

September 21, 2017

TO: MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA
FROM: Luis E. Ramírez Thomas, President, RAI-N
SUBJECT: August Activity Report

On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority (“GNSCCPA”). Before outlining the issues and efforts we have addressed on your behalf to date, we request and welcome your continued comments and suggestions as to how we can improve on our services and our communications and on our activities on your behalf. With your feedback, we will make every effort to improve our response to your needs and learn to better anticipate your directives.

Our activities on behalf of the GNSCCPA have focused on the following key areas:

1. **Donation Acceptance Program Update;**
2. **UP De Mexico Visit to Nogales;**
3. **Binational Bridges and Border Crossings Meeting;**
4. **IOI Exposure Pipeline Exposure, Breach and Repairs;**
5. **Senator Flake Staffing Meeting with CBP;**
6. **Meeting with SAGARPA NAFTA Negotiations Team Member;**
7. **Senator Flake NAFTA Seminar;**
8. **New Mexico Delegation Visit; and**
9. **Representation of GNSCCPA with Key Entities.**

This report is not intended to be a full description of all our activities but rather provides highlights and information on the direction of our activities to keep Board of Directors informed and to ensure that our activities adhere 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. Guillermo Valencia 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. *DONATION ACCEPTANCE PROGRAM UPDATE*

- ◆ Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
- ◆ Initial cost estimates have come in higher than anticipated and alternative bids are being sought out.
- ◆ **Reminder:** information provided is limited due to Non-Disclosure Agreement signed that prevents public disclosure of detailed information.

2. *UP DE MEXICO VISIT TO NOGALES*

- ◆ On August 23, 2017, the GNSCCPA hosted a meeting with UP de Mexico's Vice President Bernardo Valle and various members of his team out of Mexico City and Monterrey, Nuevo Leon.
- ◆ During the meeting, Chairman Valencia raised the need to expand rail services and alternatives at Nogales.
- ◆ UP de Mexico, is a subsidiary of Union Pacific Railroad.
- ◆ In addition to Chairman Valencia, The Honorable Bruce Bracker, Terry Shannon and representatives of Arizona Mining participated in the meeting.
- ◆ The GNSCCPA is working on a "wish list" to be sent t UP de Mexico as a follow up to the meeting.




Chairman Valencia during the meeting with UP de Mexico

3. *BINATIONAL BRIDGES AND BORDER CROSSINGS MEETING*

- ◆ On October 23, 2017, the Ministry of Foreign Affairs of Mexico (SRE for its initials in Spanish), along with the its US counterpart, the Department of State, will hosting the next meeting of the Binational Bridges and Border Crossings (Arizona and California) meeting in Hermosillo, Sonora.
- ◆ The GNSCCPA is intent on presenting on key topics including:

- The need to complete the full build out of all retention ponds and implement a program to maintain all existing ones
 - The urgency of making the much-needed improvements to the Grand Tunnel under the DeConcini port of entry on both sides of the border
 - Update on the situation at the International Outfall Interceptor
 - Push for the feasibility study for the modernization of the DeConcini Port of Entry.
- ◆ The Port Authority will be coordinating with the City of Nogales, Santa Cruz County and Nogales, Sonora on a possible joint presentation of the Ambos Nogales issues.
- 4. *IOI PIPELINE EXPOSURE, BREACH AND REPAIRS***
- ◆ A number of meetings have taken place to address the repairs of the breach at the International Outfall Interceptor (IOI).
 - ◆ Special thanks to the Honorable Bruce Bracker for providing updates that helped keep all relevant stakeholders informed.
 - ◆ Below if one such email sent by Supervisor Bracker:

From: **Bruce Bracker** bbracker@santacruzcountyaz.gov 
Subject: IOI meeting, next steps, Thursday 17th 4pm
Date: August 15, 2017 at 4:31 PM
To: **Rick Stilgenbauer** rick_stilgenbauer@mccain.senate.gov, **Kennedy, Austin (McCain)** austin_kennedy@mccain.senate.gov,
Saucedo, Shay (McCain) shay_saucedo@mccain.senate.gov, **Katsel, Julie (Flake)** julie_katsel@flake.senate.gov,
Chris Stoller Michelenia chris_stoller@flake.senate.gov, **Reyes, Ruben** ruben.reyes@mail.house.gov, glenn.miller@mail.house.gov
, **C. J. Karamargin (CJ.Karamargin@mail.house.gov)** cj.karamargin@mail.house.gov, **Medina, Josie**
Josie.Medina@mail.house.gov
Cc: **Jennifer St. John** jstjohn@santacruzcountyaz.gov, **Melinda Meek** mmEEK@santacruzcountyaz.gov

The State of Arizona, Santa Cruz County and the City of Nogales would like to convene a meeting with the members of our Federal Delegation that have been working on the IOI breach and the IBWC. We are proposing this meeting to be held Thursday the 17th, 4pm at the Santa Cruz County complex and will have a conference line available. There is a need to identify the next steps to the resolution to the current breach and the possibility real cost savings if we look ahead to a project that has been planned .

