

September 20, 2021

TO: Mr. Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – August 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. Extension of Border Crossing Restrictions;
3. PA submits follow up information to Sub-Committee on Government Operations and Border Management;
4. Port Authority participates in Rural Policy Forum in Sahuarita;
5. 5th Anniversary of Unified Cargo Processing Program;
6. US Consulate General hosts binational meeting on Ambos Nogales flooding issues;
7. Arizona Congressional Delegation letter on Port of Entry funding;
8. Border Crossing Data updated;
9. CBP Announces return to Pre-Pandemic hours of operations at Mariposa; and
10. President Appoints new IBWC Commissioner.

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.
- Port Authority is awaiting final version of the Licensing Agreement in order to bring it to the Board for approval.

2. *EXTENSION OF BORDER CROSSING RESTRICTIONS*

- The governments of the United States, Mexico and Canada have once again agreed to extend the border crossing restrictions for another 30 days, as of this report, it has been extended through September 21, 2021.
- The Biden Administration has indicated that they are now looking at the vaccination rates in all three countries as a key benchmark in determining when border crossing restrictions for non-essential travel will be lifted.
- Latest announcements also make reference to the growing concern over the Delta variant of COVID-19, something that will take weeks to see how that variant behaves.
- **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. PA SUBMITS FOLLOW UP INFORMATION TO SUB-COMMITTEE ON GOVERNMENT OPERATIONS AND BORDER MANAGEMENT

- As a direct follow up to the testimony by Board Member Valencia before Senator Sinema and the Senate Sub-Committee on Government Operations and Border Management, Mr. Valencia submitted additional comments in direct response to questions provided by the Sub-Committee.
- A copy of the responses is provided in Attachment #1.

4. PORT AUTHORITY PARTICIPATES IN RURAL POLICY FORUM IN SAHUARITA

- On August 4, 2021, Chairman Chamberlain participated in a panel discussion during the Rural Policy Forum that was hosted by the Town of Sahuarita.
- During a broad discussion on issues impacting rural Arizona, the opportunities and challenges of the border were discussed, including the trade, tourism and investment opportunities that are enabled by border infrastructure.
- A copy of Chairman Chamberlain's remarks are provided below.

**Comments by
Jaime Chamberlain
Chairman
Greater Nogales Santa Cruz County Port Authority**

**Rural Policy Forum
Economic Development Tour
August 4, 2021**

*I want to thank Mayor Murphy, the Town of Sahuarita, and the organizers of the **Rural Policy Forum** for the invitation to be with you today. I am very much aware of the vision by Mayor Murphy for Sahuarita and the excellent work by Victor Gonzalez in economic development for the community.*

For those of you that don't know who I am, my day-to-day work is as president and owner of Chamberlain Distributing Inc, a multi-generational family business dedicated to the importation and distribution of Mexican Fruits and Vegetables. We have marketed our products all over North America, Europe and Asia proudly for the last 50 yrs. And our Produce Industry has help feed our countries for over a century.

But I am with you today as the chairman of the Greater Nogales Santa Cruz County Port Authority, an organization that brings together the City of Nogales, Santa Cruz County, The Fresh Produce Association of the Americas, Nogales Community Development, Nogales Economic Development Foundation, Index Sonora, Nogales Customs Brokers Association, and the Santa Cruz County Mining Cluster. I also serve on the Executive Board of Directors of the Arizona-Mexico Commission, and I am a member of the Southern Arizona Leadership Council.

I know you will soon be boarding buses and touring some very exciting areas and projects in our small but significant region of Arizona so I plan to be brief, with the hopes that we can engage in some lively discussion before you get on the bus.

Rural Arizona may be an area of great need, but it is also an area of great opportunity and that is what I want to focus on today.

*I know that we are not the great **state of Maricopa** but let me see if I can give you a bit of a different perspective. For instance, on trade alone, our border communities are critical for trade and tourism not just for us in Nogales, but the entire state and the nation.*

Just in 2020, our trade with Mexico reached \$15.9 billion, a number that was over \$1.5 billion lower than in 2019, but much of that can directly attributed to the dramatic economic slowdown brought on by the COVID-19 pandemic. Data to date is showing that we are well on our way to recovery, and I remain hopeful that by the end of this year, we will be back to the trade totals of 2019, if not even higher.

I am hopeful because our border crossing volumes for trucks are trending far higher than 2019 and 2020, and are indicating a possible new record for truck crossings in 2021. Through June of this year, which is the latest data we have, Nogales truck crossings are up by 14.3%, that is an difference of just over 29,000 trucks more over 2020! More trucks, means more goods are flowing back and forth, which means more imports and exports to and from Arizona and the nation. And that trade must go through Nogales and Sahuarita on its way to Tucson, Phoenix, and destinations all over the world.

