

November 15, 2019

TO: Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – October 2019

On behalf of Ramirez Advisors Inter-National, LLC ("RAI-N") allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority ("GNSCCPA"). 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. Donation Acceptance Program Update;
- 2. PA Social Media:
- 3. Meeting with Congressman Grijalva and follow up letter;
- 4. Letter from Congressman Grijalva on USMCA;
- 5. Santa Cruz County USMCA letter;
- 6. Supervisor Bracker participates in White House *Regional State Leadership Days* events in Washington, D.C.
- 7. Chairman presents before Rotary Club;
- 8. Arizona Rural Transportation Summit;
- 9. US-Mexico Binational Bridges and Border Crossings Meeting;
- 10. Nogales POE One-Pager; and
- 11. Representation of GNSCCPA with Key Entities.

This report is not intended to be a full description of all our activities but rather, provides highlights and information on the direction of our activities to keep 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. DONATION ACCEPTANCE PROGRAM UPDATE

- Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
 - The Technical Team continues to work with CBP and GSA in advancing the project.
 - Work with a local architect is underway and CBP has indicated that the project can now forward to the design phase.
 - o Port Authority is working on 50% design of the retrofit
- Reminder that the work of the Technical Committee is bound by Non-Disclosure Agreements with CBP and limited information can be provided publicly.

2. PA SOCIAL MEDIA

- The Port Authority continues the effoert to keep stakeholders informed through social media outlets. Please follow the Port Authority on Tweeter (@portnogales), Instagram (@portnogales) and Linkedin.
- Some recent examples of postings:





3. MEETING WITH CONGRESSMAN GRIJALVA

- On October 8, 2019, Chairman Chamberlain met with Congressman Raul Grijalva.
- During the meeting issues impacting Nogales/Santa Cruz County were discussed, including:
 - The modernization of the DeConcini port of entry;
 - Ratification of the USMCA,
 - Passing of the Nogales Wastewater Fairness Act, and
 - CBP Staffing.



- As a follow up to the meeting, Chairman Chamberlain sent a letter to Congressman Grijalva.
- A copy of the letter is provided in Attachment #1. The letter reaffirms the key issues that were discussed in the meeting.

4. LETTER FROM CONGRESSMAN GRIJALVA ON USMCA

- On September 12 (received the copy in October) Congressman Grijalva sent a letter to the Arizona Border Counties Coalition expressing his concerns over the US-Mexico-Canada Agreement.
- Here are some excerpts from the letter that express his concerns with the agreement:
 - "First, the USMCA would keep drug prices out of reach for patients by locking in 10 years of marketing exclusivity for brand biologics."
 - "Second, while Mexico recently passed updated labor law protections, the first of their kind in decades, proper implementation and enforcement of those laws remains to be seen."
 - "Finally, much has changed since 1994 and while important updates have been made to current USMCA language, there is a clear exclusion of environmental protections that must be addressed."
 - "Before a vote on the revised NAFTA is scheduled, the administration must remove the Big Pharma giveaways that lock in high drug prices

and improve labor and environmental standards and enforcement to end job outsourcing."

A copy of the letter is provided in Attachment #2

5. SANTA CRUZ COUNTY LETTER ON USMCA

- On October 2, 2019, Santa Cruz County sent a letter to the entire Arizona Congressional Delegation urging the ratification of the USWMCA.
- Special thanks to the Honorable Bruce Bracker for his leadership in getting this letter approved by the Board of Supervisors.
- A copy of the letter is provided in Attachment #3.

6. SUPERVISOR BRACKER PARTICIPATES IN WHITE HOUSE REGIONAL STATE LEADERSHIP DAYS EVENTS IN WASHINGTON, D.C.

- Supervisor Bracker, representing Santa Cruz County, participated in a series of events and sessions at the White House, events designed to allow local government representatives to identify resources available from various US Federal Government departments.
- As stated by the communique from the White House:
 - "Thursday, October 17, 2019 marked the conclusion of our 2019 Regional State Leadership Days Initiative with local elected officials from Alabama, Florida, and Georgia joining us at the White House. Since the beginning of President Trump's Administration, over 5,000 county, municipal, and tribal officials and other invites guests will have now participated in one of 45 State Leadership Days – truly unprecedented, bipartisan outreach! Nearly every event included a Cabinet Secretary(s) and other Senior Administration Officials who engaged in briefings and discussion around shared Federal-state-local priorities – priorities such as combatting the opioid (drug) crisis, facilitating infrastructure development and rural prosperity, promoting economic and workforce development (e.g. opportunity zones), and improving disaster recovery and resilience."\ William F. Crozer, Special Assistant to the President/Deputy Director, White House Office of Intergovernmental Affairs
- The final release from the White House included a quote from Supervisor Bracker:
 - Supervisor Bruce Bracker (Santa Cruz County, AZ): "Inviting county supervisors and other locally elected officials ensures that decision makers in Washington hear the realities of the situation at the local level and grasp the possible repercussions of policies being made, at times, several

thousands of miles away. For us, the ability to hear what resources may be available to help us is essential to support our economic development strategies to attract new investment, create jobs and grow our tax base. The meetings at the White House helped us put a face to the name and allowed us to meet those that can be of direct assistance. I hope that these efforts will continue!"

