

March 25, 2024

TO: Mr. Joshua Rubin, Chairman

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

SUBJECT: Monthly Report of Activities – February 2024

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 (“the 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 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.

Recent activities on behalf of the Port Authority have focused on the following key areas:

1. Arizona Legislature continues hearings on ADOT Continuation
2. Congressional staff briefing on Bipartisan Border Bill
3. County conducts round of visits in Washington, D.C.
4. Congressional Western Caucus visits Southern Arizona
5. South32 Board Approves \$2.16 Billion Investment in Santa Cruz County
6. Presentation before Arizona Border Counties Coalition
7. University of Arizona Hosts Critical Minerals Symposium
8. Rep. Ciscomani and Stanton Introduce CBP HiRe Act
9. County hosts Roundtable Discussion with House Foreign Affairs Ranking Member and Congressman Stanton
10. I-11 Coalition hosts Roundtable discussion with southern Arizona leaders
11. Port Authority joins Arizona delegation during reception at the Ambassador’s residence in Mexico City
12. Port Authority participates in Joint Board meeting with Joint Meeting with NCD
13. US Census releases 2023 Arizona Trade Data with USMCA partners
14. GSA Meets with PA Leadership for informal update.

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 Port Authority and its leadership. Throughout this period, RAI-N has maintained active and frequent communications various members of the Board of Directors and stakeholders 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 you.

1. ARIZONA LEGISLATURE HEARINGS ON ADOT CONTINUATION

- On February 7, the Sunset Review process for state agencies continued, with hearings on the continuation of the Arizona Department of Transportation (ADOT).
- RAI-N continues to monitor the agency continuation process, and the following notes were sent to Port Authority leadership:

Earlier today, the Transportation and Infrastructure Committee of the Arizona House of Representatives held a hearing on HB-2037, the Continuation of the Arizona Department of Transportation.

With a vote of 6 to 5, the committee approved the bill. The discussion was far more contentious than expected. In fact, Chairman Cook even made a statement at the end of the discussion of the bill that “when I give my word, I keep my word.” This leads us to believe that some that had originally stated that they would vote in favor ended up voting against.

The main issues that were brought up by various members of the committee were:

- Delays of the projects on State Route 347 and the possibility that the funding that is set aside for the project may be in jeopardy with budget shortfalls
- Determining the cost per mile of key projects on I-10, I-17 and various other state routes.
- There is consideration to make the term of the next sunset review 4 years instead of 8 years, in an effort to have the legislature provide more oversight over the agency.

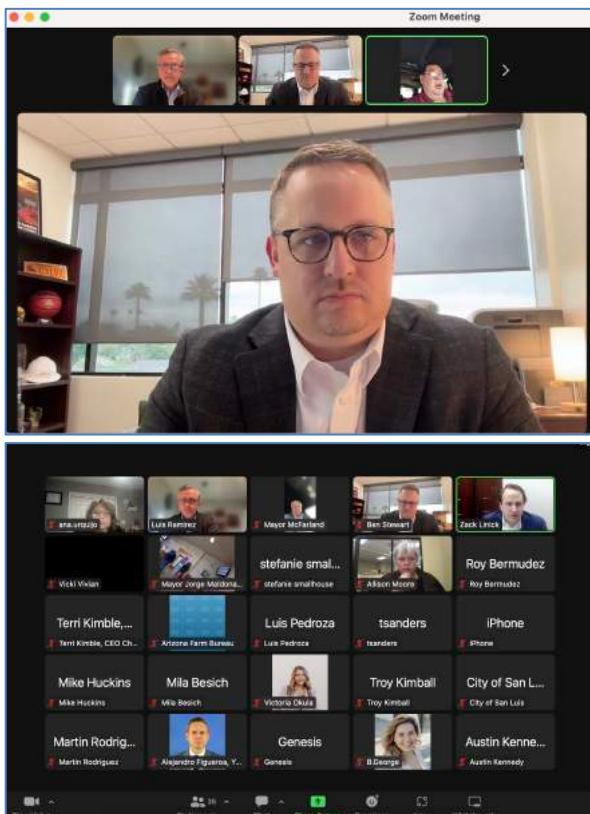
As was communicated and on Monday, the Senate had a similar hearing scheduled for SB-1184, the Senate’s version of the bill, but the Chair decided to table the issue, and the bill will be heard in a future committee meeting.