The daily cost to run the bypass is between 12 to 14 thousand dollars a day. The current plan is to precast a concrete junction box, without a manhole, to replace the current manhole that has failed.

This junction box will take 3 weeks to fabricate and then will need to be installed. It cannot be installed during the raining season due to the nearly daily flooding of the Nogales Wash. So KG&E would like to start sometime in September. What is critical and important to note is that KG&E has not yet received a contract to begin the repair process from IBWC.

This emergency has presented an opportunity for the Federal Government to save about 30% to 40% or approximately 2 million dollars. There are design plans that have been finalized for a Cured in Place Pipe Technology (CPPT) project for the entire IOI pipe from the border to the waste water treatment plant. The construction of the project has been broken down into 5 phases. Phase 1 of the project is from manhole 85 to the treatment plant and has an estimated cost of 5 million dollars.

This project will stop the exfiltration, that may be occurring, of effluent into our aquifer and the infiltration of fresh water into the pipe that then needs to be treated. See PowerPoint attachment. The most critical section of pipe that needs this work is between manhole #85 & 99 in the area where the bypass is. Doing this work in an unused section of pipe is where the large cost savings can be realized.

Thanks for all you support and follow through on this

Sincerely

Bruce

Bruce Bracker

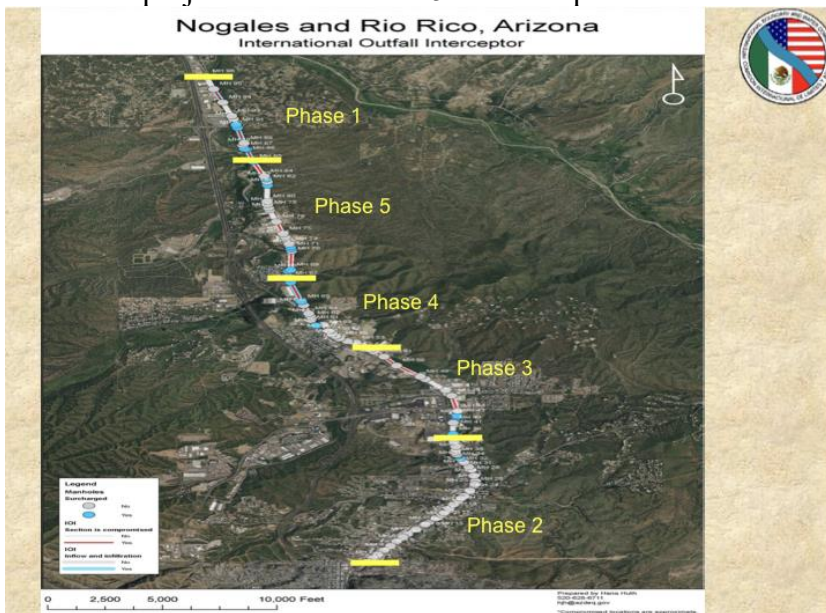
NOGALES IOI PHASE I CONSTRUCTION COST ESTIMATE (PRE-FINAL SUBMITTAL)						
Item No.	Description	Quantity	Unit	Unit Price	Amount	Applicable Specification Section (s)
0001	MOBILIZATION	1	LS	\$ 125,715.41	\$ 125,715.41	01.22.00
0002	DEMOBILIZATION	1	LS	\$ 83,810.27	\$ 83,810.27	01.22.00
0003	TRAFFIC CONTROL	1	LS	\$ 40,800.00	\$ 40,800.00	01.55.00, 01.58.00
0004	DIVERSION AND CARE OF WATER	1	LS	\$ 50,000.00	\$ 50,000.00	02.02.00
0005	TRUNKLINE IOI SEWAGE FLOW MANAGEMENT	1	LS	\$ 1,399,471.03	\$ 1,399,471.03	46.03.00
0006	LATERAL SEWAGE FLOW MANAGEMENT	3	EA	\$ 115,000.00	\$ 345,000.00	46.03.00
0007	24" CURED-IN PLACE PIPE	-	LF	\$ 147.00	\$ -	46.01.00, 46.02.00, 46.04.00
0008	30" CURED-IN PLACE PIPE	5,024	LF	\$ 168.00	\$ 844,032.00	46.01.00, 46.02.00, 46.04.00
0009	36" CURED-IN PLACE PIPE	2,386	LF	\$ 315.00	\$ 751,590.00	46.01.00, 46.02.00, 46.04.00
0010	42" CURED-IN PLACE PIPE	1,146	LF	\$ 325.00	\$ 372,450.00	46.01.00, 46.02.00, 46.04.00
0011	REINSTATEMENT OF DIRECT LATERAL CONNECTIONS	-	EA	\$ 5,000.00	\$ -	46.04.00
