

October 19, 2019

**TO: Jaime Chamberlain, Chairman**

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

SUBJECT: Monthly Report of Activities – August 2019

---

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

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

1. **Donation Acceptance Program Update;**
2. **PA Social Media;**
3. **Conference call with FMCSA;**
4. **FMCSA Update Conference Call with FPAA;**
5. **Santa Cruz County Letter to FMCSA;**
6. **Rural Transportation Summit: Driven By Trade Planning;**
7. **Partnership with Provisional College District;**
8. **Nogales POE One-Pager;**
9. **GNSCCPA joins AZDEC on letter to Congress on USMCA Ratification; and**
10. **Representation of GNSCCPA with Key Entities.**

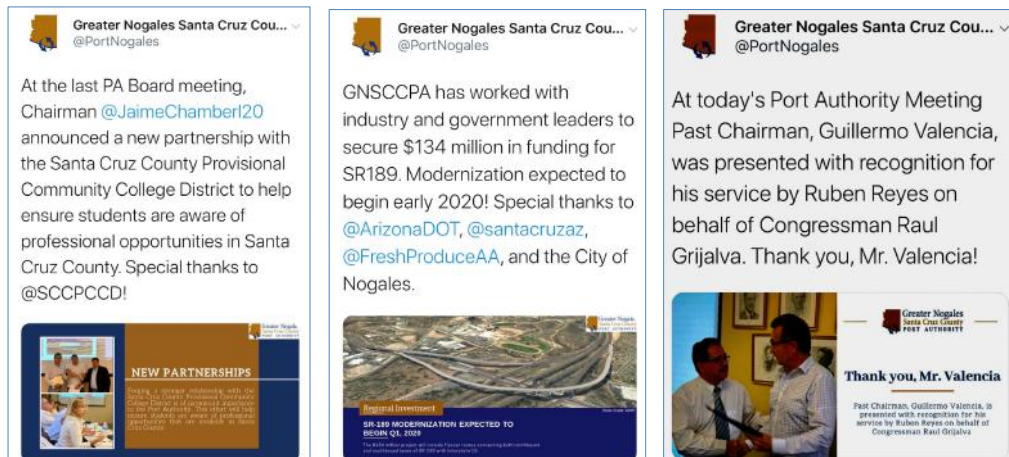
This report is not intended to be a full description of all our activities but rather, provides highlights and information on the direction of our activities to keep the Board of Directors informed and to ensure adherence to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. 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. DONATION ACCEPTANCE PROGRAM UPDATE**

- Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
  - The Technical Team continues to work with CBP and GSA in advancing the project.
  - Work with a local architect is underway and CBP has indicated that the project can now forward to the design phase.
- Reminder that the work of the Technical Committee is bound by Non-Disclosure Agreements with CBP and limited information can be provided publicly.

**2. PA SOCIAL MEDIA**

- At the request of Chairman Chamberlain, RAI-N has established social media accounts for the port authority on Tweeter (@portnogales), Instagram (@portnogales) and LinkedIn.
- RAI-N also assisted the GNSCCPA in updating the distribution list for meeting notices and other relevant information.
- Social media will offer the Port Authority the ability to reach out to stakeholders throughout the community and beyond.
- We ask that as many people as possible follow the Port Authority on these social media platforms.
- Here are some samples of recent posting:



**3. CONFERENCE CALL WITH FMCSA**

- On September 9, the Office of Senator McSally coordinated a conference call with the leadership of the Federal Motor Carriers Safety Administration (FMCSA) to discuss the proposal to build new standalone facilities for truck safety inspections.
- Participating on the call were:
  - Ray Martinez, Administrator, FMCSA and several members of his leadership team;
  - CJ Karamargian, Office of Senator McSally;
  - Allison Moore on behalf of the GNCCCCPA;
  - The Honorable Bruce Bracker, Santa Cruz County;
  - Scott Omer, Deputy Director, Arizona Department of Transportation;
  - Russ Jones, Southwest Port Users Association;
  - Luis Ramirez, RAI-N
- FMCSA indicated their commitment to:
  - Pursue a long-term lease agreement with ADOT instead of building a new facility;
  - Exploring ways for FMCSA to pay for improvements to the facility and getting repaid through possible lease discounts;
  - Adhere to the principles of the MOU signed with ADOT in February of this year; and
  - FMCSA will recognize programs like IBIQ, implemented by ADOT.