- The Port Authority submitted a letter of support for the continuation of ADOT to the Technology, Transportation and Missing Children Committee.
- In the letter, Chairman Rubin stated:
 - *“The Port Authority has a long-standing working relationship with ADOT and have partnered with them on several key projects that include the modernization of SR-189, the deployment of key programs as the Border Liaison Unit, and working with industry and local stakeholders in fighting against federal mandates that do not consider the repercussions to those that have to live with the consequences.”*

- A copy of the letter sent to the Committee is provided in Attachment #1.



2. CONGRESSIONAL STAFF BRIEFING ON BIPARTISAN BORDER BILL



- On February 6, the office of Senator Kyrsten Sinema hosted a roundtable discussion on the proposed Bipartisan Border Bill.
- The following notes were provided to Port Authority leadership after the meeting:
 - The Office of Senator Sinema invited a broad-spectrum group of border and state-wide leaders to participate in dialogue regarding the Border Security Package. The package does present a number of proposals that, if enacted, should impact the situation on the border.
 - As stated by the Senator’s staff, the bill:
 - **Ends Catch and Release:** Ends the policy of catch and release.
 - **Strengthens the Asylum System:** Quickly removes migrants

without valid claims to asylum.

- **New Border Emergency Authority:** Authorizes a new border emergency authority to reassert control of the border and prevent migrant surges like we currently see.
- **Provides Resources:** Increases funding for border communities to help them manage migrants and avoid overwhelming local emergency services, health care resources, and safe shelters.

- We raised concerns over several issues:
 - the practice of “borrowing” customs personnel to support Border Patrol operations, and although the bill does not limit that specific matter, it does include funding for human capital for all aspects of border security.
 - The need to streamline the recruitment process. The Senator’s staff also clarified that the bill does include the old polygraph provisions proposed by then Senator Jeff Flake that allows the Commission of CBP to waive the requirement for certain categories of applicants, such as military personnel, enforcement personnel that have passed a polygraph test in the past 10 years, among others.
 - During those situations that the border is “shut down” and those that do cross and are subject to summary removal, the Senator staff indicated that the preference is to return those individuals to their country of origin/residence as a major step in minimizing recidivism.
 - Confirmed that Mexico is considered a “safe country” as proof of Durable Status for those seeking asylum. This is a measure by which people who are escaping from another country can move to a different safe country and reside there for extended periods of time.
 - The issues are complex and do not lend themselves to short explanations thus we are open to any questions on this summary.

- Below you will find the information provided by the Senator’s staff regarding the bill, including a bill summary and the actual text of the bill to date.
- The Senate has yet to vote on this bill and the Speaker of the House has already indicated that he will not support this bill - not even permit a vote on it. Thus, the bill has a tremendous hill to climb but it is clearly a step in the right direction as it does embrace several of the provisions that were included in the border joint resolution that was signed last December by the port authorities and the border communities.
- The Senator’s office has indicated that questions or comments can be sent to outreach@sinema.senate.gov.
- As things progress, we will do our best to keep you apprised.
- With over 30 stakeholders participating in the meeting, Nogales had several participants:
 - Chairman Josh Rubin
 - Mayor Jorge Maldonado
 - Roy Bermudez, City of Nogales
 - Allison Moore, Fresh Produce Association

3. CONGRESSIONAL WESTERN CAUCUS VISITS SOUTHERN ARIZONA



- On February 8, the Western Congressional Caucus, hosted by Congressman Juan Ciscomani, visited Southern Arizona.
- As part of the multi-day visit, Chairman Rubin, Allison Moore of the Fresh Produce Association, and Luis Ramirez, were invited to engage in a dialogue with the close to 50 members of the delegation on trade, investment, and port of entry issues.
- A topic that drew significant attention was the domino effect of taking customs officers out

of the ports of entry to support Border Patrol operations. The situation with the closing of the Lukeville port of entry was a particular topic of discussion.

