

May 26, 2020

TO: Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – April 2020

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. **Mariposa Cold Room Project Update;**
2. **Border Crossing Restrictions and Essential Travel;**
3. **Port Authority Hosts Community Update Conference Calls;**
4. **SR-189 Modernization Project construction begins;**
5. **Q1 border crossing data released;**
6. **Produce Industry requests delay in implementation of inspections;**
7. **Letter to Secretary of State on Supply Chain Reactivation;**
8. **Website and Social Media Updates;**
9. **Manufacturing sector impacted by COVID-19 restrictions;**
10. **CBP responds to request for Year-round Sunday Service;**
11. **County and Produce Industry respond to community food needs during pandemic; and**
12. **Representation of GNSCCPA with Key Entities.**

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.
- On April 2, 2020, GSA hosted a conference call to review the 90% design of the cold rooms.
- The Port Authority's legal counsel is reviewing the new Revocable Lease Agreement to be executed with GSA. Suggested edits will be submitted to GSA.

2. **BORDER CROSSING RESTRICTIONS AND ESSENTIAL TRAVEL**



▪ The Governments of Mexico and the United States, as well as Canada, have extended the border crossing restrictions for an additional 30 days, through May 20, 2020.

▪ Additional extensions of these restrictions are expected until the situation abates on the contagion of COVID-19

▪ On March 21, 2020 the US and Mexican governments announced new temporary restrictions for travel across the US-Mexico border.

▪ It is imperative that cross-border travel be limited to essential travel in order to help eliminate the unnecessary congestion at the border.

▪ 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. *PORT AUTHORITY HOSTS COMMUNITY UPDATE CONFERENCE CALLS*

- With the deferment of Port Authority Board meetings until the Social Distancing and Stay at Home provisions are removed, the Port Authority has continued to build consensus for a number of initiatives at Nogales.
- Conference calls have been scheduled to include all Port Authority board members as well as representatives of key sectors including the hotel industry and commercial and industrial real estate.
- Conference calls are being scheduled on as needed basis.

4. *SR-189 MODERNIZATION PROJECT CONSTRUCTION BEGINS*

- The Arizona Department of Transportation (ADOT) has confirmed that the construction phase of the Mariposa Modernization project has started.
- As more information becomes available, we will of course pass it on.

5. *Q1 BORDER CROSSING DATA RELEASED*

- The US Department of Transportation has released border crossing data for the first quarter of 2020.
- While the January-February period had shown all positive growth rates (except for train traffic), March was a different story. With the start of the border crossing restrictions on March 20, all modes of non-commercial traffic turned negative – though not as negative as had been expected. Clearly April will be the month to watch for non-commercial operations.
- Q1 2020 compared to Q1 2019:
 - Trucks were up by 43.2% from 100,498 to 103,754.
 - Cars were down by 2.7% from 828,363 to 805,860.
 - Pedestrians down by 9.8% from 1,638,813 to 1,542,353.
 - Total People down by 7.3% from 2,452,989 to 2,272,935.
 - Trains were down by 4.1% from 196 to 188.
- Unfortunately, we anticipate that COVID-19, border crossing restrictions and “Stay at Home” requirements will greatly impact these numbers. .

6. *PRODUCE INDUSTRY REQUESTS DELAY IN IMPLEMENTATION OF INSPECTIONS*

- The produce industry, led by the leadership of the Fresh Produce Association of the Americas, has been requesting support from the US and State governments to delay the implementation of food quality inspections (not health or safety related)

in order to help ensure that COVID-19 does not infiltrate the food supply chain at Nogales.

- Many produce warehouses have implemented strict health, safety and social-distancing protocols in order to help deter the contagion of COVID-19.
- Lance Jungmeyer and the FPAA have been very active in media and via letters to decision makers, asking for support in the delay of the inspection requirements.
- Members of the Arizona Congressional delegation wrote a letter to Secretary of Agriculture, Sonny Perdue, expressing concerns over the preparedness for the safety of inspectors that would be required to conduct these inspections.
- A copy of the letter is provided in Attachment #1.

7. *LETTER TO SECRETARY OF STATE ON SUPPLY CHAIN REACTIVATION*

- On April 29, 2020, 11 Senators, including Arizona Senators Kyrsten Sinema and Martha McSally, sent a letter to the US Secretary of State, urging that the US government work with the Mexican government on adopting the US definition of essential manufacturing in order to keep the north American supply chain moving.
- In particular, the letter highlights the needs of the food, medical, transportation, infrastructure, aerospace, automotive and defense sectors.
- A copy of the letter is provided in Attachment #2.

