

March 25, 2019

TO: MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA

FROM: Luis E. Ramírez Thomas, President, RAI-N

SUBJECT: **November 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, 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. NII Discussion with Office of the Governor;**
- 3. County Visit to Washington, DC.;**
- 4. SB1203 Proposes Repeal of Axle Fees;**
- 5. City of Nogales and Congressman Grijalva state opposition to Concertina Wire at Nogales;**
- 6. Article on Border Patrol Hiring Practices;**
- 7. US-Mexico Tomato Suspension Agreement and efforts by the community and industry to reach a new agreement;**
- 8. EPA sends letter on IOI to Arizona Senators;**
- 9. RAI-N provides Update to SCT and SRE; and**
- 10. 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.

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.
 - Nogales Customs House Brokers Association is evaluating alternatives and is working on presenting alternatives for the possible retrofit of the existing enclosed docks.

2. NII DISCUSSION WITH OFFICE OF THE GOVERNOR

- As a follow up to the letter sent by the GNSCCPA to Customs and Border Protection Commissioner McAleenan in January 2019, outlining a series of priority projects for the Nogales ports of entry, on February 8, at the request of Consul General of the United States in Nogales, Sonora, Virginia Staab, a conference call was held with Mr. Juan Ciscomani, Senior Advisor to Governor Ducey on Regional and International Affairs, to discuss the possible deployment of Non-Intrusive Inspection technologies (NII).
- The NII would be used to inspect 100% of the north and south bound traffic at Mariposa
- The idea is to share the information gathered through this technology with both US and Mexican inspection authorities.
- Invited to participate in this conference call were:
 - Chairman Valencia
 - Richard Rubin
 - Jaime Chamberlain
 - Terry Shannon
 - Greg Lucero
 - Supervisor Bruce Bracker
 - Wendy Molina
- A copy of the Presentation used for the discussion is provided in Attachment #1.
- Additionally, the Fresh Produce Association of the Americas sent a letter to Commissioner McAleenan in support of the deployment of NII at the Mariposa port of entry, thereby assuring CBP that there was industry support for this initiative.
- A copy of the letter to the Commissioner is provided in Attachment #2.

3. COUNTY VISIT TO WASHINGTON, D.C.

- At the request of Supervisor Bracker, RAI-N worked to set up a series of meetings with federal agencies during their upcoming visit to Washington, D.C. in early March as well as assisting in the preparation of talking points for the Supervisors to reference during their series of meetings with both congressional offices and federal agencies.

- A copy of the Talking Points are provided in Attachment #3

4. *SENATE BILL 1203 PROPOSES REPEAL OF AXLE FEES*

- Senate Bill 1203, sponsored by Senator Livingston, would repeal the Arizona Department of Transportation (ADOT) authority for axle fees to be assessed to foreign-registered commercial vehicles entering AZ from Mexico. If assessed, the fee revenues would fund border infrastructure and law enforcement.
 - During the Senate Trans and Public Safety Committee hearing on February 6, 2019, the bill sponsor committed that the bill would not move further past the Committee without an agreement among the stakeholders
- Reports are that this bill will not advance beyond the Transportation committee, but it is imperative that we remain vigilant as long as the legislature is in session.
- NOTE: Special thanks to Kevin Adam of the Rural Transportation Advocacy Council for monitoring all transportation bills in the legislature and providing regular updates.
- A copy of the legislation can be found by visiting:
<https://www.azleg.gov/legtext/54leg/1R/bills/SB1203P.pdf>.

5. *CITY OF NOGALES AND CONGRESSMAN GRIJALVA ISSUE STRONG STATEMENTS AGAINST THE DEPLOYMENT OF CONCERTINA WIRE*

- On February 4, 2019, the City of Nogales considered adopting a resolution against the deployment of Concertina Wire at the fence demarking the US-Mexico border.
- A copy of that Resolution is provided in Attachment #4
- Additionally, Congressman Raul Grijalva, sent a letter to the US Departments of Homeland Security and Defense expressing critical concerns over the deployment of Concertina Wire.
- A copy of that letter is provided in Attachment #5.

6. *ARTICLE ON BORDER PATROL HIRING PRACTICES*

- An article from the Associated Press provided some insights into the hiring practices by the Border Patrol and the challenges they are facing in finding sufficient and qualified recruits to meet their staffing demands.
- A copy of the article is provided below:

Immigration spending pact has more than a border wall

By ELLIOT SPAGAT and COLLEEN LONG Associated Press

FILE - In this Tuesday, Feb. 12, 2019, file photo, President Donald Trump speaks during a cabinet meeting at the White House in Washington. The Senate resoundingly approved a border security compromise Thursday that ignores most of President Donald Trump's demands for building a wall with Mexico but would prevent a new government shutdown. (AP Photo/Evan Vucci, File)

WASHINGTON (AP) — A compromise on border and immigration enforcement cleared the Senate on Thursday, giving President Donald Trump just a sliver of the money he wanted for his border wall. The White House said Trump would sign the bill and then declare a national emergency to try to shift money to wall-building from elsewhere in the federal budget. The bill, which averts another government shutdown, includes many other provisions. A look at some of the major elements:

BORDER PATROL HIRING

The spending bill provides no money for additional Border Patrol agents, a rebuke of the administration's initial request for 750 more agents as part of a multiyear plan to add 5,500.

