

September 22, 2020

### TO: Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – August 2020

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. Mariposa Cold Room Project Update;
- 2. Letters to Tucson OFO regarding DeConcini Modernization;
- 3. Efforts Continue to Update Port Authority Website;
- 4. Border Crossing Restrictions Continue;
- 5. Congressman Grijalva presents before PA Board;
- 6. PA Holds Virtual Board meeting with Senator McSally;
- 7. Arizona Congressional Border Briefing;
- Port Authority testifies during the USTR Hearings on Seasonality;
- 9. Delegation letter to USTR against Seasonality Provisions; and
- 10. ADOT issues health safety protocols to fight COVID-19 Spread.

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.
- Port Authority Technical team has submitted suggested revisions for the Revocable Licensing Agreement.
  - Awaiting response from GSA.

### 2. LETTERS TO TUCSON OFO REGARDING DECONCINI MODERNIZATION

- On August 10, 2020, Chairman Chamberlain sent a letter to MR. Guadalupe Ramirez, Office of Field Operations in Tucson, for Customs and Border Protection regarding the urgent need to modernize the DeConcini Port of Entry;
- A copy of the letter can be found in Attachment #1The letter highlights the untenable situation with regards to congestion, the safety of the traveling public and of the CBP personnel that must work in a very outdated facility, and the inefficiencies of the facility;
- As a first step in the process, the letter requests that CBP work with the General Services Administration to conduct a Project Feasibility Study in FY 2021 to determine the challenges, outline the solutions, provide a conceptual design and provide cost estimates for the project;
- On August 12, 2020, Santa Cruz County sent a letter to DFO Ramirez reaffirming the need to modernize the DeConcini Port of Entry;
- A copy of the letter can be found in Attachment #2;
- The Port Authority will continue to monitor progress on this request.

#### 3. EFFORTS CONTINUE TO UPDATE PORT AUTHORITY WEBSITE

- RAI-N has been working with Paula Schaper on an update to the Port Authority Website.
- RAI-N has provided extensive amounts of new content and photographs to be used in the website.
- Hope to have a beta of the updated website available for review in 4-6 weeks.

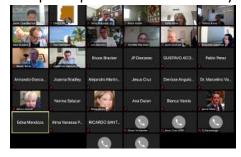
### 4. BORDER CROSSING RESTRICTIONS CONTINUE

- The Governments of Mexico and the United States, as well as Canada, have extended the border crossing restrictions through October 21, 2020.
- Additional extensions of these restrictions are expected until the situation abates on the contagion of COVID-19

- On March 21, 2020 the US and Mexican governments announced new temporary restrictions for travel across the US-Mexico border.
- It is imperative that cross-border travel be limited to essential travel in order to help eliminate the unnecessary congestion at the border.
- Who is considered an "essential" traveler?
  - o 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).
  - o 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.
  - Individuals engaged in military-related travel or operations.

### 5. CONGRESSMAN GRIJALVA PRESENTS BEFORE PA BOARD

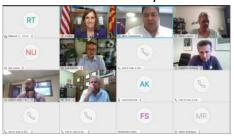
- On August 20, 2020, Congressman Raul Grijalva, participated in the monthly Port Authority Board meeting and provided an update on a number of initiatives affecting Nogales and Santa Cruz County;
- He expressed his support for the modernization of the DeConcini port of entry, and fighting to secure the funding to pay for the maintenance and operation of the International Outfall Interceptor (IOI), and the need to get more resources to communities to fight against COVID-19;
- Special thanks to Ruben Reyes from the congressman's office for his continued participation in Port Authority meetings and activities.





#### 6. PA BOARD HOLDS VIRTUAL MEETING WITH SENATOR McSALLY

- On August 4, the Board of Directors of the Port Authority held a virtual conference with Senator Martha McSally;
- During this meeting, Chairman Chamberlain and other board member thanked the Senator for her support on key issues, particularly those impacting the fresh produce industry and the need to modernize our transportation and federal inspection facility infrastructure;
- Senator McSally reaffirmed her support for the urgent need to modernize the DeConcini Port of Entry.