0012	PROTECTIVE LINING SYSTEM FOR MANHOLE (MH DEPTH 0' TO 6')	54.40	SF	\$ 130.00	\$ 7,072.07	46.05.00
0013	PROTECTIVE LINING SYSTEM FOR MANHOLE (MH DEPTH 6' TO 12')	483.95	SF	\$ 130.00	\$ 62,913.83	46.05.00
0014	PROTECTIVE LINING SYSTEM FOR MANHOLE (MH DEPTH 12' TO 18')	733.69	SF	\$ 130.00	\$ 95,380.01	46.05.00
0015	PROTECTIVE LINING SYSTEM FOR MANHOLE (MH DEPTH 18' TO 24')	647.84	SF	\$ 130.00	\$ 84,193.29	46.05.00
0016	STRUCTURAL MANHOLE REHABILITATION USING CARBON FIBER COMPOSITE	600.29	SF	\$ 156.00	\$ 93,645.16	46.06.00
0017	RAISE MANHOLE TO GRADE	2	EA	\$ 300.00	\$ 600.00	46.10.00
0018	NEW SANITARY SEWER MANHOLE ¹	1	EA	\$ 8,000.00	\$ 8,000.00	46.10.00
0019	HYDRAULIC WATER PLUG ²	12.16	CF	\$ 69.00	\$ 728.58	46.05.00
0020	PIPE REPAIR ³	86	LF	\$ 100.00	\$ 8,600.00	31.23.20
0021	EXCAVATION ³	236	CY	\$ 25.00	\$ 5,972.22	31.23.20, 31.23.21
0022	BACKFILL AND COMPACTION ³	217	CY	\$ 35.00	\$ 7,578.51	31.23.20, 31.23.21
0023	TURF ESTABLISHMENT AND MAINTENANCE ³	46	SF	\$ 3.00	\$ 143.33	32.92.00
0024	AGGREGATE BASE COURSE ³	6	CY	\$ 200.00	\$ 1,200.00	31.23.20, 31.23.21
0025	PAVEMENT REMOVAL AND REPLACEMENT ³	430	SF	\$ 25.00	\$ 10,750.00	31.23.20, 31.23.21
CONTRACT AMOUNT					\$ 4,499,039.30	
CONTINGENCY FOR CONSTRUCTION					\$ 440,043.23	
TOTAL					\$ 4,840,043.23	

¹ Actual quantity is unknown. Estimated quantity based on an assumption that one manhole will need to be replaced.

² Actual quantity is unknown. Estimated quantity is based on an assumption that 20 percent of total wall surface of designated manholes will need repair with hydraulic water plug to a depth of 6 inches.

³ Actual quantities are unknown. Estimated quantities are based on an assumption that 1 percent of the pipe will need repair.

- ◆ Jose Nunez, Chief Engineer for the International Boundary and Water Commission provided a copy of an extensive PowerPoint that describes the “Cure-In-Place” for the relining of the IOI.
- ◆ The project is divided into 5 different phases that are illustrated in the map below:



5. SENATOR FLAKE STAFFING WITH CBP

- ◆ On August 22, 2017, Senator Jeff Flake hosted a meeting with Customs and Border Protection (CBP) to discuss the urgent need to secure additional staffing for Arizona's ports of entry.
- ◆ Among the most significant points are:
 - Arizona has lost another 60 officers, from 240 needed in 2016 to over 300 needed today
 - CBP has increased from 25% to 33% the incentive for recruits that agree to a 3-year commitment to an Arizona Port of Entry
 - All national CBP recruiters are now actively recruiting personnel for Arizona.
- ◆ A copy of the notes from that meeting, including the attendance list is provided in Attachment #1.