As with most growth we also have significant challenges. Since March of 2020, the US, Mexican and Canadian Governments have imposed travel restrictions on all non-essential travel at the land borders, resulting in dramatic drops in the volumes of people and cars crossing between Arizona and Mexico. Car traffic is down 32% and total people are down 43%.

The restrictions were originally designed to stem the spread of the COVID-19 virus. But over the past 15 months or so, vaccines are far more common, hospitalization rates have dramatically dropped, and businesses and governments have implement a number of health and hygiene protocol. That is why I can say that while the restrictions served a purpose in the beginning, today, these restrictions are having a deep negative impact on border communities. I am well aware of the threat that the Delta Variant means but as of yesterday, Santa Cruz County had not had a single case of Delta and I hope and pray that we can fend off this new variant.

But while the rest of the state and the nation are reopening, border communities remain severely affected as north bound travel is restricted. This is impacting our hotels, our restaurants, our stores, and many service providers. For border communities like Nogales, we estimate that as much as 70% of our sales tax revenues can be attributed to our Mexican visitors, but they are the ones that are not permitted to cross the border. American and Arizona tourists are crossing into Mexico for shopping and tourism purposes without hesitation.

This is great for Mexico's economy, but we must consider the long term economic consequences for our State and for the Border region if this continues.

Mexican visitors and tourists don't just stay in Nogales. They visit Sahuarita, Tucson, Phoenix, Flagstaff, and other communities in the state. Mexican visitors spent between 8 ½ and 9 million dollars per day in Arizona before COVID. And once the travel restrictions are open to all travelers, we expect to will see those numbers once again and hopefully even higher spending numbers. It is imperative that these restrictions be lifted as soon as possible so that our local, state, and federal economies start growing once again.

I want to talk a little about why border infrastructure is so important to me as it should be to all of you. ADOT is about to complete the modernization of SR-189 Mariposa Rd. This connector road between the Mariposa port of entry and Interstate 19 is about 4 miles of road where approximately \$134 million dollars of a true Public, Private, Partnership investment are being spent. This new infrastructure investment is of tremendous value to Arizona as well as to the U.S. and Canada. This is Arizona's most important gateway for the \$30 plus billion dollars' worth of cross border trade which flows through our ports of entries. Roughly 4 ½ billion dollars' worth of fresh produce, as well as approximately \$26 plus billion dollars of Maquiladora products for consumers all over the world cross though Nogales each year.

The Mexican federal government spent \$1.8 billion in modernizing MX HWY 15, which connects Mexico City to the Arizona border at Nogales. For years Mariposa

Rd had been an obstacle in the efficient and safe movement of goods and people thru our community and our state. This project ensures that Arizona remains competitive versus California, New Mexico and Texas.

Our neighboring Border States, particularly Texas, are aggressively courting businesses in our corridor. They are selling what their border will be in the future, while we need your help in selling what the Arizona border with Mexico already is. In Texas and California truck crossing times are measured in 4, 6 or even 8 hours. Trucks can regularly cross the Arizona border in less than 30 minutes! This fact is significant because when trucks full of perishable products like produce, seafood, chicken, or cattle are crossing quickly then we become more a more valuable point of entry for those industries.

If we want to remain competitive, we need to do a better job telling our story... that the Arizona border is ready and open for business today.

Governor Ducey, the Arizona Congressional Delegation, and the border communities have focused on making our ports of entry the best that they can be. Infrastructure is critical but we don't just focus on the infrastructure itself, but we also look at the coordination with Mexico, the inspection process, deploy new technologies and have developed great collaborative partnerships between industry and the enforcement agencies. Many years ago, we recognized that we simply cannot build infrastructure fast enough so we have to be smart and do the best we can with we have, while we look for the funding to improve our ports of entry.

Let me highlight a few of the key programs that have set us apart. First is Unified Cargo Processing, a program where U.S. and Mexican customs conduct joint truck inspections. It sounds simple but this is an innovative program that just a few years ago was unheard of. It was developed in Nogales and now it is available at our three commercial land ports, as well as at both the rail and air environments.