### 7. ARIZONA CONGRESSIONAL BORDER BRIEFING

- On August 27, 2020, the Arizona-Mexico Commission, in partnership with the Port Authority and the Port Authorities from Yuma and Douglas, hosted the annual Border Briefing for the Congressional Offices;
- Chairman Chamberlain, who was joined by the Honorable Arturo Garino, Mayor, and the Honorable Bruce Bracker, Chairman of the Board of Supervisors, made a presentation on the urgent need to modernize the DeConcini Port of Entry.
- 10 of the 11 Congressional offices participated in the Briefing, including Congresswoman Ann Kirpatrick who heard the presentations from all three border communities;
- A copy of the presentation can be found in Attachment #3.







### 8. PORT AUTHORITY TESTIFIES DURING THE USTR SEASONALITY HEARINGS;

- On August 13<sup>th</sup> and 20<sup>th</sup>, the United States Trade Representative held virtual hearings regarding claims of negative impacts to Florida and Georgia seasonal producers of fresh produce from imports from Mexico;
- Claims are that Mexico is unfairly subsidizing the production of fresh produce in Mexico, thereby offering a price advantage for imports of fresh produce over production in Florida and Georgia;
  - A study by the University of Arizona determined that Mexico is providing subsidies that amount to 2% of the levels permitted under the World Trade Organization, while the US provides far higher subsidies to US producers, including those in Georgia and Florida
- In a coordinated effort with the Fresh Produce Association of the Americas, and the Nogales US Customs House Brokers Association, Chairman Chamberlain testified in support of the interests of US importers of fresh produce, particularly those based in the Nogales and Santa Cruz County area;
- The hearings were focused on determining the level of impact on Florida and Georgia producers, not about determining the impacts to US consumers, to other states or regions of the country, US industry, US jobs, or the interests of US-based importers of fresh produce;
- A copy of Chairman Chamberlain's testimony can be found in Attachment #4.









### 9. CONGRESSIONAL DELEGATION TO USTR AGAINST SEASONALITY PROVISIONS

- Thanks to the efforts of the Fresh Produce Association of the Americas, on August 12, 2020, 9 members of the Arizona Congressional Delegation to US Trade Representative Robert Lighthizer;
- "Such a provision would run counter to consumer preferences, undermine the spirit and benefits of free trade, risk reciprocal or retaliatory actions from our trade partners, and harm US industries in order to artificially support a small segment of regional growers' interests," wrote the delegation;
- As additional information becomes available we will of course share it with the leadership of the Port Authority.
- A copy of the letter can be found in Attachment #5.

### 10. ADOT ISSUES HEALTH SAFETY PROTOCOLS TO COMBAT SPREAD OF COVID-19

- The Arizona Department of Transportation (ADOT) issued a guide outlining a series of protocols to help minimize the possible spread of COVID-19 between truck drivers and safety inspection personnel;
- The information was provided in both English and Spanish;
- The Port Authority helped with the sharing of the information to industry groups and representatives;
- A copy of the Guide is provided in Attachment #6.

### Attachment #1

Copy of letter to Tucson OFO regarding DeConcini Modernization



August 10, 2020

Mr. Guadalupe Ramirez Director, Field Operations – Tucson US Customs and Border Protection 4740 North Oracle Rd., Suite 310 Tucson, Arizona 85705

RE: Urgent need to Modernize DeConcini Port of Entry

Dear Director Ramirez,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I write to urge you and Customs and Border Protection (CBP) to prioritize the need modernize the DeConcini Port of Entry at downtown Nogales.