Senator Jeff Flake and Assistant Commissioner Jackstay of CBP



Guadalupe Ramirez of CBP and Chairman Valencia



Guadalupe Ramirez of CBP with Chairman Valencia and Richard Rubin of INDEX

- ◆ A copy of the press release issued by Senator Flake is provided in Attachment #2.

6. ***MEETING WITH SAGARPA NAFTA NEGOTIATIONS TEAM MEMBER***

- ◆ Taking advantage of the visit by Ms. Adriana Herrera, Director General for International Affairs for the Ministry of Agriculture of Mexico and a member of the Mexican team negotiating the modernization of the NAFTA Agreement.
- ◆ During the meeting, members of the FPAA were able to raise a number of concerns about issues impacting the fresh produce industry and also gain valuable insights about the approach by the Mexican Government for the negotiations.
- ◆ In addition to Chairman Valencia and members of the FPAA, the following also participated in the meeting:
 - Chris Stoller, Office of Senator Flake
 - The Honorable Bruce Bracker, Santa Cruz County
 - Richard Rubin, INDEX Sonora



Chairman Valencia and members of the FPAA during the meeting with SAGARPA



Ms. Herrera from SAGARPA during the lunch meeting with Members of the FPAA

7. ***SENATOR FLAKE NAFTA SEMINAR***

- ◆ As part of the ongoing efforts by Senator Jeff Flake to promote Arizona-Mexico Trade and to highlight the importance of the North American Free Trade Agreement (NAFTA), the Senator hosted a NAFTA Forum in Tucson on August 22, 2017.
- ◆ This seminar builds on the Senator's efforts on #NAFTA4AZ and a letter sent to the United States Trade Representative (August 14, 2017) in which the Senator outlines a number of principles to be considered during the NAFTA negotiations.
- ◆ More than 110 people attended this event.
 - A copy of the letter is provided in Attachment #3
- ◆ Presenting during this meeting were:
 - Jaime Chamberlain, who served as the Moderator
 - The Honorable Jeff Flake;
 - James Villeneuve, Consul General of Canada in Los Angeles;
 - Adriana Herrera, Director General for International Affairs, Ministry of Agriculture of Mexico;
 - Carolynne Hunter, vice President, St. Clair Technologies



Audience during NAFTA Seminar



Panel during the NAFTA event

8. *NEW MEXICO DELEGATION VISIT*

- ◆ On August 14, 2017, a delegation from New Mexico conducted a visit to Nogales.
- ◆ The meeting request was a direct result of the success of the GNSCCPA and the New Mexico Delegation wanted to find out more about the structure, support and activities of the GSNCCPA in order to identify best-practices to apply in New Mexico.
- ◆ As a result of the visit, New Mexico, particularly the New Mexico Border Authority, has invited the GNSCCPA and its members to a visit at Santa Teresa, New Mexico.
 - Teresa Bravo of Pima County, has taken the lead in coordinating the visit to New Mexico.
- ◆ A copy of the agenda for the visit is provided in Attachment #5

9. *REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES*

- ◆ Continuing efforts to maintain an on-going dialogue with various agencies to ensure full coordination of efforts and maximizing the impact of our limited resources, including:

- ADOT;
- AMC;
- DHS/CBP;
- GSA;
- Offices of Arizona Congressional Delegation;
- Office of the Governor;
- SCT;
- SIDUR;
- State Department;
- State of Sonora;
- Transportation and Trade Corridor Alliance;
- Union Pacific Rail Road; and
- UP de Mexico

◆ It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, the City of Nogales and others as each has well established relationships with most of these entities.

Attachment #1

Copy Notes from Flake Meeting with CBP on Staffing

CBP Port Staffing Meeting with Senator Flake

Date: August 22, 2017

Location: Tucson Airport; 7250 S Tucson Blvd, Tucson

Attendees: See page 3

Port Staffing continues to be an issue at Arizona's ports of entry. In May of 2016, Senators Flake and McCain convened a meeting in Washington, D.C. with Arizona's border communities, stakeholders, and U.S. Customs and Border Protection's (CBP)'s leadership to discuss the urgent need to secure additional staffing for Arizona's ports of entry. Senator Flake convened this follow-up meeting with CBP leadership and stakeholders to continue the dialogue on this critical issue.

