

February 15, 2021

TO: Jaime Chamberlain, Chairman

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

SUBJECT: Monthly Report of Activities – January 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. Press release on County’s vaccination partnership with private sector;
4. Collaboration with FPAA on securing congressional support against ITC Blueberry Investigation;
5. Update on Arizona trade with Mexico and Canada;
6. ITC Hearings on Blueberry Trade Investigation;
7. COVID-19 vaccine distribution update in Santa Cruz County;
8. Border crossing data update;
9. Border Business COVID-19 Rescue Act;
10. Chairman Chamberlain hosts new Transportation Board member in Nogales; and
11. County sends Letter to Governor requesting a higher allocation of Vaccines.

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.
- 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 January 21, 2021.
- We anticipate that, until COVID-19 contagion numbers start to decrease that these restrictions will continue for the foreseeable future.
- 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. *PRESS RELEASE ON COUNTY'S VACCINATION PARTNERSHIP WITH PRIVATE SECTOR*

- On January 21, and after extensive discussion by the Board of Directors, a press release was distributed statewide that highlights the County's efforts to deploy vaccines with extensive support and in partnership with the private sector.
- For instance, South32 has even offered to help support the county by providing additional vaccinators should that be required.
- Additionally, the Fresh Produce Association of the Americas offered to order lunch for all volunteers at the County's vaccination centers.
- A copy of the press release is provided in Attachment #1.

4. *COLLABORATION WITH FPAA ON SECURING CONGRESSIONAL SUPPORT AGAINST IC BLUEBERRY INVESTIGATION*

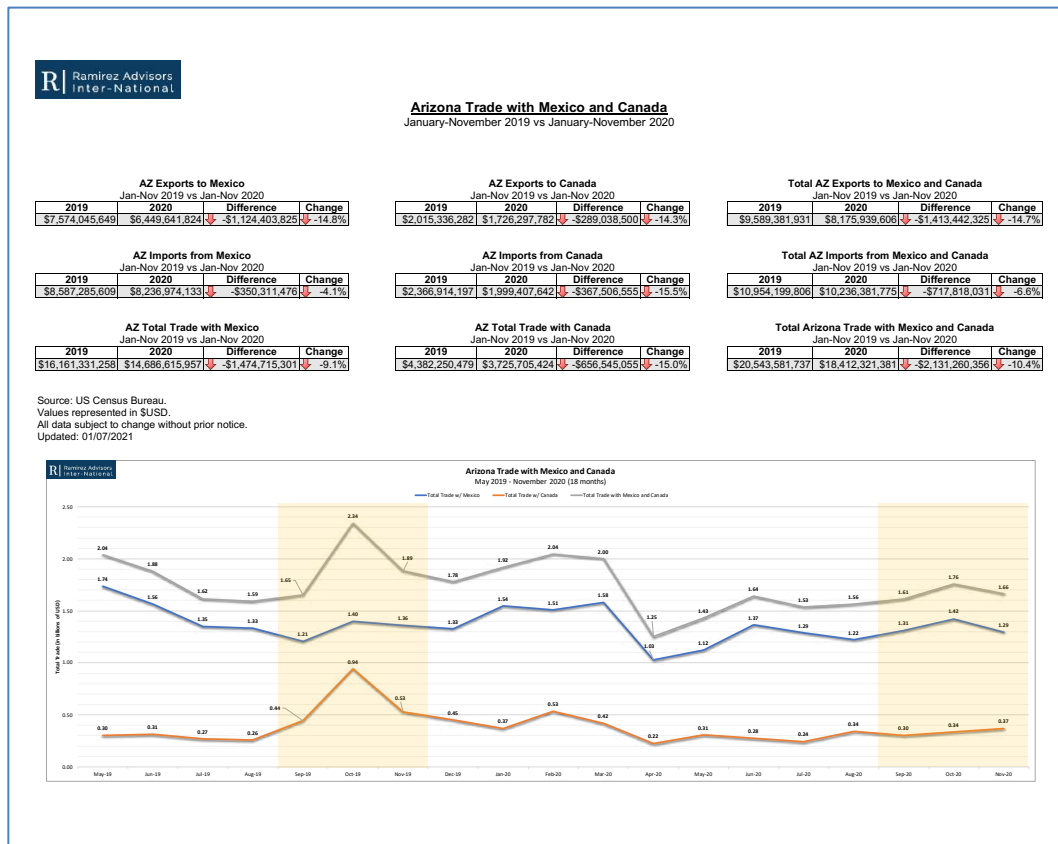
- On December 30, 2020 through January 5, 2021, and in coordination with the Fresh Produce Association of the Americas, the Port Authority sent letters and reached out to the Arizona Congressional delegation asking for their support to stop continued investigations that would harm imports of Mexican Fresh Produce.
- As stated by Chairman Chamberlain in the letter, "This investigation threatens our local industry and stands to severely affect consumers ability to buy a high-quality produce at a competitive price on a year-round basis."
- As a result of strong advocacy efforts by the FPAA, 9 out of 11 members of the Arizona Congressional delegation signed on to the final letter.
- A sample copy of the letter is provided in Attachment #2.
- A copy of the congressional letter is provided in Attachment #3.