7. CHAIRMAN PRESENTS BEFORE ROTARY CLUB

- On October 24, 2019, Chairman Chamberlain presented before the Rotary Club on the Port Authority and discussed trade and tourism through the Nogales Port of Entry system.
- A copy of the presentation is provided in Attachment #4

8. ARIZONA RURAL TRANSPORTATION SUMMIT

- On October 15-18, the South Eastern Arizona Association of Governments (SEAGO) hosted the 2019 Arizona Rural Transportation Summit in Tucson.
- This event offered the opportunity for Nogales and other parts of Rural Arizona to present their transportation needs, learn about national trends and to explore possible funding opportunities for transportation infrastructure. 2019, Chairman Chamberlain presented before the Rotary Club on the Port Authority and discussed trade and tourism through the Nogales Port of Entry system.
- A strong delegation from Nogales attended the event, including:
 - The Honorable Arturo Garino, Mayor
 - o The Honorable Nubar Hanessian, Councimal
 - o The Honorable Marcelino Varona, Councilman
 - o The Honorable Hector Bojorquez Councilman
 - o The Honorable Bruce Bracker, Supervisor
- Special thanks to Richard Rubin of Javid, LLC, for participating in a panel that highlighted the opportunities that exist for Arizona companies and Rural Arizona from the supply chain that maquila rely on to meet their needs.
- Here are some photos from the event:









9. US-MEXICO BINATIONAL BRIDGES AND BORDER CROSSINGS MEETING

- The US Department of State has announced the dates for the next Regional Meeting of the US-Mexico Binational Bridges and Border Crossings Meeting which will take place on November 4 and 5 in Hermosillo, Sonora.
- The Arizona-Mexico Commission has agreed to hold the public session of the meeting during the time allotted for the AMC's transportation, Infrastructure and Ports Committee.
- It is imperative that Nogales participate in this session and present on the urgent to modernize the DeConcini Port of Entry.

10. NOGALES POE ONE-PAGER

- With the support and participation from Tracy Filippi from Nogales Customs and Border Protection, the information on commodity flows at Nogales has been updated in the One-Pager.
- A copy of the revised One-Pager is provided in Attachment #5.

11. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES

- Continuing efforts to maintain an on-going dialogue with various agencies, entities and organizations allows us to ensure full coordination of efforts and maximizing the impact of our limited resources.
- It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, Nogales Customs House Brokers, INDEX and others, as each has well established relationships with most of these entities.

Congressman Grijalva Letter on USMCA

RAÚL M. GRIJALVA 3RD DISTRICT OF ARIZONA



Washington Office: 1511 Longworth HOB Washington, DC 20515 (202) 225-2435

grijalva.house.gov

Congress of the United States House of Representatives

Washington, DC 20515

September 12, 2019

Teresa Bravo Arizona Border Counties Coalition 130 W Congress St Tucson, AZ 85701-1317

Dear Teresa:

Thank you very much for writing me and sharing your views on the *United States-Mexico-Canada Agreement (USMCA)*, the updated version of the North American Free Trade Agreement (NAFTA). I appreciate hearing from you on this important issue.

NAFTA's implementation in the United States cost millions of jobs in key sectors like manufacturing, stagnated wages, and dropped the standard of living across North America. Instead of stimulating job growth here at home, trade deals like NAFTA are rewarding corporations that offshore jobs, drive down wages, and increase unemployment. Continuing the status quo of NAFTA is not acceptable which is why I am fighting to improve NAFTA. However, I will not support a deal that simply makes the negative impacts of NAFTA even worse.

America's current trade policies increase profits for the world's largest corporations at the expense of workers across the globe. Trade agreements should create a net increase of good American jobs, spur more balanced trade between partners, and improve governance, public health, and environmental and labor protections around the world. I believe that any renegotiated trade policy must prioritize the needs of middle-class families and remove special protections and privileges for corporations.

There are several concerns with the current USMCA that I believe must be addressed before it can be approved by Congress. First, the USMCA would keep drug prices out of reach for patients by locking in 10 years of marketing exclusivity for brand biologics, thus making it easier for large pharmaceutical companies to extend their monopolies and stifle competition. At a time when prescription drugs are becoming more expensive,

Congress must stand up for patients and their access to more affordable prescription drugs. I joined my Democratic colleagues in a letter to U.S. Trade Representative Lighthizer to express those specific concerns regarding drug provisions in the USMCA.

