

June 20, 2023

TO: Mr. Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – May 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. EV Truck Pilot Program Continues;
- 3. Technical Assistance Grant Session with EPA and GSA;
- 4. Congressional Directed Spending Requests by Arizona Delegation;
- 5. Preparations for the Lifting of Title 42 Provisions;
- 6. FY24 State Budget includes funding for Nogales/SCC area projects;
- 7. EPA Border 2025 Arizona-Sonora Environmental Meeting; and
- 8. Q1-2023 Border Crossing and Trade Data.

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 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.

#### 1. MARIPOSA COLD ROOMS PROJECT UPDATE

- The Technical Team, including the General Contractor and the Architect, are working to finalize the "Punch-List" items that the General Services Administration (GSA) has determined were still pending.
  - Imperative to stress that most of the remaining issues are minor in nature except of one, that during rain events water is spilling into the facility and dripping onto the cold rooms. The technical team is engaged with GSA on identifying possible solutions.
  - While the impacts to the cold rooms are not immediate, there is fear that over time, the contact with water could impact the integrity of the cold rooms or potentially affect some of the electrical network.

#### 2. EV TRUCK PILOT PROGRAM CONTINUES

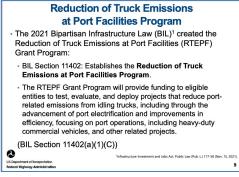
- The technical team continues to look for grant opportunities that may help defray the cost of electric trucks for the pilot program.
- Preliminary indications are that the Reduction of Truck Emissions at Port Facilities (RTEPF) may be the optimal grant opportunity.
- On May 18, the US Federal Highway Administration (FHWA) hosted a webinar so that interested applicants could ask questions and seek clarification on the requirements and determination of what projects could qualify.
- Both Joaquin Marruffo of the Arizona Department of Environmental Quality (ADEQ) and Martin Rodriguez participated in the meeting.
- Notes from the Webinar:

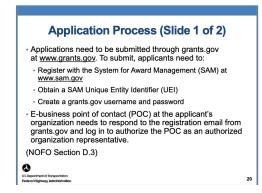
The U.S. Department of Transportation hosted a webinar earlier today to discuss the Reduction of Truck Emissions at Port Facilities (RTEPF) Grant Program. Attached please find a copy of the presentation which summarizes the Notice of Funding Opportunity.

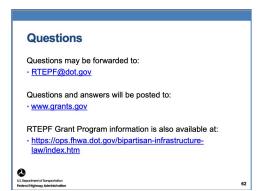
## A few quick highlights:

- If the lead applicant does not have prior experience managing federal grants, they are strongly encouraged to submit the application in partnership with entities that have such experience to comply with federal reporting and auditing requirements later on.
- In-kind contributions could be considered as part of the non-federal match.
- Joaquin asked USDOT to clarify whether land ports of entry fall under their definition of "ports and intermodal port facilities" in the NOFO.
  - USDOT indicated that they will have to look into that, but as long as the project justification meets the Program and Administration goals (Section A.4), they do not foresee an issue.









- Additionally, the technical team is in the process of reviewing proposals from two research institutions for the tracking, gathering, analysis and reporting of the data for the pilot program.
  - To date, proposals from the Texas Transportation Institute and the University of Arizona have been received and are being evaluated.

## 3. TECHNICAL ASSISTANCE GRANT SESSION WITH EPA AND GSA

- On May 5, the Environmental Protection Agency (EPA) and GSA hosted a webinar with local stakeholders to discuss the possibility of a Technical Assistance Grant that would be used for an Urban Design Study that would help the community leverage the anticipated federal investment to modernize the DeConcini Port of Entry.
- This study helps the community look at the interphase between the federal compound and local and regional infrastructure, impacts on key sectors and assist in the planning process and the creation of a long-term vision for the community.





