

September 21, 2019

**TO: Jaime Chamberlain, Chairman**

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

SUBJECT: Monthly Report of Activities – August 2019

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On behalf of Ramirez Advisors Inter-National, LLC (“RAI-N”) allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority (“GNSCCPA”). As always, we request and welcome your continued comments and suggestions as to how we can improve on our services, our communications and on our activities on your behalf. With your feedback, we will make every effort to improve our response to your directives and ensure an effective implantation of the initiatives at hand.

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

- 1. Donation Acceptance Program Update;**
- 2. FMCSA Proposed New Truck Safety Inspection Facilities;**
- 3. Tourism from Mexico continues to grow in Arizona;**
- 4. Congressman Grijalva’s Export Promotion Summit;**
- 5. Tomato Suspension Agreement Updates;**
- 6. Rural Transportation Summit; and**
- 7. 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 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.

**PERSONAL NOTE:** On a personal note, RAI-N would like to express its appreciation and congratulations to Mr. Guillermo Valencia upon completion of four years as Chairman of the Port Authority. His efforts upheld the standard of visionary leadership for the organization and elevated the Port Authority to higher levels. We are excited to begin working with Mr. Jaime Chamberlain, the new Chairman. We are excited and grateful to continue to work with the Port Authority. We worked with Mr. Valencia and Chairman Chamberlain to issue a press release on the change in leadership. (Attachment #1)

**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.
  - The Technical Team continues to work with CBP and GSA in advancing the project.
  - Work with a local architect is underway and CBP has indicated that the project can now forward to the design phase.
- Reminder that the work of the Technical Committee is bound by Non-Disclosure Agreements with CBP and limited information can be provided publicly.

**2. *FMCSA PROPOSED NEW TRUCK SAFETY INSPECTION FACILITIES***

- The dialogue between the Arizona Department of Transportation (ADOT) and the Federal Motor Carriers Safety Administration (FMCSA) continue.
- GSA has indicated that they have received many letters from industry and local communities, including a letter from ADOT, stressing that the No-Build alternative of the Environmental Impact Study is the best alternative, thereby stressing that the option to remain collocated is the best, most effective, least costly, and most efficient alternative to pursue.
- ADOT has indicated their willingness to sign a long term lease with the federal government as long as the both agencies commit to adhering to the principles codified in the Memorandum of Understanding executed between both agencies in February of 2019.
- Copies of the letter from Southeastern Arizona Association of Governments and ADOT are provided in attachments 2 and 3 respectively.
- In a letter signed by Senators Kyrsten Sinema and Martha McSally and Representatives Tom O'Halleran, Ann Kirkpatrick, David Schweikert and Raul Grijalva.
- Below is a copy of the press release on the letter to FMCSA:

## McSally Urges Trump Administration Not to Impede Trade at Arizona Ports

Thursday, August 22, 2019

Today, U.S. Senator Martha McSally (R-AZ) urged the Trump Administration to refrain from building additional inspection facilities at Arizona's ports of entry, which would drastically impede trade with the state's top trading partner.

McSally led members of the Arizona delegation to express significant concerns regarding proposals by the General Services Administration and Federal Motor Carrier Safety Administration to build new commercial truck inspection facilities near the Nogales – Mariposa and San Luis II land ports of entry. U.S. Senator Kyrsten Sinema (D-AZ) and U.S. Representatives David Schweikert (R-AZ), Raúl Grijalva (D-AZ), Ann Kirkpatrick (D-AZ), and Tom O'Halleran (D-AZ) co-signed the letter.

"The land ports of entry in Arizona are integral to the state's economy," **the Members wrote.** "Delays at the ports of entry slow down lawful commerce, and I have worked closely with the administration to increase efficiency while maintaining security at the ports. But when commercial truck drivers face unnecessary waits at inspection stations after crossing the border, our efforts to make the ports more efficient are wasted."

