

November 15, 2021

TO: Mr. Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – October 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. Modification of Border Crossing Restrictions;
3. Nogales Chamber hosts Seminar with DHS;
4. PCFR Hosts Ambassador of Mexico to the United States;
5. Senator Sinema Visits Nogales for Discussions on the IOI;
6. Santa Cruz County Broadband Action Team meeting;
7. Update for Northbound Border Crossing Data;
8. IBW Hosts Southeast Arizona Citizen Council Virtual Forum; and
9. Port Authority leadership hosts delegation from ASU Cronkite School.

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 has received the modified Licensing Agreement. After a detailed review with Legal Counsel, the Port Authority has provided some requested modifications to the agreement. Port Authority is awaiting a response to the suggested edits.

2. **EXTENSION OF BORDER CROSSING RESTRICTIONS**



- The governments of the United States, Mexico and Canada have agreed to a modification of the travel restrictions for foreign visitors to enter the US for non-essential travel.
- The modification allows for those travelers that can demonstrate that they have been fully vaccinated, they will be permitted to cross the border into the United States.
- Centers for Disease Control (cdc.gov) provides a list of the vaccines that are recognized for travel into the US.
- For essential travel, border crossing will be permitted without proof of vaccination

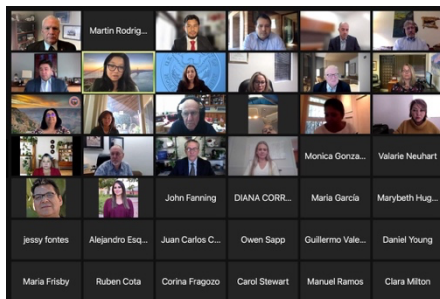
until January of 2022. At that time, any and all travelers (essential and non-essential) will have to present proof of vaccination in order to apply for entry into the United States.

- Additional details on the modifications to travel restrictions can be found at: <https://www.dhs.gov/news/2021/10/12/secretary-mayorkas-allow-fully-vaccinated-travelers-canada-and-mexico-enter-us-land>

3. **NOGALES CHAMBER HOSTS SEMINAR WITH DHS**

- On October 14, 2021, Chairman Chamberlain participated in a seminar hosted by the Nogales Chamber of Commerce featuring Eva Millona, Assistant Secretary for the Department of Homeland Security.

- The event included representatives of various organizations from all over Arizona.
- During the meeting Chairman Chamberlain raised a number of key issues to the Port Authority, including:
 - Staffing at Ports of Entry
 - Coordination with Mexico on border infrastructure
 - Pilot program for the waiver of the I-94 and a revision of the continued value of the I-94
 - Additional staff at CBNP enrollment centers
 - Enhanced staffing for in-country visa processing.
- As a follow up to the dialogue, the Port Authority sent a letter to Assistant Secretary Millona outlining all these issues and inviting her to visit Nogales and the border region.
- A copy of the letter can be found in Attachment #1.



4. PCFR HOSTS AMBASSADOR OF MEXICO TO THE UNITED STATES

- On October 14, 2021, the Phoenix Council on Foreign Relations hosted a reception and dinner with His Excellency Esteban Moctezuma, Mexico’s Ambassador to the United States.
- Among those that attended the event, were:
 - The Honorable Bruce Bracker, Santa Cruz County
 - Greg Lucero, South32 and Santa Cruz County Mining Cluster

- Ambassador Moctezuma spent a great deal of time stressing the importance of Mexican fresh produce for the US consumer.
- He also stressed the importance of the Mexican consumer for US goods, stressing that the Mexican consumer spends over \$2,200 on US products each year.



