

October 17, 2022

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

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

SUBJECT: Monthly Report of Activities – September 2022

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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.

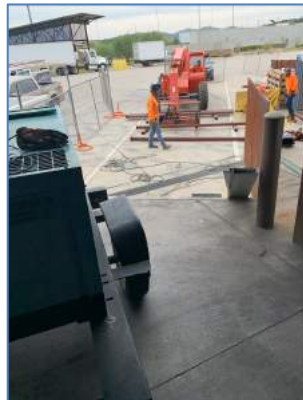
Our recent activities on behalf of the GNSCCPA have focused on the following key areas:

1. Mariposa Cold Rooms Project Update;
2. County sends letter in support of Nogales Wastewater Improvement Act;
3. USDOT Updates Border Crossing Data;
4. ADEQ issues public notice regarding Nogales Wash;
5. ADOT presents BLU Initiatives to Sinaloa Industry Groups;
6. Nogales Chamber and South32 host Governor of Sonora;
7. AMC hosts “State of Arizona-Mexico Trade” forum;
8. US Hispanic Chamber of Commerce Celebrates USMCA;
9. Governor’s IJIA Task Force update;
10. AMC meets with Mexican Consulates to coordinate efforts; and
11. Regional BBBX to be held in Arizona.

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.

## 1. MARIPOSA COLD ROOMS PROJECT UPDATE

- The technical team continues to hold monthly calls to define next steps as the construction phase of the project begins.
- Construction is underway.
- GSA has indicated that they still need the 100% drawings before the end of October.
- Port Authority is coordinating with Unisource on the electrical connection for the cold rooms.



Construction of Cold Rooms at Mariposa Port of Entry

## 2. COUNTY SENDS LETTER IN SUPPORT OF NOGALES WASTEWATER IMPROVEMENT ACT

- In a letter dated August 28, 2022, and addressed to Chairman of the Senate Foreign Relations Committee, Robert Menendez and the Ranking Member, James Risch, Santa Cruz County expressed its support for the Nogales Wastewater Improvement Act.
- With the signature of all three members of the Board of Supervisors, the letter states:
  - *Many decades ago, the City of Nogales defined and owned the structure of the pipeline system. Although this was done when the Ambos Nogales binational community had but a few thousand people.*

*Today, with an estimated population in Nogales Sonora that exceeds 400,000 people, the demands and needs of the system are significantly exceeding the needs and capacity of the Nogales, Arizona side. The Nogales Wastewater Improvement Act seeks to transfer ownership, operation, and maintenance of the pipeline system from the City of Nogales to the International Boundary and Water Commission (IBWC). We wholeheartedly believe that it is the IBWC that should own, operate, and maintain the IOI.*

- Special thanks to the Bill sponsors, Senators Kyrsten Sinema and Mark Kelly in the Senate and Congresswoman Ann Kirkpatrick and Congressman Raul Grijalva, for advancing this initiative.

### 3. USDOT UPDATES BORDER CROSSING DATA

- On September 13, 2022, the US Department of Transportation, released the latest border crossing data, alongside the information from the US Census Bureau on trade with Mexico and Canada.
- In a note sent to the Chairman on September 14, the latest data and breakdown was provided:

*Jaime,*

*We wanted to share the latest northbound border crossings and Arizona trade data available through July 2022. Attached please find a copy of the tables and a couple of key highlights listed below.*

*There continues to be double-digit growth for non-commercial crossings at the Nogales ports of entry. Total people is up 68%!! We remain optimistic that Nogales is on track to surpass the 2019 pre-pandemic volumes. In fact, personal vehicle crossings from January-July 2022 have already surpassed 2019 volumes.*

*On the commercial side, trucks are still down by approximately 13,000 as it had been trending down in previous months. But the addition of the July data did not worsen this trend. The next few months will be important to confirm whether this is beginning to reverse.*

#### **Northbound Border Crossings**

*During the period of January to July 2022:*

- **240,221 trucks** crossed at Nogales ports of entry, a 5.1% decrease compared to the same period in 2021.
- **5.7 million total people** crossed at the Nogales ports of entry, a 68.6% increase compared to the same period in 2021!
  - **2.1 million personal vehicle crossings**, an increase of 60.2%.
  - **4 million personal vehicle passengers**, an increase of 78.3%.
  - **1.4 million pedestrian crossings**, an increase of 45.2%.