"I have applauded the efforts by the administration to promote cooperation and coordination between the federal government and states, and the innovative approach to truck inspections at the land ports of entry in Arizona should be a model of how states and the federal government can work together. Building new inspection facilities to be used solely by FMCSA would be wasteful and only impede collaboration. I respectfully urge you to withdraw any plans to build such facilities."

Text of the Actual Letter:

*Emily W. Murphy*  
*Administrator*  
*U.S. General Services Administration*  
*1800 F Street, NW*  
*Washington, DC 20405*

*Raymond P. Martinez*  
*Administrator*  
*Federal Motor Carrier Safety Administration*  
*1200 New Jersey Avenue, SE*  
*Washington, DC 20590*

*Dear Administrator Murphy and Administrator Martinez:*

*I am writing to express significant concerns regarding proposals by the General Services Administration and Federal Motor Carrier Safety Administration (“FMCSA”) to build new commercial truck inspection facilities near the Nogales – Mariposa and San Luis II land ports of entry. These potential facilities, which are strongly opposed by the communities in which they would be located, would undo the efficiency and safety gains made by the collaborative approach to inspections undertaken by the FMCSA and the Arizona Department of Transportation.*

*The land ports of entry in Arizona are integral to the state’s economy. Delays at the ports of entry slow down lawful commerce, and I have worked closely with the administration to increase efficiency while maintaining security at the ports. But when commercial truck drivers face unnecessary waits at inspection stations after crossing the border, our efforts to make the ports more efficient are wasted. By working closely with the FMCSA, the Arizona Department of Transportation has implemented a holistic approach to commercial truck inspections that has improved safety, reduced wait times, and eliminated redundancies.*

*I have applauded the efforts by the administration to promote cooperation and coordination between the federal government and states, and the innovative approach to truck inspections at the land ports of entry in Arizona should be a model of how states and the federal government can work together. Building new inspection facilities to be used solely by FMCSA would be wasteful and only impede collaboration. I respectfully urge you to withdraw any plans to build such facilities.*

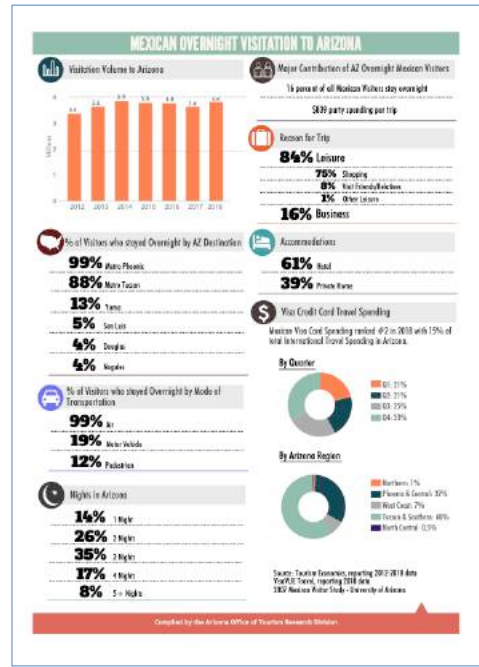
*Thank you very much for your consideration of my views.*

### 3. **TOURISM FROM MEXICO CONTINUES TO GROW IN ARIZONA**



- The Arizona Office of Tourism (AOT) released updated information on the number of overnight visitors from Mexico to Arizona.
- As indicated by the data from AOT, Mexican visitors have multiple reasons for visiting Arizona and they spend an average of \$829 per trip,

confirming the potential impact that overnight visitors have and can have in Nogales and Santa Cruz County.