*We also have the ADOT **Border Liaison Unit** for truck safety inspections. This is a one-of-a-kind program through which ADOT inspectors train Mexican truck drivers on U.S. truck safety inspection process. This program has resulted in higher compliance rates, less fines, and fewer out-of-service orders for trucks, resulting in safer roads in Arizona.*

*ADOT has also implemented a **Touchless Border** program, whereby truckers can secure all their permits online. Instead of having to park their trucks at the border, walk in and pay for the permit. What used to take up to 30 minutes, can now be done in seconds on a computer. This is not just a gain in efficiency, but it is also a*

huge gain in the fight against the spread of COVID-19. Since the beginning of the year, ADOT has done over 150,000 touchless transactions at the border.

These programs are unique to Arizona, helping to make us an ideal place to do business. We are fortunate to work with Federal Agencies like Customs and Border Protection Tucson Sector and State agencies like Arizona Department of Transportation. These agencies understand they are part of the successes and or failures of our business and our communities.

We need to continue to collaborate with them and incorporate them in OUR plans for safer and more prosperous border communities.

Let me wrap up by telling you about some key border projects that are in the pipeline. First is the modernization of the DeConcini Port of Entry. This is the downtown port crossing at Nogales, and it is in desperate need of a significant remodel and redesign. Other than the obvious age issues the facility exhibits, the design of the facility does not allow for the deployment of new technologies needed for a true 21st Century Border. In fact, it is a dangerous situation for CBP personnel to have the facilities literally at and above the International Boundary Line. Newer Ports are now built hundreds of feet away from the border to allow for the deployment of technology and staging space.

There are similar infrastructure projects in Douglas and San Luis.

In San Luis, the modernization of the San Luis 1 Port of Entry is underway with \$152 million being spent by the US federal government in phase 1, and they are asking for an additional \$147 million to pay for the full build out.

In Douglas, the effort is underway to support the Douglas Two-Port Solution, which entails the construction of a new port of entry for commercial traffic 5 miles to the west of the existing port and converting the old port to non-commercial traffic. At an estimated cost of over \$440 million, this stands to be one of the largest infrastructure projects ever in Cochise County.

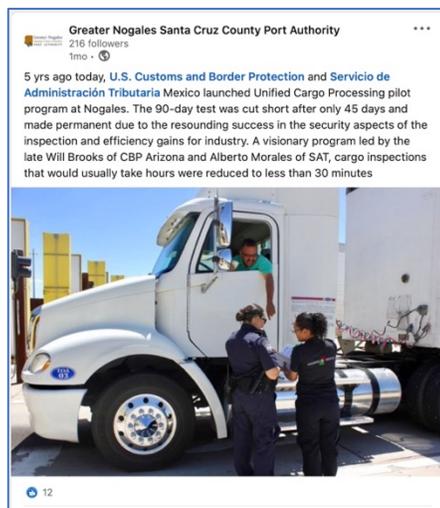
And while decades ago, Nogales may have opposed the projects in Douglas and San Luis, today we all support each other as we recognize that the competition is Texas, it is California and other parts of the world. It is in our best interest to have the best port of entry system possible to promote trade and investment, foster job creation and enhance our national security.

I want to challenge each one of you to become vocal advocates for what drives our state's economy and what translates to consistent growth of our nation's economy. Smart investments in Land, Air, and Sea ports are our government's

greatest returns on investment. But you... and all of your experiences, your successes and your challenges are our community's best assets. Don't forget how valuable you are every day. Keep working, keep developing, and keep telling your story, our story, THE BORDER STORY.

Thank you for your time and thank you Mayor Murphy for this opportunity to speak with your members. I look forward to answering your questions or hearing any comments that you might have. I hope you enjoy the tours!!

5. **5TH ANNIVERSARY OF UNIFIED CARGO PROCESSING**



- In commemoration of the 5th Anniversary of the Unified Cargo Processing Program, the Port Authority joined the Fresh Produce Association of the Americas and other organization in marking the development of this historic and innovative program.
- Over the years, other border communities have taken credit for the “development”, “creation” and “invention” of the program.
- The Port Authority and its member organizations were instrumental in the development, adoption, and expansion of the program from day one.

6. **US CONSULATE GENERAL HOSTS BINATIONAL MEETING ON AMBOS NOGALES FLOODING ISSUES**

- On August 5, 2021, the US Consulate General in Nogales, Sonora hosted a binational meeting focused on the flooding issues that plague Ambos Nogales during the monsoon season.
- The discussion helped to identify the participating entities on both sides of the border, provide an initial list of sources of information and previous studies that have recommended multiple solutions, and identify possible sources of funding.
- The Consulate is already looking for dates to schedule the next coordinating meeting.
- Consensus was to find ways to provide both long and short-term solutions to save lives.
- One immediate issue of concern was the timely dissemination of information via official channels to the general population on both sides of the border.
- A copy of the minutes from the meeting are provided in Attachment #2.