**4. FMCSA UPDATE CONFERENCE CALL WITH FPAA**

- On September 12, and in anticipation of the visit by the leadership of the Fresh Produce Association of the Americas to Washington, D.C. RAI-N participated in a conference call with the FPAA in order to discuss the progress made to date with the Federal Motor Carriers Safety Administration (FMCSA) on the proposal to build new standalone truck safety inspection facilities at Nogales and San Luis.

**5. SANTA CRUZ COUNTY LETTER TO FMCSA**

- As part of the continuing efforts to communicate the perspective of the border communities, Santa Cruz County sent a follow up letter.
- The event was conducted in partnership with the Small Business Administration and the US Department of Commerce in Tucson, Arizona.
- Copy of the Letter is provided in Attachment #1.

**6. *RURAL TRANSPORTATION SUMMIT: DIRVEN BY TRADE***

- The Southeast Arizona Governments Organization (SEAGO) is hosting the annual rural transportation conference in Tucson on October 15-17, 2019.
- Randy Heiss, Executive Director of SEAGO, reached out to the Fresh Produce Association and the GSCCPA seeking assistance in the planning of the event. RAIN agreed to help out in the planning of the agenda and securing speakers for the event.
- It is highly recommended that a strong delegation from Nogales participate in this event.

**7. *PARTNERSHIP WITH PROVISIONAL COMMUNITY COLLEGE DISTRICT***

- At the direction of Chairman Chamberlain, the Port Authority reached out to Dr. Stella Perez of the Santa Cruz County Provision College District in order to explore a closer working relationship and help students identify work opportunities upon completion of their studies.
- Three possible areas of collaboration have been identified:
  - Offer a cadre of expert and professional speakers for roundtable discussions and forums at the College District. This list of speakers would include the Board of Directors of the Port Authority and the entities and organizations they each represent, including: the City of Nogales, Santa Cruz County, Fresh Produce Association of the Americas, Nogales Customs House Brokers, Nogales Community Development, INDEX Maquila Association of Nogales, Sonora and the Nogales Santa Cruz County Economic Development Foundation.
  - Explore possible internship opportunities with the membership of the Port Authority.
  - Work to create a new logo and social media presence for the Port Authority.

**8. *NOGALES POE ONE-PAGER***

- At the request of Chairman Chamberlain, a One-Pager has been created on the need to modernize the DeConcini Port of Entry.
- This will help all stakeholders to quickly understand the urgency of the modernization of the port.
- A copy of the One-Pager is provided in Attachment #2.

**9. *PORT AUTHORITY JOINS AZDEC LETTER TO CONGRESS ON USMCA RATIFICATION***

- The Arizona District Export Council (AZDEC) drafted a letter to Speaker Nancy Pelosi, US House of Representatives, urging for the prompt ratification of the USMCA.
- The Port Authority joined the list of signatories on the letter.

- A copy of the letter is provided in Attachment #3.

**10. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES**

- Continuing efforts to maintain an on-going dialogue with various agencies, entities and organizations allows us to ensure full coordination of efforts and maximizing the impact of our limited resources.
- It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, Nogales Customs House Brokers, INDEX and others, as each has well established relationships with most of these entities.

**Attachment #1**

Santa Cruz County Letter to FMCSA



**Board of Supervisors**  
Santa Cruz County

BRUCE BRACKER  
District 3

Ray Martinez  
Administrator  
Federal Motor Carrier and Safety Administration  
US Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

RE: Proposed Truck Safety Inspection facilities at Nogales

Dear Administrator Martinez,

I want to thank you for taking the time to participate in the conference call organized by the Office of Senator Martha McSally regarding the proposal by the Federal Motor Carrier and Safety Administration (FMCSA) to build standalone truck safety inspection facilities at the Mariposa Port of Entry.

In particular, I want to thank you for listening to the concerns of the local community, industry and the Arizona Department of Transportation, that building standalone facilities for FMCSA would be a step backwards in the efforts to make the safety inspection process more effective and efficient. The efficiency of the ports of entry and the safety of our roads are essential to the viability and competitiveness of our corridor and our community.

During the call, the Arizona Department of Transportation confirmed their willingness to consider long-term lease agreements with GSA, including the possibility of addressing the capital improvements required by FMCSA within the framework of the lease, in order for the two agencies to remain collocated.

Hearing directly from you and your team that the Memorandum of Understanding between FMCSA and the Arizona Department of Transportation (ADOT) is working "beautifully" is one of the principle messages that we have been conveying to your team for quite some time. Adhering to the principles of the MOU, and entrenching the vision of a collaborative, risk-based approach to the safety inspection process has been the cornerstone of the success at our ports of entry.