## 4. CONGRESSIONAL DIRECTED SPENDING REQUESTS BY ARIZONA DELEGATION

- As part of the federal budgeting process, members of the Senate and House of Representatives have the option of identifying specific projects and direct spending to pay for the selected projects.
- Please note that these projects must still be approved as part of the budget and may require additional support.
- Here is the list of projects identified for Directed Spending by the Arizona Delegation for Nogales/Santa Cruz County:

## Representative Grijalva Request

https://grijalva.house.gov/fy-2024-community-project-funding/

**Project:** Santa Cruz County Animal Shelter

Recipient: Santa Cruz County: 1250 N Hohokam Dr Nogales, Arizona 85621

**Amount Requested: \$525,000** 

**Request Explanation**: The new shelter will provide 47 kennels, 6 quarantine kennels, and a designated area for felines. In addition, it will provide a veterinarian lab, a customer lobby, offices, and meeting rooms, along with a much-needed designated parking area. The new shelter will empower Santa Cruz County Animal Control to continue to protect its constituents and animals, by enforcing state and local laws and providing the highest level of animal services, without restrictions.

#### **Senator Sinema Requests**

https://www.sinema.senate.gov/fy2024-community-project-funding-requests

**Recipient Name:** City of Nogales **Requested Amount:** \$5,000,000 **Recipient Location:** Nogales AZ

**Request Explanation:** There are 4 bridges over the railroad and the Nogales Wash, and they serve as the only east-west connectors in the community. Without the bridges the city would be divided. They are old and in desperate need of repairs.

**Recipient Name:** City of Nogales **Requested Amount:** \$3,234,000 **Recipient Location:** Nogales AZ

**Request Explanation:** The project consists in the reconstruction of 2,860 foot of Industrial Park Drive beginning at Manor Drive and ending at Mariposa Road (SR189). The project will include a 3 foot concrete valley gutter on each side to improve the surface drainage system and extend the life of the pavement.

Recipient Name: Greater Nogales Santa Cruz County Port Authority

**Recipient Location:** \$50,000,000 **Recipient Location:** Nogales AZ

**Request Explanation:** The I-19 interchanges at Ruby Road and Rio Drive, along with the frontage roads on both sides of the freeway are in dire need of

improvements.

Recipient Name: Santa Cruz County Requested Amount: \$1,500,000 Recipient Location: Nogales AZ

**Request Explanation:** The project consists of retrofitting an existing County Building (3,000 Sq. Ft.), for the purpose of converting it into a modern Animal Control shelter with the capacity to effectively provide the highest level of animal

services within the jurisdiction.

#### **Senator Kelly CDS Requests**

https://www.kelly.senate.gov/appropriations-requests/

**Recipient:** City of Nogales

**Industrial Park Drive Reconstruction** -- This funding will help reconstruct part of Industrial Park Drive, including a 3-foot concrete valley gutter to improve the surface drainage system and extend the life of the pavement. This major industrial area provides employment opportunities to residents.

Requested Amount: \$3.235 million

**Recipient:** Santa Cruz County

**Ruby Road Bridge** -- This project would replace the Ruby Road Bridge over Potrero Creek and create a grade separated crossing for the Union Pacific Railroad line. This would improve safety and connectivity for this underserved community.

Requested Amount: \$3.6 million

#### 5. PREPARATIONS FOR THE LIFTING OF TITLE 42 RESTRICTIONS

- As part of continued efforts at all levels of government, and in great partnership with several non-Governmental agencies in Arizona, several plans and preparations were made for the anticipated ending of the Title 42 provisions that permitted the US to mandate that asylum seeking-migrants must wait outside of the United States prior to their cases moving forward.
- With the end of Title 42, then the asylum-seeking process reverts to Title 8, which allows those seeking asylum to proceed to US territory without waiting outside of the US.
- But the US Government added a new requirement, that people must apply through a defined process, and any deviation or violation would mean that individuals would not be permitted to seek asylum for at least 5 years.
- Those requirements, along with those standard provisions of Title 8, included:
  - That if the individual crossed through other countries prior to arriving at the US, then they would have to demonstrate that they sought asylum in those countries.
- On May 8, Governor Katie Hobbs issued a Press Release on the State's efforts to prepare for the end of Title 42:



