

March 17, 2023

#### TO: Mr. Jaime Chamberlain, Chairman

FROM: Luis E. Ramirez Thomas, President, Ramirez Advisors Inter-National

#### SUBJECT: Monthly Report of Activities – February 2023

On behalf of Ramirez Advisors Inter-National, LLC ("RAI-N") we are pleased to present our monthly 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 our activities on your behalf. With your feedback, we will make every effort to improve our response to your directives and ensure an effective implementation of the initiatives at hand.

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

- 1. Mariposa Cold Rooms Project Update;
- 2. Letter on Commercial Vehicle Enforcement Task Force;
- 3. Border Crossing Data Updated;
- 4. Senator Sinema Reintroduces Nogales Wastewater Improvement Act;
- 5. City of Nogales hosts Study Session to Review ASBIMP;
- 6. ADOT and AMC Lead Delegation Trip to Hermosillo;
- 7. Stakeholder Kick-Off Meeting for Cross-Border E-Truck Drayage Pilot Program;
- 8. Port Authority meets with new ADOT Director;
- 9. Governor Meets with President of Mexico on border infrastructure projects;
- 10. NADBank provides update to Port Authority; and
- 11. Port Authority Invited to present at Consejo Empresarial de Nogales.

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 ongoing dialogue with the leadership and the Board of Directors.

P.O. Box 4518 Rio Rico, AZ 85648

# www.nogalesport.org

#### 1. MARIPOSA COLD ROOMS PROJECT UPDATE

- Anticipate project completion in March and planning a ribbon cutting ceremony for April 6, 2023.
- Customs and Border Protection has indicated that due to security restrictions and measures, they will be limiting the number of people that will be permitted to enter the compound to participate in the festivities.

## 2. LETTER ON COMMERCIAL VEHICLE ENFORCEMENT TASK FORCE

- In a letter dated January 27, 2023, the Port Authority urged Governor Katie Hobbs to reconsider the proposal to eliminate the Commercial Vehicle Enforcement Task Force (CVETF).
- While the Port Authority originally opposed the inclusion of the Arizona Department of Public Safety (DPS) at the ports of entry, the experience since the creation of the CVETF has been very positive.
- The inclusion of DPS in the inspection process has contributed to efforts to ensure and enhance road safety.
- The leadership of the CVETF has met on multiple occasions with the Port Authority and various industry representatives and the feedback has been positive.
- As this was included in the Governor's budget proposal and the budget was not accepted by the legislature, it is yet to be determined if this proposal will be moving forward.
- A copy of the letter to the Governor can be found in Attachment #1.

### 3. BORDER CROSSING DATA UPDATED

- In early February, the US Department of Transportation released the latest border crossing data.
- There continues to be very strong and positive story for non-commercial operations yet commercial operations seem to have stabilized but no real movement up or down.
- As indicated to the leadership of the Port Authority on February 3:
  - The U.S. Department of Transportation recently released the latest border crossing numbers through December 2022. For your reference, attached please find a copy of the tables comparing the 2021 vs 2022 totals for all traffic modes.
  - Total people crossings at Nogales grew 49.6%! This strong double-digit growth is also reflected in the totals for cars, passengers, and pedestrian crossings. When compared to pre-pandemic volumes, personal vehicle crossings in 2022 have surpassed totals from previous years.

- Truck traffic did experience a slight decline in 2022, with approximately 8,000 fewer trucks crossing through Nogales. We had anticipated this result given the weather-related events and other market factors that affected import volumes early last year. However, total truck crossings in 2022 is the second highest total in the last 10 years. The continued interest in the AZ-MX corridor for cross-border trade and investment makes us optimistic that the long-term trend is positive.
- A summary of the key data points for Nogales and state of Arizona are included below.

#### Nogales 2022 Totals

- 370,773 trucks crossings, a 2.2% decrease or 8,333 fewer trucks compared to 2021.
- 9.8 million total people crossed at Nogales in 2022, a 49.6% increase, or 3.2 million more people compared to 2021.
- 3.7 million private vehicles, a 41.3% increase compared to 2021.
- 2.5 million pedestrians, a 46.1% increase compared to 2021.
- 810 train crossings, a 19.3% increase compared to 2021.

#### Arizona 2022 Totals

- 452,848 trucks crossed at Arizona's ports of entry in 2022, a 1.9% decrease compared to 2021.
- 22.7 million total people crossed at Arizona's ports of entry in 2022, a 34% increase compared to 2021.
- 9.4 million cars crossed at Arizona's ports of entry in 2022, a 28.2% increase compared to 2021.