Ambassador Moctezuma speaking with Congressman Greg Stanton

5. *SENATOR SINEMA VISITS NOGALES FOR DISCUSSIONS ON THE IOI*

- On October 22, 2021, Senator Kyrsten Sinema visited Nogales and hosted a meeting with key stakeholders to discuss the investments that will be made to modernize the International Outfall Interceptor (IOI).
- The Senator also invited Maria Elena Giner, the Commissioner of the international Boundary and Water Commission (IBWC).
- The meeting included representatives from:
 - Arizona Department of Environmental Quality
 - Arizona Department of Water Resources
 - City of Nogales
 - Santa Cruz County
 - Fresh Produce Association of the Americas (provided a venue for the meeting)
- A principle follow up item with the Senator and the IBWC is the deployment of the mechanisms that trap drug bundles that are placed inside the IOI.
- During the meeting, the need to address other issues surrounding the IOI were addressed, including the need to come up with a plan to modernize and maintain the retention ponds in Nogales, Sonora, and that the modernization of the stormwater tunnels and the IOI must be considered as efforts are underway to modernize the DeConcini port of entry.



6. SANTA CRUZ COUNTY BROADBAND ACTION TEAM MEETING

- On October 25, 2021, the Santa Cruz County Broadband Action team held a second meeting.
- Here are some brief notes from the meeting:

Santa Cruz County Broadband Action Team Meeting
October 25, 2021

Discussion Notes:

- According to the State Broadband Director,
 - KPMG Middle Mile Strategic Plan, commissioned by the ACA, is expected to be released in early November.
 - ACA Broadband Grant application period is expected to open November 1 but will likely be delayed depending on when the KPMG study is released.
- Update from Santa Cruz County:
 - Cox Communications has expressed its interest in expanding service into the county. Service already exists in Green Valley, so expansion would most likely benefit communities along I-19.
 - Given ongoing conversations with providers, county may ultimately choose to partner with 2 providers to pursue future grant opportunities.
- Should there be funding gaps, South32 has committed to financially supporting the county for broadband grant applications or projects.

Participants:

- Juan Balderas, Santa Cruz County
- Chris Young, Santa Cruz County Superintendent's Office
- Olivia Aianza-Kramer, Nogales Santa Cruz County Chamber of Commerce
- Greg Lucero, South32
- Stephanie Bermudez, Pima SBDC
- Martin Rodriguez, Ramirez Advisors and on behalf of the Port Authority
- Liz Recchia, WeSERV Association of Realtors

7. *UPDATE FOR NORTHBOUND BORDER CROSSING DATA*

- The US Department of Transportation has released the data for border crossing volumes from January through August, 2021.
- In a note sent to the Port Authority leadership, the following highlights were provided on the data:

The US Department of Transportation has released the latest northbound border crossing data through August 2021. Attached please find a copy of the data for all of Arizona's ports of entry.

Allow us to provide some highlights and observations from the data for reference.

- For Nogales, truck traffic is on track to set a new record! For the port of entry system as a whole, from January through August 2021, northbound truck traffic into Arizona increased 13.3%, accounting for 38,530 additional trucks compared to the same period last year:

- Nogales truck traffic increased 12.5% during this period, or an additional 30,319 trucks.
 - If this trend continues, we are on track to set a substantial new record both at Nogales and for Arizona.
- Non-Commercial traffic is finally showing a marginal recovery over 2020 data. From January-August 2021, total people crossings increased 12.6%, representing an additional 1.2 million border crossers through Arizona's POEs over the same period of 2020 and the data is indicating that Nogales is recovering a bit faster than other communities.
 - With Nogales and Naco as the exceptions, all border communities show a downwards trend for northbound pedestrian crossings. This mode is the only category still showing a downward trend in state totals over the same time period in 2020.
- We are still far from returning to the pre-Covid (2019) data. For Nogales, For the principal border communities, the data indicates that there is beginning to be a recovery across all modes of traffic.
 - But if we were to compare January-August 2021 to the same period in 2019 (pre-pandemic), the data indicates that we are still far below the 2019 volumes - down by over 41% in total people at Nogales when comparing 2021 data to 2019.
 - We expect a significant change in the volumes of both car and people crossings once the US government implements the modified border-crossing restrictions that will permit fully-vaccinated visitors to seek entry into the US on November 8, 2021