FOR IMMEDIATE RELEASE May 8, 2023 CONTACT: press@az.gov

## **Governor Hobbs Announces Arizona's Title 42 Preparedness Approach**

**PHOENIX** – Ahead of the lifting of Title 42, Governor Hobbs today announced the state's five-point preparedness approach outlining Arizona's priorities for managing the expected influx of migrants. At the press conference, Hobbs was joined by DPS Director Jeffrey Glover, DEMA-EM Allen Clark, Pima County Sheriff Chris Nanos, Yuma Mayor Douglas Nicholls, and Representative Mariana Sandoval.

"The five-point approach is based on what we heard directly from these communities and is focused on public safety and humanitarian support," said

Governor Hobbs. "Additionally, our approach will use all the state tools we have at our disposal to help border communities."

Among those resources includes receiving assistance from the Department of Public Safety. "The Department of Public Safety is an agency that's here to assist and provide overall protection and to provide the assistance that's needed at the border and for our communities," said DPS Director Jeffrey Glover.

The Governor's five-point approach includes:

- 1. **Public safety**: DPS will assist local sheriffs and law enforcement to maintain safety and security on Arizona's highways and will prevent drugs like fentanyl from being entered into the state.
- 2. **Partnerships**: The Governor's Office has developed a Joint Information Command where NGOs, federal agencies, local governments and tribal communities will be able to raise concerns, share updates and coordinate responses.
- 3. **Transportation**: DEMA will assist, provide, and coordinate the best, most efficient, and safest mode of transportation for migrants to mitigate the impact of the increased migration on our border communities.
- 4. **Emergency shelter:** DEMA will ensure migrants are sheltered while they await transportation.
- 5. **Executive Action:** Governor Hobbs will activate state resources as needed and provide access to emergency resources if deemed necessary.

This preparedness approach is in response to Governor Hobbs' multiple visits to the border and border communities where she held a series of listening sessions with front line staff, healthcare providers and community leaders.

"Governor Hobbs, I thank you not just for your pragmatic response, but more so for your humanitarian relief," said Sheriff Chris Nanos. "This is a humanitarian issue and we need to deal with it as such."

"This is a national issue, and the federal government leadership has failed to make good on this national issue," said Yuma Mayor Nicholls. "This task is going to be too great; greater than anything we've seen in the past."

"For too long, the situation at the border has been politicized, and words are seldom followed by meaningful action," Representative Mariana Sandoval said.

"I'm happy to see Governor Hobbs refuses to play politics, and is willing to take action with a smart and tailored approach."

Additionally, Governor Hobbs has sent letters to President Biden and Secretary Mayorkas outlining specific actions that need to be taken.

You can read full text of the letters here.

- Additionally, on May 10, and in a coordinated effort with INDEX Nogales, the Port Authority sent a letter to Nogales, Sonora Municipal President Juan Gim, seeking the intervention of Mexican authorities to ensure that groups of people would not gather in preparation of rushing the ports.
- This was based on the fear that if large groups of people were to rush the ports of entry, then Customs and Border Protection (CBP) would be forced to close the ports to regain operational control of their facilities. In the past, these incidents have resulted in temporary closures of the ports lasting one to 3 hours at a time.
- A copy of the letter is provided in Attachment #1.
- Additionally, at the request of the Arizona Department of Transportation, a letter was sent to Director Jennifer Toth requesting their assistance in the planning for possible interruptions to the flow of trade at the ports of entry.
- A copy of the letter is provided in Attachment #2.