Border Patrol hiring has come under heavy criticism from lawmakers in both parties.

The administration awarded consulting firm Accenture PLC a contract worth up to \$297 million in November 2017 to recruit agents. Accenture is to be paid \$40,000 for each hire. The Homeland Security Department's inspector general said Accenture had recruited only two agents as of Oct. 1.

The pact allows the administration to "sustain the current level of Border Patrol agents." There were 19,544 agents in January. It also gives \$28.6 million for agent recruitment and retention and \$28.6 million for recruitment and application processing.

7. *US-MEXICO TOMATO SUSPENSION AGREEMENT*

- On February 6, 2019, the US Department of Commerce announced the intent of the US Government to pull out of the US-Mexico Tomato Suspension Agreement that has been in force for over 23 years.
- The announcement gave the 90-day notice required by the agreement for either party to notify the other of their intentions to pull out.
- A highly focused and energized effort, led by the leadership of the Fresh Produce Association of the Americas has been underway to convey the realities of the situation to decision makers in Arizona and Washington, D.C.

- Should the US and Mexico fail to reach an update to the current agreement or reach a new agreement before May 7, 2019 (the end of the 90 days), then the antidumping investigation would restart and countervailing duties on tomatoes would go into effect immediately, creating havoc for the fresh produce industry in Nogales and producers along the entire Arizona-Mexico corridor.
- The Board of Supervisors of Santa Cruz County adopted a resolution in support of the Nogales/Santa Cruz County based produce industry and urged the US Department of Commerce to find a resolution to the dispute.
- A copy of the Resolution is provided in Attachment #6.
- Many members of the FPAA have been quoted in a number of local, national and international articles addressing this critical issue. Below is one such article released by Chamber Business News:

Ending the Tomato Suspension Agreement would upend trade value in Arizona

Nick Esquer, Chamber Business News

Anyone who has their finger on the pulse of Arizona's produce sector knows that tomatoes are the lifeblood of trade with Mexico. There are enough tomatoes that come through the multiple ports of entry in the state to bring in nearly \$5 billion-worth of positive economic impact. So, anything that could throw that trade and those numbers off would have serious consequences here in the state. That may actually be the case if the United States moves ahead with plans to pull out of the Tomato Suspension Agreement in 90 days.

In 1996, the U.S. Department of Commerce initiated an anti-dumping investigation to determine whether imports of fresh tomatoes were sold at less than their value in the U.S. The Tomato Suspension Agreement was created to set different floor prices for Mexican fresh tomatoes during the summer and winter months and specific prices for open field/adapted-environment and controlled environment production.

Now, lawmakers led by Florida senator Marco Rubio have convinced the commerce department to pull out of the agreement, which has states that are dependent upon a high level of tomato trade nervous about the possible fallout. "If the suspension agreement is taken away completely, it will drastically change the landscape of the importation of fruits and vegetables in Nogales," Jaime Chamberlain of Chamberlain Distributing, Inc., said. "If you're a tomato grower and you have all this infrastructure, that's a lot of investment,"

According to the group of lawmakers who urged pulling out of the agreement, Mexico's share of the tomato market in the United States has risen from 32 percent to 54 percent, while local producers has dropped from 65 percent to 40 percent. It

so happens that Florida's biggest competitor of hauling in tomatoes is Mexico, whereas Mexico stands as Arizona's biggest partner in tomato trade. The U.S. Department of Commerce has 90 days to make the withdrawal official unless all parties come to a new agreement.

"The Tomato Suspension Agreement has brought stability to the U.S. tomato market for over two decades, and it has been updated as the market has evolved," Lance Jungmeyer, president of the Fresh Produce Association of Americas (FPAA), said in a news release. "These updates have resulted in a wide selection of fresh tomatoes for U.S. consumers, while complying with U.S. trade laws, and adding enforcement mechanisms as the agreement itself has evolved. Despite Florida's rhetoric, the record has shown that both Mexican growers and U.S. distributors have complied with the rules of the agreement."

Jungmeyer argues that the Florida tomato industry is looking to control more than import prices of tomatoes from Mexico sold in the United States. The United States is the main export market for Mexican tomatoes, contributing \$4.8 billion in sales to the U.S. economy in 2016. U.S. and Canadian imports of fresh tomatoes from Mexico supported nearly 33,000 U.S. jobs.