Additionally, the programs established by ADOT to train drivers in Mexico so that they can comply with safety laws and regulations before arriving at the border is the very example of a proactive approach to enhancing compliance and safety. Those drivers that have participated in the program, and are recertified on an annual basis, have had higher compliance rates, and have been subjected to fewer and lower fines.

I am happy to hear that FMCSA inspections are based on a quarterly inspection for trucks, that if their CVSA sticker is valid, trucks are inspected only if something is visibly wrong on the truck, and that it takes two visible violations for the truck to be inspected.

We have heard multiple statements that FMCSA is intent on conducting more inspections at the border but that seems contrary to the principles we discussed today. I am grateful to hear of your and your team's commitment to embracing the innovative approach developed hand in hand with ADOT.

Please be assured of our commitment to the safety of our roads but we also remain committed to an effective and efficient process that leverages best-practices at Nogales and Arizona.

We look forward to your visit to Arizona and to our continued work to make our roads safer and our ports of entry more effective and efficient.

Respectfully,

  
Bruce Bracker  
Chairman  
Santa Cruz County Board of Supervisors

CC: The Honorable Martha McSally, US Senate  
The Honorable Gerardo Sanchez, Mayor, City of San Luis  
Director John Halikowski, Arizona Department of Transportation  
Juan Ciscomani, Senior Advisor, Office of the Governor  
Russ Jones, President, RL Jones  
Jaime Chamberlain, Chairman, Greater Nogales Santa Cruz County Port Authority  
Allison Moore, Vice President, Fresh Produce Association of the Americas

**Attachment #2**  
 Nogales POE One-Pager

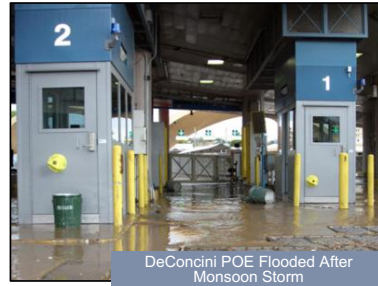
**Nogales, AZ / Nogales, SON  
 Port of Entry System**

The ports of entry in Arizona serve as the principal gateway for international trade, commerce, and tourism with Mexico. For Arizona’s border communities, ports serve as a tool for economic development and growth.

The ports in Nogales serve as a hub for implementing innovative solutions that facilitate cross-border commerce, including **Unified Cargo Processing, refrigerated docks for produce, and a \$134 million investment for the modernization of SR189**. Along with these projects, the DeConcini port of entry needs modernization. Long lines and aging infrastructure have worsened wait times, and the work environment is unsuitable for officers. The Nogales community is advocating for the DeConcini POE to be elevated in Custom and Border Protection’s priority list of port of entry projects. For additional information, please visit the Greater Nogales Santa Cruz County Port Authority’s website at: [www.nogalesport.org](http://www.nogalesport.org).

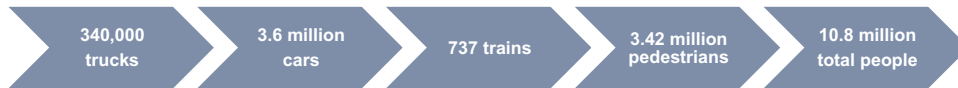


DeConcini Port of Entry



DeConcini POE Flooded After Monsoon Storm

**Northbound Traffic in 2018<sup>1</sup>**



**\$24.1 billion**

Total Value of Imports and Exports in 2018<sup>2</sup>

**70 percent**

Estimated sales tax revenue attributable to Mexican visitors and daily crossers<sup>3</sup>

**Conditions at DeConcini POE**

- Port is landlocked on both sides of the border
- Arizona’s only rail connection to Mexico creates additional congestion
- Stormwater tunnel directly under port and needs investment

**Top 5 Commodity Exports<sup>4</sup>**

- Copper ores and concentrates (\$871.9 million)
- Motor vehicle parts (\$383 million)
- Parts for electrical supplies (\$297.5 million)
- Electrical supplies, apparatus, less than 1000v (\$200.7 million)
- Insulated wire, cable (\$168 million)

**Top 5 Commodity Imports<sup>5</sup>**

- Motor vehicles for transporting people (\$1.9 billion)
- Peppers, asparagus, squash, etc. (\$734.1 million)
- Insulated wire, cable (\$649.1 million)
- Grapes, fresh or dried (\$554.4 million)
- Tomatoes, fresh or chilled (\$425.5 million)

1. Data Source: US Department of Transportation, Bureau of Transportation Statistics.  
 2. Data Source: USTradeNumbers.com  
 3. City of Nogales.