5. *UPDATE ON ARIZONA TRADE WITH MEXICO AND CANADA*

- On January 12, 2021, an update on Arizona's trade relationship with Mexico and Canada was provided to the leadership of the Port Authority.
- Here are the latest trade numbers that we have to date (January through November 2020). Trade continues on a downward trend. This is not just Arizona but the US as well.
- For the same period, total US-Mexico trade was down by 13.9% while Arizona-Mexico trade was down by 9.1% (over the same period 2020 v 2019). US trade with Canada was down by 15%, the exact same decrease in Arizona-Canada trade.
- This is little consolation but it appears that the pandemic has had more of an impact on trade than anticipated. We had a long conversation with Glenn Williamson and he is at a loss as to why the numbers are down so significantly with Canada after having such a positive track record. We also conferred with

folks in the Maquila industry and they are seeing a slowdown as well, evidenced by a small but significant drop in employment in Nogales for instance. I would ask Josh Rubin to add any additional comments as to what he is seeing directly in the manufacturing sector on the Mexican side.

- Consul Williamson did point out that investment from Canada, on the other hand, is up substantially based on his efforts to track the data as there are no official numbers for FDI in Arizona from Canada. We have little to go on for Mexican investment but real estate sales to Mexican buyers in our major metro areas, at least anecdotally, continue to grow. Glenn wishes there was a way to track that as it would show a very different picture. Another sector that is not tracked officially is tourism but we know that tourism is down by about 30-40% from both Mexico and Canada - if not more in some specific areas of Arizona.
- We continue to monitor the data and if anything changes we will of course let you know.
-



6. ITC HEARINGS ON BLUEBERRY IMPORTS

- On January 12, 2021, the US International Trade Commission (ITC) held a lengthy public hearing on the impacts of Blueberry imports on domestic producers.

- The ITC also has issued a notice in the Federal Register that a hearing will be held on April 8 to look at the Effect of Cucumber Imports on US Seasonal Markets.
- A copy of the notes are provided in Attachment #4.

7. COVID-19 VACCINE DISTRIBUTION UPDATE IN SANTA CRUZ COUNTY



January 18, 2021

▪ On January 18, the Board of the Port Authority held a meeting to discuss ways to assist the County with the distribution of COVID-19 vaccines.

▪ Below are notes from that meeting:

**COVID-19 Vaccine
Distribution Discussion
Greater Nogales Santa
Cruz County Port Authority**

Participants:

- Jaime Chamberlain
- Bruce Bracker
- Jennifer St. John
- Allison Moore
- Greg Lucero
- Pat Risner
- Nils Urman
- Terry Shannon
- Luis Ramirez
- Martin Rodriguez

Action Items:

- Prepare a press release/op-ed that highlights vaccination efforts by Santa Cruz County.
- Outreach to call center companies that could potentially assume responsibilities for County's answering service for vaccine appointments/pre-registration.

Discussion Notes:

- County is notified of their designated allotment on Thursdays and receives shipment at the beginning of the week. Part of allotment is given to Mariposa Community Health.
 - 1,900 vaccines received last week, of which 1,800 already administered.
 - 2,400 allotment is expected by tomorrow. 1,000 of those will be reserved for those receiving their second dose.
 - No discrepancies reported so far in the weekly allocations.
 - To date, no doses of the vaccine have gone to waste.

- County-run vaccination clinic in Nogales currently administers 100/day and can be scaled up to 300/day. Mariposa Community Health currently administers 100/day during on the weekdays.
- A pre-registration portal has been set up for all of Phase 1B population. Enough vaccines for to serve this population segment is not yet available.
 - Received 1,900 completed forms in 2 days that will have to be reviewed and assigned appointment time.
 - Goal to automate the process later on.

- County has made the necessary preparations to scale up to 800 vaccines/day when possible.
 - Identified locations throughout the county for drive-thru appointments. Furthest site will be 45 minutes away from storage facility.
 - Finalizing a partnership with South32 who will assume responsibility of hiring medical professionals to administer vaccines and distribution to locations. County could then focus its resources on managing volunteers and other logistical preparations.

- Challenge is getting a higher allotment of vaccines for Santa Cruz County.
 - Per capita allocations low compared to other counties.
 - Responsibility of vaccinating federal employees, some non-residents, that were not initially accounted for in allotments.
 - Because of outreach by the Port Authority, state officials are aware of this challenge facing border counties.
 - Mariposa Community Health currently vaccinating about 20 CBP officers / day.
 - Supervisor Bracker has reached out to Senator Sinema's office about having the Phoenix VA system pitch in. Phoenix VA

assessing the feasibility of sending vaccines down to Tucson for DHS employees.

- Other County needs:
 - Volunteers to help with the health screening process and registration. No qualifications required.
 - Recommendations for a reliable appointment management system.
 - Answering service to schedule appointments, answer questions, etc.
 - Ordering lunches for volunteer/medical crew working at the vaccination clinics.
 - The FPAA staff will assist with coordinating lunch orders this week.
 - Ramirez Advisors offered to pay for one of the days.
- Positive public messaging about the County's vaccination efforts.
 - County serving as a model for other counties in using 100% of weekly allotments.
 - Preparations have been made, in partnership with private sector, to scale up operations.
 - Asking for higher allotments given population of federal employees, especially CBP.
 - Provide contact for individuals interest in volunteering.