Port					
	Mode	2021	2022	Difference	Change
	Trucks	28,745	29,436 1	691 👚	2.4
	Personal Vehicles	1,220,308	1,557,946 👚	337,638 🏫	27.7
Douglas	Personal Vehicle Passengers	1,971,321	2,792,761 👚	821,440 🏫	41.7
	Pedestrians	570,039	683,612	113,573 🚹	19.99
	Buses Total People	190	168	-22	-11.6
	Trucks	379,106	370,773	-8,333	-2.2
Nogales	Personal Vehicles	2,609,449	3,687,883	1,078,434	-2.2
	Personal Vehicle Passengers	4,677,320	7,090,262	2,412,942	51.6
	Pedestrians	1,756,606	2,565,614	809.008	46.1
	Trains	679	810 🚹	131 👚	19.3
	Buses	4,898	7,136 🚹	2,238 👚	45.7
	Total People	6,607,077	9,883,250 👚	3,276,173 👚	49.6
	Irucks	49,198	48,883 🌳	-315 🔶	-0.6
	Personal Vehicles	2,811,104	3,378,455 👚	567,351 😭	20.2
San Luis	Personal Vehicle Passengers	4,485,269	5,504,367 🏠	1,019,098 👚	22.7
	Pedestrians	1,875,567	2,058,032	182,465 😭	9.7
	Buses	31	95 🏠	64 😭	206.5
	Total People	6,360,867	7,562,492	1,201,625	18.9
Lukeville	Trucks Personal Vehicles	684	835 😭	151 1 37,459 1	22.1 9.3
	Personal Vehicles Personal Vehicles Passengers	404,712 827,695	978,219	150,524	9.3
	Pedestrians	35,471	71,707	36,236	102.2
	Buses	562	599	37	6.6
	Total People	867.566	1,053,159	185,593	21.4
Naco	Trucks	3,974	2,921 🦊	-1,053 🦊	-26.5
	Personal Vehicles	258,736	310,609 🏠	51,873 👚	20.0
	Personal Vehicles Passengers	417,794	561,854 🟫	144,060 👚	34.5
	Pedestrians	76,230	86,760 🏫	10,530 😭	13.8
	Total People	494,024	648,614 👚	154,590 🏠	31.3
	Personal Vehicles	29,115	27,046	-2,069	-7.1
Sasabe	Personal Vehicle Passengers	49,561	51,434	1,873 <b>1</b> -61 <b>4</b>	3.8
	Pedestrians Total People	844 52,580	783 <del>4</del> 52.217 <del>4</del>	-61 🦊 -363 🕹	-7.2 -0.7
		52,580	32,217	-303 🕎	-0.7
Port	Mode	2021	2022	Difference	Change
	Trucks	461,707	452,848 🦊	-8,859 🦊	-1.9
	Personal Vehicles	7,333,424	9,404,110 🏠	2,070,686 👚	28.2
			16,978,897 🏫	4,549,937 👚	36.6
State Totals	Personal Vehicle Passengers	12,428,960			
State Totals	Personal Vehicle Passengers Pedestrians Buses	12,428,960 4,314,757 5,681	5,466,508	1,151,751	26.7 40.8

#### 4. SENATOR SINEMA REINTRODUCES NOGALES WASTEWATER IMPROVEMENT ACT

- On February 7, Senator Kyrsten Sinema, along with Senator Mark Kelly as a Co-Sponsor, reintroduced the Nogales Wastewater Improvement Act.
- The Act seeks to rectify the situation over the ownership, maintenance, and operation of the International Outfall Interceptor (IOI).
- "This agreement has been decades in the making. Our legislation delivers a permanent solution to the Nogales International Outfall Interceptor dilemma and provides long-awaited relief to Nogales families' health and safety," said Sinema.
- A copy of the letters sent in support of the legislation can be found in Attachment #2.
- The Senator issued the following press release:

#### FOR IMMEDIATE RELEASE

February 7, 2023 CONTACT: Pablo Sierra-Carmona <u>Press@sinema.senate.gov</u> 202-224-4521

## Sinema Seeks to Solve Decades-Long Challenge with Nogales Wastewater Pipeline Legislation

The Nogales Wastewater Improvement Act represents a historic agreement transferring ownership, operations, and maintenance responsibilities of the Nogales International Outfall Interceptor to the U.S.