8. *WEBSITE AND SOCIAL MEDIA UPDATES*

- At the request of Chairman Chamberlain, RAI-N has been working on updating the Port Authority's website. Updates to content are being worked on with the hope that the updated version of the website will be available before the end of summer.
- Report on social media activity is provided in Attachment #3.

9. *MAQUILA/MANUFACTURING SECTOR IMPACTED BY COVID-19 RESTRICTIONS;*

- INDEX-Maquila Association of Sonora is reporting that as much as 66% of Maquilas in Sonora have been closed due to COVID-19 Preventive directives by the State of Sonora and the Mexican federal government and the definition of "essential" operations.
- Reports are that only maquilas that are directly involved in the medical sector are being permitted to continue operations.
- Some maquilas have started producing specific medical parts or components that have allowed some facilities to start partial operations once more.
- INDEX continues to work with the State of Sonora on expanding the definition of essential operations.

10. *CBP RESPONDS TO REQUEST FOR YEAR-ROUND SUNDAY SERVICE;*

- In response to the letter sent by Chairman Chamberlain to Director of Field Operations, Guadalupe Ramirez, DFO Ramirez sent a response indicating a possible path to follow to explore year-round Sunday service at the Mariposa port of entry for commercial operations.
- Unfortunately, DFO Ramirez indicates that he is “unable to approve your request (for year-round Sunday service) at this time.”
- Nevertheless, DFO Ramirez did indicate that “the Tucson Field Office welcomes the opportunity to participate in future bi-national workgroups consisting of industry leaders and government partners with a focus on identifying those factors that are limiting the expansion of trade within the region and developing viable solutions to those issues.”
- A copy of the letter is provided in Attachment #4Bid Documents is available in Attachment #4.

11. *COUNTY AND PRODUCE INDUSTRY RESPOND TO COMMUNITY FOOD NEEDS DURING PANDEMIC;*


- Recognizing the negative impacts of the COVID-19 pandemic on the Nogales/Santa Cruz County community, Santa Cruz County, Nogales Food Bank, along with the very generous representatives of the Fresh Produce industry and the Fresh Produce Association of the Americas in Nogales, fresh produce was distributed to hundreds of families.
- Congratulations to Supervisor Bracker, who led the charge on behalf of the County, and the many industry partners including, Scott Vandervoet, Jaime Chamberlain and many others who very generously contributed to the effort.
- Here is a copy of an article from the Nogales International reflecting this donation and food assistance to the community.

Free produce to be distributed at NHS and RRHS | Community | nogalesinternational.com

https://www.nogalesinternational.com/community/free-produce-to-be-distributed-at-nhs-and-rrhs/article_a1c8e32c7eb11ea-452f

Free produce to be distributed at NHS and RRHS

Nogales International
Apr 14, 2020



Community members can pick up free boxes of fresh produce during distribution events planned at two school sites this week.

The drive-through-only service will be offered from 9 a.m. to noon at the Nogales High School parking lot on Thursday, April 16, and from 9 a.m. until at least noon on Friday, April 17, at the Rio Rico High School athletic field parking lot.

The boxes will include a mix of items such as cucumbers, tomatoes and squash, said County Supervisor Bruce Bracker, who asked people to “please, stay in your car” at the sites to help organizers practice social distancing.

The giveaway is a collaborative effort by the county and city governments, the Nogales and Santa Cruz Valley unified school districts, the Community Food Bank, the local produce industry and other local businesses.

12. 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

Letter to Secretary of Agriculture on safety of inspectors

Congress of the United States
Washington, DC 20515

April 24, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Secretary Perdue:

We appreciate your efforts helping our nation respond to the COVID-19 crisis and keeping our state and nation safe. We write today with concerns about the safety of agriculture inspectors, other individuals who are involved in the transport of produce across the southern border into Arizona, and our communities. As COVID-19 continues to spread in both Arizona and Mexico, we want to ensure steps are taken to protect against and limit potential exposure to the virus during produce inspections.

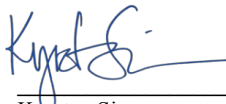
Cross-border trade of tomatoes is an economic driver in our state and supports jobs across the country. As you are aware, we are in the peak season for tomatoes imported from Mexico, resulting in a higher number of inspections. Given that recent requests to limit or suspend inspections during the ongoing pandemic have been denied by the USDA, we would like to better understand the steps you are taking to protect USDA employees, individuals involved in the transport of tomatoes, those with whom they interact at the ports of entry, and Arizona communities.

Please provide answers to the following questions by May 8, 2020.