#### 6. FY2024 BUDGET INCLUDES FUNDING FOR NOGALES/SANTA CRUZ COUNTY PROJECTS

- On May 9, the Arizona state legislature approved a budget which was signed into law on May 12 by Governor Hobbs.
- As reported to Port Authority leadership on May 10, the budget included funding for a number of projects that have been advocated by the Port Authority for many years.
- Here is the note that was sent to the Port Authority leadership on May 10.

In the past 24 hours, both the AZ House of Representatives and the Senate passed the Fiscal Year 2024 budget package which now heads to Governor Hobbs for her signature. The Governor has indicated her intent to sign the budget packet into law (see press release below).

According to the Joint Legislative Budget Committee, the following transportation projects located in the Greater Nogales/Santa Cruz County region were included:

- I-19 Interchanges Rio Rico and Ruby Road, \$8.6 million
- SR 83 Santa Cruz to Sonoita, \$9 million
- Patagonia Mckeown Ave Reconstruction (4th Ave W-SR 82), \$1.5 million

The budget also includes \$89 million for the I-10 Expansion Project from Phoenix to Casa Grande. Per Kevin Adam of RTAC, the budget negotiations yielded mixed results as the full list of 80+ projects supported by RTAC in HB2543 did not make it into the final budget. In fact, only 25 new projects were included in the final list. For the case of City of Nogales/Santa Cruz County, this meant that some of the local projects were not included in the final budget.

The full list of projects can be accessed on the JLBC website here (page 7-8): <a href="https://www.azjlbc.gov/budget/h-splanasintroduced050823.pdf">https://www.azjlbc.gov/budget/h-splanasintroduced050823.pdf</a>

Should you have any questions, please let us know.

 Congratulations to the Port Authority for the steadfast commitment to advocating for these projects.

#### 7. EPA BORDER 2025 ARIZONA-SONORA ENVIRONMENTAL MEETING

- On May 23 and 24, the EPA, along with the Arizona Department of Environmental Quality, hosted a seminar focused on cross-border environmental issues.
- Special thanks to Honorable Mayor Jorge Maldonado, and Supervisor Bruce Bracker for joining close to 100 binational participants in this high-level event in Tubac.
- One of the principal announcements was the completion of the new Arizona-Sonora Strategic Environmental Plan that is to be released later this summer.
  - It is an update to the previous plan that outlined a number of Arizona-Sonora projects and initiatives to protect the shared binational environment.



#### 8. Q1-2023 DATA FOR TRADE AND BORDER CROSSINSGS

- The US Census Bureau and the US Department of Transportation released the latest border crossing and trade numbers.
- On May 12, in a note to leadership, the latest data was provided. A copy of that message is provided below:

The U.S. federal government recently released the latest data through March 2023 for northbound border crossings and Arizona's trade with Mexico and Canada. Attached please find a copy of the tables for both datasets with a summary provided below.

## **Nogales Border Crossing Totals**

Nogales is having a great start to the year for all modes of traffic!! Truck traffic has recovered significantly from the drop we observed in early 2022 and return to typical crossing volumes during the first quarter of the year. As many in this group have indicated, there continues to be a strong interest in nearshoring and investing in the U.S.-Mexico border region, and we are bullish that these broader trends benefit Nogales in the long-term.

Total people traffic continues to trend positively, too. For the first quarter of this year, we are up 4.1% compared to 2022 with double-digit growth in pedestrian traffic. In fact, Nogales surpassed the pre-pandemic volumes for total people from the first quarter of 2019.

In the first quarter of 2023,

- 109,348 northbound trucks crossed through Nogales; an increase of 4.5% compared to the same period last year.
- **2.5 million total people** crossed northbound through Nogales; an increase of 4.1% compared to the same period last year.
- 909,451 personal vehicles crossed northbound through Nogales; an increase of 3.1% compared to the same period last year.
- 680,599 pedestrians crossed northbound through Nogales; an increase of 20%.

#### **Arizona Border Crossing Totals**

- **132,667 northbound trucks** crossed Arizona's ports of entry in the first quarter of 2023, a 2.8% increase compared to the same period in 2022.
- **5.9 million total people** crossed Arizona's ports of entry in the first quarter of 2023, a 7.6% increase compared to the same period in 2022.