4. COUNTY CONDUCTS ROUND OF VISITS IN WASHINGTON, D.C.



- During the first full week of February, the County Board of Supervisors conducted a series of visits in Washington, D.C.
- As always, the Port Authority was happy to provide background information on key issues for the county as they took the message of key issues for the community to key decision makers in both Congress and various federal agencies.
- It is imperative that decision makers in Washington, D.C. hear the realities of the border.

5. SOUTH32 BOARD APPROVES \$2.1 BILLION INVESTMENT IN SANTA CRUZ COUNTY

- On February 14, the Board of Directors of South32 approved a \$2.1 billion investment to develop the Hermosa project.



- This approval reflects the analysis, preparation, and diligent work done to date by the South32 Hermosa team under the leadership of Port Authority Board member, Pat Risner.
- “With the largest private investment in Southern Arizona’s history, South32’s Hermosa project will strengthen the domestic supply of critical minerals needed for clean energy technologies and national defense, reducing America’s reliance on foreign countries and transforming the local economy,” said Hermosa project President Pat Risner. “It’s a win for Arizona and the nation.”
- As indicated in the press release:
 - “Once in operation, the Hermosa project across its separate zinc and manganese deposits would help transform and grow the local economy and could create up to 900 good-paying jobs and support investment in the community, if both deposits move forward as proposed. At peak operation, that includes:
 - Developing a homegrown workforce with the next-generation skills needed to operate the Hermosa project. The Hermosa project has an 80 percent local workforce goal, with the vast majority of employees living and working in Santa Cruz County to ensure downstream economic benefits for the entire region.
 - Supporting another 1,600 indirect and induced jobs across Santa Cruz County and 3,100 indirect and induced jobs statewide.
 - Adding \$1.4 billion to Arizona’s economy annually with \$999 million going directly into Santa Cruz County’s economy. Hermosa-related economic activity is expected to nearly double Santa Cruz County’s property tax base, providing funding for public schools, services, and community college.:
- A copy of the press release can be found at [South32 Press Release](#).

6. PRESENTATION BEFORE ARIZONA BORDER COUNTIES COALITION

- On February 15, at the invitation of the Arizona Border Counties Coalition, RAIN provided an update on Arizona-Mexico border crossings and USMCA trade data.



- The meeting included representatives from the Arizona Congressional delegation and the US and Mexican Consulates General in Nogales and Tucson respectively.
- Among the principal topics discussed was the Modernization of the DeConcini port of entry and the Urban Design Study that will soon be underway to bring community input into defining ways to leverage the anticipated investment by the federal government into the update facilities.

7. UNIVERSITY OF ARIZONA HOSTS CRITICAL MINERALS SYMPOSIUM



- On February 15, the University of Arizona hosted a Symposium on Critical minerals, featuring a number of renowned experts and members of the university faculty, the Arizona

Corporation Commission, as well as Port Authority board member, Pat Risner, to discuss the importance of establishing a reliable, predictable and secure domestic or regional supply chain for critical minerals that are essential to several key areas of the US economy and national defense.

8. ARIZONA CONGRESSMEN INTRODUCE CBP HIRE ACT

- On February 15, Arizona Congressmen Juan Ciscomani and Greg Stanton introduced the CBP HiRe Act.
- This bill embraces many of the principles that the Port Authority has championed for many years, principles that will help Customs and Border Protection improve their staffing conditions, help in recruitment and retention and help ensure that they have the staffing with they need it.



- A press release from Congressman Ciscomani states:

Ciscomani, Stanton Introduce Legislation to Improve CBP Hiring Flexibilities

February 15, 2024, **Press Release**

The Arizona congressmen’s new port improves CBP flexibilities in hiring, recruiting, and retaining personnel.

WASHINGTON – U.S. Congressmen Juan Ciscomani (R-AZ-06) and Greg Stanton (D-AZ-04) introduced new legislation today to improve U.S. Customs and Border Protection’s (CBP) Flexibilities in hiring, recruiting, and retaining agents, officers, and employees, especially in rural and remote areas.

The U.S. Customs and Border Protection Hiring and Retention (CBP HiRe) Act would direct the Department of Homeland Security (DHS) Secretary to determine if there is a hiring need due to the remote nature of rural locations, which often makes it hard to recruit CBP employees. The CBP HiRe Act also requires DHS to annually review if further hiring flexibilities are still needed. On average, it takes **400 days** for CBP to hire personnel.