"Let's be clear," Ms. Britton Clarke, president of the Border Trade Alliance, said in a statement. "This is not about unfair trade practices; it's about certain interests seeking new rules tilted in their favor. We hope that negotiations over a new Tomato Suspension agreement are centered on tearing down barriers to trade, promoting a strengthened trading relationship with our neighbor Mexico, and that the conversation considers the interests of American consumers, who deserve the ability to shop for quality, affordable produce throughout the year."

If the agreement goes through, it would completely change the landscape in all ports of entry, according to Chamberlain. If you're a tomato grower, you might just end up changing your product instead of sticking with tomatoes. This could alter the level of imports coming into Arizona, upping the price of tomatoes, limiting supply, and increasing supply of other produce items that the growers may focus on instead.

"There will be a good portion of signatories who do not want to run the risk and not grow tomatoes anymore. There's a possibility that you may see little if any Mexican tomatoes in the marketplace," Chamberlain said.

8. *EPA SENDS LETTER ON IOI TO ARIZONA SENATORS*

- In response sent by former Senator Jon Kyl in late 2018, the Regional Administrator of the EPA, Region 9, sent a letter to both Senator Kyrsten Sinema and Senator Martha McSally.

- The letter recommends that the City of Nogales or Santa Cruz County apply for funding from the North American Development Bank through the Border Water Infrastructure Program (BWIP).
- A copy of the letter is provided in Attachment # 7.

9. *RAI-N PROVIDES UPDATE TO SCT AND SRE*

- As part of the ongoing efforts to coordinate port of entry projects with Mexico, RAI-N participated in a trade mission trip organized by the Maricopa Association of Governments.
- During the meetings with the Ministries of Foreign Affairs (SRE) and Communications and Transport (SCT), RAI-N provided an update on port of entry projects on the Arizona-Mexico Border, including the need to modernize the DeConcini port of entry, investment on SR-189 and the work being done on the Arizona-Mexico Corridor.



RAI-N presenting to SRE and SCT border projects, including Nogales projects and the Arizona-Mexico Corridor.

10. *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, but not limited to:
 - ACA;
 - ADOT;
 - AMC;
 - AOT;
 - DHS/CBP;
 - GSA;
 - Offices of Arizona Congressional Delegation;
 - Office of the Governor;
 - SIDUR;
 - State Department; and
 - State of Sonora.

- 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 of PPT provided by US Consul General Staab on NII Project

Mariposa Port of Entry Project

May 22, 2018

Logos: SAT, SHCP, SRE (GOVERNALIA DE TRAFICOMUNICACIONES), and various government seals.

**TRANSFORMING A PORT OF ENTRY:
 INCREASED SECURITY AND GREATER EFFICIENCY**

- Across Arizona land ports of entry, seizures of deadly opioid Fentanyl skyrocketed 600% in FY17 over previous year.
- Currently, less than 18% of the more than four million POVs and commercial trucks arriving at Mariposa are NIIE screened.
- Mariposa is gateway for \$35 billion in licit commerce annually b/w Mexico and U.S.
- CBP and SAT performing inspections with great success from a portion of trucks from pre-cleared companies.

MARIPOSA PORT OF ENTRY PROJECT

- State Department's INL bureau, together with CBP and DHS Science and Technology, will use Merida Initiative funding to transform our shared border.
- Facilitating Legitimate Trade and Travel.
- What's different? Expand UCP and NIIE to 100% coverage across all northbound and southbound lanes. Real-time, remote imagery oversight and a significant reduction in checkpoints.

MARIPOSA PORT OF ENTRY PROJECT

Result?

- Increased interdictions of illicit cargo and trafficked/smuggled migrants.
- Streamlined inspection process.
- Reduced wait times.
- Reduced risk of insider corruption.

MARIPOSA PORT OF ENTRY PROJECT

- 100% Imagery review will greatly reduce the number of cargo and passenger vehicles that evade inspection due to current limited technology and human resources.
- Binational CBP-SAT team will enforce integrity and professional environment.
- Remote Imagery review capability adds additional safeguard against errors and corruption at primary inspection points.

MARIPOSA PORT OF ENTRY PROJECT

- Increased screening will facilitate, not hinder, legitimate trade and travel.
- Streamlined inspection processes and reduced wait times
 - Single inspection to exit Mexico and enter United States.
 - Latest NIIE does not require vehicle to stop, nor driver to leave vehicle, and allows scanning, revision, and delivery of results in 30 seconds.
 - With 100% NIIE scanning, CBP and SAT Inspectors have additional method to detect anomalies and criminal activities that threaten the homeland.