Second, while Mexico recently passed updated labor law protections, the first of their kind in decades, proper implementation and enforcement of those laws remains to be seen. Under Mexico's new labor laws, workers are granted the right to collective bargaining, independent and impartial bodies to register union activities and collective bargaining agreements, and independent Labor Courts for adjudication of labor disputes, in addition to other worker rights. Over 700,000 protectionist contracts remain to be resolved in Mexico within four years in order for them to be compliant with USMCA standards. This is a step in the right direction but without proper enforcement mechanisms and adequate funding could be merely empty promises to Mexican workers. And in turn could promote further outsourcing of American jobs.

Finally, much has changed since 1994 and while important updates have been made to current USMCA language, there is a clear exclusion of environmental protections that must be addressed. There is no mention of the words "climate change" in the text. There are no binding climate standards to hold trading partners accountable to their commitments to emissions reduction. The deal could actually lock in fossil fuel dependency, roll back environmental standards and give handouts to corporate climate polluters.

Before a vote on the revised NAFTA is scheduled, the administration must remove the Big Pharma giveaways that lock in high drug prices and improve labor and environmental standards and enforcement to end job outsourcing. If these changes are made, the agreement could move forward in a bipartisan way.

I would like to thank you again for contacting me, it only allows me to better serve you. Please know that my staff and I will be monitoring this issue closely to take the necessary steps to make sure your voice is heard on this issue in Congress. Democracy works best when we stay in touch, so I hope you will continue to contact me about the issues that matter most to you. Please visit http://grijalva.house.gov, where you can sign-up for e-mail updates, access my statements and press releases, and receive information about the many constituent services that our office provides. Thank you for allowing me to serve you!

Sincerely,

Raúl M. Grijalva Member of Congress

Port Authority Letter to Congressman Grijalva



October 13, 2019

The Honorable Raul Grijalva US House of Representatives 1511 Longworth HOB Washington, D.C. 20515

RE: Follow up to visit to Nogales

Dear Congressman Grijalva,

I want to thank you for taking the time to meet with me and other representatives of the Nogales/Santa Cruz County region during your recent visit to Nogales. As the new Chairman of the Greater Nogales Santa Cruz County Port Authority, I look forward to maintaining the dialogue with you and your office as we address many issues of critical interest to our community.

In particular, we seek your continued support in addressing issues that are directly impacting our retail sector, tourism, trade and the quality of life for our residents. Principal among those are the need to secure additional staffing for our ports of entry, modernizing the DeConcini port of entry, and continuing to fight for the passing of the Nogales Wastewater Fairness Act.

While the staffing situation at our ports of entry, has improved in recent months, we still experience wait times at our ports of entry that easily exceed 120 minutes yet our Customs and Border Protection Port Director, Mike Humphries is lacking the necessary staff to open additional lanes as needed. Instead, CBP is forced to play a staffing allocation game that entails having to select which lanes to open for one mode of transportation while they have to close other lanes in a different mode. CBP must have the staffing necessary for the effective and efficient operation of the port as well as ensuring the safety of the officers that work there and the traveling public that utilizes the facilities.

The DeConcini port of entry is in desperate need of major investment in the facilities. The last time major repairs were done to the port date back to the 1980's yet the demands and expectations of the port have dramatically changed and evolved. Due to long delays to cross the border, both pedestrians and in cars, have resulted in dramatic drops in the retail sectors in the downtown area; as much as 80% reported by industry experts at Nogales. To that end, we would seek your support in

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The Honorable Raul Grijalva US House of Representatives October 13, 2019

requesting that the General Services Administration, in coordination with CBP, conduct the Feasibility Study for the modernization of the Port of Entry. This study is an essential part of the process required to modernize the port.

We would like to discuss the issues of the Nogales Wash and the International Outfall Interceptor continue. Most recently, our community has been getting a lot of media attention due to the smell of the Nogales Wash as raw sewage has been flowing at grade from Nogales, Sonora. This is due to the failure of the pumps in the Los Alisos Wastewater Treatment plant in Nogales, Sonora forcing officials to release the effluent and simply chlorinate it as it proceeds downstream into Nogales, Arizona. This is untenable and puts the health of our residents and our visitors at risk. Additionally, close to 6.5 billion pounds of fresh produce risk being contaminated without strict health provisions implemented by industry to ensure the safety of our products. Ultimately, it is simply unfair and untenable to have raw sewage flowing through the middle of our community. We are grateful for all your efforts on this issue and count on your continued leadership in Congress to get this Act passed and the issue resolved.

Finally, I would like to remind you of our support for the ratification of the United States Mexico Canada Agreement, an agreement that will greatly benefit the Nogales/Santa Cruz County region and Arizona. The certainties afforded to industry and trade from the USMCA will be a great benefit to the growth of all of our productive sectors in Nogales/Santa Cruz County.