8. *BORDER CROSSING DATA UPDATE SR-189 CONSTRUCTION PROGRESS*

- On January 20, 2021, an update The complete set of data for 2020 border crossing volumes is now available.
- The good news:
 - Arizona has set a new record for the total number of trucks that crossed the border in 2020: 423,173, an increase of 6,569 trucks over the previous record from 2019. Considering that this new record comes amidst the pandemic and that trade was severely disrupted from the end of march through June of last year, setting this record is a tremendous achievement. We are verifying, but we believe that the 2020 truck volume at Nogales is a new record as well: 352,037 northbound trucks, that is 2,660 trucks more than in 2019. Considering that because of the pandemic, trade was severely impacted in late March through early June, and with a gradual return to "normal", these truck crossing numbers are remarkable for Nogales. With the possible announcement t of new projects in Nogales, Sonora and other key areas that would rely on crossing through Nogales, we

remain bullish on the possibility of continued growth in 2021 and beyond.


- The bad news:
 - Cars, pedestrians and total people are down dramatically. For Nogales, cars are down 38.9%, pedestrians down 58.9% and total people down 51.3%. This translates into just over 5.3 million people less that crossed the border at Nogales in 2020 versus 2019. This will not change until the border crossing restrictions are lifted.
 - Considering the trends in COVID-19 contagion, I anticipate that the current border crossing restrictions that are in effect through February 21, will be extended through March if not beyond. Vaccination rates in Mexico are dismal at best. Sonora is preparing for a return to Red in the ranking of contagion, with at least five municipalities already in the red (Hermosillo, Guaymas, Empalme, Nogales and San Luis Rio Colorado). Additionally, with Coahuila and Nuevo Leon in the red and with high rates in California, Arizona and Texas, we don't anticipate a change until COVID-19 numbers stabilize or start trending down.

- Final Thoughts:

(1) You might recall that just a few days ago we reported that trade numbers with Mexico are down for Arizona and for the US as a whole. We have been working on reconciling the decrease in trade but an increase in truck traffic, and I am not sure we have a specific answer. But some of the influencing factors include:

- A drop in the aerospace sector (which are typically very high value commodities)
- Automotive sector was shut down for at least three months and it took some time to ramp back up (another high value commodity).
- Increase in fresh produce imports and what appears to be a very good season for importers, but produce is a low value commodity.
- Demand in the US has been impacted by the pandemic and we are just starting to see the impacts.
- Consumer preferences are changing with stay-at-home versus work-from-office and all that this change implies.
- Supply chains are readjusting to what it's becoming a new normal.

(2) Once the border crossing restrictions are lifted, we anticipate a dramatic jump in border crossing volumes (people and cars). There is no doubt that there is a substantial pent-up demand by Mexican visitors to return to Arizona, and we must prepare for that. This could mean very long waits at the border if volumes increase dramatically and very quickly.

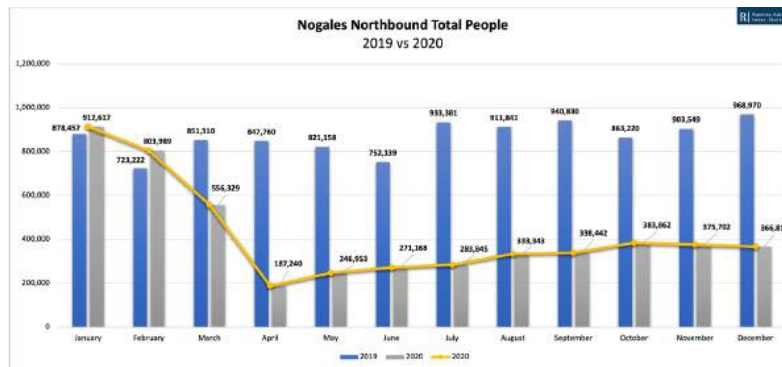
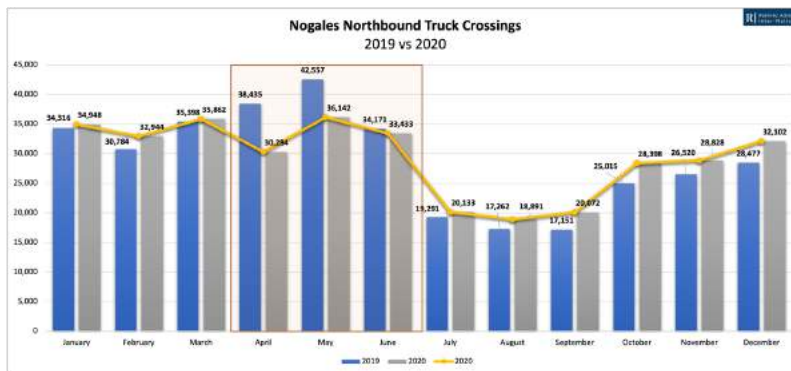