Objective:

Increase staffing of CBP officers at the Arizona ports of entry

Discussion:

- Update by Linda Jacksta, Assistant Commissioner, Office of Human Resource Management, with Customs and Border Protection, on progress since the meeting in May;
 - CBP has streamlined application process by creating a 'hiring hub' that consolidates process
 - Created a mobile app ("CBP Jobs") that allows applicants to track the status of their application
 - Launched a "CBP Jobs" Twitter account (78% of applicants come from social media)
 - CBP reported that their efforts over the past 2 years have resulted in having to go through 4 candidates for every one (1) that is hired; down from 34 two years ago.
 - All national recruiters in CBP are now required to recruit for Arizona, not just their own region.
 - Total days to process an applicant: 160 days compared to 69 days it took in 14
 - CBP has implemented a change in salary from GS-5 (starting at \$28,545) to GS-7 or GS-9 (starting at \$43,291)
 - CBP has updated and published its drug standards and guidelines to be more commensurate with other federal agencies, including reducing the amount of time from the last use of marijuana from 3 years to 2 years. (Link to Drug Policy: <https://www.cbp.gov/print/107802>)
 - CBP is reporting that the Border Jobs for Veterans Act has had a significant impact on recruitment and that they are working with Department of Defense on providing information to veterans even before they arrive back in the United States, and some veterans can actually have a 30-day rest period and can then start working with CBP.
 - Office of Professional Responsibilities (OPR) is currently testing different types of polygraphs and the way in which questions are being asked
 - Previous incentives to recruit for Arizona were not as successful as these incentives were matched by other ports like San Ysidro. CBP is working to P.M. on an increase in the incentive for Arizona to 3% of an officer's base pay, up from 2.5%, for up to three years for officers that opt to be assigned to Arizona.

- CBP reported that currently there are over 300 vacant positions in the Tucson Sector, up from about 240 last year.
- Stakeholders stressed the importance of the polygraph test being accurate and that they are doing a better job of informing the applicants of what they will be asked so that candidates can know up front if they think they will pass rather than going through the process only to fail in the end.
- Ms. Jacksta indicated that they will look into previous applicants that failed the original polygraph test or other aspects of the recruiting process that, with the new changes in drug use policy and the revised polygraph, to see if any of those applicants could be re-tested.
- Discussed the possibility of rebranding the job opportunities with CBP so that recruits see the potential, benefits and development opportunities by working with CBP, including people that are looking at highly specialized areas, from IT to system support and much more.

Action Items:

- Confirm that all CBP recruiters, nationally, are actively recruiting for applicants to come to Arizona's ports of entry.
- Stakeholders agreed to work with Senator Flake's office and CBP to convene a meeting that brings all chambers, universities, and other relevant state and local agencies to provide information to CBP about Arizona to prospective recruits and to be included in marketing materials for an Arizona-focused campaign. This needs to be a statewide coordinated effort.
- Stakeholders requested that Arizona's ports be designated as training ports for CBP so that officers in training can be exposed to what Arizona has to offer.

CBP Port Staffing Meeting with Senator Flake

Attendees:

- Senator Jeff Flake
- Linda Jacksta, Assistant Commissioner, Office of Human Resource Management, Customs and Border Protection
- Bruce Bracker, Supervisor, Santa Cruz County
- Richard Rubin, Acting Chairman, INDEX-Sonora Maquila Association
- Jamie Chamberlain, Board Member, Fresh Produce Association of the Americas and Chair of the Infrastructure and Ports of Entry Committee of the Arizona-Mexico Commission
- Luis Ramirez, President, Ramirez Advisors
- Jim Russell, City Manager, City of Douglas
- Teresa Bravo, Coordinator of Economic Development and International Projects, Pima County and Coordinator of Arizona Border Counties Coalition
- Chris Stoller, Hispanic Outreach Coordinator, Office of Senator Flake
- Allison Moore, Director, Public Policy for the Fresh Produce Association of the Americas
- Guadalupe Ramirez, Assistant Director, Office of Field Operations - Tucson, Customs and Border Protection
- Maria Ramos, Vice Mayor, City of San Luis
- Guillermo Valencia, Chairman, Greater Nogales Santa Cruz County Port Authority
- Ted Lovett, Customs and Border Protection
- Julie Katsel, Southern Arizona Director, Office of Senator Flake
- Michael Vargas, District Director, Office of Senator Flake
- Corinne Ray, Executive Assistant, Ramirez Advisors

Attachment #2

Press Release by Senator Flake on CBP Staffing

News (<https://www.flake.senate.gov/public/index.cfm/news>) – Home (<https://www.flake.senate.gov/public/index.cfm/home>)

**Flake Secures CBP Policy Changes to Prioritize Hiring At Arizona Ports of Entry
(<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=1372E96C-71DB-4A75-9B4A-2DFC4CB4B9D6>)**

Posted on Aug 25, 2017 Share (<http://www.addthis.com/bookmark.php?v=300&pubid=xa-51f2c2123474fe3e>)

TUCSON, Ariz. – U.S. Sen. Jeff Flake (R-Ariz.) today secured Customs and Border Protection's (CBP) commitment to implement major policy changes designed to increase manpower at strained and understaffed ports of entry along Arizona's border with Mexico.