7. ARIZONA CONGRESSIONAL DELEGATION LETTER ON POE FUNDING

- On August 6, 2021, in a letter signed by Congresswoman Ann Kirkpatrick, and Congressmen Tom O’Halloran, Greg Stanton, Ruben Gallego, Raul Grijalva and Paul Gosar, the delegation urged the leadership of the House of Representatives to include the funding necessary to fix Arizona’s ports of entry in the upcoming infrastructure legislation.
- “We are particularly concerned by the condition of three LPOEs in Arizona – San Luis I, Raul Hector Castro in Douglas, and DeConcini in Nogales,” is stated in the letter sent to the Speaker of the House, the Minority Leader and the Chair and Ranking member of the Committee on Transportation and Infrastructure.
- A special thanks to the Office of Congresswoman Kirkpatrick for helping to draft the letter. The Port Authority was happy to assist in helping to secure some of the signatures.
- The infrastructure package has been approved by the US Senate. It is now up to the House of Representatives to pass this infrastructure package.
- A copy of the press release is provided in Attachment #3.

8. BORDER CROSSING DATA UPDATED

- On August 3, 2021, the US Department of Transportation released the latest border crossing data, reflecting a continued growth in truck traffic and an improvement in non-commercial traffic over the trends of the past 18 months.
- For Nogales, from January to June of 2021, compared to the same period of 2020:
 - Truck Traffic is up by 14.3%, from 203,613 to 232,746, an increase of 29,133 trucks
 - Cars are down 2.8%, from 1,136,927 to 1,104,995, a drop of 31,932
 - Total people are down by 4.8%, from 2,978,296 to 2,835,667, down by 142,629.
- At the current rate of growth in truck traffic, it is highly probable that Nogales will set a new record for total number of trucks by the end of 2021.
- And while the volumes of cars and people are down, the drop over the same period of 2020 is minimal, but we don’t expect the numbers to reverse significantly until the border crossing restrictions are lifted, but they are already better than what we had been experiencing in the last 18 months.



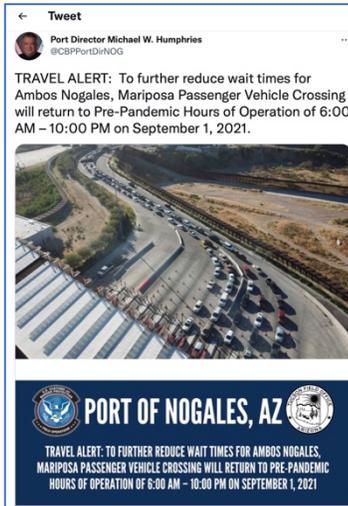
Arizona Northbound Border Crossings

January-June 2020 vs January-June 2021

| Port | Mode | Jan-Jun 2020 | Jan-Jun 2021 | Difference | Change |
|---------------------|-----------------------------|------------------|------------------|----------------|--------------|
| Douglas | Trucks | 12,559 | 14,008 | 1,449 | 11.5% |
| | Personal Vehicles | 536,148 | 524,302 | -11,846 | -2.2% |
| | Personal Vehicle Passengers | 831,045 | 800,934 | -30,111 | -3.6% |
| | Pedestrians | 300,321 | 255,033 | -45,288 | -15.1% |
| | Total People | 1,133,569 | 1,056,050 | -77,519 | -6.8% |
| Nogales | Trucks | 203,613 | 232,746 | 29,133 | 14.3% |
| | Personal Vehicles | 1,136,927 | 1,104,995 | -31,932 | -2.8% |
| | Personal Vehicle Passengers | 2,045,710 | 1,901,282 | -144,428 | -7.1% |
| | Pedestrians | 881,454 | 863,790 | -17,664 | -2.0% |
| | Trains | 314 | 331 | 17 | 5.4% |
| Total People | 2,978,296 | 2,835,667 | -142,629 | -4.8% | |
| San Luis | Trucks | 22,008 | 26,463 | 4,455 | 20.2% |
| | Personal Vehicles | 1,090,716 | 1,331,860 | 241,144 | 22.1% |
| | Personal Vehicle Passengers | 1,709,911 | 2,116,835 | 406,924 | 23.8% |
| | Pedestrians | 1,081,485 | 891,688 | -189,797 | -17.5% |
| | Total People | 2,791,422 | 3,008,526 | 217,104 | 7.8% |
| Lukeville | Trucks | 184 | 233 | 49 | 26.6% |
| | Personal Vehicles | 110,458 | 204,346 | 93,888 | 85.0% |
| | Personal Vehicle Passengers | 230,094 | 418,176 | 188,082 | 81.7% |
| | Pedestrians | 14,321 | 7,387 | -6,934 | -48.4% |
| | Total People | 246,244 | 427,065 | 180,821 | 73.4% |
| Naco | Trucks | 1,613 | 2,184 | 571 | 35.4% |
| | Personal Vehicles | 111,169 | 120,596 | 9,427 | 8.5% |
| | Personal Vehicle Passengers | 180,772 | 181,348 | 576 | 0.3% |
| | Pedestrians | 30,643 | 27,763 | -2,880 | -9.4% |
| | Total People | 211,466 | 209,111 | -2,355 | -1.1% |
| Sasabe | Personal Vehicles | 10,406 | 14,859 | 4,453 | 42.8% |
| | Personal Vehicle Passengers | 19,022 | 24,848 | 5,826 | 30.6% |
| | Pedestrians | 236 | 181 | -55 | -23.3% |
| | Total People | 19,258 | 27,204 | 7,946 | 41.3% |
| State Totals | Trucks | 239,977 | 275,634 | 35,657 | 14.9% |
| | Personal Vehicles | 2,995,824 | 3,300,958 | 305,134 | 10.2% |
| | Personal Vehicle Passengers | 5,016,554 | 5,443,423 | 426,869 | 8.5% |
| | Pedestrians | 2,308,460 | 2,045,842 | -262,618 | -11.4% |
| | Total People | 7,380,255 | 7,563,623 | 183,368 | 2.5% |