1. What safety measures are being taken to protect staff at ports of entry, staff at agriculture warehouses, and drivers?
2. How can we ensure tomatoes and other produce continue to move through ports of entry expeditiously should there be staffing issues due to the pandemic?
3. Does the USDA have a plan in place should an inspector or other port agent test positive for COVID-19?

We look forward to your response and working with you on this important issue.

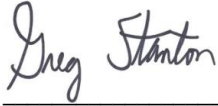
Sincerely,



Kyrsten Sinema
U.S. Senator



Martha McSally
U.S. Senator



Greg Stanton
U.S. Representative



David Schweikert
U.S. Representative



Ann Kirkpatrick
U.S. Representative



Tom O'Halleran
U.S. Representative



Debbie Lesko
U.S. Representative



Ruben Gallego
U.S. Representative

Attachment #2

Letter to Secretary of State on Supply Chain Restoration



April 29, 2020

The Honorable Michael R. Pompeo
Secretary of State
Department of State
2201 C Street NW
Washington, D.C. 20520

Dear Secretary Pompeo:

We write to urge the State Department to coordinate with the Mexican government to clarify Mexico's definition of essential businesses to avoid disruptions in the U.S. supply chain. The United States imported \$346.1 billion worth of goods from Mexico in 2018; as such, Mexico serves an integral role in the U.S. supply chain and is crucial to the functioning of essential American businesses, particularly during the COVID-19 pandemic.

As Mexico continues its own shutdown of "non-essential activities" to reduce the spread of COVID-19, it has become clear that our integrated supply chains will continue to suffer disruptions unless the Mexican government clarifies its definition of "essential businesses." We particularly urge you to press your Mexican counterparts to incorporate industries providing components to the food, medical, transportation, infrastructure, aerospace, automotive, and defense sectors into their guidance. Consistent direction from Mexico to its manufacturers would improve the U.S. economy because our domestic companies would find it easier to secure alternate sources for their products.

The U.S.-Mexico partnership is built on shared values and deep economic and cultural bonds. As demonstrated by the ratification of the U.S.-Mexico-Canada Trade Agreement last year, our countries remain committed to securing mutual economic prosperity. It is in this same spirit of economic cooperation we urge the State Department to engage with the Mexican government to protect the stability of U.S. supply chains during the COVID-19 pandemic. Both nations will only be able to reduce the economic impact of this global challenge through increased coordination, and ensuring functioning supply chains is a vital step in doing so.

Thank you for your consideration. We look forward to continuing to work with you as our nation responds to the COVID-19 pandemic.

Sincerely,



JOHN CORNYN
United States Senator



DIANNE FEINSTEIN
United States Senator


MARTHA MCSALLY
United States Senator


KELLY LOEFFLER
United States Senator


DAVID A. PERDUE
United States Senator


JONI K. ERNST
United States Senator


TED CRUZ
United States Senator


RICHARD BLUMENTHAL
United States Senator


KIRSTEN SINEMA
United States Senator


JAMES LANKFORD
United States Senator

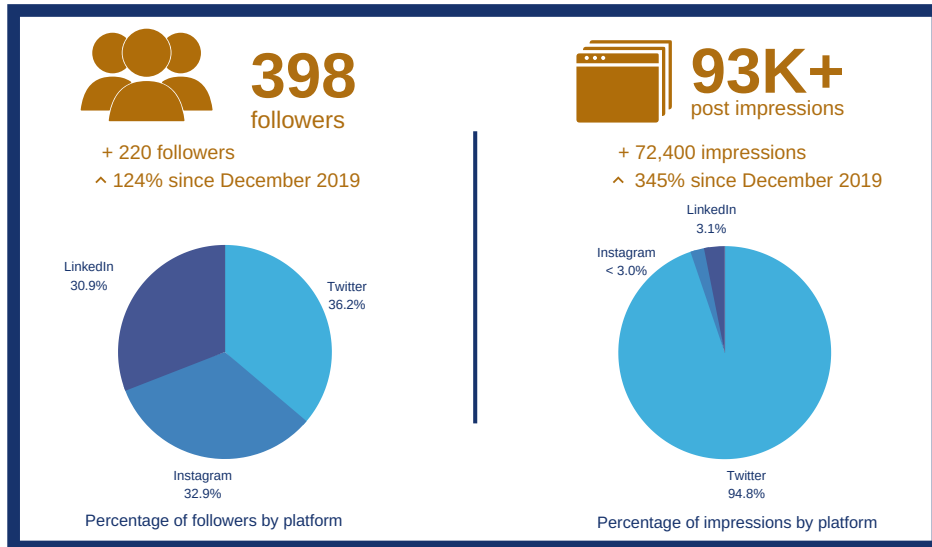

JEFFREY A. MERKLEY
United States Senator

Attachment #3
 Social Media activity

Social Media Report

More information sharing, better engagement

At the direction of Chairman Chamberlain, the Greater Nogales Santa Cruz County Port Authority (GNSCCPA) launch social media accounts on Twitter, LinkedIn, and Instagram on September 24, 2019. Since, the accounts have become a source of information for the community and beyond.