4. CONGRESSMAN GRIJALVA'S EXPORT PROMOTION WORKSHOP

**U.S. HOUSE OF REPRESENTATIVES**  
 Congressman  
**RAUL M. GRIJALVA**  
 Serving the People of Arizona's 3rd District

**Small, Women and Minority-Owned Business Exporting Workshop**

**WEDNESDAY, AUGUST 21 | 8 AM - 12 PM**  
**101 W. IRVINGTON RD. BUILDING #1**  
**TUCSON, AZ 85714**

Workshop 1: How to export & understanding incoterms  
 Workshop 2: Resources available for small businesses  
 Workshop 3: The ecosystem of e-commerce

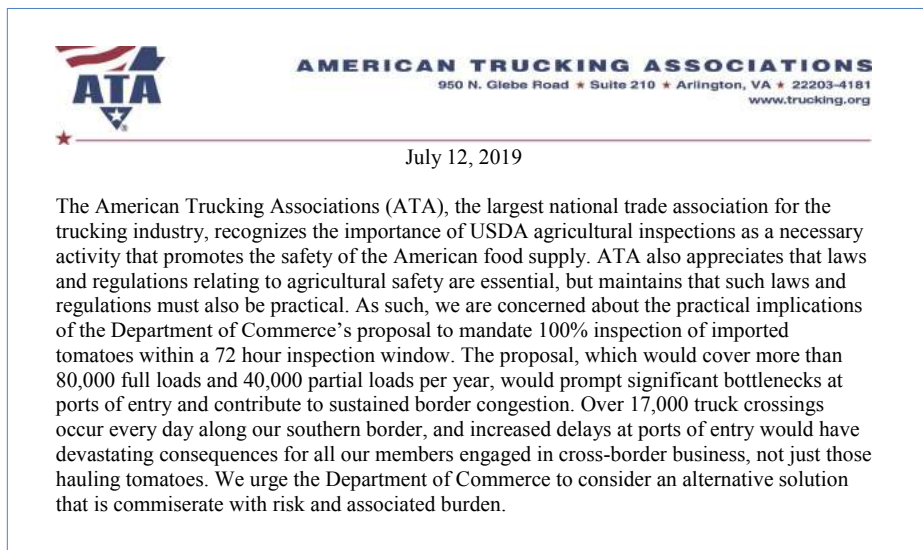
**ups** Presentations by: UPS, U.S. Department of Commerce/International Trade Administration, Small Business Administration, and Export-Import Bank of the U.S.

RSVP at [Grijalva.RSVP@mail.house.gov](mailto:Grijalva.RSVP@mail.house.gov) or 520-622-6788

- On August 21, 2019, Congressman Grijalva hosted a workshop for Small, Women and Minority Owned Business Exporting.
- The event was conducted in partnership with the Small Business Administration and the US Department of Commerce in Tucson, Arizona.

**5. TOMATO SUSPENSION AGREEMENT UPDATE**

- On August 21, 2019, the US and Mexico reached a tentative agreement for a new Tomato Suspension Agreement, but industry had a number of concerns over the parameters outlined in the new proposal including inspections of tomatoes entering from Mexico, auditing 80% of producers, and setting new and much higher reference prices for fresh tomatoes.
- The agreement does eliminate the threat of tariffs on Mexican Fresh Tomatoes and tariffs paid to date can be refunded to those who paid them though many details are still to be worked out and made public.
- Senators Kyrsten Sinema and Martha McSally send another letter to Secretary Wilbur Ross of the US Department of Commerce, expressing their concerns over two provisions of the proposed new version of a Suspension Agreement:
  - Inspections of every load as they enter the United States
  - Adequate compensation for rejected tomatoes
- A copy of the letter from Senators Sinema and McSally is provided in Attachment #4.
- The American Trucking Associations has joined industry in expressing concern over the proposed requirement of 100% inspection for tomatoes entering the US from Mexico. ATA issued this statement:



**6. RURAL TRANSPORTATION SUMMIT**

- At the request of SEAGO, RAI-N is participating in the team that helping to structure the agenda for the Rural Transportation Summit
- This event will offer a great opportunity for Nogales and Santa Cruz County to be active participants in order to bring attention to the region's transportation needs and projects, including:
  - Modernization of SR-189;

- Improvements needed to the Ruby Road and Rio Rico Interchanges on Interstate 19, and
- Other projects as deemed appropriate by the membership of the Port Authority.

