

October 24, 2021

TO: Mr. Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – September 2021

On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority. As always, we request and welcome your continued comments and suggestions as to how we can improve on our services, our communications and on our activities on your behalf. With your feedback, we will make every effort to improve our response to your directives and ensure an effective implantation of the initiatives at hand.

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

1. Mariposa Cold Room Project Update;
2. Extension of Border Crossing Restrictions;
3. Border Vaccination Update;
4. Port Authority and stakeholders participate in Transportation Board Meeting;
5. Santa Cruz County Broadband Action Team meeting;
6. USDOT and SCT Host US-Mexico Joint Working Committee on Transportation Meeting;
7. ADOT announces Border Master Plan Update Consulting Team; and
8. Ambos Nogales Stormwater Follow Ups.

This report is not intended to be a full description of all activities but rather, provides highlights and information on the direction of our activities to keep the Board of Directors informed and to ensure adherence to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. Throughout this period, RAI-N has maintained active and frequent communications with Ms. Allison Moore, Mr. Bruce Bracker and various other members of the Board of Directors in order to ensure that we have a fully coordinated approach to our efforts. RAI-N stands ready to address any issue, concern or suggestion that may arise from this report and from our on-going dialogue with the leadership and the Board of Directors.

1. *MARIPOSA COLD ROOM PROJECT UPDATE*

- Work with the General Services Administration (GSA) continues on the project.
- GSA has provided initial response to changes suggested by Technical Team on the Revocable License Agreement.
- Technical discussions continue between PA and GSA on architectural requirements, including the easements for the electric energy service.
- Port Authority is awaiting final version of the Licensing Agreement in order to bring it to the Board for approval.

2. *EXTENSION OF BORDER CROSSING RESTRICTIONS*

- The governments of the United States, Mexico and Canada have once again agreed to extend the border crossing restrictions for another 30 days, as of this report, it has been extended through October 21, 2021.
- The Biden Administration has indicated that they are now looking at the vaccination rates in all three countries as a key benchmark in determining when border crossing restrictions for non-essential travel will be lifted.
- Latest announcements also make reference to the growing concern over the Delta variant of COVID-19, something that will take weeks to see how that variant behaves.
- **Who is considered an “essential” traveler?**
 - **Citizens and lawful permanent residents returning to the United States.**
 - **Individuals traveling for medical purposes (e.g., to receive medical treatment in the United States).**
 - **Individuals traveling to attend educational institutions.**
 - **Individuals traveling to work in the United States (e.g., individuals working in the agriculture industry who must travel between the United States and Canada or Mexico in furtherance of such work).**
 - **Individuals traveling for emergency response and public health purposes (e.g., government officials or emergency responders entering the United States to support federal, state, local, tribal, or territorial government efforts to respond to COVID-19 or other emergencies).**
 - **Individuals engaged in lawful cross-border trade (e.g., truck drivers supporting the movement of cargo between the United States and Canada and Mexico).**
 - **Individuals engaged in official government travel or diplomatic travel.**
 - **Individuals engaged in military-related travel or operations.**

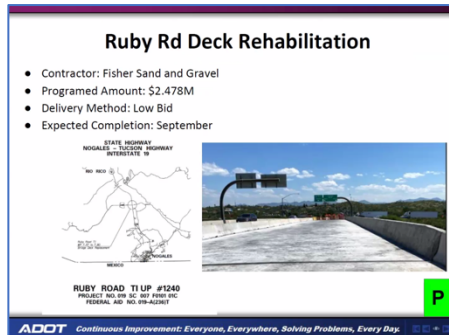
3. **BORDER VACCINATION UPDATE**

- The Mexican Government provides an update on the vaccination program for the border municipalities.
- According to reports provided by the Government of Mexico, approximately 90% of the adults in the 45 border municipalities have been fully vaccinated against COVID-19.
 - Reports indicate that close to 4 million vaccines were administered in approximately 3 months thanks to the donations of vaccines by the US government.