MARIPOSA PORT OF ENTRY PROJECT

Expected northbound efficiency improvements:

	Current Average	Post-Project Average	% Increase In efficiency
Crp	180 trucks/hour	200-225 trucks/hour	Up to 40%
Passenger	230 cars/hour	250-300 cars/hour	Up to 30%

MARIPOSA PORT OF ENTRY PROJECT

Port Location and Importance:

- One of the busiest border crossings between U.S. and Mexico.
- Gateway for over \$35 billion of annual commerce between countries.
- 60% of all fresh winter produce bound for U.S. from Mexico.
- One of three major commercial ports with UCP.
 - Since June 2016 in one commercial lane, CBP and SAT have reduced duplicate inspections and wait time from four hours to 30 minutes.
- Lowering cost of doing business in region as a result.

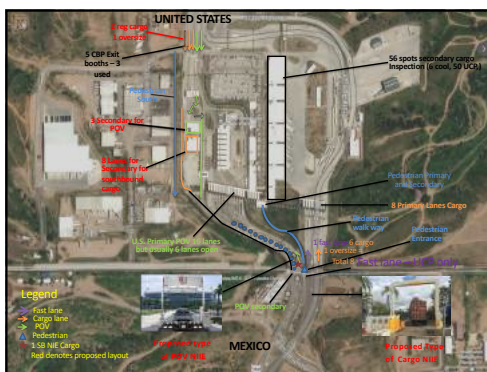
MARIPOSA PORT OF ENTRY PROJECT

Threats and Challenges:

- CBP assesses Mariposa as particularly vulnerable to border threats due to location, volume of traffic, lack of modern equipment, and insecure roadways on Mexican side of border.
- Gateway for significant legal trade, but also for TCOs operating in Sonora and Sinaloa.
- Interdiction of illicit drugs, weapons, and other contraband increased at all Arizona LPOEs
- FY17 Seizures of Fentanyl skyrocketed 600% over FY16.

MARIPOSA PORT OF ENTRY PROJECT

- Currently, northbound NIE screening only at secondary.
 - FY17 - 17% of 334,661 commercial trucks - 16% of 3,728,827 passenger vehicles.
- Southbound NIE screening 1% of commercial vehicles and 2% of passenger vehicles screened by SAT in FY17.
- Main corridor in Sonora that leads to Mariposa is 13km of privately-owned road and will require negotiations to thin the border, improve oversight and streamline trade.



Questions?

Attachment #2

Copy of FPAA letter to Commissioner McAleenan



Scott Vandervoet
Chairman

January 8, 2018

Leonardo Tarriba
Chairman Elect

Gonzalo Avila
Past Chair

Commissioner Kevin McAleenan
US Customs and Border Protection
Ronald Reagan Building
1300 Pennsylvania Ave., N.W
Washington, D.C.

Bobby Astengo

Brian Bernauer

Alejandro Canelos

Jaime Chamberlain

Chris Ciruli

Enrique Gracia

Sabrina Hallman

Martin Ley

Ernesto Maldonado

Matt Mandel

James Martin

Jose Antonio Martinez

Bert Monteverde Jr.

Jimmy Munguia

John Pandol

Walter Ram

Fernando Sandoval

Mikee Suarez

Chuck Thomas

RE: Nogales Port of Entry Crossing Pilot

Via electronic mail: kmcaleenan@cbp.gov

Dear Commissioner McAleenan;

On behalf of the Fresh Produce Association of the Americas (FPAA), I am writing to express our support of a pilot program that would test the deployment of Non-Intrusive Inspection technology at the Mariposa Port of Entry. The FPAA is a trade association representing companies that import and distribute fresh produce from Mexico into the United States and Canada.

The FPAA believes that the NII equipment could further leverage the ongoing efforts of CBP and Mexican Customs in the effective and efficient screening of cargo at our border. The NII equipment could be a force multiplier for CBP and Mexican Customs and could prove to better identify possible threats or risks in conveyances while facilitating the legitimate trade.

Nogales has a long-standing tradition of serving as the test site for a number of technologies and programs that make our nation safer, our industry more competitive, and our cross-border logistics more efficient. Our size, commodity mix, and the close working relationships between U.S. and Mexican agencies and between the industry and CBP in Nogales make this a valuable place to test measures to improve safety, security, and efficiencies.

In fact, Mariposa was the birthplace of the Unified Cargo Processing (UCP) program under the visionary leadership of our late DFO, William Brooks. That visionary thinking carries through in the people we have working in the Field Office and the local port to this day, including ADFO Guadalupe Ramirez and Port Director Mike Humphries and their staff. It is only fitting that the port that proved the initial success of UCP be the port that tests NII deployment in a manner that both CBP and Mexican Customs share the information on a real time basis.

Lance Jungmeyer
President

Jeff Sandquist
Veridus
Arizona Representative

Britton Clarke
BC Consulting
Washington Representative

Mr. Guillermo Valencia
Greater Nogales Santa Cruz County Port Authority
March 25, 2019



This community has a strong partnership with CBP. The FPAA stands committed to working with you and our industry partners to establish benchmarks that will help us determine the success of any such new program at Nogales. I know we have spoken about this issue in previous meetings, including the Border Trade Alliance meeting in Mexico City. I wanted to take this opportunity to reiterate our position of support for a pilot implementing NII technologies with the expectation that this will expedite crossings and not create another barrier to crossing commercial shipments.