**7. REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES**

- Continuing efforts to maintain an on-going dialogue with various agencies, entities and organizations allows us to ensure full coordination of efforts and maximizing the impact of our limited resources.
- It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, Nogales Customs House Brokers, INDEX and others, as each has well established relationships with most of these entities.

**Attachment #1**  
Press Release on Change of Leadership



**Port Authority has New Leadership**

Nogales, Arizona  
August 22, 2019.

With the unanimous support from the Board of Directors, Jaime Chamberlain assumed the Chairmanship of the Greater Nogales Santa Cruz County Port Authority. Jaime, President of Chamberlain Distributing Inc. and Nogalian with deep roots in the community, takes over for Guillermo Valencia who served as Chair for 4 years, from 2015 to 2019.

"I am excited to assume this role as the Port Authority is the organization in the community that brings together the principal stakeholders to one table to focus on issues that impact our ports of entry and the quality of life for the residents of our community," stated Chamberlain. "I am stepping into a role that has been held by some of the greatest leaders in our community and they and the organization have made a tremendous difference for Nogales and for future generations," he added.

The Port Authority, created in 2005, has been instrumental in many efforts and initiatives that have brought over \$450 million of state and federal investment to the community, along with dozens of initiatives including Unified Cargo Processing, the modernization of the Mariposa port of entry, the creation of the SENTRI lane at the DeConcini port of entry, and most recently the modernization of SR-189, a project that will invest \$134 million in Nogales and is slated to break ground in early 2020.

"We are all grateful to Guillermo Valencia for his 4 years of service and for his commitment to advancing and growing the organization. He once again raised the bar in leadership and vision, a standard that I will strive to uphold," stated Chamberlain.

"I am sure that Jaime will set a new standard for the organization and his energy is contagious," stated Valencia. "While we made tremendous strides for the community over the past 4 years, there remain many challenges ahead and I know that Jaime is the right person to step in at this time," added Valencia.

The Greater Nogales Santa Cruz County Port Authority is a Nogales-based non-profit organization dedicated to promoting the ports of entry at Nogales and to improving the quality of life for the residents of the community. For more information please visit [www.nogalesport.org](http://www.nogalesport.org).



**Attachment #2**

**Letter to GSA on No-Build Alternative from SEAGO**



**SouthEastern Arizona Governments Organization**

*Serving our member governments and their constituents since 1972*

August 1, 2019

**SEAGO  
Member Entities**

- Cochise County*
- Benson*
- Bisbee*
- Douglas*
- Huachuca City*
- Sierra Vista*
- Tombstone*
- Willcox*
- Graham County*
- Pima*
- Safford*
- San Carlos*
- Apache Tribe*
- Thatcher*
- Greenlee County*
- Clifton*
- Duncan*
- Santa Cruz County*
- Nogales*
- Patagonia*

**SEAGO Main  
Office**

- **Administration**
- **Community and Economic Development**
- **Transportation**

*1403 W. Hwy 92  
Bisbee, AZ 85603  
520-432-5301  
520-432-5858 Fax*

**Area Agency on  
Aging Office**

*300 Collins Road  
Bisbee, AZ 85603  
520-432-2528  
520-432-9168 Fax*

**www.seago.org**

Mr. Osmahn Kadri  
NEPA Program Manager  
General Services Administration  
50 United Nations Plaza, 3345  
Mailbox #9  
San Francisco, California 94012

Via electronic mail: [Osmahn.kadri@gsa.gov](mailto:Osmahn.kadri@gsa.gov)

Subject: Notice of Intent To Prepare an Environmental Impact Statement for Land Ports of Entry, [Notice–PBS–2019–05; Docket No. 2019– 0002; Sequence No. 14]

Dear Mr. Kadri:

The SouthEastern Arizona Governments Organization (SEAGO) is the regional planning agency for the four-county region of Cochise, Graham, Greenlee and Santa Cruz counties. Because our programs include Transportation, Economic, and Community Development planning activities, we are acutely aware of the issues at the land ports of entry in our region and the proactive measures our member government agencies and Port Authority partners are taking to address them.