4. Data Source: USTradeNumbers.com  
 5. Data Source : USTradeNumbers.com

All data provided herein is subject to change without prior notice.





**Attachment #3**

**AZDEC Letter – Joined by GNSCCPA**



The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
United States Capitol  
Washington, DC 20515

September 9, 2019

Dear Madam Speaker:

The Arizona District Export Council and its partner organizations, the Arizona Chamber of Commerce and Industry, the Arizona Technology Council, Arizona Manufacturing Council, The Greater Phoenix Chamber of Commerce, Greater Phoenix Economic Council, the Southern Arizona Leadership Council, Arizona Cotton Growers Association, Fresh Produce Association of the Americas, XX and The Global Chamber, respectfully request that you bring the USMCA trade agreement to a vote during this 1<sup>st</sup> session of the 116<sup>th</sup> Congress and that you work to secure bi-partisan support for passage.

More than 12 million American jobs depend on trade with Canada and Mexico. U.S. manufacturers export more made-in-America manufactured goods to Canada and Mexico than they do to the next eleven (11) largest export markets combined. In addition, Canada and Mexico account for nearly one-third of U.S. agricultural exports.

With respect to Arizona, Mexico and Canada are Arizona's most important international markets for both goods and services. 228,000 Arizona jobs and nearly \$10B of exports depend on trade and investment with Mexico and Canada, a significant portion of which would be in jeopardy should USMCA fail to pass. Elaborate cross-border manufacturing and supply chains have developed in aerospace, agriculture, electronics, automotive and other key industries, and Arizona carries large trade surpluses with both Mexico (\$830M) and Canada (\$810M). Approval of USMCA will ensure Arizona and all U.S. manufacturers, farmers, and service providers can continue to access the Canadian and Mexican markets virtually tariff-free.

The deepening trade dispute with China underscores the risks to U.S. businesses and national economic prosperity, as foreign competitors move to exploit an opportunity created by our weakening trade relationship. Australian cotton exports to China have increased from a few million dollars to over \$500 million in the last year. Likewise, Brazilian soybean exports have more than doubled in twelve months, from \$6 billion to over \$11 billion. At the same time, U.S. commodity prices are down 40% as our products face tariff differentials of 700% or more. The best means of reducing further negative consequences to an array of U.S. businesses is to ratify the USMCA, confirming America's commitment to and leadership of the world's largest trading bloc and reducing global insecurity regarding U.S. trade policy. Further, passing USMCA will send a clear message to China that it needs to reach a deal with the U.S. soon.

---

**Arizona's Voice for Global Trade**

2828 North Central Avenue, Suite 800 ♦ Phoenix, AZ 85004

Tel: (602) 254-2907 ♦ Fax: (602) 745-7210 ♦ [www.exportaz.org](http://www.exportaz.org) – Page | 1



Arizona's political and business communities are strongly united behind passage of USMCA, as are a bi-partisan majority of Arizona's Congressional delegation. Additionally, in 2018 both houses of the Arizona legislature *unanimously* passed Senate Concurrent Memorial 1016, "URGING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO SWIFTLY RENEGOTIATE AND RATIFY (USMCA) TO MAINTAIN THE GLOBAL COMPETITIVENESS OF ARIZONA'S BUSINESSES AND CITIZENS."

The signatories of this letter represent a large cross-section of critical industries across the great state of Arizona. We cannot express strongly enough how important NAFTA has been for growing the Arizona economy and providing jobs for our citizens. No trade agreement can satisfy all parties, and in the case of USMCA, chasing perfection could be extremely detrimental to Arizona's and our nation's economy. In these uncertain times, passing USMCA sends a signal to the world that America is focused on global competitiveness and ready to lead from a position of strength. In addition to the direct impacts on US exports and job retention/creation, passage of USMCA should also have an invigorating effect on foreign direct investment in the United States, which is currently suffering from significant supply chain uncertainty associated with trade disruptions across multiple jurisdictions, including China, Europe and North America.

We urgently request that you bring the USMCA up for a vote in the U.S. House of Representatives, and welcome any questions you may have.

Sincerely,

---

**Arizona's Voice for Global Trade**

2828 North Central Avenue, Suite 800 ♦ Phoenix, AZ 85004

Tel: (602) 254-2907 ♦ Fax: (602) 745-7210 ♦ [www.exportaz.org](http://www.exportaz.org) – Page | 2