- **474 trains** crossing northbound, an increase of 24.7% compared to the same period of 2021.

For the state of Arizona overall:

- **290,951 northbound trucks** crossed at Arizona's ports of entry from January to July 2022, a 3.8% decrease compared to the same period in 2021.
- **12.9 million total people** crossed at Arizona's ports of entry from January to July 2022, a 44.7% increase compared to the same period in 2021.

#### **Arizona Trade with Mexico and Canada**

- Total Arizona trade with Mexico and Canada reached \$14.5 billion from January to July 2022, a 7.3% increase compared to the same period in 2021.
- Total Arizona trade with Mexico reached \$11.5 billion from January to July 2022, a 7.5% increase compared to the same period in 2021.
  - Arizona exports to Mexico have been trending negative since March, but that trend appears to be reversing with the latest trade data. It is now a -0.71% difference compared to the same period last year.
- Total Arizona trade with Canada reached \$2.9 billion from January to July 2022, a 6.6% increase compared to the same period in 2021.

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<b>Arizona Trade with Mexico and Canada</b>				
January-July 2021 vs January-July 2022				
<b>Arizona Trade with Mexico</b>				
	Jan-July 2021	Jan-July 2022	Difference	% Change
Exports to Mexico	\$ 4,949,289,100	\$ 4,914,041,261	\$ (35,247,839)	-0.71%
Imports from Mexico	\$ 5,808,859,250	\$ 6,650,248,620	\$ 841,389,370	14.5%
<b>Total Trade with Mexico</b>	<b>\$ 10,758,148,350</b>	<b>\$ 11,564,289,881</b>	<b>\$ 806,141,531</b>	<b>7.5%</b>
<b>Arizona Trade with Canada</b>				
	Jan-July 2021	Jan-July 2022	Difference	% Change
Exports to Canada	\$ 1,413,376,286	\$ 1,453,876,817	\$ 40,500,531	2.9%
Imports from Canada	\$ 1,389,774,313	\$ 1,534,793,941	\$ 145,019,628	10.4%
<b>Total Trade with Canada</b>	<b>\$ 2,803,150,599</b>	<b>\$ 2,988,670,758</b>	<b>\$ 185,520,159</b>	<b>6.6%</b>
<b>Arizona Trade with Mexico and Canada</b>				
	Jan-July 2021	Jan-July 2022	Difference	% Change
Exports to Mex. & Can.	\$ 6,362,665,386	\$ 6,367,918,078	\$ 5,252,692	0.1%
Imports from Mex. & Can.	\$ 7,198,633,563	\$ 8,185,042,561	\$ 986,408,998	13.7%
<b>Total Trade with Mex. &amp; Can.</b>	<b>\$ 13,561,298,949</b>	<b>\$ 14,552,960,639</b>	<b>\$ 991,661,690</b>	<b>7.3%</b>
Source: US Census Bureau. Values presented in \$USD. Data subject to change without prior notice. Updated 9/12/2022				