Thank you for your consideration. Please do not hesitate to contact me if I can provide any additional information or feedback.

Sincerely,

A handwritten signature in black ink, appearing to read "LJ", enclosed in a rectangular box.

Lance Jungmeyer
President
Fresh Produce Association of the Americas

Attachment #3
Copy of County Talking Points



Board of Supervisors
Santa Cruz County

MANUEL RUIZ
District 1

RUDY MOLERA
District 2

BRUCE BRACKER
District 3

CBP Staffing at Ports of Entry:

- According to CBP reports, Arizona's ports of entry have close to a 30% shortfall in current staffing - That equates to over well over 300 positions.
- CBP has implemented incentives for recruits that opt to be assigned to the Arizona border, but the number of recruits continues to be too small for the incentives to make a difference.
 - Incentives include 35% bonus pay for a 3-year commitment and assistance in paying off student loans.
- Need to streamline recruiting process and bring polygraph test into parity with tests utilized by other federal enforcement agencies, including the Federal Bureau of Investigation (FBI).
- Even if they wanted to, CBP could not open all lanes at the same time and that is a detriment to our community as it forces CBP Port directors to play a staffing game and make choices as to which lanes are open at what times.
- CBP personnel is seriously overworked yet they are the principal gatekeepers for our nation.
- Volumes at Nogales for 2017 (latest complete year available, source: US Department of Transportation).
 - Trucks: 333,941
 - Cars: 3.8 million
 - Pedestrians: 3.24 million
 - Total People: 11.17 million

International Outfall Interceptor:

- Two major breaches of the International Outfall Interceptor in the past 18 months have meant that millions of gallons of raw sewage have entered the watershed in Santa Cruz County, with possible impacts to watershed and ground-water upstream towards Tucson and Pima County.
- Reports from early January 2019 are that the Los Alisos Plant in Nogales, Sonora is working at less than 25% of its processing capacity (max capacity of 3 million gallons per day) and that wastewater is flowing northbound and entering Arizona through storm water tunnels and not through sewage system.
- Mexico is fighting situation with chlorination program, but the situation is untenable.
- Growing concerns of raw sewage traveling at grade could impact watershed and contaminate areas near fresh produce warehouses and distribution centers, thereby threatening the national food supply.

- ADEQ has confirmed of a settlement offer by USIBWC that includes \$21 million to be used towards improvements along with the commitment of negotiating with Mexico for the Arizona and US to have permanent water rights.
 - Treated effluent has had tremendous impact on the conditions of the Santa Cruz River and several endangered species of fish and birds are blossoming again.
- Important federal players are State Department, USIBWC/CILA, NADBank, EPA, Army Corps of Engineers, and CBP.
- Important state and local players are City of Nogales, Santa Cruz County and SCCFCD, ADEMA, ADEQ.

Port of Entry Infrastructure Funding:

- Urgent need to start process for the modernization of the DeConcini Port of Entry.
- DeConcini Port of Entry is not on CBP 5 year plan for Port Reconfiguration.
- Requesting that General Services Administration, working with Customs and Border Protection, conduct the feasibility study for the modernization of the Port of Entry.
- Port is outdated, encumbered, overburdened, and prone to floods during monsoon season.
- Creates an unsafe work environment for enforcement personnel and serves as a disincentive for pedestrian traffic.
- Due to loss in pedestrian traffic, several stores have gone out of business and storefronts are abandoned, creating an opportune time for federal government to acquire land for possible expansion of this critical port of entry.

Transportation Infrastructure Funding:

- Additional improvements are required on highway interchanges, particularly at Ruby Road and Rio Rico Drive, along with the Frontage Road on these two interchanges.
 - County is working with ADOT and industry to find optimal designs and secure funding.
 - Projects are currently in year 7 of ADOT's Extended 10-Year plan.
- Initial estimates are in the range of \$35 to \$45 million in investments.
- \$134 million will be spent to modernize SR-189.
- Funding is an innovative partnership that includes:
 - \$25 million Tiger Grant,
 - \$25 million one-time allocation from State Legislature,
 - Santa Cruz County and City of Nogales contributing up to 50% of their portion of Overweight Fee revenues, totaling over \$10 million combined, and
 - \$74 million from ADOT sources.

Deployment of Innovative Inspection Technologies:

- In a letter sent to Customs and Border Protection Commissioner Kevin McAleenan, Nogales is requesting that the Mariposa Port of Entry be considered

as the site for a pilot program to test Non-Intrusive Inspection (NII) technologies for 100% of the commercial trucks crossing northbound.