The port is heavily congested. The current facilities are prone to floods during the monsoon season. The primary booths are literally within 5 feet of the international boundary which does not permit CBP to deploy any technology to help identify cars as they approach the border. The secondary facilities for cars and the processing of travelers are simply outdated, inefficient and not safe for either the traveling public or CBP personnel. Port operations and the community are also impacted by the flow of train traffic. And there is more which is why it is so important that CBP must conduct a feasibility study to help determine what can be done to improve the situation and provide a long-term solution for the many challenges that CBP and the community must deal with on a daily basis.

It is estimated that the as much as 70% of local sales tax revenues are directly attributable to the Mexican visitor. Two weeks ago, the Arizona Office of Tourism reported that Mexican visitors spend more than \$3.5 billion per year in Arizona and ports like DeConcini are the gateways for millions of those tourists. For the wellbeing of the community and Arizona, it is imperative that the port be modernized, and a safe and secure traveling experience be offered to the millions of crossers that rely on this facility each year.

While traffic volumes may be down today due to the border crossing restrictions agreed upon by the governments of the United States and Mexico, we expect traffic volumes to return to pre-pandemic levels once the COVID-19 pandemic is under control. You will recall that prior to the changes that went into effect on March 20, 2020, border crossing

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Mr. Guadalupe Ramirez US Customs and Border Protection August 10, 2020

times at Nogales were consistently exceeding 2 or 3 hours, with the wait times during the end of the *Paisano Season* exceeding 10+ hours. For the Ambos Nogales and the Arizona-Sonora regions to continue to grow and facilitate tourism while providing a safe work environment for CBP officers, major improvements are required at this very outdated facility.

We look forward to working with you, CBP, the State of Arizona and our Congressional delegation to advancing the feasibility study for the modernization of the DeConcini port of entry. There is simply too much at stake for the situation to continue as it is.

Respectfully,

Jaime Chamberlain Chairman

# Attachment #2 Letter from County on Modernization of DeConcini Port of Entry



# Board of Supervisors Santa Cruz County

MANUEL RUIZ District 1

RUDY MOLERA

BRUCE BRACKER District 3

Guadalupe Ramirez Director Office of Field Operations – Tucson 4740 N. Oracle Rd., Ste. #300 Tucson, Arizona 85705

RE: Urgent need to Reconfigure/Modernize DeConcini Port of Entry

Dear Director Ramirez,

Santa Cruz County, as a border County, is heavily dependent on Mexico and our visitors from Mexico for a great portion of our sales tax revenues. But it goes far beyond that. There are historic, business, environmental, familial, tourism, investment, safety and security ties and connections.

Our downtown merchants rely on the shoppers from Mexico, shoppers that in many cases have been shopping at these stores for years if not decades. But the biggest deterrent for our economic vitality in our downtown sector are the conditions of the DeConcini and Morley ports of entry. The situation is untenable and has been for years. From floods during the monsoon season, to the stormwater tunnels underneath that demand attention, to the safety of your officers that have to staff the booths within 5 feet of the international boundary, to wait times that easily exceed one or two hours. Border crossing volumes are down today due to the border crossing restriction designed to prevent the spread of COVID-19, but that leaves our community woefully underprepared to take advantage of an economic recovery when crossing volumes return to pre-pandemic volumes.

From our recollection, the last major renovations to this port were completed in the early 1990's. Since then, the world has changed, the purpose of a port of entry has changed, the job of a CBP officer has changed and the demands on our community have changed.

The DeConcini port of entry is essential to our County, to our state and to our nation. It is Arizona's only rail connector with Mexico and it is our states' biggest port of entry for non-commercial operations. We find it unfathomable that this port has not received greater attention, not just for the traveling public and the welfare of our downtown Nogales retail sector and the core of the community, but also for the officers that must perform very tough jobs in less than ideal conditions.

It is imperative that CBP Headquarters push for the immediate designation of funds to conduct a feasibility study that will determine what can be done, look at the possibilities that exist to expand the footprint, and define the investment required to modernize DeConcini to meet the demands of the XXI century.