Arizona Northbound Border Crossings

January-August 2020 vs January-August 2021

Port	Mode	Jan-Aug 2020	Jan-Aug 2021	Difference	Change
Douglas	Trucks	17,001	19,037	↑ 2,036	↑ 12.0%
	Personal Vehicles	692,821	744,119	↑ 51,298	↑ 7.4%
	Personal Vehicle Passengers	1,058,325	1,149,137	↑ 90,812	↑ 8.6%
	Pedestrians	376,248	325,012	↓ -51,236	↓ -13.6%
	Total People	1,436,796	1,474,270	↑ 37,474	↑ 2.6%
Nogales	Trucks	242,637	272,956	↑ 30,319	↑ 12.5%
	Personal Vehicles	1,416,449	1,549,462	↑ 133,013	↑ 9.4%
	Personal Vehicle Passengers	2,499,698	2,690,386	↑ 190,688	↑ 7.6%
	Pedestrians	1,035,536	1,103,998	↑ 68,462	↑ 6.6%
	Trains	417	429	↑ 12	↑ 2.9%
	Total People	3,595,484	3,907,109	↑ 311,625	↑ 8.7%
San Luis	Trucks	27,624	33,199	↑ 5,575	↑ 20.0%
	Personal Vehicles	1,433,042	1,817,094	↑ 384,052	↑ 26.8%
	Personal Vehicle Passengers	2,227,475	2,889,361	↑ 661,886	↑ 29.7%
	Pedestrians	1,274,448	1,133,669	↓ -140,779	↓ -11.0%
	Total People	3,501,951	4,023,035	↑ 521,084	↑ 14.9%
Lukeville	Trucks	277	358	↑ 81	↑ 29.2%
	Personal Vehicles	149,799	276,318	↑ 126,519	↑ 84.5%
	Personal Vehicle Passengers	308,079	572,707	↑ 264,628	↑ 85.9%
	Pedestrians	16,265	9,617	↓ -6,648	↓ -40.9%
	Total People	326,681	585,695	↑ 259,014	↑ 79.3%
Naco	Trucks	2,299	2,858	↑ 559	↑ 24.3%
	Personal Vehicles	143,835	163,572	↑ 19,737	↑ 13.7%
	Personal Vehicle Passengers	230,543	248,444	↑ 17,901	↑ 7.8%
	Pedestrians	39,833	41,697	↑ 1,864	↑ 4.7%
	Total People	270,427	290,141	↑ 19,714	↑ 7.3%
Sasabe	Personal Vehicles	14,194	19,458	↑ 5,264	↑ 37.1%
	Personal Vehicle Passengers	25,358	32,458	↑ 7,100	↑ 28.0%
	Pedestrians	298	272	↓ -26	↓ -8.7%
	Total People	25,656	34,905	↑ 9,249	↑ 36.1%
State Totals	Trucks	289,838	328,368	↑ 38,530	↑ 13.3%
	Personal Vehicles	3,850,140	4,570,023	↑ 719,883	↑ 18.7%
	Personal Vehicle Passengers	6,349,478	7,582,493	↑ 1,233,015	↑ 19.4%
	Pedestrians	2,742,628	2,614,265	↓ -128,363	↓ -4.7%
	Total People	9,156,995	10,315,155	↑ 1,158,160	↑ 12.6%

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

Updated: 10/20/2021

8. **IBWC HOSTS SOUTHEAST ARIZONA CITIZENS FORUM VIRTUAL MEETING**

- On September 28, 2021, the US Consulate General hosted a meeting focused on the Ambos Nogales Stormwater issues.
- The IBWC held the Southeast Arizona Citizens Forum which included the participation of Commissioner Maria-Elena Giner and an update on the Nogales IOI rehabilitation project. Attached please find a copy of the presentation with highlights from the discussion provided below.
 - Anticipated completion of the entire rehabilitation project is 2024. Construction of Phases 1-3 is expected to begin in December.