## **AZ Trade Data**

- In the first quarter of 2023, Arizona's **trade with Mexico and Canada reached \$6.6 billion**, an increase of 9.1% compared to the same period last year.
- In the first quarter of 2023, Arizona's **trade with Mexico reached \$5.3 billion**, an increase of 11.7% increase compared to the same period last year.

• In the first quarter of 2023, Arizona's **trade with Canada reached \$1.3 billion**, a decrease of 0.3% compared to the same period last year.



# **Arizona Northbound Border Crossings**

January-March 2022 vs January-March 2023

	Port	Mode	Jan-Mar 2022	Jan-Mar 2023	Difference	Chan	ge
		Trucks	7,266	6,844			-5.8%
		Personal Vehicles	356,904	395,101	38,197	<b>1</b>	10.7%
	Douglas	Personal Vehicle Passengers	623,573	709,805			13.8%
	Douglas	Pedestrians	172,945	171,378	-1,567	1	-0.9%
		Buses	14	42			00.0%
		Total People	796,518	882,212			10.8%
Г		Trucks	104,607	109,348			4.5%
ı		Personal Vehicles	882,080	909,451			3.1%
ı		Personal Vehicle Passengers	1,708,729	1,742,540			2.0%
ı	Nogales	Pedestrians	567,175	680,599			20.0%
ı		Trains	219	224		<b>•</b>	2.3%
ı		Buses	1,606	2,048			27.5%
L		Total People	2.370.232	2,468,352			4.1%
		Trucks	16,160	15,590		*	-3.5%
		Personal Vehicles	807,120	909,374			12.7%
	San Luis	Personal Vehicle Passengers	1,298,004	1,484,813	<b>186,809</b>	<b>1</b>	14.4%
	Jan Luis	Pedestrians	598,453	622,255			4.0%
		Buses	20	32		<b>1</b>	60.0%
		Total People	1,896,477	2,107,100			11.1%
		Trucks	201	163			18.9%
		Personal Vehicles	96,095	96,312			0.2%
	Lukeville	Personal Vehicles Passengers	197,268	209,031			6.0%
	Luncville	Pedestrians	17,956	19,661			9.5%
		Buses	139	177			27.3%
		Total People	215,973	229,645			6.3%
		Trucks	769	722			-6.1%
		Personal Vehicles	72,734	77,174			6.1%
	Naco	Personal Vehicles Passengers	130,280	139,605			7.2%
		Pedestrians	23,030	18,974			17.6%
		Total People	153,310	158,579			3.4%
		Personal Vehicles	6,995	6,637			-5.1%
	Sasabe	Personal Vehicle Passengers	13,219	12,862			-2.7%
	Casubo	Pedestrians	348	110			68.4%
		Total People	13,567	12,972	-595	₩.	-4.4%

	Port	Mode	Jan-Mar 2022	Jan-Mar 2023	Difference	Change
		Trucks	129,003	132,667	<b>1</b> 3,664	<b>1</b> 2.8%
		Personal Vehicles	2,221,928	2,394,049	<b>172,121</b>	<b>1</b> 7.7%
	State Totals	Personal Vehicle Passengers	3,971,073	4,298,656	<b>1</b> 327,583	<b>1</b> 8.2%
		Pedestrians	1,379,907	1,512,977	<b>133,070</b>	<b>1</b> 9.6%
		Buses	1,779	2,299	<b>1</b> 520	<b>1</b> 29.2%
		Total People	5,446,077	5,858,860	<b>1</b> 412,783	<b>1</b> 7.6%

Source: US Department of Transportation, Bureau of Transportation Statistics. All data provided herein subject to change without prior notice.