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

9. **CBP ANNOUNCES RETURN OF PRE-PANDEMIC HOURS OF OPERATION AT MARIPOSA**



- On August 26, 2021, Port Director Michael Humphries announced via Twitter the return of normal hours of operation at the Mariposa port of entry.
- This is an effort to help alleviate congestion issues at the ports of entry at Nogales.
- It is important to recognize that this is not the trend in other ports, where hours of operation remain reduced due to staffing limitations and other operational issues that are impacting operations on both sides of the border.

10. PRESIDENT APPOINTS NEW IBWC COMMISSIONER



- On August 23, 2021, President Biden appointed Maria Elena Giner as the new Commissioner of the International Boundary and Water Commission (IBWC).
- Commissioner Giner used to head up the Border Environmental Cooperation Commission. She is very well versed on border issues and promises to be an excellent partner in addressing our cross-border water issues.

Attachment #1
Copy of Submission to Senate Sub-Committee

HSGAC Government Ops and Border Management Subcommittee
Hearing on *Improving Security, Trade, and Travel at Land Ports of Entry at the
Southwest Border*

Wednesday, June 16, 2021
Senator Kyrsten Sinema

Questions for the Record for Mr. Valencia

- What are the greatest challenges in cross-border trade that the Great Nogales Santa Cruz County Port Authority members are facing? And, from a trade perspective, what are the chief investments and/or policy changes needed to ensure our ports effectively deal with those challenges and continue to serve businesses and border community needs of the future?

In terms of trade, US Customs and Border Protection (CBP) needs the latest in technology to act as force multipliers. There is an ongoing need for additional staffing, both for CBP Trade Specialists and CBP Agriculture Inspectors to help expedite the processing of fresh produce. We would also ask that the Unified Cargo Processing (UCP) program be expanded to include both US and Mexican Agriculture Inspectors and inspections by US Department of Agriculture/Food and Drug Administration and its Mexican counterparts (SAGARPA/SENASICA) so that all inspections by the relevant agencies from both countries can be conducted at one facility with one stop.

A portion of CBP staffing is funded through the collection of user fees. This leaves the agency vulnerable to budget shortfalls for CBP officers and CBP Agriculture Inspector positions when there are fluctuations in trade volumes. CBP staffing should be fully covered through appropriations and not through fluctuating user fees based on trade flows, just as Border Patrol positions are fully funded through appropriated dollars.

Additional investments are needed to support existing CBP personnel and recruit more to staff the ports of entry. Without sufficient staffing, the ports cannot be used to their full capacity and increase wait times for commercial and non-commercial traffic. To fully maximize future infrastructure investments, we need CBP personnel.

In general, there is a continued need for investment in infrastructure. The DeConcini port of entry, for instance, is a facility that is far beyond its useful life and no longer meets the mission requirements for CBP. Yet they continue to operate in a dilapidated, inefficient, and in many ways, crumbling facility.