- This technology would be deployed in the space between the border and the primary inspection booths. By the time the truck arrives at the inspection booth, the officer has seen images of the inside of the truck and is able to make more confident determination for the release of the truck or for referral to secondary inspection.
- This project would be funded with Merida Initiative funds and is being coordinated with both Customs and Border Protection and the US Department of State (through the US Consul General in Nogales, Sonora).
- Industry is fully in support of this initiative but wants to make sure that appropriate benchmarks are established prior to the deployment, particularly on the impact to wait-times at the border for trucks.

Nogales Wash and Tunnels:

- We are waiting for General Services Administration to start repairs to the US side of the Grand Tunnel under the DeConcini Port of Entry.
- Issue remains unresolved on the Mexican side where major repairs are required to the tunnel in the short-term as well as the need to have a broader long-term approach to the Nogales watershed and basin that feeds into the storm water tunnels into Arizona.

Nogales DAP:

- The Mariposa Port of Entry does not have facilities to support the maintenance of a Supply Cold Chain for temperature sensitive commodities.
- The Greater Nogales Santa Cruz County Port Authority has submitted an application to US Customs and Border Protection as part of the Donation Acceptance Program (DAP) for the design, construction, maintenance and operation of cold rooms at the Mariposa Port of Entry.
- County has committed up to \$250,000 to help pay for this project (\$100,000 as a grant and \$150,000 as a loan).
- The Fresh Produce Association of the Americas has committed up to \$250,000.
- Governor Ducey of Arizona has included \$700,000 in his 2019-2020 State Budget to pay for the design and construction of the cold rooms at the Mariposa Port of Entry.
- Technical team is working with Customs and Border Protection and General Services Administration on the design and verifying compliance with all safety, security, and LEEDS certification requirements.
- Looking at a Pre-Fabricated Modular option by a GSA approved company, PolarKing, that would greatly reduce impact to day-to-day operations at the port as the pre-fab cold rooms would be installed and plugged in over constructed on site.

Attachment #4

Copy of Resolution under consideration by the City of Nogales

6.1



Resolution No. R2019-02-001

A RESOLUTION OF THE CITY OF NOGALES CONDEMNING THE USE OF CONCERTINA WIRE AS AN INDISCRIMINATE USE OF LETHAL FORCE BY THE FEDERAL GOVERNMENT ALONG THE U.S. MEXICAN BORDER WITHIN THE INCORPORATED CITY OF NOGALES, ARIZONA.

WHEREAS, the City of Nogales, Arizona is located on the southern border of the State of Arizona with a 18 to 20 foot border wall that separates and divides the U.S. from Mexico; and

WHEREAS, the City of Nogales, Arizona has a population of approximately 20,000 inhabitants, while Nogales, Sonora Mexico has from 400,000 to 500,000 inhabitants; and

WHEREAS, on any given day there are hundreds of law abiding citizens from both countries crossing the border and live alongside the border and come into contact with the border and its infrastructure; and

WHEREAS, the City of Nogales recognizes the importance to cross border trade and business with Mexico as its most important economic resource; and
Whereas, the City of Nogales desires to maintain a safe and secure border for all without impeding or giving the perception of impeding the lawful and efficient crossing of goods and people; and

WHEREAS, in November 2018 the United States Military came into the City of Nogales and started installing concertina wire at the Port of Entries and along the International Border Wall; and

WHEREAS, Concertina wire has sharp razor-like blades that are coiled is designed to entangle its victim as the razors slice/cut deeply into the flesh and causes indiscriminate injury which can be fatal; and

WHEREAS, this initial concertina wire was installed at a height where it would only indiscriminately harm or kill anyone who actually scales the border wall; and

WHEREAS, on February 1st the U.S. Military and Federal Government started installing horizontal strands of concertina wire on the U.S. side of the border wall from the top of the wall to the ground; and

WHEREAS, placing coiled concertina wire strands on the ground is typically only found in a war, battlefield, or prison setting, and **not** in an urban setting such as downtown Nogales, Arizona; and

WHEREAS, placing coiled concertina wire that is designed to inflict serious bodily injury or death in the immediate proximity of our residents, children, pets, law enforcement and first responders is not only irresponsible but inhuman; and

WHEREAS, the City of Nogales has a section in its Development Code that bans the use of this type of fencing in areas other than commercial or industrial storage areas and only at a minimum height of 6 feet; and

WHEREAS, the Border Wall with the deadly concertina wire is located in well travel and populated commercial and residential areas and it is economically and operationally unfeasible for the City of Nogales to place a barrier to protect its residents and visitors from the concertina razor wire; and

NOW BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF NOGALES, ARIZONA

RESOLUTION No. R2019-02-001

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THAT:

1. The Federal Government take immediate action to remove all concertina wire from the Border Wall and Fencing located within the Corporate City Limits of Nogales, Arizona.
2. No military force or the use of military type tactics designed to inflict indiscriminate harm be allowed in the City of Nogales without the Declaration of War by Congress of the United State or the Declaration of a National Emergency.
3. Staff is directed to take all necessary and reasonable actions in furtherance of this resolution.