Those initiatives – announced by CBP Assistant Commissioner Linda Jacksta at a stakeholder meeting convened by Flake in Tucson – include:

- Requiring all CBP national recruiters – who typically just recruit for an assigned region – to prioritize recruitment for positions in Arizona.
- Pending OPM approval, increasing incentive pay for positions in Arizona from approximately 25 percent to 33 percent, higher than any other state in the nation.
- Expediting the hiring of exiting military service members by accepting physical fitness tests and other basic hiring requirements already fulfilled and verified by the Department of Defense.

During the meeting, Jacksta also announced ongoing congressional and stakeholder efforts to increase hiring at Arizona ports – notably the passage of the Flake-McCain-McSally Border Jobs for Veterans Act – have helped CBP reduce the time it takes to process an application from more than 400 days in 2014 to about 160 days it takes today.

“After years of working to boost manpower at ports of entry along Arizona's border with Mexico, it's encouraging to see CBP finally tackling its hiring problems head-on,” said Flake. **“Securing these policy changes has been a major goal in the ongoing effort to facilitate trade and secure the border.”**

Background:

- On June 7, 2017, Flake (R-Ariz.) and U.S. Sen. Heidi Heitkamp (D-N.D.) reintroduced the Customs and Border Protection Hiring and Retention (CBP HiRe) Act. The bill aims to boost manpower at the border and strained ports of entry by allowing the agency to utilize specific incentives, pay rates, and authorities to help CBP reach congressionally-mandated staffing levels. Among the groups supporting the CBP HiRe Act are the *National Border Patrol Council*, *National Treasury Employees Union*, and the *Federal Law Enforcement Officers Association*. Read more about the bill here (<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=4D79D630-613E-40C5-A0E2-85FAD17448E8>).
- On March 9, 2017, Flake introduced the Boots on the Border Act to address hiring shortfalls at CBP by waiving duplicative polygraph requirements for applicants with qualifying law enforcement or military experience. Read more about the bill here. (<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=5CAD46A5-3DC0-4D4F-8C04-077CFF29D2FA>)
- On Oct. 17, 2016, Flake sent a letter to Department of Homeland (DHS) Secretary Jeh Johnson requesting additional information on CBP's polygraph examinations. The signed letter can be viewed here. (https://www.flake.senate.gov/public/_cache/files/223845ad-fccc-49de-8861-449f0ee1038e/10.17.16-flake-letter-to-dhs-re-polygraph.pdf)

Flake Secures CBP Policy Changes to Prioritize Hiring At Arizona Ports of Entry - Press Releases - United States Senator Jeff Flake

- On June 29, 2016, during a Senate Judiciary Committee hearing, Flake sought answers from Secretary Johnson on several border and immigration-related issues impacting Arizona, including the hiring rate of CBP officers. Video of Flake and Secretary Johnson's exchange can be viewed here. (<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=FD70B94C-9EB7-49F8-8A81-EACE0FDC040A>)
- On May 11, 2016, Flake hosted a meeting with DHS officials, local port authorities, and other cross-border trade stakeholders to discuss the critical need to fully staff ports of entry.
- On Oct. 19, 2015, the Border Jobs for Veterans Act (<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=228D7F3D-5D2F-4FD4-9450-DCC36680CAEE>) was signed into law. This bill was introduced by Flake and Sen. John McCain (R-Ariz.) and Rep. Martha McSally (R-Ariz.) to help put veterans to work as CBP officers at understaffed U.S. ports of entry by requiring the Department of Defense and DHS to cooperate on efforts to recruit and expedite the hiring of outgoing U.S. military service members.
- In 2014, Flake led a successful effort to secure congressional authorization and funding for the creation of 2,000 new CBP officer positions to increase manpower at strained and understaffed ports of entry.