As such, we remain committed to pushing for the modernization of the DeConcini port of entry as soon as possible as the very livelihood of thousands of our residents and hundreds of our local businesses and our community are at stake.

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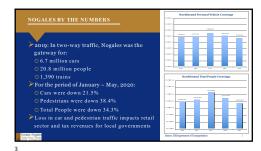
Bruce Bracker Chairman W-198

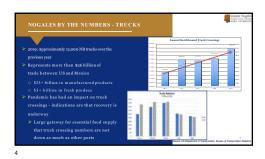
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## <u>Attachment #3</u> Copy of Congressional Briefing Presentation







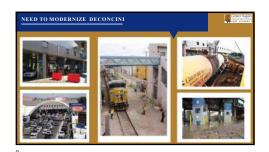


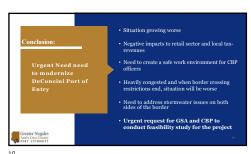












Jaime Chamberlain —

### Attachment #4

Copy of Testimony before USTR Hearings on Seasonality

Ambassador Robert Lighthizer U.S. Trade Representative

Joseph Barloon, General Counsel Office of the U.S. Trade Representative

Public Hearings: Trade Distorting Policies that may be Affecting Seasonal and Perishable Products in U.S. Commerce

Docket Number USTR-2020-0010

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

August 3, 2020

Thank you Mr. Chairman and members of the Committee,

My name is Jaime Chamberlain and I am Chairman of the Greater Nogales Santa Cruz County Port Authority. Our Board is made up of the Governments of the City of Nogales, the County of Santa Cruz, The Fresh Produce Association of the Americas, The Nogales U.S. Customs House Brokers Association, and other pillar industries of our community.

Nogales Arizona has been one of the most important gateways for the importation of fresh produce from Mexico for over a hundred years. From the very beginning, the produce that has come in through Nogales has been considered complementary and essential for our nation's food supply.

We are extremely proud of the role we play in the North American food supply chain. This sentiment and our work has had no more important meaning than in the last 6 months. American importers and marketers of Mexican Fruits and Vegetables are considered essential and critical in keeping our country's Retail, Foodservice, and Wholesale food distribution chain supplied with wholesome and healthy produce. Our industry distributors and our community did the same during every war, every crisis and every economic recession and depression since the early 1900's. And now, during this COVID pandemic, we are again critical and extremely valuable to our American distribution partners.

For decades American importers have been threatened by U.S Southeastern growers who think Mexican produce poses a threat to them. It is unfortunate they

don't realize that without the importation of fruits and vegetables from all over the word, our American consumers would not have the produce of their choice available to them during all seasons of the year. This consistent availability has contributed to the growth of all produce consumption in the United States. Our own American Government has worked tirelessly to assure Americans of an ample food supply thru negotiations of great trade agreements like the most recent USMCA. Foreign farmers have listened to consumer demands for year round availability of all fruits and vegetables. This demand has led to the creation of thousands of new jobs in in Arizona and hundreds of thousands of jobs throughout the United States over the past 100 plus years.

Many Farmers in Mexico, have entered into joint venture partnerships with American distributors and farmers from California, Arizona, Texas, and Florida. In many instances the largest Mexican Fruit and Vegetable importers are in fact wholly owned subsidiaries of American farms. Just recently a Georgia farm was a featured in a CBS News report that highlighted how Georgia farmers were fearing losing their crops because they could not get enough workers from Mexico due to COVID-19<sup>1</sup>. They speak of labor from foreign countries who often compete with domestic grown produce. So they want the labor from those countries but not the competition for valuable shelf space. It is ironic how growers look towards the American government to solve their issues when all American importers and distributors want is the opportunity to fulfil the produce demands of American consumers.

Growers in Georgia and Florida would have you believe they are being run out of business. But in reality they have failed to make the necessary investments to make their farms more productive and attractive to consumers. Mexican producers have adopted and invested in new and innovative farm technologies like sophisticated drip irrigation systems and new soil conservation policies. They have also invested and partnered with global seed breeders to identify the most productive seeds for specific types of soils in different climates. But the most significant investments have been made in protected agriculture structures like glass, plastic and mesh greenhouses.