PASSED, ADOPTED, AND APPROVED by the Council of the City of Nogales, Arizona, this 06th day of February, 2019.

Arturo R. Garino, Mayor

ATTEST:

APPROVED AS TO FORM:

Leticia Robinson, City Clerk

Luis F. Parra, City Attorney

Attachment #5

Coy of letter from Congressman Raul Grijalva

RAÚL M. GRIJALVA
3RD DISTRICT, ARIZONA

COMMITTEE ON NATURAL RESOURCES
RANKING MEMBER

COMMITTEE ON EDUCATION AND THE WORKFORCE
WORKFORCE PROTECTIONS SUBCOMMITTEE
EARLY CHILDHOOD, ELEMENTARY AND
SECONDARY EDUCATION SUBCOMMITTEE

CONGRESSIONAL PROGRESSIVE CAUCUS
CO-CHAIR

Congress of the United States
House of Representatives
Washington, DC 20515-0307

WEBSITE: <http://grijalva.house.gov/>

February 8, 2019

The Honorable Kirstjen Nielsen
Secretary of Homeland Security
U.S. Department of Homeland Security
Washington, D.C. 20520

The Honorable Patrick M. Shanahan
Acting Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1300

Dear Secretary Nielsen & Acting Secretary Shanahan,

I am writing to you today to express my opposition to the concertina wire strung along the U.S.—Mexico border barrier directly located in a major residential area and pedestrian thoroughfare in downtown Nogales, Arizona. I have received numerous constituent concerns about the safety of the concertina wire since November when it first appeared, and have only received more with the latest intensification. The economies, people, and cultures of our borderlands are deeply intertwined, and this razor wire is an ugly stain on a vibrant relationship between these two sister cities.

Numerous residents and local officials have expressed their opposition to the current concertina wire and were never informed by the military of its placement until the project began on February 1. According to Mayor Arturo Garino, the town's code prohibits the use of razor wire except in industrial areas and storage parks, and when used it must be at least six feet above the ground. The razor wire along the border wall is at ground level and would cause serious injury to anyone who touches it. This raises serious concerns about the safety protocols—or lack thereof—governing those making the decisions concerning the troop deployment at the border.

One thing is clear: this is simply a manufactured crisis at the border. Border communities remain some of the safest cities in the country, and the vast majority of those presenting themselves at our ports of entry are families seeking asylum after fleeing unimaginable violence in their home countries, the United States has legal obligations to asylum-seekers.

The Nogales City Council recently passed a resolution condemning the use of the concertina wire at the border, and I support them in these efforts. Border communities are already some of the most militarized communities in the United States. Forcing them to act as a photo

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Mr. Guillermo Valencia
Greater Nogales Santa Cruz County Port Authority
March 25, 2019

opportunity to reinforce the false narrative of rampant lawlessness at the border promulgated by the President is nothing short of ridiculous. I urge you to take the safety and concerns of Nogales residents into consideration and remove this needless wire.

I look forward to hearing a response from you, and hope you take my concerns—and those of Nogales residents—into consideration.

Sincerely,


Raúl M. Grijalva
Member of Congress

Attachment #6

Copy of Santa Cruz County Resolution



RESOLUTION 2019-01

**RESOLUTION IN SUPPORT OF AN UPDATED
TOMATO SUSPENSION AGREEMENT BETWEEN
THE U.S. DEPARTMENT OF COMMERCE AND
MEXICAN TOMATO GROWERS**

Whereas, the Santa Cruz County business community has a long history of bilateral trade and cultural ties with Mexico which are deeply intertwined and dependent on trade with our Mexican partners, and

Whereas, the Board of Supervisors of Santa Cruz County, Arizona (hereinafter the "Board") recognizes the importance that a strong Mexican economy and strong trade ties to Mexico bring to the strength and health of our local economy, and

Whereas, the Tomato Suspension Agreement (hereinafter the "Agreement") between the United States Department of Commerce (USDOC) and the over 700 signatory producers/exporters of fresh tomatoes grown in Mexico (hereinafter the "Growers") first became effective on November 1, 1996, with new agreements signed in 2002 and 2008, and the most recent agreement being entered into and becoming effective on March 4, 2013, and

Whereas, the Agreement has brought stability to the U.S. tomato market for over two decades, and it has been updated as the market has evolved resulting in a wide selection of fresh tomatoes for U.S. consumers, while complying with U.S. trade laws, and adding enforcement mechanisms as the agreement itself has evolved, and

Whereas, tomatoes are the single largest commodity imported through Nogales, with over 1.5 billion pounds each year, with an estimated value of close to \$2 billion, and