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Permalink: <https://www.flake.senate.gov/public/index.cfm/2017/8/flake-secures-cbp-policy-changes-to-prioritize-hiring-at-arizona-ports-of-entry> (<https://www.flake.senate.gov/public/index.cfm/2017/8/flake-secures-cbp-policy-changes-to-prioritize-hiring-at-arizona-ports-of-entry>)

Attachment #4

Letter from Senator Flake to US Trade Representative

**Flake Outlines Arizona's NAFTA Priorities
(<https://www.flake.senate.gov/public/index.cfm/press-releases?ID=EB7EAB73-8AA1-4B75-A3EF-473FE8B5D458>)**

Urges USTR Rep Lighthizer to ensure positive outcome from upcoming NAFTA negotiations

Posted on Aug 14, 2017 Share (<http://www.addthis.com/bookmark.php?v=300&pubid=xa-51f2c2123474fe3e>)

Washington D.C. – U.S. Sen. Jeff Flake (R-Ariz.) today continued his NAFTA4AZ (<https://www.flake.senate.gov/public/index.cfm?p=nafta4az>) initiative with a letter to U.S. Trade Representative Robert Lighthizer highlighting Arizona's priorities for the upcoming negotiations to strengthen and modernize the North American Free Trade Agreement (NAFTA).

"I join many in urging your negotiating team to take whatever steps are necessary to ensure a positive outcome that continues to facilitate considerable economic benefits for Arizona and the country," wrote Flake. **"My hope is that the modernization process yields a vibrant and modernized trade agreement and continues the agreement's rich history in producing cross-border trade benefits."**

On May 31, 2017 Flake launched NAFTA4AZ to engage Arizonans in the effort to highlight NAFTA's critical role in supporting jobs, opportunity, and economic growth in Arizona. The initiative enabled Arizonans to submit their unique NAFTA-related experiences, ideas, and comments directly to Flake.

Full text of the letter is included below, and a signed copy is available here. (https://www.flake.senate.gov/public/_cache/files/40aefa42-2f31-4ac6-8422-3e38078556a6/08.14.2017-lighthizer-letter-nafta-negotiations.pdf)

Dear Ambassador Lighthizer:

In anticipation of the negotiations related to the modernization of the North American Free Trade Agreement (NAFTA) beginning in earnest, I write to offer views toward ensuring a positive outcome as a result of the upcoming process.

As you know, NAFTA has facilitated significant gains in Arizona's economic prosperity since its implementation in 1994. Comments submitted from various stakeholders to both your office as well as to mine highlight in great detail what are viewed as useful changes to NAFTA. In addition, there is concern that some changes to NAFTA could be detrimental to the continued economic gains that NAFTA enables. As you prepare for the start of negotiations with Canada and Mexico, I hope you will take into consideration some of the comments raised by Arizonans.

Trilateral Structure

- *The "Summary of Objectives for the NAFTA Renegotiation" suggests that the administration seeks to preserve the trilateral structure and reciprocal market access of NAFTA. This posture should be maintained throughout the process.*

Digital Trade & Intellectual Property

- *The promotion of e-commerce and digital trade in goods and services in a modernized NAFTA is important to Arizona and to the United States. To that end, USTR should seek to ease foreign barriers to the free flow of data to allow the full benefits of end-to-end data infrastructure.*
- *Many stakeholders suggest that requirements for data to be stored locally should also be eliminated, including requirements for a product, service, or their components or inputs, to be sourced domestically or for its intellectual property be developed domestically.*
- *USTR should seek to improve the intellectual property protections that protect from unlawful infringement. This will help address the ongoing problem of intellectual property counterfeiting seen at Arizona's Nogales port of entry.*

Agriculture

- *Mandatory country-of-origin labeling (MCOOL) is considered to have raised consumer costs, harmed the Arizona cattle industry, and is thought to undermine American trading power. Given these concerns, USTR should be wary of efforts resurrect MCOOL.*
- *Arizona agriculture contributes more than \$17 billion to the state. Maintaining market integration for agricultural products in a modernized NAFTA is vital.*
- *Efforts towards updating and making more efficient the regulatory regime for the meat and livestock industry would be viewed as positive. These efforts could include expanding the "trusted trader" program to reduce border restrictions on companies frequently engaged in trade, allowing border inspections to take place at cold-storage units in the country of destination, and allowing facilities to host onsite inspection house operations regardless of their proximity to the border.*

Trade Remedies

- *The USTR seeks "a separate domestic industry provision for perishable and seasonal products in AD/CVD proceedings." This objective has raised concern among stakeholders that changing anti-dumping laws to benefit one industry could come at the expense of another if, as expected, retaliatory action is targeted at a completely different industry.*
- *Creating such a trade remedy for a regional industry will invite similar actions from U.S. trading partners and could lead to a reduction in U.S. exports of produce. Any modernization of NAFTA should take into account what is best for American business and consumers, not specific regional U.S. industries.*