**WASHINGTON** – Arizona senior Senator Kyrsten Sinema re-introduced the *Nogales Wastewater Improvement Act* — legislation that transfers the ownership, operations, and maintenance of the International Outfall Interceptor (IOI) to the U.S.-section of the International Boundary and Water Commission, securing a historic agreement between the City of Nogales and the federal government.

"This agreement has been decades in the making. Our legislation delivers a permanent solution to the Nogales International Outfall Interceptor dilemma and provides long-awaited relief to Nogales families' health and safety," said Sinema.

For years, the City of Nogales has continually <u>tried to seek federal funds and</u> <u>additional ownership responsibility</u> from the U.S. International Boundary and Water Commission (IBWC) for <u>necessary infrastructure improvements</u> on an international sewage pipe that flows from Mexico through Nogales, Arizona to the Nogales International Wastewater Treatment Facility in Rio Rico, Arizona.

Families in Nogales have faced challenges with untreated wastewater coming from Mexico and overflowing into streets during storm events. Sinema's legislation will streamline the ability for the government to respond to crises on the US-side of the border and authorizes full funding for operations and maintenance into the future.

#### 5. CITY OF NOGALES HOSTS STUDY SESSION ON ASBIMP



 On February 8, the City of Nogales hosted a study session to review the progress made by the Arizona-Sonora Border Infrastructure Master Plan.

- Mayor and Council engaged in a discussion of the various projects that have been identified and included in the ASBIMP.
- Special thanks to Chairman Chamberlain, Vice Chair Joshua Rubin, and Board delegate Allison Moore for participating in the discussion.



### 6. ADOT AND AMC LEAD DELEGATION TO HERMOSILLO

- On February 9, 2023, Jennifer Toth, Director of ADOT and Chair of the Arizona-Mexico Commission's Transportation, Infrastructure and Ports Committee, lead a delegation to Hermosillo for meetings with her counterpart and various members of the State of Sonora Cabinet.
- Joining Director Toth on the delegation were:
  - Kismet Weise, Deputy Director, ADOT
  - o Mark Sanders, Director International Affairs, ADOT
  - o Jerome Rosa, Deputy Director, Arizona Department of Agriculture
- Among the topics for discussion during the trip were:
  - o "Plan Sonora"
  - o ASBIMP
  - Port of entry projects
  - Importation of Citrus
- It is worth noting that Director Toth made the trip with less than one week of having been nominated to the position of Director, reflecting her commitment to international transportation issues and topics.

Mr. Jaime Chamberlain Greater Nogales Santa Cruz County Port Authority March 17, 2023





## 7. STAKEHOLDER KICK OFF MEETING FOR CROSSBORDER E-TRUCK DRAYAGE PILOT **PROGRAM**





On February 16, the Port Authority, in collaboration with the Arizona Department of Transportation, the North American Development Bank, and the State of Sonora, hosted the first technical meeting for the Cross-border Electric Truck Drayage Pilot Program.

With over 30 participants in this hybrid and presential meeting at the ASU Downtown campus in Phoenix, the process to identify the technical details and action items for the program, was discussed by all stakeholders.

. Inf act, thanks to the US Embassy in Mexico City, even Kenworth PACCAR, a Mexican based electric truck manufacturer participated in the meeting.

A full list of the participants is 0

included as part of the minutes of the meeting in Attachment #3.

- One of the principal issues raised by Allison Moore of the Fresh Produce Association of the Americas, is the need to evaluate the impacts of having refrigerated units on electric trucks.
  - Cross-border drayage will not be measuring or evaluating the distance to be traveled but rather the idle time that trucks can experience in crossing the border.
- The Port Authority is working with stakeholders to prepare identify grant opportunities that can be sought and hopefully secured to help defray the cost of the program, estimated at approximately \$1.3 million.

#### 8. PORT AUTHORITY MEETS WITH NEW ADOT DIRECTOR



• On February 16<sup>th</sup>, Chairman Chamberlain on behalf of the Port Authority, met with the new ADOT director.

 Though only a brief meeting, it was essential to continue the collaborative efforts between Nogales and ADOT on a variety of projects, including as part of the Transportation, Infrastructure and Ports Committee of the Arizona-Mexico Commission.

- The Port Authority extended an invitation to Director Toth to visit Nogales and meet the many public and private stakeholders in Nogales that contribute to the advancement of a number of transportation initiatives in the community.
  - The Port Authority submitted a letter in support of Director Toth's nomination.
    - Copy of the letter to the State Legislature is provided in Attachment #4.