Whereas, should the U.S. proceed with the termination of the Agreement, all imports of Mexican tomatoes will be subject to a 17% tariff that must be paid by the Arizona importer prior to the actual shipment of the tomatoes. This will force Arizona Companies to pay millions of dollars just to be able to import tomatoes. The tariff is paid by the Arizona company, not the producer in Mexico, thus it unfairly punishes Arizona companies, and

Whereas, without the Agreement, the vast majority of the produce warehouses in Southern Arizona would close overnight, and

Whereas, the produce industry is the largest private employer in Santa Cruz County, accounting for one-quarter of all jobs here and nationally, tomato imports from Mexico create over 33,000 direct and indirect jobs throughout the country, and

Resolution No. 2019-01
Page 2

Whereas, additional unnecessary harm caused to our local and State economy threatens all citizens of Arizona, hampers our economic recovery, and threatens the successful initiatives championed by Governor Ducey since his election.

NOW, THEREFORE, BE IT RESOLVED THAT, the Santa Cruz County Board of Supervisors strenuously urges the U.S. Department of Commerce to work as honest brokers for our businesses, residents, workers, and citizens to negotiate a fair and lasting update to the Tomato Suspension Agreement with Mexico, and

BE IT FURTHER RESOLVED THAT the Board supports this update as a prerequisite to the successful and widely supported ratification of the United States-Mexico-Canada Agreement.

PASSED AND ADOPTED by the Santa Cruz County Board of Supervisors this 28th day February, 2019.


Rudy Melera, Chairman


Bruce Bracker, Vice Chair


Manuel Ruiz, Member

ATTEST:


Melinda Meek, Clerk of the Board

APPROVED AS TO FORM:


Charlene Laplante, Chief Deputy County Attorney

Attachment #7
Copy of EPA letter to Arizona Senators



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

FEB 05 2019

The Honorable Martha McSally
United States Senate
Dirksen Senate Office Building, B40D
Washington, DC 20510

The Honorable Kyrsten Sinema
United States Senate
Hart Senate Office Building, SH-825 B-C
Washington, DC 20510

Dear Senators McSally and Sinema:

I am writing in response to Senator Jon Kyl's letter to EPA Acting Administrator Andrew Wheeler and Lt. Gen. Semonite of the Army Corps of Engineers (enclosed), regarding rehabilitation of wastewater infrastructure, i.e., the International Outfall Interceptor (IOI), in Nogales, Arizona. Sen. Kyl's office asked that we share our response with both of your offices. I share your concerns about raw sewage flowing from Mexico into Arizona and remain actively engaged with federal, state and local agencies on both sides of the border.

Working through our partners at the North American Development Bank (NADB), EPA funds the planning, design and construction of wastewater infrastructure projects in the U.S.-Mexico border region through the Border Water Infrastructure Program (BWIP). Projects receiving BWIP funding in Mexico must benefit the U.S. and BWIP construction funding must be matched at least dollar-for-dollar by Mexico.

Since 1995, EPA has provided over \$100 million for the planning, design and construction of six major infrastructure projects in the Santa Cruz River and San Pedro River watersheds, including \$60 million to upgrade the Nogales International Wastewater Treatment Plant (NIWTP) in Rio Rico, AZ. EPA is currently co-funding the \$10.5 million Southwest Colonias project with the Mexican government to sewer portions of Nogales, Sonora, that are currently unsewered. When completed in 2020, this project will eliminate 1 million gallons per day of untreated or inadequately treated sewage discharges that pose a threat to Arizona communities.

The IOI has deteriorated significantly and is in dire need of upgrade or replacement. Severe rainfall events during the monsoon season exacerbate the problem, causing sanitary sewer overflows and major damage to the Nogales Wash and sewer infrastructure in both the United States and Mexico.

Despite the decrease in EPA's funding over the past decade, we will continue to prioritize and leverage available resources to reduce impacts to U.S. communities from transboundary wastewater spills. EPA

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Mr. Guillermo Valencia
Greater Nogales Santa Cruz County Port Authority
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recommends that the City of Nogales or Santa Cruz County apply to the NADB for BWIP funding to cover part of the cost. NADB reviews and scores project applications based on criteria agreed to by EPA. EPA then selects projects from the priority list as funds become available.

We are committed to remaining actively engaged on these issues. I would welcome the opportunity to meet with you and with Jayne Harkins, the U.S. Commissioner of the IBWC, to discuss long-term solutions for border water infrastructure.

If you have any questions on this matter, please call me at (213) 215-3104 or via e-mail at stoker.michael@epa.gov, or refer your staff to our Congressional Liaison, Brent Maier, at (415) 947-4256 or via e-mail at maier.brent@epa.gov.

Sincerely,


Michael Stoker
Regional Administrator

Enclosure: Sen. Jon Kyl letter of December 27, 2018

cc: Todd T. Semonite, United States Army Corps of Engineers
Jayne Harkins, U.S. Commissioner, IBWC
Alex Hinojosa, Acting Managing Director, NADB
Misael Cabrera, Director, ADEQ