### Arizona Northbound Border Crossings

January-July 2021 vs January-July 2022

Port	Mode	Jan-July 2021	Jan-July 2022	Difference	Change
Douglas	Trucks	16,445	17,636	↑ 1,191	↑ 7.2%
	Personal Vehicles	628,350	866,692	↑ 238,342	↑ 37.9%
	Personal Vehicle Passengers	965,083	1,538,617	↑ 573,534	↑ 59.4%
	Pedestrians	279,323	369,927	↑ 90,604	↑ 32.4%
	Buses	111	67	↓ -44	↓ -39.6%
	<b>Total People</b>	<b>1,244,515</b>	<b>1,909,509</b>	<b>↑ 664,994</b>	<b>↑ 53.4%</b>
★ Nogales	Trucks	253,246	240,221	↓ -13,025	↓ -5.1%
	Personal Vehicles	1,321,380	2,116,282	↑ 794,902	↑ 60.2%
	Personal Vehicle Passengers	2,291,038	4,084,290	↑ 1,793,252	↑ 78.3%
	Pedestrians	977,253	1,418,597	↑ 441,344	↑ 45.2%
	Trains	380	474	↑ 94	↑ 24.7%
	Buses	2,753	3,963	↑ 1,210	↑ 44.0%
<b>Total People</b>	<b>3,361,096</b>	<b>5,667,865</b>	<b>↑ 2,306,769</b>	<b>↑ 68.6%</b>	
San Luis	Trucks	29,890	30,848	↑ 958	↑ 3.2%
	Personal Vehicles	1,574,067	1,909,150	↑ 335,083	↑ 21.3%
	Personal Vehicle Passengers	2,502,928	3,110,651	↑ 607,723	↑ 24.3%
	Pedestrians	1,002,180	1,159,787	↑ 157,607	↑ 15.7%
	Buses	4	39	↑ 35	↑ 875.0%
	<b>Total People</b>	<b>3,505,112</b>	<b>4,270,477</b>	<b>↑ 765,365</b>	<b>↑ 21.8%</b>
Lukeville	Trucks	278	476	↑ 198	↑ 71.2%
	Personal Vehicles	246,092	273,363	↑ 27,271	↑ 11.1%
	Personal Vehicle Passengers	509,422	601,409	↑ 91,987	↑ 18.1%
	Pedestrians	7,927	40,845	↑ 32,918	↑ 415.3%
	Buses	337	347	↑ 10	↑ 3.0%
	<b>Total People</b>	<b>520,467</b>	<b>644,125</b>	<b>↑ 123,658</b>	<b>↑ 23.8%</b>
Naco	Trucks	2,516	1,770	↓ -746	↓ -29.7%
	Personal Vehicles	141,250	176,203	↑ 34,953	↑ 24.7%
	Personal Vehicle Passengers	213,156	319,089	↑ 105,933	↑ 49.7%
	Pedestrians	32,403	50,787	↑ 18,384	↑ 56.7%
	<b>Total People</b>	<b>245,559</b>	<b>369,876</b>	<b>↑ 124,317</b>	<b>↑ 50.6%</b>
	Sasabe	Personal Vehicles	17,161	15,762	↓ -1,399
Personal Vehicle Passengers		28,588	30,058	↑ 1,470	↑ 5.1%
Pedestrians		221	632	↑ 411	↑ 186.0%
<b>Total People</b>		<b>30,984</b>	<b>30,690</b>	<b>↓ -294</b>	<b>↓ -0.9%</b>
State Totals	Trucks	302,375	290,951	↓ -11,424	↓ -3.8%
	Personal Vehicles	3,928,300	5,357,452	↑ 1,429,152	↑ 36.4%
	Personal Vehicle Passengers	6,510,215	9,684,114	↑ 3,173,899	↑ 48.8%
	Pedestrians	2,299,307	3,040,575	↑ 741,268	↑ 32.2%
	Buses	3,205	4,416	↑ 1,211	↑ 37.8%
	<b>Total People</b>	<b>8,907,733</b>	<b>12,892,542</b>	<b>↑ 3,984,809</b>	<b>↑ 44.7%</b>

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

Updated 8/24/2022

**4. ADEQ ISSUES PUBLIC NOTICE REGARDING THE NOGALES WASH**



- On September 14, 2022, the Arizona Department of Environmental Quality once again issued a cautionary note against contact with water in the Nogales Wash due to a confirmed sewage overflow.
- In a press release issued on August 12, 2022, ADSEQ stated: “Officials with the Arizona Department of Environmental Quality (ADEQ) and Santa Cruz County continue to caution against contact with water in the Nogales Wash and Potrero Creek due to ongoing intermittent transboundary sanitary sewer overflows (SSO’s), in addition to elevated levels of pollutants that may be present during any storm event resulting in increased runoff.” (Source: <https://azdeq.gov/press-releases/press-release-adeq-and-santa-cruz-county-officials-caution-against-contact-water>)
- We continue to monitor the situation on both sides of the border.