Different greenhouse structures are used depending on the location, climate, and commodities grown on the farm. These structures protect the crops from harmful pests and animals. From rain, tornados and hurricanes. The goal of these investments being that the American consumer is assured of a consistent supply of healthy produce 365 days of the year. Those who invest in technology to increase productivity, efficiency and reduce cost, should not be penalized.

<sup>1 &</sup>quot;U.S. farmers are "gonna be in trouble" without foreign labor during the coronavirus pandemic", CBS News, April 3, 2020

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On July 1, 2020, the United States-Mexico-Canada Agreement was signed. While speaking about this historic agreement, US Secretary of Agriculture, Sonny Purdue said this. "The University of Georgia recently published a study claiming the new United States-Mexico-Canada Agreement would cost some Georgia vegetable and fruit grower's revenue and jobs. The sensational assertions are flat wrong. As a proud UGA alumnus, I'm here to tell you USMCA is good for Georgia's farmers and all American agriculture." Secretary Perdue statement is correct as he knows that Mexico is our county's number one trading partner, but the relationships between both countries go far beyond trade.

It is imperative the USTR keep in mind that should you implement any provisions to protect a small number of producers in two states, that these provisions will have severe repercussions. First, these provisions will punish hundreds of US companies in multiple states and may cost thousands of US jobs for those who import, market and distribute the produce to American consumers. Any US countervailing measures would severely harm US companies and their financial investments in Mexico. And most importantly imposing these provisions will ultimately punish the US consumer who will end up paying higher prices for food while availability contracts. This is not the time to enter into a trade war with our largest trading partner. Especially since over the last 5 months so many of our citizens have been subjected to so much food insecurity. All of the above consequences are a direct affront to the principles of the USMCA. The last thing our country needs right now is a venerable and jeopardized food supply. Now is the time to value our food partners in Mexico and throughout the world.

I thank you for your attention and look forward to responding to any questions or comments that you may have.

# <u>Attachment #5</u> Copy of Delegation letter to USTR Lighthizer

### Congress of the United States Washington, DC 20515

August 12, 2020

The Honorable Robert E. Lighthizer United States Trade Representative 600 17th St. NW Washington, D.C. 20508

Dear Ambassador Lighthizer:

We write today to urge you to consider the broad impacts of a new seasonal trade remedy on Mexican tomato imports. This trade remedy would affect Arizona's economy, the U.S. agribusiness supply chain, and consumers all across the country who enjoy a diverse selection of tomatoes at low prices. Upcoming virtual hearings on August 13th and 20th to consider trade remedies in response to allegedly distortionary Mexican trade policies risk undermining the spirit of free trade championed by the United States-Mexico-Canada Agreement (USMCA) and further addressed by the adoption of a new Tomato Suspension Agreement in 2019.

As you are aware a "seasonality" provision, whereby certain Mexican tomatoes could be subjected to additional dumping duties at various times throughout the year, would affect jobs and economic development in Arizona. A University of Arizona study shows that Mexican tomato imports support 33,000 U.S. jobs. Agribusiness supply chains derived from these imported tomatoes account for nearly \$3 billion in U.S. gross domestic product.

Consumers in the U.S. currently enjoy the lowest food costs in the world, with just 6.4 percent of U.S. income going toward food. Some fresh fruits and vegetables, like tomatoes, however, are simply not available in sufficient volume from the U.S. in certain months. U.S. companies have found significant value in working with farms in Mexico to produce and export products that contribute to healthful eating habits for U.S. consumers. A seasonal trade remedy would choke off a critical supply of imported tomatoes, resulting in higher prices for U.S. consumers while reducing availability, selection, and quality in supermarket aisles. This would be particularly harmful at a time when our nation continues to combat the COVID-19 crisis and when millions of Americans are struggling to put food on the table.