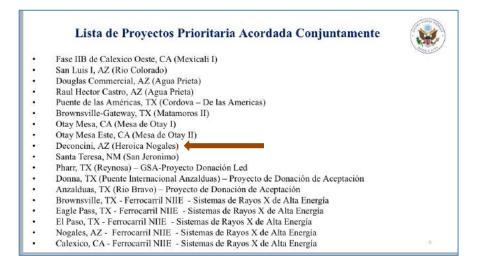
# 9. GOVERNOR MEETS WITH PRESIDENT OF MEXICO ON BORDER INFRASTRUCTURE PROJECTS



On February 17<sup>th</sup>, Governor Katie
Hobbs traveled to Nogales, Sonora for
meetings with President Andres Manuel
Lopez Obrador of Mexico and the Governor of
Sonora, Alfonso Durazo.

• The meeting, organized in great part by US Ambassador to Mexico, Ken Salazar, focused on border infrastructure projects, including a review of the top 18 border projects, which includes DeConcini port of

entry as the #9 in the priority list of projects.



 One of the principal action items from the meeting, was the commitment by Ambassador Salazar to work with the Mexican Ministry of Foreign Affairs on the advancement of the Diplomatic Notes that confirm various projects, particularly the projects at San Luis and Douglas.



During the visit to Nogales, Governor Hobbs and her team made a dinner stop at Zula's!



#### **10. NADBANK PROVIDES UPDATE TO PORT AUTHORITY**





 On February 22, during the regularly scheduled Board meeting, Jesse Hereford, on behalf of the North American Development Bank, provided an update on activities along the US-Mexico Border and highlighted the traditional and expanded areas of interest for the Bank's portfolio.

 Mr. Hereford also confirmed that NADBank has identified and set aside up to \$350,000 for a possible technical grant in support of the pilot program for cross-border drayage operations using electric trucks.

NADBank is prepared to respond to any requests for information and additional information on the bank can be found at nadb.org.

#### **11. PORT AUTHORITY INVITED TO PRESENT TO CONSEJO EMPRESARIAL DE NOGALES**



 On February 23, the Port Authority was invited by the *Consejo Empresarial de Nogales* to present to their board on the key issues and priority projects.

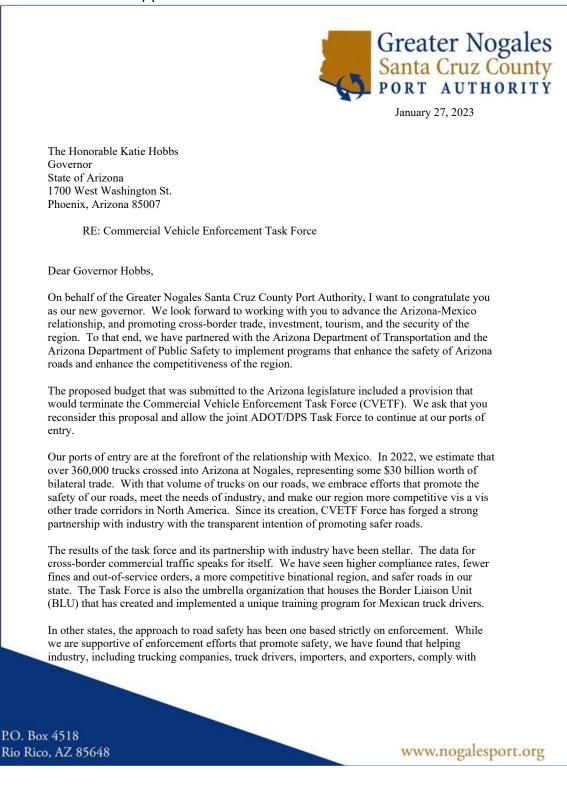
 Chairman Chamberlain provided an overview of the key issues (document available on the Port Authority website).

 The Consejo has renewed their invitation to the Port Authority to participate in their monthly meetings.

• Considering the broad list of projects that impact both sides of the border, it

recommended that the Port Authority be represented at each Consejo meeting.

#### <u>Attachment #1</u> Copy of letter to Governor on CVE Task Force



Page 2 of 2

The Honorable Katie Hobbs State of Arizona January 27, 2023

safety regulations, that is backed by strict enforcement, the results are better. In fact, the results have been so significant that other states have come to Arizona to try to learn what we do. CVETF and the BLU have helped set Arizona apart from the rest, and these efforts are in fact heralded by federal authorities in both the United States and Mexico.