Again, thank you for taking the time to meet with me during your recent visit to Nogales and I look forward to working with you and your office in my new role as Chairman of the Port Authority.

Respectfully.

Jaime Chamberlain Chairman

Santa Cruz County letter in Support of USMCA Ratification



Board of Supervisors

Santa Cruz County

MANUEL RUIZ District 1

RUDY MOLERA

BRUCE BRACKER

Note Molera

October 2, 2019

RE: US-Mexico Border County Supervisors Urge Ratification of the United States-Mexico-Canada Agreement

Dear Members of the United States Congress:

On behalf of the undersigned County Supervisors of the communities along the US-Mexico border in the states of California, Arizona, New Mexico, and Texas, we are writing express our support for the ratification of the United States-Mexico-Canada Agreement (USMCA).

The North American Free Trade Agreement (NAFTA) created the largest single free trade area in the world. Since its establishment, trade with Canada and Mexico has nearly quadrupled to \$3.5 billion per day or \$1.3 trillion annually. In 2018, bilateral trade between the southwest border states and our North American partners accounted for over \$407 billion. Additionally, more than 12 million American jobs depend on trade with Canada and Mexico, including over 2.7 million jobs in our four states.

Our ports of entry are catalysts for regional economic development. They are gateways for tremendous amounts of trade and tourism and the impacts of the ports of entry are felt far beyond their physical location at the border. In northbound traffic alone, 191.6 million people, 6.3 million commercial trucks, and 76.9 million personal vehicles crossed the border in 2018 through our border communities.

The USMCA meets the needs of the 21st-century economy by providing:

- · Certainty for future investment in North America, ensuring North America remains the most desired market and place to invest in the world;
- Stronger Rules of Origin for products manufactured in North America;
 New provisions to protect intellectual property and trade in services; and
 New chapters that focus on digital trade and anti-corruption.

In communities along the US-Mexico border trade, tourism, and investment opportunities with Mexico are critically important for the economic development of the region and the quality of life of the residents we represent. Furthermore, a strong trade deal with Mexico and Canada is crucial for the economic future of the United States and will help our country remain a leader in the global economy. We ask that you work with your colleagues in Congress to ratify the USMCA as soon as possible.

Sincerely,

Bruce Bracker

Chairman

Santa Cruz County Complex 2150 N. Congress Drive • P.O. Box 1150 • Nogales, Arizona 85621 (520) 375-7812 • FAX (520) 761-7843 • TDD (520) 375-7934

Attachment #4 Copy of Presentation before Rotary Club





















Presh Produce industry continues to be the largest private sector employer in Nogales and State Cruz Court.

Close to 6.5 billion pounds of fresh produce each year are processed in about 170 warchouses and distributions centers, creating an estimated 2.500 local jobs.

(Greater Supplies)





Copy of DeConcini One Pager

Nogales, AZ / Nogales, SON **Port of Entry System**

The ports of entry in Arizona serve as the principal gateway for international trade, commerce, and tourism with Mexico. For Arizona's border communities, ports serve as a tool for economic development and growth

The ports in Nogales serve as a hub for implementing innovative solutions that facilitate cross-border commerce, including Unified Cargo Processing, refrigerated docks for produce, and a \$134 million investment for the modernization of SR189. Along with these projects, the DeConcini port of entry needs modernization. Long lines and aging infrastructure have worsened wait times, and the work environment is unsuitable for officers. The Nogales community is advocating for the DeConcini POE to be elevated in Custom and Border Protection's priority list of port of entry projects. For additional information, please visit the Greater Nogales Santa Cruz County Port Authority's website at: www.nogalesport.org.





Northbound Traffic in 2018¹

\$24.1 billion

Total Value of Imports and Exports in 2018²

70 percent

Estimated sales tax revenue attributable to Mexican visitors and daily crossers3

Conditions at DeConcini POE

- · Port is landlocked on both sides of the border
- Arizona's only rail connection to Mexico creates additional congestion
- · Stormwater tunnel directly under port and needs investment
- Data Source: US Department of Transportation, Bureau of Transportation Statistics
 Data Source: USTradeNumbers.com.
 City of Nogales.

- Electrical apparatus and parts (\$1.9 billion)
- Copper ore and concentrates (\$1.02 billion)
- Motor vehicle parts (\$709 million)
- Fresh fruit, apple and pears (\$205 million)
- Articles of plastic (\$200 million)

Top 5 Commodity Imports into the US⁵

- Motor vehicles and parts (\$3.38 billion)
- Electrical apparatus (\$3.18 billion)
- Fresh produce (\$2.96 billion)
- Machinery and parts (\$1.31 billion)
- Medical and optical apparatus (\$844 million)

- Data Source: US Customs and Border Protection.
 Data Source: US Customs and Border Protection.













