Key factors impacting the border

- The Economy!
- Border wait times increasing, in excess of 45+ minutes in 24-hour cycle
- Outdate infrastructure with enhanced requirements
- Shortage of staffing
- “Negative perception” of the border
- DHS southbound inspections
- Borderwide Competition
  - Mazatlan-Durango Corridor
"The Mazatlan-Matamoros arterial road will reduce travel time between the two cities… (It) will give direct access to Reynosa… an advantage in time, reduction in refrigeration costs and it also represents better access to the Northeast market of the United States”

Maquila Publication, October 2011

Reynosa - Matamoros
2011 Trade Data

- NAFTA Trade is at a record $460 billion
  - Up from $390 billion in 2010
- US Exports to Mexico were $193 billion
  - 20% increase over 2010
- US Imports from Mexico were $168 billion
- Arizona’s exports reached close to $6 billion in 2011
- Arizona’s ports of entry processed close to $26 billion in 2011
## Arizona’s border in 2010

<table>
<thead>
<tr>
<th>Location</th>
<th>Trucks</th>
<th>POVs</th>
<th>Pedestrians</th>
<th>Buses</th>
<th>Bus Pass.</th>
<th>Trains</th>
<th>Total People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas</td>
<td>25,142</td>
<td>1,459,963</td>
<td>1,178,738</td>
<td>2,048</td>
<td>13,271</td>
<td>-</td>
<td>4,206,035</td>
</tr>
<tr>
<td>Lukeville</td>
<td>137</td>
<td>312,835</td>
<td>68,669</td>
<td>521</td>
<td>2,646</td>
<td>-</td>
<td>780,465</td>
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<tr>
<td>Naco</td>
<td>2,171</td>
<td>267,869</td>
<td>76,281</td>
<td>49</td>
<td>1,284</td>
<td>-</td>
<td>595,058</td>
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<tr>
<td>Nogales</td>
<td>309,308</td>
<td>2,660,610</td>
<td>3,926,801</td>
<td>10,320</td>
<td>167,094</td>
<td>602</td>
<td>11,158,704</td>
</tr>
<tr>
<td>San Luis</td>
<td>38,639</td>
<td>2,091,908</td>
<td>2,516,427</td>
<td>48</td>
<td>968</td>
<td>-</td>
<td>6,595,435</td>
</tr>
<tr>
<td>Sasabe</td>
<td>6</td>
<td>23,044</td>
<td>986</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,484</td>
</tr>
<tr>
<td>Totals</td>
<td>375,403</td>
<td>6,816,229</td>
<td>7,767,902</td>
<td>12,986</td>
<td>185,703</td>
<td>602</td>
<td>23,376,181</td>
</tr>
</tbody>
</table>

*Data Source: US Customs and Border Protection*
Cars

Pedestrians

Total People

Source: US CBP
Observations

- Volumes of crossings are down
- Peak for people was 34 million in 2006
- Yet wait times remain the same or worse!
OVERVIEW OF PORT OF ENTRY PROJECTS:

• San Luis I
• San Luis II
• Lukeville
• Nogales West (Mariposa)
• Douglas
San Luis I

The situation

- GSA has contracted architectural firm to begin the formal design process for the Reconfiguration of San Luis I - $7 million secured in FY ‘08 to pay for this phase
- Funding Request for FY ‘12 for approximately $80 million
- Enhanced inspection requirements for southbound inspections requires additional space
  - GSA working with City of San Luis to relocate Friendship Park to free up additional space to expand the port’s footprint
- GSA is currently working on Environmental Impact Statement
- City of San Luis working with ADOT to complete analysis of related transportation issues
- CBP has secured the funding necessary to start a new SENTRI lane at San Luis I once commercial operations are relocated to San Luis II – approximately 4th Q, 2010
  - City of San Luis is providing office space to CBP to establish SENTRI application processing center outside of POE
- Municipality of San Luis Rio Colorado has committed to installing the necessary signage to designate SENTRI access lane for up to 2 kilometers on the Mexican side
San Luis I – The Situation

Line of cars from Mexico into US

SENTRI (Old Commercial)