Updated 04/24/2023



# **Arizona Trade with Mexico and Canada**

January-March 2022 vs January-March 2023

#### Arizona Trade with Mexico

	Jan-Mar 2022	Jan-Mar 2023		Difference	%	Change
Exports to Mexico	\$ 2,061,326,917	\$ 2,118,116,871	<b>1</b> \$	56,789,954	<b>₽</b>	2.8%
Imports from Mexico	\$ 2,687,455,166	\$ 3,186,143,370	<b>1</b> \$	498,688,204	1	18.6%
Total Trade with Mexico	\$ 4,748,782,083	\$ 5,304,260,241	<b>1</b> \$	555,478,158	Û	11.7%

#### Arizona Trade with Canada

	Jan-Mar 2022	Jan-Mar 2023		Difference	% Change
Exports to Canada	\$ 674,347,784	\$ 737,827,504	1 \$	63,479,720	9.4%
Imports from Canada	\$ 639,263,587	\$ 572,472,280	₩\$	(66,791,307)	<b>↓</b> -10.4%
Total Trade with Canada	\$ 1,313,611,371	\$ 1,310,299,784	₩\$	(3,311,587)	<b>-</b> 0.3%

#### Arizona Trade with Mexico and Canada

	Jan-Mar 2022	Jan-Mar 2023		Difference	%	6 Change
Exports to Mex. & Can.	\$ 2,735,674,701	\$ 2,855,944,375	1	\$ 120,269,674	1	4.4%
Imports from Mex. & Can.	\$ 3,326,718,753	\$ 3,758,615,650	ſ	\$ 431,896,897	₽	13.0%
Total Trade with Mex. & Can.	\$ 6,062,393,454	\$ 6,614,560,025	1	\$ 552,166,571	1	9.1%

Source: US Census Bureau. Values presented in \$USD. Data subject to change without notice. Updated 05/09/2023

## Attachment #1

# Copy of Letter to Nogales, Sonora on end of Title 42 Provisions



Miércoles, 10 de mayo del 2023.

Ing. Juan Francisco Gim Presidente Municipal H. Ayuntamiento de Nogales Ave. Obregón No. 339, Col. Centro. 84030 Nogales, Son., Mexico

Tema: Coordinación binacional en anticipo del fin del Título 42 en la frontera.

#### Estimado Ing. Gim:

Por medio de este conducto, y en seguimiento al diálogo con Josh Rubin, vicepresidente de nuestra organización, me permito comunicarme con Usted para subrayar nuestra preocupación de los posibles impactos a los flujos transfronterizos y la necesidad de coordinación binacional en anticipo del fin de las medidas de salud aplicadas por el Título 42 en la frontera.

El gobierno federal de los Estados Unidos anunció que la aplicación del Título 42 termina el 11 de mayo del año en curso. Dichas medidas se aplican desde el 2020, las cuales permiten que Aduanas y Protección Fronteriza (CBP, por sus siglas en inglés) limite la entrada de migrantes a nuestro país para resguardar la salud pública.

Los medios confirman que hay mucha gente esperando el fin de estas medidas de salud para presentarse ante autoridades federales en los Estados Unidos para solicitar asilo. Estamos preocupados por posibles afectaciones en la operación de las garitas, particularmente si en forma desordenada, grupos de migrantes intentan cruzar a través de los carriles de vehículos ligeros o de carga para pedir asilo, y no por la forma indicada por las autoridades federales. Oficiales de CBP nos confirman que, aunque están haciendo todo lo posible para prepararse ante cualquier contingencia, la situación puede evolucionarse de manera inesperada y desordenada. En estas situaciones, CBP ha señalado que tal vez se vean forzados a cerrar las garitas temporalmente para retomar el control operativo y asegurar la seguridad de su personal y del público en general.