- Construction project will begin at the border then work its way downstream.
 - Phases 1-3 includes improvements to specific sections of Nogales Wash banks deemed vulnerable to erosion.
 - IBWC is waiting to finalize right-of-way and easement approvals from the City of Nogales, Union Pacific Railroad, and private property owners.
 - Phases 4-5 will go out as a single bid in FY2022.
- Recommendation from participant to consider the installation of flow meters to better detect ruptures in the pipeline or higher volumes reaching the treatment plant.
 - IBWC noted that it was not considered as part of the construction design.
 - With improvements to the inside lining of the pipe and manholes, extreme variations in flows should decrease because it would prevent stormwater or groundwater from entering the pipeline. It would give the treatment plant “recovered capacity” rather than “additional capacity.”
 - Recognition from participants and Commissioner Giner that while the rehabilitation project would bring substantial benefits, it is not the long-term solution for the issues surrounding the IOI.
 - Participants asked what is being done to prevent large stormwater events on the Mexican side from making into the IOI and damaging the pipeline.
 - John Light noted that they are working with the Mexican side to identify improvements to the stormwater infrastructure in Nogales, Sonora.
 - Director Misael Cabrera noted that ADEQ has held initial discussions with the Army Corps of Engineers about rehabilitating/improving stormwater infrastructure in Nogales, Sonora. ADEQ requested the Commissioner’s support as they move forward with those discussions.

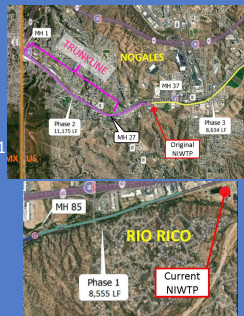


Nogales Trunkline and IOI Projects

- Phases 1-3: Rehab of 28,364 LF (5.3 Miles) of piping and 56 manholes
 - Construction Award: 7/13/21
 - Contractor: SAK Construction
 - Cost: \$13.8 Million
 - Includes Wash repairs at MH 86 and 93 for IOI protection
- Phases 4 & 5: Rehab of 18,010 LF (3.4 Miles) of piping and 38 manholes
 - Solicitation in FY22
 - Expected Construction Award Date: 9/30/22
 - Anticipated Construction Completion: 2024

Rehabilitation Phases 1-3 Status

- Notice to Proceed: 9/9/21
- Construction Completion Required: 10/29/23
- Preparation of preconstruction submittals and permits
- Anticipated Construction Start: December 2021
- Install CIPP starting at border and work downstream
- Estimated Completion Dates Per Phase:
 - Wash Repairs – December 2021/ January 2022
 - Phase 2 – May 2022
 - Phase 3 – November 2022
 - Phase 1 – April 2023



*Start of construction depends on completion of all permitting and preconstruction submittals

Construction Requirements

City of Nogales Right of Entry

- Required before Contractor can enter the City's right of way along the existing pipeline of the Trunkline and IOI
- USIBWC submitted draft agreement for City's review

UPRR Permit Status

- Required before Contractor can obtain their Right of Entry and enter the UPRROW for either rehab or Wash repairs
- CIPP and Manhole Rehab Permit Approved March 2021
- Wash Repairs Permit Approved July 2021

Construction Requirements

Temporary Construction Easements Status

- Required agreements for use of properties for access or staging along the existing pipeline easement
- Sent out all easements with ADEQ's support
- Phases 1 & 3 have 11 easements within private properties shown
 - 10 easements finalized
 - 1 owner reviewing agreement

Environmental Clearance for Wash Repairs

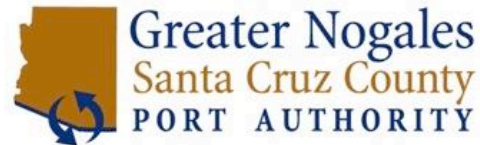
- Requirements under the USACE Nationwide Permit (NWP) No. 13, Bank Stabilization
- Coordination with USFWS for mitigation measures to protect endangered species in the Potrero Creek

9. *PORT AUTHORITY LEADERSHIP HOSTS DELEGATION FROM ASU CRONKITE SCHOOL*

- On October 25, 2021, the Port Authority hosted a delegation of students from an international program at the Cronkite School at Arizona State University.
- Special thanks to Board members Guillermo Valencia and Josh Rubin for taking the time to present and engage with the students in an interactive dialogue on border issues and the realities of the border.

