

**Report of the**  
**108<sup>th</sup> ARIZONA TOWN HALL**  
**“Arizona & Mexico”**  
**Casino Del Sol Resort, Tucson, Arizona**  
**April 24-27, 2016**

**Introduction**

The participants of Arizona Town Hall believe there is a compelling opportunity to create unprecedented prosperity for all people in the Arizona-Sonora region. By capturing and marketing the unique geographic, business, and demographic advantages of the region as a world-class center of international trade and commerce. The time to act on this opportunity is now.

The bi-national relationship between Arizona and Mexico is founded on shared histories, cultures and values, languages, natural resources, and economic interconnections. Our geographical proximity to the border and to one another has allowed the establishment of individual, business, and governmental relationships that have evolved over time, with substantial recent growth in our economic ties through policies, trade, infrastructure investment, and demographic trends. The border does not divide Arizona and Mexico, it connects us and should be viewed as a bi-national region.

Despite the long history of engagement between Arizona and Mexico, this is the first Town Hall focused specifically on strengthening partnerships between Arizona and Mexico. Participants of the 108th Arizona Town Hall traveled from throughout Arizona and neighboring states in Mexico to convene in Tucson for four days and discuss how to best strengthen and grow the economic ties between Arizona and Mexico for mutual benefit.

The 108th Arizona Town Hall invited a robust, respectful policy discussion. Sometimes, this discussion touched on polarizing political issues, including U.S. immigration policy and foreign policy as they affect Arizona and Mexico. But the Arizona-Mexico relationship is much more than these things. It is more deeply ingrained, more multifaceted, more integral and more inexorable than our national political discourse usually admits. For Arizona, our economic relationship with Mexico will help shape our State’s future, and the 108th Arizona Town Hall urges everyone in Arizona, regardless of their political beliefs, to give this topic careful strategic consideration.

We hope the recommendations of this 108th Arizona Town Hall will inspire our state, and our neighbors in Mexico, to pursue increased collaboration and share greater economic growth on both sides of the border. The results of the discussions at the 108th Arizona Town Hall are included in this report. Though not all Town Hall participants agree with each of the conclusions and recommendations, this report reflects the overall consensus reached at the 108th Arizona Town Hall.

## Factors Shaping Arizona and Mexico's Economic Relationship

The Mexico-Arizona relationship transcends geography. These two places share history and culture. Until the mid-1800s, Arizona was part of Mexico. Arizona's border region gives the state a distinct identity, and a special cultural environment. Historically, the two border neighbors have created significant relationships in culture, trade, and politics. Additionally, indigenous peoples including the Tohono O'odham, the Yaqui, and Cocopah historically and currently reside on both sides of the border.

Demographic shifts on both sides of the border shape the relationship. Demographers predict that, by 2030, the population of Arizona will be majority Hispanic. Arizona has more than 1.2 million Spanish speakers, according to the U.S. Census Bureau. To the south, Mexico has the fastest-growing middle class in the world, containing 44 million members. The country's per-capita household gross domestic product (GDP) has risen to almost \$10,000. As the economy of Mexico has improved during the past several decades, the favorable impact to Arizona of Mexican cross-border shoppers and visitors has grown. Mexico also has improved its education system, creating a more skilled workforce that can fuel business expansion on both sides of the border.

Lack of adequate infrastructure presents a pressing concern on both sides of the border and will negatively impact Arizona's and Mexico's economic relationship if not remediated. Arizona finds itself in a race with other border states to build bigger, better infrastructure and capture an increased share of trade from Mexico's growing economy. Compared with Texas, Arizona is falling behind. Texas has established itself as a model of economic cooperation with Mexico, embarking on an ambitious program to build roads and bridges connecting itself to Mexico. At some of Arizona's six international ports of entry on the border, infrastructure improvements have begun to position the state for success. However, in other cities like Douglas, ports of entry need expansion. Arizona must upgrade highway and rail capacity at all international ports of entry to enhance prospects for cross-border trade. To the south, Sonora faces its own infrastructure challenges. Traffic at the *Querobabi* checkpoint in Sonora can back up for 5 kilometers -- about three miles -- slowing the flow of commerce to the Arizona border.