“With morale, recruitment, and retention at an all-time low for CBP, it’s crucial that we send a message to Border Patrol that we have their backs,” said Ciscomani. “Whether it’s hiring bonuses or improved benefits, we must prioritize maintaining and bolstering the men and women in green who defend our borders day in and day out.”

“In conversation after conversation with Arizona border officials, one of their top concerns is manpower,” said Stanton. “This bipartisan bill will ensure that there are the boots on the ground needed to secure rural and remote areas of our southern border.”

Specifically, if it is determined that there is a critical hiring need in rural or remote areas, the bill allows for:

1. Direct Hire Authority: Grants the DHS Secretary with special expedited hiring authority, allowing the agency to forgo the typically required bureaucratic process.
2. Recruitment and relocation bonuses: If deemed necessary, provides recruitment incentives to new employees and relocation incentives to current employees to relocate to a different area. Employees receiving bonuses must enter into a written service agreement for at least two years.
3. Retention bonuses: Allows DHS to offer a retention bonus if an employee is likely to leave CBP. Employees receiving bonuses must also enter into a written service agreement for at least two years.
4. Special Pay Authority: Gives DHS the ability to use rural and remote location for consideration of a special pay rate.
5. Student Loan Repayment: Allows eligible employees to receive federal student loan repayment, which is currently at the discretion of the agency.

The legislation is supported by the National Treasury Employee Union, Fresh Produce Association of the Americas, the Border Trade Alliance, the Greater Nogales Santa Cruz County Port Authority, Santa Cruz County Board of Supervisors, Pima County Board of Supervisors, Chamberlain Inc., Douglas Regional Economic Development Corporation, Douglas International Port Authority, and Greater Yuma Port Authority. It is also endorsed by local officials Cochise County Sheriff Mark Dannels, San Luis Mayor Nieves Riedel, Douglas Mayor Don Huish, Yuma Mayor Douglas Nicholls, and Sahuarita Mayor Tom Murphy. Full text of the bill is available [here](#).

9. COUNTY HOSTS ROUNDTABLE DISCUSSION WITH HOUSE FOREIGN AFFAIRS RANKING MEMBER AND CONGRESSMAN STANTON



- On February 25, Santa Cruz County hosted a roundtable discussion with Congressman Greg Stanton and House Foreign Affairs Committee Ranking Member Gregory Meeks from New York.
- It is important that decision makers from other parts of the nation, hear the realities of the border from those that live it day to day.
- As indicated by Congressman Stanton in his social posts, the discussion focused on the importance of Mexico as the nation's largest trading partner – now surpassing China,

“nearshoring” of supply chains, and the realities of the border.

- Special thanks to Chairman Rubin, and Board members Jaime Chamberlain, Supervisor Bruce Bracker and Mayor Jorge Maldonado for participating in the meeting. Additionally, Supervisors Rudy Molera and Manny Ruiz, County Administrator Jesus Valdes and City Manager Roy Bermudez, participated in the meeting.
- Additionally, Mexican Consul Generals Marco Moreno Baez from Nogales and Jorge Mendoza Yescas from Phoenix, along with Francisco Acuña, Chief of Staff for Governor Durazo, participated in the discussion. Additionally, Maria Elena Gallego, participated in representation of Index-Nogales.

10. I-11 COALITION HOSTS ROUNDTABLE DISCUSSION WITH SOUTHERN ARIZONA LEADERS



- On February 27, the I-11 Coalition hosted a meeting with key border stakeholders to solicit input from border leaders to ensure that the message of the border was integrated into the communication efforts by the Coalition.
 - An update on the status of the I-11 corridor was provided by Chairman Christian Price.
 - The current priorities for the coalition are:
 - Complete Tier 2 Study
 - Advocate and Educate
- Secure overall funding alternatives
- Define strategic partnerships
- There was particular interest on the investments made to date by Mexico on MX-15 and the investments in the ports of entry and their connectivity to the federal highways system on both sides of the border.
- Special thanks to Board member Guillermo Valencia and Ex-Officio Board member Olivia Ainza for making the trip to Tucson to participate in the dialogue.
- Among the key areas of feedback from border leaders were:
 - That I-11 is more than just a road, that it is a trade and tourism corridor.
 - That in addition to connectivity, trade and addressing congestion that the issue that the corrido will help Arizona in its competition with Texas, New Mexico and California.
 - During the January 24th meeting of the Port Authority, the Board of Directors presented the Friend of the Border Award to Guadalupe Ramirez,

Director of Field Operations – Tucson for US Customs and Border Protection.