Rules of Origin

- *The administration's negotiating objectives include an effort to "update and strengthen the rules of origin, as necessary, to ensure that the benefits of NAFTA go to products genuinely made in the United States and North America," and to "ensure the rules of origin incentivize the sourcing of goods and materials from the United States and North America." Arizona is a part of highly-integrated supply chains, such as the North American vehicle production system, that have benefitted from NAFTA's rules of origin.*
- *These integrated supply chains are highly complex and provide benefits to both employees and consumers on both sides of the border; USTR should take great care to avoid any disruption.*

Infrastructure & Transportation

- *While the agreement itself should not address infrastructure investments or trusted trade and traveler programs, adequate infrastructure is critical to ensuring the safe and efficient flow of goods across the border. A modernized NAFTA could help bring needed infrastructure improvements to both sides of the border by developing a framework in which the three partner countries jointly develop border infrastructure to reflect rising trade volumes.*
- *Trusted traveler programs like SENTRI and NEXUS should be expanded to improve the flow of traffic from point-of-origin to destination.*
- *NAFTA should continue efforts to reduce wait times at the border by expanding the successful unified cargo inspections process to both northbound and southbound cargo at additional ports of entry.*

Investor-State Dispute Settlement

- *The original NAFTA includes an investor-state dispute settlement (ISDS) enforcement mechanism that provides individuals, non-profits and businesses the ability to seek neutral enforcement if their overseas property is confiscated or treated unfairly.*
- *There are stakeholders that believe the upcoming negotiations provide an opportunity to expand access to ISDS to cases of investment contract breaches and to update ISDS to ensure intellectual property has the same level of protections.*

More than one quarter of global gross domestic product is derived from US, Canada, and Mexico, NAFTA's combined markets. Your office received more than 12,000 comments during the open comment period related to modernizing NAFTA, a number indicative of NAFTA's importance. I join many in urging your negotiating team to take whatever steps are necessary to ensure a positive outcome that continues to facilitate considerable economic benefits for Arizona and the country. My hope is that the modernization process yields a vibrant and modernized trade agreement and continues the agreement's rich history in producing cross-border trade benefits. Toward that end, I hope you find these comments useful.

I look forward to engaging in close and timely consultation with you, including meeting with you and having access to pertinent documents, as these negotiations proceed. In addition, I request that you provide me with regular updates as often as possible as negotiations progress.

Attachment #5
New Mexico Delegation Visit Agenda

Agenda

New Mexico Delegation Tour of Nogales

August 14th, 2017
Nogales, Arizona

Delegation Members:

- Jerry Pacheco, President, Border Industrial Association
- Chris Lyons, President, Paso del Norte, LLC
- Josh Orozco, Board Member, Camino Real Regional Utility Authority
- The Honorable Bill McCamley, Chairman, Labor and Economic Development Committee, New Mexico House of Representatives
- The Honorable Angelica Rubio, New Mexico House of Representatives
- The Honorable Nathan Small, New Mexico House of Representatives

1:30 PM

Arrival

Offices of Fresh Produce Association of the Americas
Location: 590 East Frontage Road,
Nogales, Arizona 85621
(Light refreshments provided)

1:30 – 2:30 PM

Briefing and Open Dialogue:

- **Welcome Remarks and Introductions (5 minutes)**
 - Guillermo Valencia, Chairman of Greater Nogales Santa Cruz County Port Authority
 - The Honorable John Doyle, Mayor, City of Nogales (Invited)
 - The Honorable Bruce Bracker, Supervisor, Santa Cruz County
 - The Honorable Temo Galindo, Municipal President, Nogales, Sonora (invited)
- **Fresh Produce Overview (5 minutes)**
 - Allison Moore, Director of Legislative and Regulatory Affairs, Fresh Produce Association of the Americas
- **Maquila Overview (5 minutes)**
 - Richard Rubin, Javid International and Board member of INDEX-Maquila Association (invited)
- **Border Industrial Association (5 minutes)**
 - Jerry Pacheco, President of Border Industrial Association
- **Open Dialogue and Discussion (40 minutes)**

2:30 – 3:15 PM

Tour of Nogales/Rio Rico:

Hosts: Guillermo Valencia and Supervisor Bruce Bracker

- Rio Rico and Warehouse/Distribution Centers
- Downtown Nogales
- Mariposa Road

3:15 PM

Arrival at Mariposa Port of Entry

Location: 210 N Mariposa Road

Nogales, Arizona 85621

Contact: Teresa Small (520) 407-2319

3:15 – 4:00 PM

Tour the Mariposa Port of Entry

- Tour of the port of entry

4:00 PM

Adjourn