Attachment #1

Copy of letter to Assistant Secretary Millona



October 15, 2021

Eva Millona
Assistant Secretary for Partnership and Engagement
U.S. Department of Homeland Security
2707 Martin Luther King Jr. Avenue SE
Washington, D.C. 20528

RE: Follow-Up to Border Crossing Discussion

Dear Assistant Secretary Millona,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I want to thank you for taking the time yesterday to engage with local and regional leaders on a thorough discussion covering a broad range of border crossing issues. We are excited to establish a working dialogue with you and your team.

As we mentioned, there is no silver bullet to all the issues that confront us on the border. We believe that there are specific steps that can have significant impacts on the enforcement, facilitation, and processing of legal travel, promote infrastructure development and foster higher levels of binational coordination. Some of these steps have a more pressing timeline as the Administration has confirmed its intent to modify the border crossing restrictions to permit non-essential travel for visitors who can prove their vaccination status. Specifically, I wanted to follow up on some key areas that we believe require your attention:

- **Waiver of I-94:** We concur with you that archaic documents, such as the I-94, must be reviewed to determine if they still retain the informational, biographic, and enforcement value that they were created for. That being said, we understand that that process is time-consuming and requires legal reviews. Thus, we would strongly support the deployment of a pilot program that would test whether an I-94 is necessary for US security, enforcement, and facilitation purposes. As part of the FY 2021 federal budget, Congress included a recommendation to the Department of Homeland Security to conduct a pilot program that would waive the need to secure an I-94 for travel beyond the border zone through all of Arizona and New Mexico. This pilot program stands to help eliminate some congestion and alleviate wait times caused by administrative transactions that occur at the ports of entry (both at primary and potentially at secondary for those needing to obtain an I-94 at the border).
- **Additional Staffing at CBP Enrollment Centers:** During the height of the COVID-19 pandemic, CBP Enrollment Centers for Trusted Traveler Programs (Global Entry/SENTRI), were closed for several months which created a tremendous backlog for new applicants and renewals. These Trusted Traveler Programs have resulted in huge gains in efficiently processing travelers at the ports because they are deemed low-risk.

- **Additional Staffing for Ports of Entry:** We are certain that on November 8, the date that the modified travel restrictions are to take effect, there will be hours-long wait times to cross the border. While we applaud recent efforts by your department to increase staffing levels, those levels were based on a model that was both pre-pandemic and pre-port-shutdown due to acts of nature. Additionally, ports have faced unprecedented numbers of asylum seekers. All of these circumstances should bring about a re-evaluation of how ports are staffed to ensure continuity of service without significant disruptions to enforcement and facilitation.
- **Enhanced Coordination with Mexico on Port of Entry Infrastructure:** We ask that the Administration include port of entry infrastructure into the High-Level Dialogue. The traditional binational protocol meetings have lost the significance in recent years, and we have seen a lack of substantial participation of Mexican authorities, resulting in an uneven dialogue for planning purposes. For instance, the US Government committed \$152.4 million in the FY2020 budget for the San Luis I port of entry. In the two years since, the Mexican government has yet to commit funding for the design and construction of the necessary improvements on the San Luis Rio Colorado, Sonora side. While this is not Nogales-specific, we are seriously concerned that this is emblematic of a broader challenge in the binational coordination for many other projects.
- **Enhanced Staffing for In-Country Visa Processing :** Visa processing by the US Embassy and Consulates in Mexico was shut down for many months at the height of the pandemic. This has meant that thousands of visa holders have had their visas expire and are unable to renew on a timely basis. This also applies to those that are applying for a new visa. If we are to reap the benefits of the modification of the border crossing restrictions, Mexican visitors must be able to renew or apply for new visas in order to travel to the United States.

We understand that none of these recommendations and suggestions are easy to implement but we believe that they will each make a significant impact once implemented. Please be assured of our commitment to working with you and your team in order to move these initiatives forward. And please remember that you have a standing invitation to visit us in Nogales.

Respectfully,



Jaime Chamberlain
Chairman

CC: The Honorable Kyrsten Sinma, US Senator
The Honorable Mark Kelly, US Senator
Juan Ciscomani, Office of the Governor, State of Arizona
John Halikowski, Director, Arizona Department of Transportation
Guadalupe Ramirez, DFO – Tucson, Customs and Border Protection
Laura Biedebach, US Consul General – Nogales, Sonora