- The coalition inquired if parts of I-19 and SR-189, could be designated as I-11 as it is clear that the many investments made to these two highways have been done and are already having an impact.

11. PORT AUTHORITY JOINS ARIZONA DELEGATION FOR RECEPTION AT AMBASSADOR’S RESIDENCE IN MEXICO CITY

- On February 28, at the invitation of US Ambassador to Mexico, Ken Salazar, Chairman Rubin traveled to Mexico City to participate in a reception at the Ambassador’s residence with a delegation from Arizona, led by Governor Katie Hobbs and several elected officials and private sector representatives.
- Chairman Rubin ensured that Nogales and the realities of the border were included in the dialogue.



12. PORT AUTHORITY PARTICIPATES IN JOINT BOARD MEETING WITH NCD

- On February 29, the Board of the Port Authority participated in a joint board meeting with the Board of Directors and team of consultants for Nogales Community Development (NCD).
- The meeting offered the opportunity for an open discussion on the current financial situation at NCD, and to explore possible strategies for the Port Authority to assist NCD find both alternatives and consider solutions to its current financial challenges.



- Special thanks Yvonne Delgadillo, Terry Shannon, and Port Authority Board member, Nilo Larriva for helping to coordinate this meeting.
- NCD has played a critical function in the community and the board of the Port Authority looks forward to supporting efforts to ensure the sustainability of the organization.
- The Port Authority remains in

direct contact with NCD to help in implementation of strategies as defined by NCD leadership.

13. US CENSUS RELEASES 2023 ARIZONA TRADE DATA WITH USMCA PARTNERS

- On February 8, the latest trade data for Arizona with its USMCA partners was distributed.
 - The U.S. Census Bureau released the complete 2023 data for Arizona's trade with Mexico and Canada. The data presented in the tables attached are the value of trade where the state of Arizona is either the origin or destination of goods.
 - Arizona's trade relationship with USMCA countries continues to grow and reach new records!
 - In 2023, Arizona's **trade with Mexico and Canada reached \$25.1 billion**, an increase of 1.1% compared to the previous year.
 - In 2023, Arizona's **trade with Mexico reached \$19.8 billion**, an increase of 0.7% compared to the previous year.
 - Based on our initial assessment, this is likely due to a decrease in exports of petroleum and related products to the Mexican market. We had observed a substantial decrease in this commodity category in previous months' data.
 - In 2023, Arizona's **trade with Canada reached \$5.3 billion**, an increase of 2.6% compared to the previous year.
 - We are doing a deeper dive of the annual data and hope to have more to share in the coming weeks. Should you have any questions, please let us know.



Arizona Trade with Mexico and Canada
 2022 vs 2023

Arizona Trade with Mexico

	2022	2023	Difference	% Change
Exports to Mexico	\$ 8,737,432,393	\$ 8,014,983,446	↓ \$ (722,448,947)	↓ -8.3%
Imports from Mexico	\$ 10,901,925,871	\$ 11,760,514,976	↑ \$ 858,589,105	↑ 7.9%
Total Trade with Mexico	\$ 19,639,358,264	\$ 19,775,498,422	↑ \$ 136,140,158	↑ 0.7%

Arizona Trade with Canada

	2022	2023	Difference	% Change
Exports to Canada	\$ 2,607,435,906	\$ 2,740,358,713	↑ \$ 132,922,807	↑ 5.1%
Imports from Canada	\$ 2,585,047,724	\$ 2,587,653,525	↑ \$ 2,605,801	↑ 0.1%
Total Trade with Canada	\$ 5,192,483,630	\$ 5,328,012,238	↑ \$ 135,528,608	↑ 2.6%