Simply stated, the needs at Arizona's LPOEs are overwhelming due to inadequate state and federal resources necessary to address them. Whether it be staffing deficiencies at our LPOEs, deteriorating flood control infrastructure (DeConcini LPOE), the lack of SENTRI lanes (Mariposa LPOE), or the inability to expand existing facilities constrained by urban growth (Raul Castro LPOE), our LPOEs are continuously challenged to safely, securely, and efficiently process the ever increasing cross-border travel and commerce from our nation's top trading partner – Mexico.

But of all the needs we hear about at our LPOEs, a new, stand-alone Federal Motor Carrier Safety Administration (FMCSA) inspection facility at the Mariposa LPOE in Nogales has never been among them. Instead, we hear about blockades by the trucking industry due to over-inspections and poor treatment of drivers by federal safety inspection officers in Nogales. And we hear of carriers bound to the Yuma area diverting their loads to the Calexico East LPOE to avoid similar treatment by FMCSA at the San Luis II LPOE. While we all understand and appreciate the need to ensure commercial vehicles entering this country are as safe as possible, we never hear complaints relating to a lack of adequate safety inspections or facilities at our LPOEs.

Fortunately, Members of the Greater Nogales Santa Cruz County Port Authority (GNSCCPA) have been incredibly innovative in finding ways to reduce wait times in Nogales and maintain our competitive edge with neighboring southern border states. Examples include the development and implementation of Uniform Cargo Processing by U.S. and Mexico that has become the standard at all LPOEs at our southern border, proactive efforts to develop a training program for the trucking industry in

Notice-PBS-2019-05; Docket No. 2019- 0002; Sequence No. 14  
SEAGO Comments  
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Page 2

Mexico so that drivers learn what to expect before they arrive at the border, and supporting the efforts of the Arizona Department of Transportation (ADOT) to embrace a risk-based approach to the truck safety inspection process. Together, the International Border Inspection Qualification training and certification program, the new inspection approach by ADOT, and the collaborative efforts between ADOT with FMCSA have resulted in fewer violations, lower fines, decreased complaints by drivers and trucking companies, increased efficiencies, while enhancing the safety of Arizona's roads. This is clearly a win for everyone.

ADOT and FMCSA inspections are presently collocated in a single facility. This enables carriers to meet safety, weight and permitting requirements by stopping once at a single location. The construction of a new, separate FMCSA inspection facility located upstream from ADOT inspections will require trucks to make an additional stop before they can travel on Arizona's highways. Should the proposed project move forward, this duplicative and redundant approach to safety inspections at the Mariposa LPOE will dampen efficiencies Nogales stakeholders have worked long and hard to achieve, end the collaborative efforts between ADOT and FMCSA, add to the delays and congestion at our border, and will have a negative on the environment due to increased congestion and additional stops for trucks. In addition, the proposed action represents a poor use of extremely limited federal resources that could be used to resolve real and immediate needs at Arizona's LPOEs.

As a result, we enthusiastically join our partners at the GNSCCPA in their strong support of the "No Action" alternative for the EIS currently underway as we believe it will result in construction of a facility that could put our State at a competitive disadvantage to neighboring border states and cause a negative impact to the southeastern Arizona economy.

Should you have any questions regarding this letter, please don't hesitate to contact me at (520) 432-5301 Extension 202, or rheiss@seago.org.