Perception and rhetoric also shape the Arizona-Mexico relationship. Political discourse and media coverage often portray the Arizona-Mexico relationship negatively. Significant concerns were raised about discrimination and whether immigration policy and enforcement is culturally and ethnically impacted. State and federal policy also loom large in the Arizona-Mexico relationship. For example, Arizona in 2010 enacted SB 1070, legislation that encouraged local law enforcement to enforce federal immigration laws. SB 1070 and federal legislation, including anti-terrorism legislation and the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, have constrained international banking and trade, slowed border crossings, and increased the challenges of doing cross-border business.

As a region, we need to be telling a positive story highlighting our shared economic, political and cultural successes while deflecting inaccurate and inflammatory rhetoric.

## **Benefits to Arizona and Mexico from a Stronger Economic Region**

Arizona, Mexico, and indeed North America, benefit from a stronger economic region in a number of ways. Benefits include significant job growth opportunities on both sides of the border, increased tourism, increased income and wealth, access to centers of commerce and health care services, potential educational opportunities, and even reduced poverty. Specifically, Mexico's manufacturing sector and *maquiladoras* provide examples of positive benefits to both countries that help to support a region competing in a global marketplace through shared efforts within the supply chain and production life cycle of various goods. These opportunities would be enhanced by expanding the border card crossing zone to include the entire state.

Emerging trends in the global economy influence this region both positively and negatively. Some of the positive benefits have been realized through trends such as near-shoring of jobs previously moved offshore to China or elsewhere; this has allowed U.S. companies to take advantage of lower costs, while spurring employment in the region. The flow of capital from offshore to Mexico leads to dollars being spent in Arizona, too.

With a trend in rising land, water and energy costs in other U.S. economic zones, the Arizona-Mexico region can become more attractive for employers and direct investments, providing a haven for new businesses. This, coupled with the changing energy policies in Mexico, provides opportunities for synergies between both countries in their respective investments in infrastructure, including gas and power facilities, as well as ports in Mexico, which will ultimately provide increased access to international markets for both Arizona and Mexico. These trends could further strengthen this economic region to become more competitive in the global marketplace, allowing our region to capitalize on pre-existing relationships to attract employers and foreign investments while improving the quality of life on both sides of the border.

Trends in demographics, particularly in Mexico, also will play a role in the impact of this region in the global economy. With a diminishing population growth rate in Mexico, there will be more stable population over time. This allows for incomes to rise, growing the middle class in Mexico, and strengthening the population's ability to shop, travel, learn, and conduct business. This has resulted in increased investments in education in Mexico. The increased opportunities within Mexico have decreased immigration to Arizona.

Trends that could diminish the influence of our bi-national region in the global economy include the nationalistic approach and protectionist dialogue that could be harmful to the growth of our region's influence within the global economy. There are public perceptions related to deregulation that create fear, mistrust, and political pushback. In addition, over-inspecting or over-regulating of commercial vehicles creates barriers, making us less competitive as a region compared to areas along the Texas-Mexico border. For example, there are approximately 26 times more motor vehicle inspections conducted at Arizona ports of entry compared to inspections conducted at Texas ports of entry.

Through these trends, we must recognize that a stronger economy "raises all ships" and improves the quality of life for many on both sides of the border. While the Mexican middle class is growing at a fast pace, there is concern that this rising tide is not helping indigenous peoples on both sides of the border who have not benefitted from economic growth.

## **The Influence of Immigration and Border Security on Economic and Business Opportunities**

In Arizona, border ports of entry with Mexico are critical economic drivers. The extreme difficulty in crossing the border at these ports of entry must be addressed. We need an effective balance between border security to stop illegal goods and human trafficking and commercial facilitation of legal trade to ensure we remain competitive.