The COVID-19 pandemic is also forcing a new approach to the inspection process. Whenever possible, the inspection process should strive to be touchless in order to lower the risk of the transmission of COVID-19 and other transmissible diseases. The Arizona Department of Transportation (ADOT), for example, has implemented a touchless permitting program with great success from both a health and a time-savings perspective.

Additionally, because port of entry projects are funded through the Federal Buildings Fund (FBF) in the Financial Services and General Government Appropriations (FSGG), these projects are competing with courthouses and other federal office buildings for the same pot of money. A port of entry does not compare to a federal courthouse in terms of the purpose that it serves. We believe that the approach to funding ports of entry should change, be taken out of FSGG, and go through Homeland Security Appropriations.

- As you have mentioned in your written testimony and during the June 16th hearing, this past year has been very difficult for border communities impacted by the non-essential travel ban and disrupted supply chains.
 - Do you expect the border community businesses and cross-border trade to be able to bounce back to pre-pandemic levels once travel restrictions are lifted? If no, what is needed to help these communities?

Until the cross-border travel restrictions are lifted, we won't fully know the true extent of the impact on Arizona border communities in the long-term. Several retail businesses in downtown Nogales have already closed permanently and are probably not coming back. Those that remain have relied on emergency relief programs, such as the Paycheck Protection Program (PPP) to make ends meet – but these programs are running out. Current programs need to be extended or new ones developed that help small business, merchants, restaurants, and hotels in order to help border communities come out of the pandemic-driven recession that pervades the border. Until the border is reopened, border businesses will continue to be negatively impacted unlike the rest of the nation that is in the process of reopening.

There is, however, pent-up demand among Mexican shoppers looking to spend money in Arizona, and we will likely see a dramatic increase in crossing volumes when the restrictions are lifted. More than any assistance, we need the restrictions to be lifted.

It is important to remember that border communities were impacted more severely by cross-border travel restrictions than inland communities, which receive arrivals from

Mexico via air travel. The Department of Homeland Security (DHS) did not restrict Mexican tourists into Arizona arriving by air, whether it be commercial or charter flights. The requirements by the Centers for Disease Control and Prevention (CDC) for negative COVID-19 tests, which were applicable to all travelers, were put in place 9 months after non-essential travel was restricted at the border, yet this requirement was unrelated to visa status or national origin. Metropolitan Phoenix, as an example, receives many flights daily from Mexico, bringing tourists into the region, and allowing that tourism-related spending to continue.

As for cross-border trade, after the initial disruptions in the second quarter of 2020, trade across North America has recovered substantially and is even performing as strongly as it did 2019. Because many of the industries in our region were considered essential, several businesses in Nogales never fully shut down and adjusted their operations to account for the COVID-19 risks. But the adjustments also meant higher expenses for masks, gloves, and other personal protective equipment (PPE) that were necessary to ensure the health of all employees. Additionally, new health and hygiene protocols were implemented – and most continue to this day.

- Has COVID pandemic impacted cross border supply chains to such a degree that this needs to be factored into future operational planning at the ports of entry?

For the most part, CBP was able to maintain trade flows throughout the entire pandemic, but they were also dealing with COVID-19 themselves. Many officers either became sick or were forced to quarantine due to exposure to the virus while trade operations continued. This is a reflection of the tremendous commitment by CBP personnel that met the needs of our nation during this pandemic. But CBP needs to have additional measures and programs to help them address future situations that could impact operations, from pandemics to weather or other natural phenomena.

- When travel restrictions are lifted, what should CBP do to prepare for the return to more regular operations?

Even with the best planning, and the deployment of all available staff, we expect that there will be hours-long wait times to cross northbound as Mexican nationals jump on the opportunity to once again travel, shop, and visit relatives in the US. CBP needs the sufficient number of officers to fully staff both the DeConcini and Mariposa port of entry and open all lanes. There will also be a mad rush of people applying for an I-94. No one has secured an I-94 for travel beyond the border since the start of the border crossing restrictions. This may create backlogs at the ports. This may be the time to

consider the deployment of the pilot program to waive the need for an I-94 in Arizona and New Mexico. Additionally, this is a great time to promote enrollment in the SENTRI/Global Entry program to help people cross the border faster, but the enrollment centers are at capacity. For instance, there are no appointments available at the Phoenix Sky Harbor Airport and people are being forced to travel to other locations to enroll in the program. There are also significant delays in processing new applications and renewals for these Trusted Traveler Programs. Staffing and support needs to be allocated to their program areas to ensure their continued success in enrolling low risk individuals.

- I am aware that the Greater Nogales Santa Cruz County Port Authority has a robust and collaborative relationship with Border Patrol and Office of Field Operations.
 - Are there areas where CBP and local community and business collaboration can be improved?