Arizona Northbound Border Crossings 2019 vs 2020

Port	Mode	2019	2020	Difference	Change
Douglas	Trucks	26,588	25,922	-666	-2.5%
	Personal Vehicles	1,528,248	1,007,185	-521,063	-34.1%
	Personal Vehicle Passengers	2,719,614	1,515,582	-1,204,032	-44.3%
	Pedestrians	898,173	549,165	-349,008	-38.9%
	Total People	3,633,961	2,067,040	-1,566,921	-43.1%
Nogales	Trucks	349,377	352,037	2,660	0.8%
	Personal Vehicles	3,369,965	2,057,505	-1,312,460	-38.9%
	Personal Vehicle Passengers	6,766,502	3,564,056	-3,202,446	-47.3%
	Pedestrians	3,419,267	1,419,544	-1,999,723	-58.5%
	Trains	695	612	-83	-11.9%
	Total People	10,395,837	5,060,302	-5,335,535	-51.3%
San Luis	Trucks	36,885	41,153	4,268	11.6%
	Personal Vehicles	2,833,221	2,234,946	-598,275	-21.1%
	Personal Vehicle Passengers	5,069,868	3,463,418	-1,606,450	-31.7%
	Pedestrians	2,529,641	1,821,114	-708,527	-28.0%
	Total People	7,599,591	5,284,667	-2,315,024	-30.5%

Port	Mode	2019	2020	Difference	Change
State Totals	Trucks	416,604	423,173	6,569	1.6%
	Personal Vehicles	8,532,784	5,803,455	-2,729,329	-32.0%
	Personal Vehicle Passengers	16,313,888	9,457,254	-6,856,634	-42.0%
	Pedestrians	6,995,036	3,870,568	-3,124,468	-44.7%
	Total People	23,538,901	13,410,311	-10,128,590	-43.0%

Source: US Department of Transportation, Bureau of Transportation Statistics.
 All data provided herein subject to change without further notice.
 Updated: 01/17/2021



9. *BORDER BUSINESS COVID-19 RESCUE ACT*

- On January 21, 2021, Congressman Raul Grijalva introduced the Border Business COVID-19 Rescue Act.
- The Act would direct the Small Business Administration to set up a special program to provide forgivable loans to small business along the US-Mexico border region.
- This is a recognition that border business are severely impacted by the ongoing border crossing restrictions that continue to restrict cross-border travel.
- The Port Authority sent a letter to Congressman Grijalva in support of this legislation and sent copies of the letter to the entire congressional delegation.
- A copy of the letter of support is provided in Attachment #5.

10. *CHAIRMAN HOSTS NEW TRANSPORTATION BOARD MEMBER IN NOGALES*

- On January 13, 2021, Chairman Chamberlain hosted one of Arizona's newest Transportation Board members, Richard Searle, for a tour of Nogales and to see first-hand the challenges at the Rio Rico and Ruby Road interchanges on I-19.
- This is a direct result from the Chairman's recent testimony before the Transportation Board during which he highlighted these critical areas that are in need of investment and modernization to accommodate current and future traffic patterns.

11. *COUNTY SENDS LETTER TO GOVERNOR DUCEY REQUESTING A HIGHER ALLOCATION OF VACCINES*

- On January 7, 2021, Supervisor Bruce Bracker sent a letter to Governor Ducey asking for an increase in the allocation of vaccines to Santa Cruz County.
- A copy of the letter is provided in Attachment #6.

Attachment #1

Copy of Press Release on Vaccination efforts and partnership with Private Sector

**PRESS RELEASE****Stepping up... To get a shot****Nogales private sector offers help for COVID vaccine distribution.**

Nogales, Arizona
January 21, 2021

As the pandemic has ravaged the nation, in large metropolitan areas and small rural communities, government and the private sector have had to figure out how to best tackle this gargantuan task. In Santa Cruz County, this public-private partnership is having a significant impact on the ability for county officials and medical professionals to get the vaccines into people's arms.

"We are a small community, but if we shut down, the ripple effects will be felt throughout North America and that is something we must not let happen," said Jaime Chamberlain, Chairman of the Greater Nogales Santa Cruz County Port Authority. "This is not a time to stand by and wait. We are actively working with the state, the county and even our federal law enforcement agencies to make sure that 1A and 1B eligible people get their vaccines as quickly as possible," added Chairman Chamberlain.

"Every vaccine we have received is now in someone's arm," said Bruce Bracker, Santa Cruz County Supervisor. The County, working with Mariposa Community Health Center in Nogales, has created a synergistic system to ensure that as vaccines come in, and people schedule an appointment to get their shots, the vaccines are doled out based on the criteria mandated by the Arizona Department of Health Services. "But part of the task required us to define what we had to do, including the who, what, when, where and how that are all critical parts of the process. Keeping in mind that once you thaw out the vaccine it must be used. And if it is not used, then it is wasted and that could be someone coming down with the virus," added Supervisor Bracker. "We have a pretty tight system now. We just need more vaccines," he added.