4. **PORT AUTHORITY AND STAKEHOLDERS PARTICIPATE IN TRANSPORTATION BOARD MEETING**

- On September 17, 2021, during what would have been the State Transportation Board meeting in Nogales, Chairman Chamberlain, Guillermo Valencia on behalf of the Nogales Customs House Brokers Association, Supervisor Bruce Bracker along with various other representatives of the Greater Nogales area, testified during Call to the Public.
- Principle among the issues raised were:
 - Modernization of the interchanges on I-19 at Ruby Road and Rio Rico Drive.
 - Appreciation for the work of the Border Liaison unit.
 - Appreciation for the progress made on the modernization of SR-189.
- Additionally, Rod Lane, ADOT District Engineer provided an update to the Board that included slides on the Ruby Road project (that has been completed) and the SR-189 Modernization project.



- A copy of Chairman Chamberlain's and Mr. Valencia's remarks to the Transportation Board are provided below:

**Testimony
State Transportation Board Meeting**

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

September 17, 2021

Chairman Stratton and Members of the Board, good to see you all again.

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

I would like to start off by thanking the Board, Director Halikowski, and the entire ADOT team for the tremendous progress made on the modernization of State Route 189. We are happy to hear that the project continues to move ahead of schedule and under budget. We understand that there have been a few days of delays but that those delays were due to the monsoon rains, something that not event ADOT can change.

As I have said before, this project will be a game changer for improving the safety for the traveling public and strengthening Arizona's competitiveness as a key trade and tourism corridor in North America. It is a key asset in our competition against California, New Mexico and Texas.

I should note that the modernization project is already having an economic impact on our community. The cross-border travel restrictions that have been in place since March 2020 have had a severe impact on border retail, tourism, and local merchants. Our sales tax revenues depend on the Mexican visitor who spends their money on our side of the border. Had it not been for the SR-189 project that started just days before the shutdown of our state due to COVID, our local economy and our sales tax revenues would have been decimated. The sales tax impact of the project more than made up for the loss of the other sources of sales tax revenues and for that we are grateful.

As we have stated before, the modernization of State Route 189 is a critical component of a broader transportation and logistics system at Nogales and for Arizona. I am here to ask that you include the improvements of the I-19 interchanges at Ruby Road and Rio Rico Drive, along with the frontage roads between these two critical interchanges, into the 5-Year plan. Should the Infrastructure Investment and Jobs Act which passed the US Senate, also be approved in the House of Representatives, Arizona stands to get additional funding for infrastructure projects.

This portion of I-19 serves as the access points to and from the many warehouses that are logistics hubs for billions of pounds of fresh produce in the Rio Rico area. The current recarpeting project of the Ruby Road overpass will have a significant impact on the condition of the bridge – something that was desperately needed due to the heavy traffic and use – but it does not increase throughput or capacity.

*Backups for **northbound** truck traffic exiting I-19 onto Ruby Road are essentially a daily occurrence which are aggravated during the peak periods of the produce season when backups easily exceed dozens of trucks up onto I-19. These are usually trucks coming from Mexico to drop off their loads at the warehouses and later return to Mexico.*

*We also see backups for **southbound** truck traffic exiting at Ruby Road. These are typically the trucks that come into Nogales from all over the United States to pick up loads and take them to their destinations. When you consider that residential traffic also relies on Ruby Road to access I-19, it creates a dangerous safety situation with the intermingling of high volumes of both commercial and non-commercial traffic. In short, our congestions are for. Both north- and southbound traffic at Ruby Road.*

Even with the pandemic, truck traffic at Nogales continues to grow. In 2020, over 350,000 trucks crossed northbound at the Mariposa port of entry, an increase of almost 3,000 trucks from 2019. And the latest data through the first half of 2021, indicates that truck traffic is up by 14.3% over the same period of 2020. By the

end of the year, we are on track to beat the previous record for truck crossings by at least 50,000 trucks or even more. While this is great news for the growth and competitiveness of our region, this also tells us that the congestion we see at Ruby Road today will only get worse and in a short period of time.

As we did with SR-189, we stand ready to work together to move the Ruby Road and Rio Rico Interchange projects forward and address long-term transportation needs of our region.

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

Arizona Transportation Board

Testimony by:

Guillermo Valencia

President, Valencia International

Board Member, Nogales Customs House Brokers Association

Board Member, Greater Nogales Santa Cruz County Port Authority

Friday, September 17, 2021

Chairman Stratton and members of the Board, Good Morning.

My name is Guillermo Valencia and I here as both the President of Valencia International, a Nogales based Customs Brokerage firm and as a member of the Board of Directors of the Nogales Customs House Brokers Association. I am also the past Chairman of the Greater Nogales Santa Cruz County Port Authority and I know that Jaime Chamberlain is also appearing before you this morning.