**5. ADOT PRESENTS BLU INITIATIVES TO SINALOA INDUSTRY GROUPS**



- On September 19, 2022, the Arizona Department of Transportation, in a continuation of the joint efforts with the State of Sonora to promote the Arizona-Sonora region, held a virtual informational session with the Economic Development Department of the State of Sinaloa and several industry leaders from the logistics and exporting sectors.
- This is critical in helping Sinaloa-based companies take advantage of programs like IBIQ, and the WhatsApp available for participating drivers.
- The partnership between Arizona and Sonora on these initiatives has helped enhance the competitiveness of the Arizona-Mexico Corridor.

- Special thanks to the Border Liaison Unit for their continuing efforts to promote the safety of Arizona's roads.

## 6. NOGALES CHAMBER OF COMMERCE AND SOUTH32 HOST GOVERNOR OF SONORA

- On September 23, 2022, the Nogales-Santa Cruz County Chamber of Commerce and South32 hosted the Governor of Sonora, Alfonso Durazo, for a visit to the Hermosa Mine and for private meetings and a luncheon with local leaders.
- During the luncheon event, Governor Durazo stressed his commitment to advancing transportation connectivity between Sonora and the United States, including such keystone projects as the modernization of the Guaymas seaport, a new highway from Guaymas to Chihuahua and investments in all the ports of entry.
- Governor Durazo announced that the State of Sonora was taken back the concession for the corridor that connects MX15 with the Mariposa port of entry and that the State was already in contact with a new investor that would make \$500 million pesos of improvements to the corridor.
- Governor Durazo also reaffirmed his commitment and the urgency for the relocation of the rail crossing at Nogales as a key factor to promoting trade between the US and Mexico.
- The Governor also recognized the significance of having South32's investment in the Arizona-Sonora region and what having mining operations like this means for the future of North America, particularly in key sectors such as automotive, aerospace, and semiconductor manufacturing.





## 7. AMC HOSTS “STATE OF ARIZONA-MEXICO TRADE” FORUM

- On September 27, 2022, the Arizona-Mexico Commission (AMC) hosted “the State of Arizona-Mexico Trade”, a luncheon that included the Chiefs of Staff for Governor Doug Ducey and Governor Alfonso Durazo, as well as a panel of cross-border experts that included Chairman Chamberlain.
- Joining the Chairman on the panel were:
  - Jessica Pacheco, President of the Board of Directors of the AMC
  - Calline Sanchez, Vice President, IBM
  - Julie Engel, President and CEO, Greater Yuma Economic Development Corporation
- With more than 250 participants, the event served to highlight a number of cross-border initiatives, particularly the investments in infrastructure such as SR189 at Nogales and many more.
- Special thanks to a strong Nogales delegation that attended the event, including:
  - Supervisor Bruce Bracker, Santa Cruz County
  - Councilwoman Liza Montiel, City of Nogales
  - Terry Shannon, Nogales Economic Development Foundation
  - Karla Bernal Morales, Arizona Technology Council
  - Guillermo Valencia, Nogales Customs House Brokers Association
  - Josh Rubin, INDEX Nogales
  - Greg Lucero, South32
  - Olivia Ainza-Kramer, Nogales Chamber of Commerce
  - Jorge Maldonado, Mayor-Elect, City of Nogales





## 8. US HISPANIC CHAMBER OF COMMERCE CELEBRATES USMCA

- On September 30, 2022, the US Hispanic Chamber of Commerce, in partnership with the Arizona Hispanic Chamber of Commerce and the Mexican Consulate General of Mexico, hosted a panel marking the second anniversary of the implementation of the US-Mexico-Canada Agreement (USMCA).
- In a panel of experts, representing the Fresh Produce Association of the Americas was Georgina Felix.
  - Ms. Felix brought up the importance of Mexican fresh produce imports for the nation's food supply and the economic impact the industry has in southern Arizona.