As supporters of free, fair, and reciprocal trade between the United States and its trading partners around the globe, we strongly oppose any new agriculture seasonality provision targeting Mexican tomato imports. Such a provision would run counter to consumer preferences, undermine the spirit and benefits of free trade, risk reciprocal or retaliatory actions from our trade partners, and harm U.S. industries in order to artificially support a small segment of regional growers' interests. We encourage the Administration to consider these positions during the upcoming August hearings.

Thank you very much for your attention to this important issue. We look forward to your response and appreciate your consideration of this request in accordance with all existing agency rules, regulations, and ethical guidelines.

Sincerely,

Kyrsten Sinema U.S. Senator

Tom O'Halleran Member of Congress

Debbie Lesko Member of Congress

David Schweikert Member of Congress

Raul Grijalva Member of Congress Martha McSally U.S. Senator

Greg Stanton Member of Congress

Andy Biggs Member of Congress

Ruben Gallego Member of Congress

cc: The Honorable Sonny Perdue, Secretary of Agriculture The Honorable Wilbur Ross, Secretary of Commerce

## Attachment #6

### Copy of Health Safety Protocols from ADOT

# Guía para mitigar la transmisión del Covid-19 y otras enfermedades estacionales mediante la limpieza y desinfección de vehículos

La seguridad y el bienestar de nuestros clientes y empleados es un valor fundamental de ADOT.

Esta guía tiene como objetivo mitigar la transmisión del Covid-19 y otras enfermedades estacionales a través de la exposición de la operación diaria de todos los vehículos de la flota. Al implementar prácticas regulares de limpieza y desinfección en sus vehículos asignados, puede minimizar efectivamente la transmisión de estas enfermedades mientras utiliza estos vehículos.

Las superficies que incluyen metal, plástico, vidrio y otras superficies duras albergan bacterias y virus. Al tocar estas superficies, los empleados pueden transferir patógenos a sus ojos y boca. La limpieza y desinfección de estas superficies con limpiadores y desinfectantes aprobados elimina la gran mayoría de las bacterias y virus que causan la gripe, los resfriados y otras enfermedades estacionales, lo que reduce la probabilidad de transmisión.

**Limpieza:** se refiere a la eliminación de gérmenes, suciedad e impurezas de las superficies. La limpieza no mata los gérmenes, pero al eliminarlos, reduce su número y el riesgo de propagar infecciones. La limpieza se realiza generalmente con jabón, detergentes, limpiadores y agua limpia antes de usar un método de desinfección.

**Desinfección:** se refiere al uso de productos químicos para matar gérmenes en las superficies. Este proceso no necesariamente limpia las superficies sucias ni elimina los gérmenes, pero al matar los gérmenes en una superficie después de la limpieza, puede reducir aún más el riesgo de propagar una infección. La desinfección se realiza típicamente utilizando soluciones desinfectantes comerciales o domésticas aprobadas.

### Áreas De Mayor Contacto De Un Vehículo:

- Llaves y llaveros del vehículo
- Manijas de la puerta, cierres/seguros/pestillos de la puerta y candados
- El volante
- Cualquier palanca, incluyendo la palanca de cambios
- Cualquier botón o pantalla táctil (radios, ajustadores de espejos, controles de clima, etc.)
- Limpiaparabrisas y la palanca de la direccional
- Consola central y portavasos
- Apoyabrazos del conductor y del pasajero, cinturones de seguridad, agarraderas y ajustadores de asiento
- Reposacabezas y bolsillos del asiento

Consulte los enlaces a continuación sobre los desinfectantes aprobados por el Centro de Control y Prevención de Enfermedades (CDC por sus siglas en inglés) y la guía para desinfectar vehículos.

https://www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2

https://www.cdc.gov/coronavirus/2019-ncov/community/reopen-guidance.html

https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/disinfecting-transport-vehicles.html