I wanted to take this opportunity to thank you and the Arizona Department of Transportation for the collaborative partnership that we have been able to forge with Director Halikowski and his team. We are just around the corner for the completion of the Mariposa Road modernization project – something that many felt was just a pipe dream and today it is very much a reality. The partnership that was created that included ADOT, the US Department of Transportation, the state legislature, the Governor, Santa Cruz County and the City of Nogales remains a unique example in Arizona of how projects of this magnitude can move forward.

I also want to recognize that ADOT has not just focused on infrastructure, but they have also worked with industry in creating a more proactive and visionary programs that have created a more efficient safety inspection process, trained thousands of Mexican drivers and created a dedicated team of inspectors that

interacts with industry to address any ongoing issues or inspection questions. The Border Liaison Unit of BLU has become an instrumental component of border operations. They are a tool in our competitive box that allows us to attract new businesses to our portion of the border.

Not to mention the most recent initiative of the Touchless Border which has turned a permitting application and issuance process that used to take 30 minutes into something that can now be done in 30 seconds. While this is a huge gain in efficiency, it is also another way to help prevent the spread of COVID19 and other communicable diseases.

And as we look forward, projects like the modernization of the I-19 interchanges at Ruby Road and Rio Rico Drive are critical to the daily congestion of our community but also to the competitiveness of our region vis a vis New Mexico, California, and Texas. Among those initiatives that stand to make us more competitive is to offer a true multimodal alternative at Rio Rico, something that Santa Cruz County is spearheading, and it would be great if we could partner with ADOT on the planning process.

For instance, we have a multibillion-dollar mining investment in our county, and they are projecting anywhere from 300 to 600 additional trucks per day flowing through our community. Having a back-to-back truck to rail operation would be a great part of a comprehensive approach to congestion and traffic issues in Nogales. I know that railroads are beyond the purview of ADOT but the planning of a multimodal facility and the impacts to the flow of trucks and congestion is part of ADOT's mission. Thus, we hope we can include a multimodal analysis in the many areas of collaboration with ADOT.

I thank you for the time to appear before you and I would be happy to address any questions you might have.

5. SANTA CRUZ COUNTY BROADBAND ACTION TEAM MEETING

- On September 20, 2021, WeSERV, the Arizona Commerce Authority and Santa Cruz County hosted a meeting of the Broadband Action team for Nogales and Santa Cruz County.
- Notes from the meeting can be found below:

Broadband Action Team Meeting – Santa Cruz County

Monday, September 20, 2021

Best Western Sonora Inn & Suites, Nogales, AZ

Participants:

- Jeff Sobotka, State Broadband Director, Arizona Commerce Authority
- Liz Recchia, Government Affairs Director, WeSERV Association of Realtors
- Juan Balderas, IT Director, Santa Cruz County
- Jim Palmer, Community Broadband Advocates (*Consultant hired by the county)
- Alex Lopez, Technology Director, Nogales Unified School District
- Chris Young, Chief Deputy, County School Superintendent's Office
- Steven Peterson, Economic Recovery Coordinator, SEAGO
- Stephanie Bermudez, Pima Community College SBDC
- Martin Rodriguez, Ramirez Advisors, on behalf of the Greater Nogales Santa Cruz County Port Authority

Next Steps:

- County will continue its outreach to internet service providers.
- Schedule quarterly meetings of the Broadband Action Team.

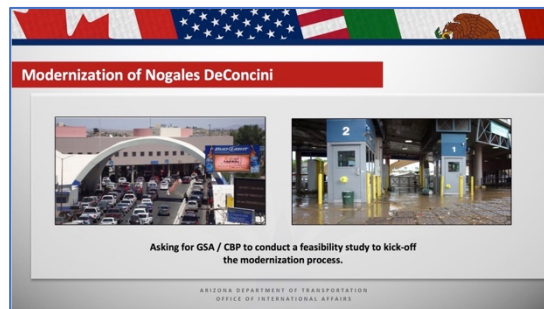
Notes:

- WeSERV organized the meeting with the ACA in response to request from its membership for more active efforts on expanding broadband in the region.
 - WeSERV replaced the Santa Cruz Board of Realtors and is based in the Phoenix metro area.
- Sobotka: Santa Cruz County is "years behind" in its expansion efforts compared to Yuma, Mohave or Yavapai County.
- County has hired Community Broadband Advocates as its consultant to handle broadband expansion efforts and coordinate outreach with service providers.
 - <https://cbadvocates.com/>
- Obtaining rights-of-way continues to be a major challenge for advancing projects statewide.
 - Coordination with Senator Kelly's office to improve regulatory process to obtain rights-of-way for broadband infrastructure projects through federal lands.
 - Working with APS/TEP to use existing utility poles to expand fiber cable, reducing costs. ACA outreach to Unisource has been a challenge.
- County's goal is to find a service provider who will want to do business in the county and have them take charge of the effort. Bring competition among the providers.
 - Lack of trust with Lumen (CenturyLink) because of prior agreements that fell through and left county financially liable.
 - CenturyLink has a reputation for not upgrading its infrastructure.
 - Ideally have the new provider pursue government grant opportunities with guidance from the county.

- Consultant is also assessing existing broadband infrastructure.
- Sobotka suggests approaching broadband expansion in two ways:
 - I-19 communities focus on providing service with fiber-optic cable.
 - SR-82 communities focus on “wireless fiber” connections - believed to be most feasible because of low density populations.
- Major state-level policy initiatives underway:
 - October 2021 – ADOT will release draft regulatory rules for public comment on using its rights-of-way to build broadband conduit.
 - November 2021 – ACA will release the State Broadband Middle Mile Strategic Plan that it has been putting together with the help of KPMG.
 - November 2021 – Grant period begins for ACA Broadband Development Grant. \$100 million available to award.
 - ACA strongly prefers to award grants to projects that will provide communities with 100 mbps speeds at a minimum.

6. *USDOT AND SCT HOST US-MEXICO JOINT WORKING COMMITTEE ON TRANSPORTATION MEETING*

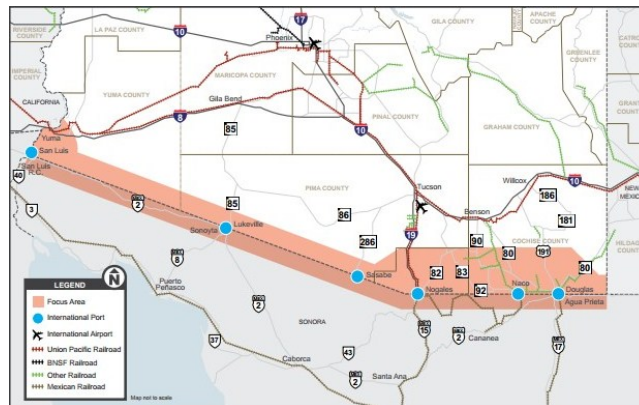
- On September 22, the US Department of Transportation and its Mexican counterpart, the Department of Communications and Transport (SCT) hosted the US-Mexico Joint Working Committee on Transportation Meeting
- During the Meeting, Mark Sanders of the Arizona Department of Transportation (ADOT) and Luis Ramirez gave a presentation on the key transportation initiatives on the Arizona-Mexico border:
 - Border Liaison Unit
 - Touchless Border
 - Arizona-Sonora Border Master Plan
 - Nogales DeConcini Modernization
 - Among others.



- A copy of the complete presentation can be found in Attachment #1.

7. **ADOT ANNOUNCES BORDER MASTER PLAN UPDATE CONSULTING TEAM**

- On September 27, 2021 the Arizona Department of Transportation confirmed that they had selected HDR as the lead for the update of the Arizona-Sonora Border Master Plan.



Areas that are part of the study

- This study, expected to cost in the range of \$500,000 to as much as \$800,000 will provide an update of all border-related projects for ports of entry, transportation, and multimodal facilities on both sides of the Arizona-Sonora Border.
- A copy of the original Border Master Plan from 2013 can be found at: <https://azdot.gov/planning/transportation-studies/completed-transportation-studies/arizona-sonora-border-master-plan>

8. **AMBOS NOGALES STORMWATER FOLLOW UPS**

- On September 28, 2021, the US Consulate General hosted a meeting focused on the Ambos Nogales Stormwater issues.
- Among the principal topics discussed were:
 - There is a lot of information available on both sides of the border. There are a number of very specific recommendations and plans, and it would be great to list them, create action committees and start moving forward on each on project, one at a time.
 - Need to get US Geological Service in contact with Santa Cruz County to identify what information may already be available through the County.
 - On specific projects, the emergency notifications, specific protocols need to be developed for determining an emergency, who gets notified on both sides of the border, with a plan of action for the

general population as to what to do in case of an emergency notification.