The Port Authority is proud of its close working relationship with the Office of Field Operations (OFO) in Tucson. We have been able to achieve this by supporting CBP's mission and its officers and identifying opportunities to develop cross-sector partnerships for innovative programs, such as Unified Cargo Processing. We regularly invite the Director of Field Operations and the leadership team to our monthly meetings where they provide updates and hear from industry on what is going on in the community. It is through this open line of communication on the various issues impacting us both that we have this strong working relationship. This open dialogue served a valuable purpose in working with CBP and Santa Cruz County to make sure that CBP personnel would have access to COVID-19 vaccines to protect officers against the virus.

- Are there any lessons learned from this partnership that you would want to provide counterparts in the other border sectors?

The approach to how ports of entry are designed and operated has changed because of COVID-19. Social distancing requirements, hand-to-hand exchanges need to be avoided, health concerns must now be considered. CBP needs additional resources to make sure ports are able to operate regardless of the conditions. Finally, the pandemic has made it more evident that border communities are essential cogs for the national economy. Had it not been for all the essential workers in the produce industry, logistics, enforcement, first responders, and health care workers in our community, the rest of the nation would have felt the impacts far more than was the case. The fact that people

could still find fruits and vegetables on their grocery store shelves at the beginning of this pandemic was due in large part to the close collaboration of the industry and CBP OFO. This message needs to be conveyed to those in the rest of the nation and in Congress that question why additional funding is required for border infrastructure and increased CBP staffing.

On a separate but related note, our US Embassy and Consulates in Mexico are overwhelmed. Due to the COVID-19 restrictions, visa processing has essentially come to a halt and people trying to renew their visas are getting appointments that are towards the end of 2022. Our consular service needs additional resources in order to process the tremendous backlog of visas. Without visas, many would-be visitors will not be able to travel to the United States.

Attachment #2

Copy of Minutes from Ambos Nogales Flooding Meeting

Minuta

Inundaciones en Ambos Nogales

Consulado General de los Estados Unidos en Nogales, Sonora

Zoom

Jueves, 5 de agosto del 2021

SIGUIENTES PASOS

- Recopilar los estudios y datos existentes acerca de la cuenca transfronteriza en Ambos Nogales y compartir la información con el Banco de Desarrollo de América del Norte.
- El Consulado General de los Estados Unidos programará la próxima reunión dentro de 2 a 4 semanas.
- Participantes de esta reunión enviarán datos de contacto para otros participantes pertinentes.

NOTAS DE LA CONVERSACION

- Recientes tormentas de monzón causaron inundaciones repentinas severas en varias colonias en Nogales, Sonora, provocando daños en vialidades principales como la Avenida Tecnológico.
- Las inundaciones en el lado mexicano son un tema de preocupación binacional porque presenta riesgos a la operatividad de la garita DeConcini/Puerta México.
- Según su representante, el presidente municipal-electo Juan Francisco Gim ha convocado a miembros de la industria a apoyar esfuerzos de limpieza y ha indicado que será un tema de alta prioridad para el gobierno entrante.
- Se identificó las siguientes áreas para abordar el problema en el corto y largo plazo:
 - Mejorar el sistema de monitoreo y alertas meteorológicos para Ambos Nogales.
 - Mantener la infraestructura existente para disminuir la severidad de inundaciones repentinas e identificar oportunidades para construir infraestructura adicional (i.e. represas, lagunas).
 - Recopilar estudios y datos que identifiquen el alcance de la cuenca Nogales, las llanuras aluviales, colonias de alto riesgo, etc.
- El Condado de Santa Cruz está en el proceso de actualizar el mapa de llanuras aluviales para presentar a la Agencia Federal para el Manejo de Emergencias (FEMA).
- Propuesta para desarrollar un plan binacional para responder a emergencias meteorológicas en Ambos Nogales, lo cual incluiría mayor coordinación en el sistema de monitoreo y alertas de emergencia.
- El gobierno municipal entrante está contemplando la creación de un centro de comando para responder adecuadamente a eventos meteorológicos.
- Se mencionó la necesidad de aclarar la normatividad entre las dependencias locales y federales en México en como prevenir y responder a estos eventos.
- El representante del Banco afirmó su apoyo para los proyectos ya en marcha, la construcción de infraestructura que complementarán la prevención de inundaciones

severas en el área urbana y participar en la identificación de fondos para proyectos adicionales.