The level of coordination is unprecedented. South32, which owns the Hermosa Project near Patagonia, has offered to assist with filling an acute need for more vaccinators in the county. "We are committed to helping our community through these challenging times," said Pat Risner, Hermosa Project President. "To assist with vaccination pace, we're at the ready to provide helpers from our own medical services contractor as soon as the county's vaccine supply is replenished."

The Fresh Produce Association of the Americas has offered to coordinate daily lunch for the 35+ workers and volunteers that are helping with the registration of people that arrive to get their shots. "Our industry, because we are a critical part of the nation's food supply, is deemed essential. If we shut down, fresh produce will not reach our North American customers. We have implemented strict protocols for our in-house operations in Nogales, but we must now do everything we can to help our community. Getting lunch for the volunteers is the least we can do, and we are prepared to do more", said Lance Jungmeyer, President of the organization.

Page 2 of 2

Press Release
January 21, 2021

Santa Cruz County, with a population of just over 46,000, has demographics that are heavily skewed towards those deemed essential. “Between medical professionals, those over 75 years old, and all the other sectors including teachers, enforcement personnel at the local (police), county (sheriff) and federal (Customs and Border Protection, Border Patrol, Drug Enforcement Administration) levels, first responders (police and fire), logistics workers (customs brokers, freight forwarders, truck drivers), produce warehouse personnel, city and county government personnel, and if you include the population that is between 65 and 75 years old, that is probably close to a third of our total population and we are still in 1B!” added Chairman Chamberlain. “We continue our dialogue with the State of Arizona, but we understand that it is not just us, but all the metropolitan and rural areas of the state that are in the same critical need for more vaccines,” he added.

“At the request of the county, we are working on creating a roster of volunteers that can be called up within a 24-hour notice, and there is no shortage of people that want to help out,” stated Terry Shannon, Chairman of the Nogales Santa Cruz County Economic Development Foundation.

One of the main challenges is the coordination and scheduling of those coming in for their vaccinations. “We are reaching out to our members to see if we can come up with a call-center-like service that can work at the direction of the county to schedule all of the residents of Santa Cruz County. It sounds simple but it takes personnel, experience and the systems and software to make it happen,” offered Josh Rubin, Board member of INDEX, the Maquila Association of Sonora.

“We have created a system that can scale up overnight. So, we are ready to receive more vaccines and use them as soon as they come in,” added Supervisor Bracker. “We are working hand in hand with the Mariposa Health Center and the City of Nogales and other entities in the county to make the process as seamless as possible.” he added.

Santa Cruz County has set up an online registration portal that is available through the County’s website: www.santacruzcountyz.gov. Those interested in volunteering please contact Shelly Jacobs, Volunteer Coordinator at Santa Cruz County, at (520) 375-7800 or via email at sjacobs@santacruzcountyz.gov.

Attachment #2

Copy of letter asking for support on stopping ITC Investigations



December 30, 2020

The Honorable Andy Biggs
US House of Representatives
1318 Longworth House Office Building
Washington, DC 20515

Re: Support for Arizona Fresh Produce Import Industry

Dear Representative Biggs,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I am writing to ask for your support in protecting hundreds of Arizona-based companies and thousands of jobs in Arizona and the nation. We ask that you work with your colleagues in the United States Congress to stop the ongoing threats to the fresh produce import industry and bring to a stop the progressive efforts to stop imports by additional conducting commodity specific investigations. More specifically, the latest efforts are focused on the current Section 201 investigation on the imports of blueberries. This investigation threatens our local industry and stands to severely affect consumers ability to buy a high-quality product at a competitive price on a year-round basis.

Producers in Florida, Georgia and other southeastern states have been pushing for these types of investigations to create an unfair advantage by taxing imports and imposing other non-tariff barriers in order to create an artificial price advantage for their products, including tomatoes, bell peppers, strawberries and squash. Instead, their focus should be on applying newer technologies, leading edge planting and production strategies, selecting varieties that consumers demand and working with the Administration on helping to meet labor shortages on fields across the nation.

Fresh produce importers in Nogales are working with domestic blueberry importers, growers, and retailers from all over the nation to help resolve these issues. These commodities represent close to half of Mexico's exports of fresh produce to the United States, and it is certain that if these biased efforts are successful, Mexico will retaliate against these possible unilateral actions and severely impact our nation's exports to Mexico. This is antithetical to the spirit of the United States-Mexico-Canada Agreement and a slap in the face of those that negotiated this agreement in good faith.

We are aware of the efforts to have you and the entire Arizona Congressional delegation sign onto a delegation letter to be sent to Ambassador Robert Lighthizer, United States Trade Representative asking for these unilateral actions to stop and to look at the broader

Mr. Jaime Chamberlain
Greater Nogales Santa Cruz County Port Authority
January 26, 2020

Page 2 of 2

The Honorable Andy Biggs
US House of Representatives
December 30, 2020

impacts to the economy, to our relationship with Mexico and to the US consumer. For us here in Arizona, this is a direct threat against our companies and to the thousands of jobs that depend on our industry.

Thank you for the attention you give to this critical matter.

