

December 7, 2014

TO: MR. BRUCE BRACKER, CHAIRMAN, GNSCCPA

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

SUBJECT: Annual Overview

On behalf of Ramirez Advisors Inter-National, LLC ("RAI-N") allow me to present an overview of our activities for 2014. We strongly urge any and all Board members of the Greater Nogales Santa Cruz County Port Authority (GNSCCPA) to refer back to the various reports and activity updates submitted throughout the year for further information and greater details on all of the activities. This overview is not intended to list all of the activities but simply provide an overview of some of the principle activities.

Our activities during 2014 on behalf of the GNSCCPA have focused on the following key areas:

1. Mariposa Port of Entry

- a. After a focused effort that spanned more than 9 years, the Mariposa Port of Entry Reconfiguration has been completed.
- b. Ribbon Cutting Ceremony took place on October 15, 2014

2. Mexican Corridor

- a. It is anticipated that by December 15, 2014 the entire 13 km corridor will have been repaved, new signage deployed, stripping of the lanes, and appropriate repairs will have ben completed.
- b. Pedestrian drop off and pick up on the Mexican has been completed.

3. Staffing at Ports of Entry

- a. An additional 170 FTE's have been assigned to the Arizona port of entry system, with 120 assigned to the Nogales Ports of Entry.

4. Improvements to SR-189

- a. There have been numerous improvements to SR-189, including repaving, new signage, and a second northbound turning lane at the intersection with I-19 has been completed.
- b. Arizona Department of Transportation has also confirmed the necessary funding for the modernization of SR-189:
 - i. \$1 million for the Design Concept Report is currently underway

- ii. \$2 million Environmental work, scheduled for 2016
- iii. \$4 million for the Design in 2018
- iv. \$64 million for the construction phase in 2021

5. Rail Initiatives

- a. A pilot program for the shipping of produce that originated in Sinaloa was sent via rail from Tucson to Baltimore in May
- b. A new pilot program for the shipping via rail from Culiacan to Nogales is scheduled for early 2015.

6. Transportation and Trade Corridor Alliance

- a. The GNSCCPA participated in multiple forums regarding the statewide effort to promote trade and infrastructure improvements
- b. Goal has been set to double exports to Mexico by 2025.

7. Border Communities Economic Development Roadmap

- a. An unprecedented collaborative effort to promote the sustainable economic development of the border communities
- b. Business Case for Nogales is currently underway.

8. Opening up of the State of Arizona Mexico City Office

- a. On October 7, 2014, the State of Arizona opened up a trade and tourism office in Mexico City
- b. More than 70 people from Arizona participated in this event.

9. Querobabi Inspection Station

- a. Working with US Embassy to deploy new technology, equipment and training of personnel to be funded through the Merida Initiative
- b. Working with top ranking members of the Mexican Chamber of Deputies to advance this initiative.

10. Arizona-Mexico Corridor Improvements

- a. The Ministry of Communications and Transportation of Mexico (SCT) confirms the improvement of MX-15 from Central Sinaloa to the Nogales Border at an estimated cost of \$14 billion pesos (Approx. \$1 billion USD)
- b. Bypasses around the major urbanized areas from Mexico City to Nogales are announced, including bypasses at Guadalajara, Tepic, Culiacan, Ciudad Obregon and Hermosillo.

11. Cross-border Trucking Issues

- a. With the involvement of many local stakeholders and ADOT a strike was averted earlier this year.
- b. ADOT has requested that state authorities conduct all Level 1 inspections.

12. Congressional Border Briefing

- a. Special briefings were conducted with the offices of the Arizona Congressional Delegation
- b. Briefings included visits to the ports of entry at Nogales.

13. Binational Bridges and Border Crossings Meetings

- a. The issues at the Nogales ports of entry were a topic for discussion during these events
- b. Chairman Bracker presented during the event in Tijuana.

14. Joint Working Committee on Transportation

- a. Binational forum included discussion of Port of Entry issues, Querobabi and truck safety inspections

15. Borderlands Event

- a. GNSCCPA representatives presented during this critical event in Tucson earlier this year.

16. Arizona Delegation Visits to Mexico City and the State of Mexico

- a. The State of Arizona sent delegations to Mexico City and the State of Mexico.
- b. Binational studies will be conducted and identification of collaborative opportunities are underway.

17. Mariposa Promotional Efforts

- a. A number of Advertorials and Press Releases were created, with the support of the Nogales US Customs Brokers Association, to promote the completion of the Mariposa Port of Entry Reconfiguration

18. Monitor Arizona Congressional Delegation Changes

- a. Congressman Ed Pastor retired after 22 years of service in the US House of Representatives.
- b. He is to be replaced by Congressman Elect Ruben Gallego

19. Visit by Canadian Delegation to Nogales

- a. The Consul General of Canada from Los Angeles visited Nogales
- b. Continued dialogue with prospective investors from Canada.

20. Border Banking

- a. The issue of the closing down by US Banks of their branches in border communities and the refusal to provide services to Mexican companies has been elevated to the our Congressional delegation and the Arizona State Legislature.