- Individual committees may need to be established to address each action item individually to help ensure that progress is being made.
- On the retention ponds (*gaviones*), there may be an existing list of the existing retention ponds and what additional ones need to be constructed. Are there costs estimates for the both the construction and maintenance programs? Are there funding opportunities? A committee could work on this.
- It was discussed that Municipal President Juan Gim may have new plans for addressing the flooding threats and the participants requested that a presentation on the plans be provided in future meetings.
- I am sure greater minds can come up with the other project-based committees to keep the momentum going.

Attachment #1
Copy of Submission to Senate Sub-Committee

<p>Bilingual Joint Working Committee (JWC) September 22, 2021</p> <p>Mark Sanders Director, Office of International Affairs Arizona Department of Transportation</p> <p>Luis Ramirez President, Ramirez Advisors</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>	<p>Modernization of San Luis I/San Luis Rio Colorado I</p> <p>An Additional \$80 million for full buildout of the project \$52.4 million already allocated by Congress in FY2020.</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>
<p>1</p>	<p>2</p>
<p>GSA Proposed Alignment San Luis I POE</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>	<p>San Luis Rio Colorado Concept POE Drawing</p> <p>PUERTO FRONTERIZO DE S. L. R. C. SONORA, MEXICO.</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>
<p>3</p>	<p>4</p>
<p>Douglas Two-Port Solution</p> <p>\$325 million to build a new, state-of-the-art commercial port of entry, and modernize the existing facilities at the Raal H. Castro port of Entry</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>	<p>Modernization of Nogales DeConcini</p> <p>Asking for GSA / CBP to conduct a feasibility study to kick-off the modernization process.</p> <p>ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS</p>

State Route 189

- Widens approximately three miles of SR 189 near the Mariposa Port of Entry
- Constructs new roundabout at SR 189 and Target Range Road
- Constructs new flyover ramps connecting SR 189 to Interstate 19
- Improves drainage, traffic signals
- Anticipated completion in October 2021



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
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Problem Recognition

Recognizing the need for solutions

- Excessive border wait times
- Inconsistent inspection criteria
- Excessive out-of-service (OOS)
- Lack of trust within Mexican trucking industry

Border Liaison Unit
 Enforcement and Compliance Arizona Department of Transportation



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Outreach

Empowering Cross-Border Stakeholders

- Outreach Projects
 - Program Introduction
 - Cross-Border Presentation
 - International Border Inspection Qualification (IBIQ) Training
 - IBIQ Requalification
 - Traffic Incident Management Systems Training
 - 14 workshop topics

Participants
3,019
(since program inception)

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Outreach during pandemic

- ★ 43 virtual workshops completed since April 2020
 - 912 participants
- ★ Petitions to return to Mexico for in-person training
 - International Border Inspection Qualification (IBIQ) TBD




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Cultivating Innovation and Continuous Improvement

- Cashless/Touchless permitting system
 - Over 180,014 trucks processed without cash transactions
 - Entering with permit purchased online
15 - 30 SECONDS
 - Purchasing a permit at port of entry
15 - 30 MINUTES
- Virtual workshops added on all topics




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Communication

Enhancing Cross-Border Confidence


- 1576 WhatsApp inquiries
 - Increased 87% during Covid-19 pandemic
- 80% reduction in OOS rates (IBIQ)
- Top 5 inquiry origins
 - Baja California, MX
 - Sonora, MX
 - California, US
 - Arizona, US
 - Baja California Sur, MX





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The image shows two presentation slides side-by-side, each with a decorative header featuring the flags of Canada, the United States, and Mexico. The left slide is titled 'Action Items' and lists three bullet points. The right slide says 'THANK YOU!' and features a sunburst graphic. Both slides include the text 'ARIZONA DEPARTMENT OF TRANSPORTATION OFFICE OF INTERNATIONAL AFFAIRS' at the bottom.

Action Items

- Develop recently awarded Border Master Plan Update
- Continue to work with Sonoran counterparts on border infrastructure projects
- Work with our federal counterparts to develop a feasibility study for the DeConcini POE

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THANK YOU!



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