The Port Authority, comprised by the City of Nogales, Santa Cruz County, the Fresh Produce Association of the Americas, Nogales Customs Brokers Association, the Nogales Santa Cruz County Economic Development Foundation, Index Nogales, Nogales Community Development Corporation, and the Santa Cruz County Mining Cluster, is focused on improving the quality of life of the residents of the region and making the port of entry system at Nogales the best that it can be.

We thank you for the consideration you give to this request, and we hope that we will be able to continue working with the Commercial Vehicle Enforcement Task Force to make our roads safer and our binational region more competitive.

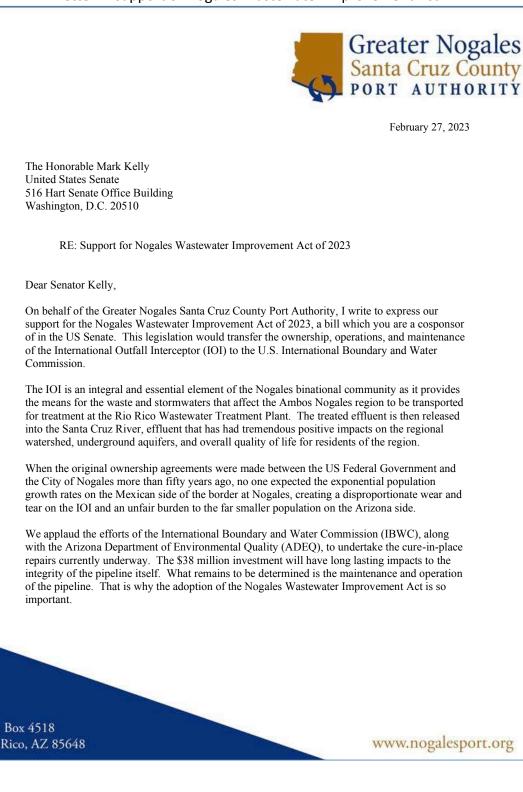
Respectfully, Jaime Chamberlain

Chairman

CC: Jennifer Toth, Director, Arizona Department of Transportation Lt. Colonel Tim Chung, Assistant Director, Arizona Department of Public Safety Marisol Flores-Aguirre, Office of the Governor Julieta Cruz, Office of the Governor Sarah Brown, Office of the Governor Ben Henderson, Office of the Governor

#### Attachment #2

Letter in support of Nogales Wastewater Improvement Act



P.O. Box 4518 Rio Rico, AZ 85648 Page 2 of 2

The Honorable Katie Hobbs State of Arizona January 27, 2023

safety regulations, that is backed by strict enforcement, the results are better. In fact, the results have been so significant that other states have come to Arizona to try to learn what we do. CVETF and the BLU have helped set Arizona apart from the rest, and these efforts are in fact heralded by federal authorities in both the United States and Mexico.

The Port Authority, comprised by the City of Nogales, Santa Cruz County, the Fresh Produce Association of the Americas, Nogales Customs Brokers Association, the Nogales Santa Cruz County Economic Development Foundation, Index Nogales, Nogales Community Development Corporation, and the Santa Cruz County Mining Cluster, is focused on improving the quality of life of the residents of the region and making the port of entry system at Nogales the best that it can be.

We thank you for the consideration you give to this request, and we hope that we will be able to continue working with the Commercial Vehicle Enforcement Task Force to make our roads safer and our binational region more competitive.

Respectfully, Jaime Chamberlain Chairman

CC: Jennifer Toth, Director, Arizona Department of Transportation Lt. Colonel Tim Chung, Assistant Director, Arizona Department of Public Safety Marisol Flores-Aguirre, Office of the Governor Julieta Cruz, Office of the Governor Sarah Brown, Office of the Governor Ben Henderson, Office of the Governor

#### Attachment #3

Minutes from Electric Truck Cross Border Drayage Meeting

# <u>NOTES</u> Cross-Border Electric Truck Drayage Pilot Program Thursday, February 16, 2023 ASU Mercado Phoenix, Arizona

