” said **Rep. Greg Stanton**. “This is a critical first step to expand the travel zone to those with valid Border Crossing Cards, and it’s going to open Arizona to more business, more tourism, and more economic opportunities.”

“Arizona’s economic growth has been created largely in part by our welcoming business environment and tourist attraction,” said **Rep. Schweikert**. “By expanding the accessibility for our neighbors in Mexico across the state we will continue to grow our economy and help support local businesses, I am pleased to see this legislation in the final package, and look forward to seeing the economic growth it will provide for Arizona.”

“As a representative of a district that shares a border with Mexico, I know first hand the direct, real and positive impact of cross-border exchange in our region,” said **Rep. Kirkpatrick**. “Expanding the accessibility of our state to our southern neighbors will enrich our tourism industry, bolster our local economy and strengthen our relationship with Mexico. I’m proud to have worked with fellow members of the Arizona delegation and my colleagues on the Appropriations committee to get this much-needed provision added to the final package.”

Tourism is Arizona’s largest industry, with 194,000 jobs statewide, generating \$26.5 billion in direct travel spending and \$3.78 billion in tax revenue last year. A University of Arizona study conducted at MAG’s request in 2015 found that expanding the border zone to the entire state could generate up to \$181 million in annual additional spending, bringing the total projected spending of Mexican visitors to Arizona to nearly \$3.1 billion and a total jobs impact of 31,766. These numbers would be expected to increase each year.

The measure has broad statewide support among MAG’s many partners, including the Arizona Councils of Governments and Metropolitan Planning Organizations, the Arizona Chamber of Commerce, the Inter Tribal Council of Arizona, the League of Arizona Cities and Towns, the Arizona Tourism and Lodging Association, and the city of Nogales, Arizona.

Applicants for Border Crossing Cards (BCC) must provide fingerprints, photography, employment information, a security background check, and an in-person interview. The BCC is a B-1/B-2 visa issued exclusively to Mexican citizens by the U.S. State Department and includes an RFID chip. Holders of these cards also must demonstrate that they have ties to Mexico, including financial, that would compel them to return after a temporary stay in the U.S. Penalties for abusing the visa include revocation of the BCC with a fee, as well as losing the privilege for future visa application.

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