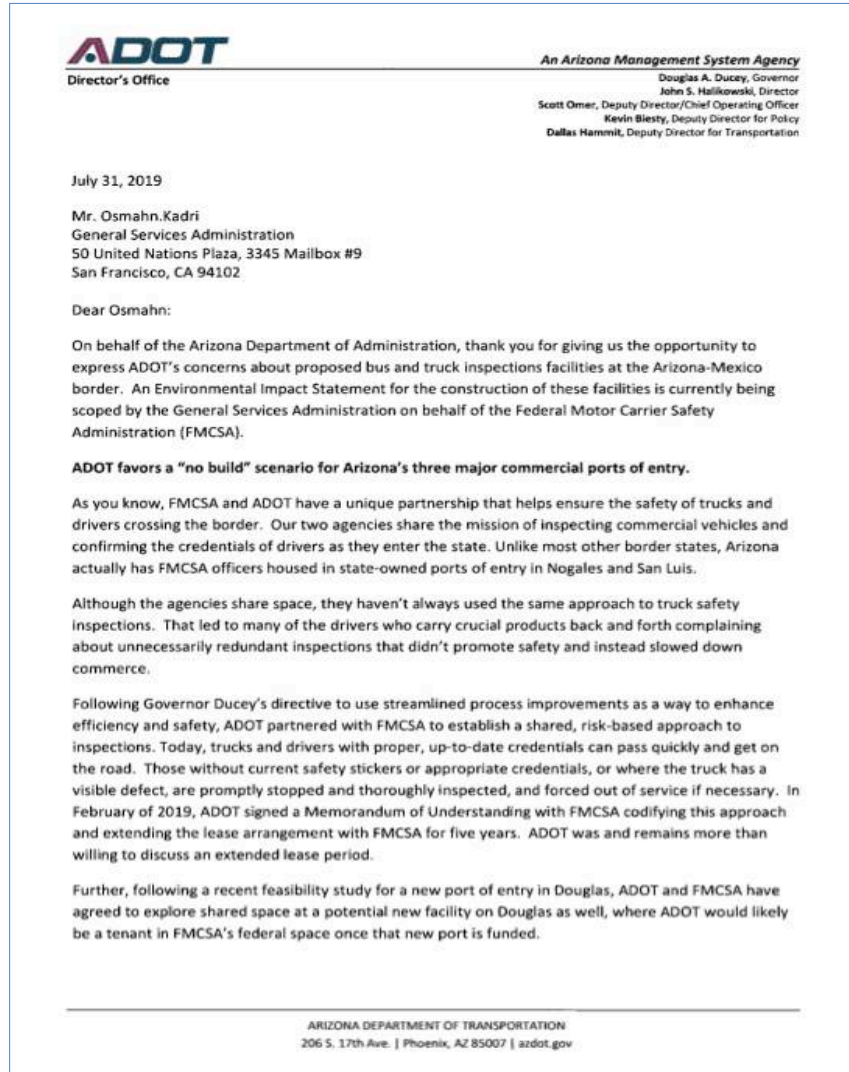
Sincerely,

A handwritten signature in blue ink, appearing to read 'Randy Heiss', with a stylized flourish extending to the right.

Randy Heiss  
Executive Director

**Attachment #3**

Copy of letter from ADOT to GSA on Proposed new truck safety inspection facilities



In addition to the obvious costs savings that come to both the state and federal governments from sharing space, there is one additional benefit to having the state and federal inspectors work together. While FMCSA has fully licensed inspectors, with full authority to take unsafe trucks or drivers off the road, only ADOT has fully sworn officers in those positions, meaning that in case of a significant security issue ADOT has fully trained and armed officers on site.

Given the excellent partnership and many benefits that ensue from shared space and a common approach, ADOT was quite surprised when FMCSA and the General Services Administration announced their intent to embark on a programmatic Environmental Impact review to build brand new FMCSA facilities at Arizona's major commercial ports of entry, including the two where FMCSA is currently co-located with ADOT. Separate facilities for FMCSA mean a return to the bad old days of redundant inspections, uneven enforcement, unnecessary construction and maintenance costs, and slower crossing times for legitimate commerce.

The addition of new FMCSA facilities doesn't even remove the burden to ADOT of needing to have officers on the border. Only ADOT officers can weigh trucks to ensure that they are within legal state weight limits, and only ADOT officers can issue necessary state permits. So the shift will still require, by law, that ADOT officers remain on the border and have space in which to operate.