Respectfully,

A handwritten signature in blue ink, appearing to read "Jaime Chamberlain". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jaime Chamberlain
Chairman

Attachment #3
Congressional Letter on ITC Investigations

Congress of the United States
Washington, DC 20515

January 11, 2021

The Honorable Robert E. Lighthizer
United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Lighthizer:

We write to underscore the importance of cross-border trade to the U.S. economy as the Section 201 global safeguard investigation on imported blueberries continues, as do the Section 332 investigations of imported strawberries, bell peppers, squash, and cucumbers, which could trigger expedited 201 cases. We respectfully urge you to consider the interests of American consumers, workers, and agricultural exporters when making any determinations.

We recognize the need to verify that trade relationships are beneficial to American companies and consumers. We also note that international trade is critical to our food supply and enables the agricultural industry to meet consumer demand. The market disruptions felt at the onset of the COVID-19 crisis highlighted the fragility of our supply chain. Working with our international partners strengthens those supply chains and ensures a reliable food supply for Americans across the country. Additionally, some fresh fruits and vegetables are simply not domestically available in sufficient volume during certain months. For example, Mexico, Peru, Argentina, and Chile supply blueberries in the off season, ensuring that American families have access to fresh berries even during the winter months, while allowing U.S. growers to respond to increased demand for other produce during that time of year. Filling in gaps of our robust domestic industry is important to ensure consumers have access to produce throughout the year.

As you know, the agricultural industry is a driver of the American economy. U.S. agricultural exports have grown steadily over the past quarter century to reach \$136.7 billion in 2019, up from \$46.1 billion in 1994. Exports to Canada and Mexico have nearly quadrupled in value over the same time period as a result of the elimination of agricultural trade barriers in the North American Free Trade Agreement and the subsequent United States-Mexico-Canada Agreement. Imposing trade restrictions on blueberries and other fresh produce could invite retaliation from important trading partners and stall our export industry.

As the investigations continue, we ask you to recognize the importance of cross-border trade and consumer preference and urge you to not take any actions that would harm the significant economic benefit of the agricultural industry on the U.S. economy.

Sincerely,

Kyrsten Sinema
United States Senator

Jerry Moran
United States Senator

David Schweikert
Member of Congress

Henry Cuellar
Member of Congress

Christopher A. Coons
United States Senator

Mark Kelly
United States Senator

Roger Marshall, M.D.
United States Senator

Greg Stanton
Member of Congress

Julia Brownley
Member of Congress

Tom O'Halleran
Member of Congress

Andy Biggs
Member of Congress

Debbie Lesko
Member of Congress

Chris Stewart
Member of Congress

Ann Kirkpatrick
Member of Congress

Don Bacon
Member of Congress

Raúl M. Grijalva
Member of Congress

Ted Lieu
Member of Congress

Jimmy Panetta
Member of Congress

CC: The Honorable Jason Kearns, Chair of the U.S. International Trade Commission; The Honorable Randolph Stayin, Vice Chair of the U.S. International Trade Commission; David Johanson, Commissioner, U.S. International Trade Commission; The Honorable Rhonda Schmidlein, Commissioner, U.S. International Trade Commission; The Honorable Amy Karpel, Commissioner, U.S. Trade Commissioner

Attachment #4

Copy of Notes from ITC Blueberry hearing

Notes

Hearing on Global Safeguard Investigation: Fresh, Chilled, or Frozen Blueberries
Docket Number: No. TA-201-77
US International Trade Commission

Tuesday, January 12, 2021

Commissioners:

- Jason Kearns, Chair
- Randolph Stayin, Vice Chair
- David Johanson
- Amy Karpel
- Rhonda Schmidtlin

Congressional witnesses:

- Congressman Austin Scott, Georgia
- Congressman Bill Huizinga, Michigan
- Congressman Buddy Carter, Georgia
- Congressman John Rutherford, Florida

State government witnesses:

- Nicole Fried, Commissioner, Florida Department of Agriculture and Consumer Services
 - A copy of her testimony can be found [here](#).
- Gary Black, Commissioner, Georgia Department of Agriculture and Consumer Services

Foreign government witnesses:

- Rodrigo Alejandro Yañez, Vice Minister of International Economic Affairs, Embassy of Chile
- Gerardo Lameda, Minister, Embassy of Mexico
- Gustavo Lunazzi, Minister, Embassy of Argentina
- Nada Bourely, Minister Counsellor, Embassy of Canada
- Diego Llosa, Vice Minister of Foreign Trade, Government of Peru

Comments from the Embassy of Mexico:

- Request that the investigation make separate findings on imports from Mexico.
 - Reference is made to Chapter 10 of the United States-Mexico-Canada Agreement (USMCA) which addresses trade investigations and remedies.
- Mexican blueberries do not account for a substantial share of total imports that would present substantial injury to US producers.
- Increases in blueberry exports from Mexico is a reflection of consumers' demand for year-round access to fresh blueberries.