### Recording: <a href="https://youtu.be/\_bAHksShQQ">https://youtu.be/\_bAHksShQQ</a>

- Greater Nogales Santa Cruz County Port Authority will be the principal promoter and fiduciary agency for the pilot program.
- Initial estimates are that the pilot program will cost \$1.3 million (\$1 million for up to 4 (four) Semis, \$200,000 for two (2) high-speed charging stations, and \$100,000 for data monitoring and analysis.)
- The North American Development Bank (NADBank) has confirmed that they have set aside up to \$350,000 for a grant to be applied towards the cost of the pilot program.
  - Requires a 20% match (\$70,000).
- ADOT EV Charging station funding may offer some possible funding towards this program.
- TEP, the local utility, has a program that includes the deployment of EV charging stations, but they had not considered trucks using this infrastructure.
  - TEP looking into possible funding opportunities for the pilot program.
- Fresh Produce representatives indicate concerns over the ability for e-trucks to operate efficiently if they have a refrigerated unit with temperature-sensitive commodities.
  - Suggestion was made to consider focusing on dry-goods or manufactured products (non-temperature sensitive) for the pilot program.
  - Consensus was that pilot should look at all types of commodities in order to identify challenges and solutions.
- Nikola indicated that they offer training for operators of their trucks.
  - Consider if ADOT safety inspection personnel will be required to participate in the training sessions to help them identify ways to modify safety inspection process for electric units.
  - Nikola indicated that their current models have a range of up to 350 miles, without a refrigerated unit.
  - Nikola is also looking at idle time for the truck as this will be one of the key challenges for cross-border operations in case trucks are forced to stay in a queue to cross the border.
- AZ Tech Council indicate that they have two additional e-truck manufacturers as members, and they offered to make an introduction to see if they are interested in participating in this program.
- Gerardo Arroyo of USAID indicated that there are a number of initiatives that will support net-zero emissions programs.
  - Follow up with USAID is required to define how they can support this pilot program.

- Fresh Produce industry indicated that there are other types of truck usages that could also benefit from e-trucks, including local deliveries, that don't necessarily cross the border. Usually rely on smaller configuration trucks that travel 2 to 15 miles.
  - AZ-Tech council members may fit this configuration.
- NADBank requires a proposal to be submitted for the grant that needs to include a scope of work for the pilot program.

#### Action Items:

- **1.** Need cost information from:
  - a. ChargePoint on high-speed charging units
  - **b.** Nikola on truck costs
  - **c.** University of Arizona on data monitoring/analysis and reporting
- **2.** Schedule next meeting in Ambos Nogales to start looking at possible sites for the installation of the charging units.
- **3.** Technical team to prepare a draft scope of work that includes the information required by NADBank to be eligible for the technical grant.

#### List of Participants:

- **1.** Alana Langdon, Nikola Motor
- 2. Alejandro Navarro
- 3. Allison Moore, Fresh Produce Association of the Americas
- **4.** Carol Colombo, Arizona District Export Council
- 5. Claire Mark, U.S. Consulate General in Nogales, Sonora
- 6. Diego Ledgard, Secretaría de Infraestructura y Desarrollo Urbano de Sonora
- 7. David Figueroa, Gobierno del Estado de Sonora
- 8. Gerardo Arroyo, USAID Mexico
- 9. Gerardo Monroy, Arizona Department of Environmental Quality
- **10.** Jaime Chamberlain, Greater Nogales Santa Cruz County Port Authority
- 11. Jaime Olaiz R., Safe Border Trucking Association,
- **12.** Jenny Fiore-Magaña, South32
- **13.** Jesse Hereford, North American Development Bank
- **14.** John Kissinger, City of Nogales
- **15.** Juan Sanchez, Arizona-Mexico Commission
- 16. Justin Dutram, The University of Arizona
- 17. Karla B. Morales, Arizona Technology Council
- 18. Laura Biedebach, U.S. Consulate General in Nogales, Sonora
- 19. Luis Ramirez, Ramirez Advisors Inter-National
- 20. Marisol Flores-Aguirre, Office of the Governor of Arizona
- **21.** Mark Sanders, Arizona Department of Transportation
- **22.** Martin Rodriguez, Ramirez Advisors Inter-National
- **23.** Matt Mandel, SunFed
- 24. Mike Farrell, Zevx
- 25. Monica Pinto
- **26.** Nahui Olin, Nikola Motor
- 27. Omar Gonzales, Nikola Motor
- 28. Paloma Sánchez, U.S. Embassy in Mexico City
- **29.** Roberto Molina, North American Development Bank
- **30.** Stephanie Masetto, Kenworth-PACCAR
- 31. Steven Zylstra, Arizona Technology Council

- **32.** Teresa Bravo, Tucson Electric Power
- 33. William Ayala, U.S. Embassy in Mexico City

#### Attachment #4 Copy of letter in support of Toth Nomination