Como Usted sabe, Ambos Nogales es el punto de cruce de más de 20 millones de personas y 740 mil camiones, representando más de \$29 mil millones de dólares de comercio entre México y los Estados Unidos. Obviamente, los cierres temporales de las garitas son de mayor preocupación para todos, incluyendo el turismo binacional y las cadenas de suministro regionales. Es por esto que le agradecemos su atención a estos temas y el apoyo de las autoridades municipales en controlar el movimiento de gente en tránsito a la frontera y así tratar de evitar cualquier impacto

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a la o	peración de las garitas.
De pa	arte de nuestra organización, expreso mi agradecimiento por su disposición de trabajar de
	ra conjunta para asegurar la coordinación binacional, no solo en este tema, sino en otros
proye	ctos e iniciativas transfronterizas que afectan el bienestar de Ambos Nogales.
	Constants or a sum date
	Su atento y seguro servidor,
	Dan Clall
	Jaime Chamberlain
	Presidente de la Mesa Directiva
сср:	Jorge Maldonado, Alcalde, Ciudad de Nogales, Arizona
	Marisol Flores-Aguirre, Oficina de la Gobernadora de Arizona
	David Figueroa, Oficina del Gobernador de Sonora Laura Biedebach, Cónsul General de los Estados Unidos en Nogales, Sonora
	Marcos Moreno Báez, Cónsul General de México en Nogales, Arizona
	maroso moreno base, consul consul de mones en nogares, miestra

# Attachment #2

## Copy of letter to ADOT on end of Title 42 Provisions



Friday, May 5, 2023

Jennifer Toth Director Arizona Department of Transportation 206 South 17<sup>th</sup> Avenue Phoenix, Arizona 85007

RE: Preparing for Potential Impacts to Cross-Border Trade with Lifting of Title 42

Dear Director Toth,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I write to express our concerns about the potential impacts to the flow of cross-border commercial traffic at Arizona's ports of entry now that Title 42 is set to expire on Friday, May 11, 2023. We are grateful for your and ADOT's support in coordinating with industry and our federal partners to establish contingency plans to help mitigate possible impacts and disruptions to the flow of cross-border commerce.

In 2022, approximately 370,000 trucks crossed at the Mariposa Port of Entry, transporting over \$29 billion dollars' worth of goods, particularly fresh produce and manufacturing. No to mention the 3.7 million cars and 9.9 million people that crossed into Arizona from Mexico at Nogales. Our community accounts for close to 45% of tourism and over 80% of truck traffic from Mexico that crosses through the Arizona-Sonora border.

U.S. Customs and Border Protection has informed us that while they are doing their best to redirect resources and personnel to respond to the anticipated increase of migrants seeking asylum, they recognize that the situation may evolve beyond their control. For instance, if groups of migrants try to rush the ports, CBP has indicated that they would be forced to close the port until they were certain that reopening would offer safe conditions for their officers and the traveling public. And this also applies to commercial operations.

Any significant delays or closure of operations at the ports of entry will have detrimental impacts on cross-border logistics and supply chains, regional tourism, and affect Arizona businesses that rely on trade with Mexico. As we saw during the covid-19 pandemic, it can take weeks or even months to recover from supply chain disruptions. And when that happens, prices for commodities such as a fresh produce can increase and impact the availability for U.S. consumers.

Along with the preparations that our border communities are undertaking for the expected increase in migrants crossing the border, we believe that it is necessary to also prepare for the

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www.nogalesport.org

impacts to cross-border commercial traffic, such as the rerouting of traffic to other ports of entry, ensuring the continuity of cross-border trade, or truck parking availability should drivers be stranded on the U.S. side of the border in the event of a port closure.

We know that the safety of our roads is of paramount priority for you and ADOT. Thus, we are very encouraged to see your hands-on involvement on this critical matter. Please know that the Port Authority is ready and willing to work with you to address any potential impacts to our cross-border trade. Again, we are grateful for the attention you give to this critical situation.

Respectfully,

Jaime Chamberlain Chairman

cc: Marisol Flores-Aguirre, Office of the Governor Billy Kovacs, Office of the Governor

Guadalupe Ramirez, U.S. Customs and Border Protection – Tucson Field Office