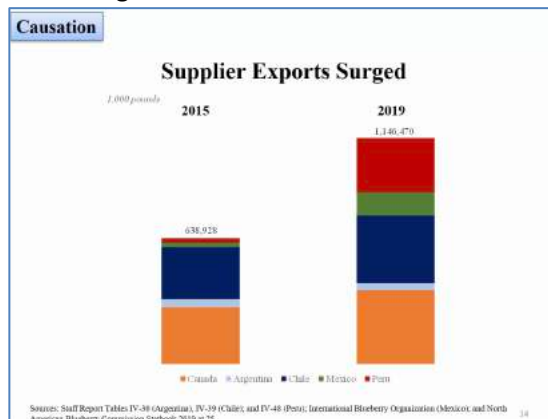
- Imports complement US blueberry industry in the off-season. US companies either have their own operations in Mexico or in joint-ventures with Mexican-owned producers.

Comments from the Embassy of Canada:

- Exports of Canadian blueberry to the US market meet threshold that would exempt it from any safeguard measures that would be imposed. Provisions in the USMCA may also apply in obtaining a safeguard exemption.
- Request that the Commission recommend the exclusion of Canada in the implementation of any safeguard measures.
- From 2015-2019, Canadian market share of imports decreased from 22% to 20%.
 - A large increase in 2019 imports was the result of Canadian-owned company relocating to Maine – does not represent any sales made to consumers. 2019 imports were preceded by 3 years of rapidly declining imports.
 - Final determination by the ITC should not be based on imports in a single year given that the scope of the investigation is from 2015-2019. No legal justification to determine injury for 1 year alone.

Comments in Support of Safeguards:

- Massive surge of imports presents serious injury to US blueberry growers by bringing down the price, decreasing domestic market share, and falling profits.
 - Imports of blueberries will capture 100% of domestic consumption within the next couple of years.
- US distributors and major growers are also at fault for increased blueberry imports.
 - Major growers, such as Driscoll’s, are exporting blueberry plant varieties to grow in Mexico, taking advantage of cheaper labor costs and government subsidies.
 - Domestic growers are forced to transition to machine-picked harvesting to keep up which can impact harvest quality.
- Imported blueberries, especially from Mexico, continue to encroach upon and overlap the domestic growing season.
- While the scope of investigation focuses on *all* imports into the US market, testimonies from domestic growers mostly aimed at imports from Mexico and Canada.
- U.S. prices should have increased due to higher demand, but distributors are flooding the market with higher volumes. Distributors are intentionally manipulating the market at the detriment of domestic growers.



Comments in Opposition to Safeguards:

- While there may be a high annual growth rate in blueberry imports, those movements are typically happening during the off-season when US growers are not supplying the product.
- Legal standard requires that “injury or serious injury” be quantified and those in favor of the safeguards have not presented the necessary evidence to prove it (i.e., profits, substantial cutbacks in labor force) other than arguing that there are more imports.
- Imports have not hindered growth in domestic production but have rather served as complements.
- Even if import relief was granted to domestic growers, it would not resolve the ongoing challenges, such as competition with new blueberry varieties, advanced technology by other growers, or severe weather events.
- Actions leading up to the investigations have been politically motivated with the encouragement of the Trump administration.
- Even though western growers are supplying blueberries in the offseason, there is not enough supply to satisfy consumer demand and distributors must import from abroad.

Highlights from the Commissioners’ Q&A Period:

- Disagreements over interpretation, sources of data and definition of “shoulder season” and “harvest window” periods.
 - Data presented on an annual basis, monthly basis, or weekly basis depending on the point being made.
 - Phases of US blueberry market, as defined by those in opposition to safeguard:



- Commissioners requested additional data on labor force trends and company financials to further assess import injury.
- Commissioners asked about whether there is distinction in a company’s operations in harvesting blueberries for the *fresh market* or *frozen market*.
 - Domestic growers stated that companies may harvest their blueberries for both, depending on quality of harvest and where profit can be maximized.
 - Those in opposition argued that fresh and frozen markets operate independently and any analysis on trade remedies should make that distinction.
- Commissioners asked domestic growers for economic analysis that would address whether their sector would see significant growth if safeguards are implemented.
- Why was there a low response rate (122 respondents, 10%) to the questionnaire that the ITC sent out to 1,150 companies?

- Southeast growers allege that influential distributors strong-armed domestic growers to not fill out the questionnaire or else put risk future business. Forms were confusing for respondents and were not asking “the right questions.”
 - Opposing side argues that low response rate reflects that a majority of companies are not hurt by imports and didn’t feel the need to complete it. Those that did respond provided financial data that seems to disprove significant losses.
- Chairman Kerns asked those in opposition to safeguards whether companies have benefited from government subsidies in foreign countries where they operate.
 - Response was “no” and added that the question is not within the scope of the investigation. Chairman Kerns acknowledged that they were correct.
 - [Section 201 investigation](#) investigates whether there is “injury” to the domestic market because of increased imports but does not consider whether they are “unfairly traded imports” which would fall under a [section 337 investigation](#).

Attachment #5

Copy of letter in support of Border Business COVID-19 Rescue Act



January 21, 2021

The Honorable Raul M. Grijalva
Representative
US House of Representatives
1511 Longworth HOB
Washington, D.C. 20515

RE: Support for *Border Business COVID-19 Rescue Act*

Dear Congressman Grijalva,

On behalf of the Greater Nogales Santa Cruz County Port Authority, I write to express our support for the *Border Business COVID-19 Rescue Act*. The COVID-19 pandemic has had devastating impacts for the entire nation, but border communities have had additional impacts that are endemic only to the border region. This Act is one of the best ways to help small- and medium-sized businesses in our Arizona border communities.