- Among the topics discussed were the impacts of USMCA on key sectors, particularly the automotive sector that increases the North American content for auto assembly and has minimum wage requirements.
  - Additionally, a major focus of the dialogue centered on the re-shoring of manufacturing operations out of China to North America, particularly to Mexico.
- Joining Ms. Felix on stage were Consul General of Mexico in Nogales, Marcos Moreno Baez, Mr. Mark Sanders of ADOT and Luis Ramirez of RAI-N, among various others.



## 9. GOVERNOR'S IIJA TASK FORCE UPDATE

- On September 28, 2022, Kevin Biesty, who is part of the Governor's Infrastructure Investment and Jobs Act (IIJA) Task Force, presented to the Board of Directors of the Port Authority regarding the mission of the Task Force and the resources it can bring to bear in support of the efforts by local communities in pursuing IIJA funds.
- Mr. Biesty confirmed that the funds available are being distributed in a competitive format so applicants must be focused and, whenever possible, partner with others to help increase the chances of securing funds.
- According to the presentation by the Task Force, the purpose of is:
  - *To ensure the state continues to efficiently and effectively use federal infrastructure funds*

- *To strategically align Arizona's priorities and investments with competitive federal funding opportunities*
  - *To act as a convener to help identify grant opportunities and share information across multiple state agencies, tribal and local governments, and stakeholders*
  - *Provide a standard process for state government to handle grant opportunities that are not standard*
  - *When necessary, provide support and structure necessary to span across state agencies and across multiple funding categories and opportunities.*
- A background PowerPoint on the Task Force is available at [https://azmag.gov/Portals/0/AZ-COGS/2022/COG\\_MPO-Directors-Mtg\\_2022-06-08\\_Intro-AZ-IIJA-Task-Force.pdf?ver=A3bSG9QjNdH0Ca82cHISLQ%3D%3D](https://azmag.gov/Portals/0/AZ-COGS/2022/COG_MPO-Directors-Mtg_2022-06-08_Intro-AZ-IIJA-Task-Force.pdf?ver=A3bSG9QjNdH0Ca82cHISLQ%3D%3D)

#### 10. AMC AND ADOT MEET WITH MEXICAN CONSULATES TO COORDINATE EFFORTS

- On September 30, 2022, the Arizona-Mexico Commission and the Arizona Department of Transportation (ADOT) met with the 5 Mexican Consuls in Arizona, to talk about joint efforts, with particular emphasis on cross-border transportation initiatives, both infrastructure and an analysis of current processes.
- The need to promote the Arizona-Mexico port of entry projects at San Luis, Nogales and Douglas were discussed.
- At the urgence of the Marcos Moreno Baez, ADOT is looking at the possibility of expanding the Arizona-Sonora Safety Corridor that currently runs from Guaymas/Empalme to Nogales to now include the portion of the corridor that start at Jalisco.



#### 11. REGIONAL BBBX TO BE HELD IN ARIZONA

- The US Department of State has confirmed that the next US-Mexico Binational Bridges and Border Crossings Meeting – West, will take place on October 26-27, 2022, in San Luis, Arizona.

- It is imperative that the Port Authority, along with as many of its integrating agencies, attend the meeting to participate in the social functions as well present during the Public Portions of the plenary.
- We strongly advise that those that plan to attend book rooms in Yuma as soon as possible due to very high occupancy rates.
- The Arizona Department of Transportation, along with the Arizona-Mexico Commission and various local stakeholder entities have agreed to co-host this event that will bring together all the US and Mexican federal agencies to discuss port of entry projects on the Western region of the border.
  - There may be an opportunity for the Port Authority to sponsor some of the functions.