Arizona Trade with Mexico and Canada

	2022	2023	Difference	% Change
Exports to Mex. & Can.	\$ 11,344,868,299	\$ 10,755,342,159	↓ \$ (589,526,140)	↓ -5.2%
Imports from Mex. & Can.	\$ 13,486,973,595	\$ 14,348,168,501	↑ \$ 861,194,906	↑ 6.4%
Total Trade with Mex. & Can.	\$ 24,831,841,894	\$ 25,103,510,660	↑ \$ 271,668,766	↑ 1.1%

Source: US Census Bureau. Data (\$USD) represents value of trade where Arizona is the origin or destination.
 Data subject to change without notice.
 Updated 02/07/2024

14. GSA MEETS WITH PA LEADERSHIP FOR INFORMAL UPDATE

- On February 29, a small delegation of the General Services Administration met with the leadership of the Port Authority to continue the dialogue on the modernization of the DeConcini port of entry.
- The GSA team was conducting a site walk-through to better assess current conditions at the port.
- Below are notes that were prepared following the meeting:
 - Encouraged to the community to really focus on “What do you want Nogales to be in the future?”.
 - Look at ways to leverage the federal investment and that while GSA has to focus on what is inside their fence, it is clear that the project will be an “imposition” on the community.
 - The primary booths will be moved approximately 300 feet (150 yards) north of their current location right on the border. That helps illustrate the possible impacts to the port footprint of the Project. This has NOT been finalized as they are still in the pre-concept phase. But they need a “stacking area” on the US side of the border but prior to the vehicle reaching the primary booth.
 - The Project will certainly look doubling the number of car lanes, thought it could be more. They are approaching the project with “expandability-in-the-future” mindset.

- While the old head house has a historic designation, they are going to design the best facility possible, even if that means that it may impact the old building - they have the ability to pursue the removal of the building if it is deemed essential - but that determination has not been made.
- Project will probably start at \$400 million (there is no set number at this time). In the end there may be a need to seek funding in multiple years due to the magnitude of the project.
- They will be reaching out to utility service providers in the future, and they recognize that they Project, though it will be Platinum LEEDS certified, it will have major utility needs like water, sewage and electricity.
- This is the time to engage in planning for the future, and planning does not have to be limited to just the immediate areas to the port. The Urban Design Study will be key in laying out that possible vision.
- EPA is already in procurement of the contractor for the Urban Design - as soon as April/May.
- Port will have the latest in design and technology, including LEPS (Low-energy Photon Spectrometer), which is the non-commercial version of NII (Non-Intrusive Inspection) such as BACIS that is used for trucks.
- The Urban design Study is only as good as the community input, thus getting community participation will be critical.
- That GSA should consider that during periods where there may be hindrances or interruptions to traffic at DeConcini, that GSA consider the utilization of Mariposa during the night hours to alleviate traffic disruptions.

Attachment #1

Copy of letter in support of ADOT's continuation



February 5, 2024

The Honorable David Farnsworth
Chairman
Transportation, Technology and Missing Children Committee
Arizona State Senate
1700 West Washington Ave
Phoenix, Arizona 85007

RE: Support for SB-1184 to Continue the Arizona Department of Transportation

Via electronic mail: dfarnsworth@azleg.org

Dear Chairman Farnsworth,

On behalf of the Greater Nogales Santa Cruz County Port Authority I write to express our support for SB-1184, "Continuation; Department of Transportation." The Arizona Department of Transportation (ADOT) plays a critical function for Arizona in the maintenance of the state transportation system, the modernization of our highways, bridges and airports, and ensuring the safety of the traveling public on our roads.

The Port Authority has a long-standing working relationship with ADOT and have partnered with them on several key projects that include the modernization of SR-189, the deployment of key programs as the Border Liaison Unit, and working with industry and local stakeholders in fighting against federal mandates that do not consider the repercussions to those that have to live with the consequences.

ADOT and the leadership team have proven to be effective innovators in addressing several challenges with limited resources – without foregoing the safety of our roads. I hope that you and your colleagues will approve SB-1184 and permit ADOT to continue to fulfill its mission. Should you have any questions, please let us know.

Respectfully,

A handwritten signature in blue ink that reads "Joshua Rubin".

Joshua Rubin
Chairman

CC: Jennifer Toth, Director, Arizona Department of Transportation