LinkedIn Follower Demographics

Top locations

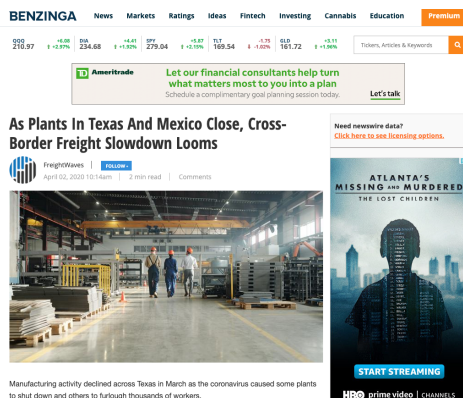
Location	Followers	% of Followers
Tucson, Arizona Area	61	54.46%
Hermosillo Area, Mexico	22	19.64%
Phoenix, Arizona Area	6	5.36%
Greater San Diego Area	2	1.79%
Greater New York City Area	2	1.79%
Culiacán Area, Mexico	2	1.79%
Washington D.C. Metro Area	2	1.79%
Miami/Fort Lauderdale Area	1	0.89%
Kalyan Area, India	1	0.89%
Greater Los Angeles Area	1	0.89%

Social Media Report

More information sharing, better engagement

Online Activity:

The Port Authority's posts have become a source for information to the local community and beyond. Below please find highlights from our online activity:

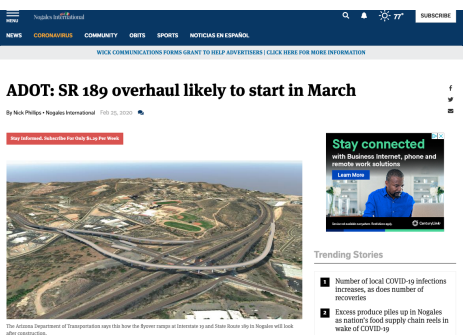


Port Authority referenced in a BENZINGA article:

<https://www.benzinga.com/news/20/04/15726703/as-plants-in-texas-and-mexico-close-cross-border-freight-slowdown-loom>

Senator McSally Retweets Port Authority:

<https://twitter.com/SenMcSallyAZ/status/1242485619810590720?s=20>



Port Authority referenced in a Nogales International article:

https://www.nogalesinternational.com/news/adot-sr-189-overhaul-likely-to-start-in-march/article_3ad50898-582e-11ea-8d9b-7b5921f6266a.html

Attachment #4

Copy of Letter from DFO Ramirez on Year-Round Sunday Service

4740 North Oracle Road, Suite 310
Tucson, AZ 85705



**U.S. Customs and
Border Protection**

APR 05 2020

Mr. Jaime Chamberlain
P.O. Box 4518
Rio Rico, Arizona 85648

Dear Chairman Chamberlain,

Our office has received your request on behalf of the Greater Nogales Santa Cruz County Port Authority (GNSCCPA) for Customs and Border Protection (CBP) to provide year-round Sunday services at the Nogales, Arizona, Mariposa Commercial Facility.

We are extremely appreciative of the port authority's continued support of CBP's mission to safeguard the nation while facilitating legitimate trade and travel. We fully support the growth of commerce in the region and recognize the critical role that the Port of Nogales plays in that effort.

Although our goal has always been focused on providing the trade community with the most efficient service possible, current challenges resulting from the COVID-19 pandemic have impacted all Customs operations at the Port of Nogales, as well as those operations conducted by other federal and state agencies. Additionally, many manufacturers and exporters in the states of Sinaloa and Sonora, Mexico, have temporarily suspended operations in an attempt to mitigate the impact of COVID-19, as such; I am unable to approve your request at this time.

However, the Tucson Field Office welcomes the opportunity to participate in future bi-national workgroups consisting of industry leaders and government partners with a focus on identifying those factors that are limiting the expansion of trade within the region and developing viable solutions to those issues.

Sincerely,

A handwritten signature in black ink that reads "Guadalupe H. Ramirez".

Guadalupe H. Ramirez
Director, Field Operations
Tucson Field Office