PARTICIPANTES

Partes interesadas de Nogales, Arizona

- Edna Mendoza, Gerente de la Oficina de Asistencia Regional y Fronteriza, Departamento de Calidad Ambiental de Arizona (ADEQ)
- Joaquín Marrufo, Departamento de Calidad Ambiental de Arizona (ADEQ)
- Jaime Chamberlain, Presidente, Greater Nogales Santa Cruz County Port Authority
- El Honorable Bruce Bracker, Supervisor, el Condado de Santa Cruz
- Jesus Valdez, Director de Obras Públicas, el Condado de Santa Cruz
- John Kissinger, Administrador Municipal Interino, la Ciudad de Nogales
- Claire Mark, Asociada de Asuntos Políticos/Económicos, Consulado General de los Estados Unidos en Nogales, Sonora
- Pablo Pérez, Asistente de Asuntos Políticos, Consulado General de los Estados Unidos en Nogales, Sonora
- Luis Ramirez, Presidente, Ramirez Advisors
- Martin Rodriguez, Asesor, Ramirez Advisors

Partes interesadas de Nogales, Sonora

- Marcos Morales, Director, OOMAPAS de Nogales
- Israel Victoria, Secretario de Desarrollo Urbano y Ecología, Municipio de Nogales
- Ing. Antonio Segovia, Jefe de Saneamiento y Proyectos Especiales, CILA Mexico
- Jorge Jáuregui, Representate del Presidente Municipal-electo Juan Francisco Gim
- Gerardo Calza, Project Manager, Banco de Desarrollo de América del Norte
- Maria de los Angeles Rodriguez, Instituto Municipal de Investigación y Planeación de Nogales, Sonora

Attachment #3

Copy of Delegation letter to House Leadership on POE funding

Congress of the United States
Washington, DC 20515

August 6, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Pete DeFazio
Chairman
Committee on Transportation &
Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
Committee on Transportation &
Infrastructure
2164 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Minority Leader McCarthy, Chairman DeFazio, and Ranking Member Graves,

We write in support of the over \$3.5 billion for Land Port of Entry modernization in the Infrastructure Investment and Jobs Act and encourage you to ensure it is included in any final bill that passes the House and signed into law by the President. As Members from Arizona, we understand the critical importance of LPOEs. There are six LPOEs along Arizona's border with Mexico, all of which play important roles in facilitating economic activity and ensuring border security.

Mexico is by far Arizona's largest trading partner, with 35.3% of Arizona's exports heading to Mexican markets. Despite COVID-19 leading to a decline in exports from Arizona to Mexico in 2020, exports have increased by 35.9% over the last decade. Additionally, Mexican visitors make up approximately two-thirds of Arizona's international overnight visitors and account for upwards of \$7 million a day in spending at Arizona's restaurants, hotels, and other businesses. While our trade relationship with Mexico remains strong, inadequate LPOEs hamper such economic activity by restricting the flow of commercial traffic and place an undue burden on Customs and Border Protection (CBP) personnel who are forced to operate without sufficient equipment or facilities. Correcting these shortcomings will help ensure Arizona and Mexico's important economic relationship stays strong for decades to come.

Fixing the aging infrastructure at LPOEs is also a step towards cracking down on illegal activity and preventing the spread of drugs and other dangerous contraband. The vast majority of illicit materials and substances seized along the border are seized at LPOEs. Further, LPOEs are essential in processing children, families, and individuals who come to our border seeking admission to the United States. In fact, the Tucson and Yuma border sectors, which make up all of Arizona's border with Mexico, have seen an over 200% and 800% increase in encounters at the border in 2021, as compared to 2020.

Unfortunately, too many LPOEs – in Arizona and elsewhere – are beyond their useful lives and are no longer able to accommodate the volume of traffic that must be processed on a daily basis. We are particularly concerned by the condition of three LPOEs in Arizona – San Luis I, Raul Hector Castro in Douglas, and DeConcini in Nogales. San Luis I and the Douglas LPOE have been identified by the

General Services Administration and Customs and Border Protection as priorities for investment. Ensuring at least \$3 billion in LPOEs is available in any upcoming infrastructure legislation will allow the completion of the San Luis I and Douglas Two-Port Solution Projects and move closer to addressing the need in Nogales.

It is our hope that the needs at Land Ports of Entry in Arizona and throughout the country will be met in upcoming infrastructure legislation. Thank you for your consideration of this request.

Sincerely,



Ann Kirkpatrick
Member of Congress



Tom O'Halleran
Member of Congress



Greg Stanton
Member of Congress



Ruben Gallego
Member of Congress



Raúl Grijalva
Member of Congress



Paul A. Gosar, D.D.S.
Member of Congress