Nogales in particular has been hit hard by COVID issues. Other than the Federal shutdown and State ordered stay at home orders for non-essential workers, border communities have suffered through land port travel restrictions which have devastated our local economy. As most of the country and the State were shut down, most Nogalians continued to work because of the nature of importance our Mariposa Port of Entry plays in international trade between Mexico, the United States and Canada. Border travel restrictions came into effect on March 21, 2020 limiting cross border travel to only essential travel. These restrictions have been extended until February 21, 2021. But, with the current and foreseeable growth in COVID-19 cases, we don't expect that these border restrictions will be modified until the second quarter of this year.

As you well know, border communities rely heavily on Mexican visitors and shoppers for a large portion of the sales tax revenue generated in our community – some estimates are that as much as 70% is directly attributable to the Mexican visitor. US Department of Transportation data indicates that in 2020, there was a 38.9% drop in the volume of cars that crossed at Nogales and a 51.3% drop in people. This drop is directly attributable to the federally imposed border crossing restrictions that limit crossings.

Mr. Jaime Chamberlain
Greater Nogales Santa Cruz County Port Authority
January 26, 2020

Page 2 of 2

The Honorable Raul M. Grijalva
January 21, 2021

For Nogales, the restrictions translated into approximately 5.3 million people less than those that crossed in 2019. Our retail sector, including stores, restaurants, and service providers, and much more have seen a dramatic drop in their revenues and are scrapping by through savings, changing their business model to adapt to the new “normal” or other creative approaches to help the business survive. But at the same time, they are also forced to expend a large portion of funds on compliance with Centers for Disease Control and Prevention mandates for hygiene and social distancing to protect themselves, employees and customers.

Border retail is unique because of its binational nature. And as such, it requires a unique approach to addressing the dire situation. We believe that the Border Business Act you are championing meets that goal. We stand ready to assist your efforts to advance this visionary legislative initiative and thank you for looking out for the interests of Nogales and the border region.

Respectfully,



Jaime Chamberlain
Chairman

CC: The Honorable Doug Ducey, Governor
Arizona Congressional Delegation

Attachment #6

Copy of County letter requesting additional vaccines



Board of Supervisors
Santa Cruz County

BRUCE BRACKER
District 3

January 7, 2021

The Honorable Doug Ducey
Governor
State of Arizona
1700 W Washington St
Phoenix AZ 85007

RE: COVID19 Vaccines for Santa Cruz County

Governor Ducey,

In order to end the scourge of the COVID-19 pandemic, it is imperative that the vaccination program move as quickly as possible. We have worked hand in hand with your office and the Arizona Department of Health Services (ADHS) to ensure that Santa Cruz County, one of the most affected counties in our state, receives its allotment of vaccines in a timely and predictable manner.

Unfortunately, our experience in the vaccination process has fallen short of expectations. From our initial allotment of 1,000 vaccines for the 1A segment, we only received 100 and it took two weeks for us to receive the 900 vaccines that were missing. While we pleaded with ADHS to get the missing vaccines, ADHS decided against immediately replacing the vaccines from the state stockpile, and we were instructed to wait for the Moderna vaccine to arrive in order to remedy the situation. This situation has only lengthened the process for our residents.

Today, Santa Cruz County will begin to vaccinate the 1B segment. For our county and in adherence with the guidance from ADHS, we are starting with our first responders and law enforcement personnel, that is 200 men and women that make up our local police, sheriff and fire fighters.

For Santa Cruz County, our 1B segment also includes the men and women that are on the front line of our nation's border. Customs and Border Protection (CBP) officers in Santa Cruz County number close to 2,000 officers.

On December 23rd, in a letter by the Arizona Border Counties Coalition that includes Yuma, Pima and Cochise Counties in addition to Santa Cruz, we asked for special consideration to make sure that our allotment reflected this additional essential segment. At the current allocation rate for Santa Cruz County, it will take at least 10 weeks to receive enough vaccines just to cover the CBP officers that work in our community. That does not leave any vaccines for the rest of our 1B segment, such as

our 3,200 senior citizens over the age of 75 that reside in our county, the men and women that are feeding our community by showing up to work at our grocery stores and the thousands of fresh produce and logistics workers that serve a critical role in feeding our nation. The situation is simply unacceptable.

With an infection rate that leads the nation and the number of deaths due to COVID-19, it is urgent that we vaccinate these essential segments of our residents.

I totally agree with you that we need to get the vaccines in people's arms as quickly as possible. The Santa Cruz County Emergency Services Department has developed a plan to vaccinate up to 1,000 people per day, but currently we are only receiving 200 vaccines per week. Our hands are tied, we are limited by our allocation as to what we can do to respond to this pandemic and protect first responders, law enforcement professionals, the elderly and other essential workers in our community.

Sincerely,



Bruce Bracker, Vice-Chairman
District 3 Supervisor
Santa Cruz County AZ