The addition of redundant FMCSA facilities will ultimately show no improvements in operational efficiencies, result in redundant enforcement for legal commerce, and cost taxpayers more – with no discernable benefit to safety or enforcement.

Further, Arizona's border stakeholders, including trucking companies, produce and maquila interests, port authorities, and the three border communities, are all opposed the construction of new facilities for FMCSA, for all of the reasons noted above.

We respectfully request that FMCSA to drop this line of inquiry, and that FMCSA work with ADOT to discuss any future budget requests for new facilities where existing partnerships and long-term leased facilities are already in place. Further, we request that wherever new port of entry facilities are under consideration (such as Douglas) that FMCSA be required to work first with ADOT to find a way to share their responsibilities in a cost effective and efficient manner, rather than setting up duplicative facilities and processes.

ADOT is doing its part to support Arizona's ports of entry. Our efforts include not only improved inspections, but also the training of commercial drivers on the expectations that Arizona has for drivers crossing the border. Drivers who have undertaken this training have an out of service rate of nearly zero. These innovative approaches have made Arizona's ports the preferred routes of logistics providers throughout Mexico, with many more trucks crossing from Chihuahua, Baja California, and other Mexican states.

Mr. Jaime Chamberlain  
Greater Nogales Santa Cruz County Port Authority  
September 21, 2019

Thank you for giving us the opportunity to weigh in on this important issue. If you have specific questions, please contact Gail Lewis at 602 531 3585 or [glewis2@azdot.gov](mailto:glewis2@azdot.gov).

Sincerely,



Scott Omer  
Deputy Director/Chief Operating Officer

Cc: Anthony Kleppe ([Anthony.Kleppe@gsa.gov](mailto:Anthony.Kleppe@gsa.gov))

**Attachment #4**

Copy of Senate letter to USDOC on Tomato Suspension Agreement

**United States Senate**  
WASHINGTON, DC 20510

August 13, 2019

The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave, NW  
Washington, DC 20230

Dear Secretary Ross:

Thank you very much for the continued work by the Department of Commerce to reach a new agreement to suspend the anti-dumping investigation on imported fresh tomatoes from Mexico. Trade of fresh produce with Mexico directly supports a significant number of jobs in our home state of Arizona and across the Southwest border region. Ensuring that this trade continues as freely and robustly as possible is a top priority for us.

We trust that the Department shares our goals of supporting U.S. jobs and giving U.S. consumers choices in their fresh produce options. Accordingly, we must register our very significant concerns with two unworkable provisions contained in the draft Tomato Suspension Agreement proposed by the Department in July.

First, the proposed agreement would unfairly require that every lot of fresh tomatoes imported from Mexico be inspected at the border. Inspection data from the U.S. Department of Agriculture show that there is no legitimate commercial purpose for a 100 percent inspection mandate on imported Mexican tomatoes. Instead, the inspections would just serve as an artificial barrier to trade. Not only would the inspections add around \$270 million in costs, but the Mexican government is likely to impose reciprocal inspections on U.S. exports, further hurting Arizona jobs. And a full-inspection mandate is particularly ill-advised at a time when the land ports of entry are facing delays from staffing and infrastructure shortages.

Second, the proposed agreement would infringe upon the statutory and contractual rights of U.S. buyers and sellers of Mexican tomatoes to be compensated for rejected tomatoes. This provision would create an uneven playing field for domestic sales of imported tomatoes and make it exceedingly difficult for U.S. importers of Mexican tomatoes to compete with other sellers.

Imposing unnecessary costs and burdens on the fresh produce trade hurts the economy of Arizona and eliminates jobs in the state. We urge the Department to keep this in mind as it considers a new Tomato Suspension Agreement.

Mr. Jaime Chamberlain  
Greater Nogales Santa Cruz County Port Authority  
September 21, 2019

Thank you very much for your attention to this important issue, and we look forward to hearing from you.

Sincerely,



Martha McSally  
United States Senator



Kyrsten Sinema  
United States Senator

cc: The Honorable Gilbert B. Kaplan, Under Secretary for International Trade