Pedestrian

Southbound inspections

Mexican inspection
San Luis I – The Situation

Permission required to reproduce this picture
San Luis I – The Solution

Friendship Park
San Luis I – High Impact-Low Cost

Existing 6POV
Primary lanes

Space for 2 additional lanes
San Luis II

The Situation

- San Luis II started operations on November 2010
- San Luis Rio Colorado II (Mexican side) started operations on the same day
- Port of Entry investment: $42 million
- Takes all commercial operations out of San Luis I
- Latest in design and technology makes San Luis II a state of the art inspection facility
- ADOT Safety Inspection Station ($11 Million) and RAV Expressway (26.2 miles) to I-8 ($92 million) completed.
- Total infrastructure and inspection facility investment: $145 million
San Luis II – The Solution

San Luis Rio Colorado II - $15 million

San Luis II - $42 million

ADOT/FMCA - $11 million
The Situation

- 2 additional lanes were completed in May, 2011
- Funding for project was a unique structure
  - $2.5 million was secured to pay for the lanes
    - ADOT paid $1.5 million and also managed the construction of the project
  - Sonora private sector is providing $1 million
- Working with Mexico to ensure the necessary improvements on the Sonoyta side of the border
  - Improvements to the Mexican inspection facilities operated by both Mexican Customs and Immigration
  - Widening of the access road that connects to Carretera 2 from 2 lanes to four lanes, including a frontage road
Lukeville – The Solution

Two additional lanes at Lukeville
Nogales West “Mariposa”

The Situation

- $199.48 million secured as part of American Recovery Act to pay for construction phase
- Groundbreaking ceremony October 22, 2009
- Construction to be completed by March 2014
- Port will remain operational during entire construction period!
- At completion will have double if not triple throughput capacity for inspection
  - From 4 to 12 POV lanes
  - From 4 to 8 Cargo lanes
  - Dedicated lanes for pedestrians and buses
- Major improvements are being planned on Mexican side to both inspection facilities and connector corridor
Mariposa – Construction status
Mariposa – The Solution

Total Project Cost: $214 million
Project Duration: 52 months
Est. Job Creation: 5,384
Impact to US GDP: $677.9 million

Capacity Expansion:
• 4 car lanes to 12
• 4 truck lanes to 8
• 23 docks to 56 (6 air conditioned)
• 1 NII to 4
• Dedicated pedestrian lanes
• Dedicated bus lanes
• Dedicated southbound facilities

Port to remain fully operational during construction phase
Douglas

The Situation

- Douglas International Port Authority has been established
- GSA working with Mexican counterpart to confirm location for port improvements
  - Mexican authorities working to finalize the transfer of land from municipality to Mexican federal government to allow for expansion of inspection facilities at the current location
- Expect to seek funding in FY ‘13 to pay for design and construction phases at an estimated total project cost of approximately $100 million
Douglas – The Situation
Douglas – The Solution
Arizona POE System

Commitments Met To Date

- Since Vision 2015 conceived in 2007 the number of lanes will increase by 22 by Summer 2012
  - San Luis I – 2 SENTRI, 2 Cars, 2 Ped SENTRI
  - San Luis II – 2 Cargo lanes (dedicated facilities)
  - Lukeville – 2 POV lanes
  - Mariposa – 4 POV lanes and 4 Cargo Lanes
  - Morley Gate – 4 Pedestrian Lanes
- $260 million in port of entry investment
SOUTHBOUND INSPECTIONS:

- Delays at the border
Southbound Inspections

The Situation

- In an effort to stem the flow of illegal arms and money laundering into Mexico, the Department of Homeland Security implemented the Southwest Border Initiative, centered around intensified inspections for southbound traffic at all ports of entry on the US-Mexico border
  - All southbound trains are inspected before leaving the US
  - At Nogales, all southbound trucks are inspected before leaving the US
  - Random but frequent inspections of vehicular traffic creates major delays, in excess of 45 minutes
    - Additional delays are leading to less people crossing the border
  - Need to ensure that DHS allocates the necessary resources, staffing, technology and infrastructure to effectively and efficiently conduct southbound inspections
  - Need to address the delays, congestion and safety issues that these initiatives create for all border communities
Southbound Inspections

Vehicular back up leaving the US at San Luis, Arizona