Lack of adequate customs staffing creates backlogs and discourages economic activity. The U.S. federal government spent about \$200 million to upgrade the Mariposa Port of Entry in Nogales and \$42 million to upgrade the San Luis Port of Entry but without increased staffing at the ports, delays remain a problem. Long waits at the border do not simply create an unpleasant travel experience. They can have a severely adverse impact on perishable agriculture imports. They severely hinder the ability of those who work in Arizona to get to their jobs on schedule. Long waits also discourage people from traveling to Arizona to spend money here.

We have not fully leveraged technology to make border crossings faster and more efficient through pre-screening, pre-clearance, and fast-track programs such as the Secure Electronic Network for Travelers Rapid Inspection (SENTRI), a U.S. Customs and Border Protection (CBP) program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the United States.

The process for getting visas for foreign workers tends to be too complicated, too slow, and too unresponsive to the needs of Arizona's employers. Arizona employers often find it difficult to obtain visas for Mexican workers who are not highly educated with special skills. Some visa programs create unnecessary burdens on employers. Consider the H2A Visa, which allows a U.S. employer to hire foreign workers to perform temporary agricultural jobs. Arizona employers must provide housing for Mexican H2A workers, even if they live just across the border and go home at night to their families. This type of inflexibility creates unneeded financial burdens on U.S. employers and reduces their competitiveness in the global marketplace. Workers in this category are essential to the success of agricultural businesses due to the fact that local labor is not available for these jobs, thus U.S. competition is not a factor.

Border security issues, whether real or perceived, impact economic productivity and produce unintended consequences. Concerns about border security can discourage businesses from moving to Arizona. Also, when people fear they will be unsafe or unwelcome if they cross the border, the economy on the other side loses tourist dollars.

## **The Impact of Changing Regional Demographics**

Demographic changes on both sides of the Arizona-Mexico border will impact the economic region. Certain trends stand out as important to the future of the economic region, including:

- the falling birth rate in Mexico;
- the growing Mexican middle-class population;
- the perceived shrinking of the American middle class within an increasingly bifurcated U.S. economy;
- climbing graduation rates in Mexico;
- better educational opportunities for young Mexican students, highlighted by the number of college-educated engineers; and
- increasing Hispanic population in Arizona, which is expected to result in a majority Hispanic population by 2030, and an increasing number of Hispanic voters.

Generally, trends indicate growing strength in the Mexican economy, while the Arizona economy is not growing at an equal rate. The increased opportunities within Mexico may create labor challenges for certain industries, such as agriculture, where the “next generation” is not interested in the jobs that were available to prior generations. Together with the demographic shifts, this could lead to a changing dynamic of more people living in Arizona and working in Mexico. At the same time, Arizona’s aging workforce will need to be replaced. Looking to the future, the balancing between the two economies will lead to major shifts in the economic region, including a potential cascade effect on labor costs and availability. This will have ripple effects not only for the Arizona economy, but for Mexico as well.

Education, including cross-border efforts and collaboration, is needed to expand workforce development programs in both Arizona and Mexico. We need to make a concerted, joint effort to support these educational and training needs, including career and technical education and cultural exchange programs. Funding such education and training will be critical to maintaining and promoting job growth in the region.

Results of these shifts may strengthen the Arizona-Mexico relationship as Arizona becomes a minority majority state and Mexico becomes a more equal trading partner, similar to Canada. Cross-border tourism and shopping will increase. Additionally, migration from Mexico is expected to decrease with additional employment opportunities in Mexico.

## **The Impacts of Transportation Infrastructure and Broadband Access**

Physical infrastructure is critical to a successful economy. Arizona’s existing infrastructure is deficient. Mexico’s infrastructure also requires investment.

### **PORTS OF ENTRY**

- All Arizona’s international border ports of entry need large-scale infrastructure improvements to reduce wait times and the economic impacts associated with these delays.

- Not all international border ports of entry have infrastructure to support programs like the U.S. government's FAST (Free and Secure Trade) program, which provide special clearances to move commercial vehicles quickly and securely into the United States.
- All Arizona international border ports of entry have inadequate staff levels. Hiring for ports of entry nationwide has lagged behind demand. A 2014 Department of Homeland Security report found that U.S. Customs and Border Protection needed to hire about 3,800 new officers to meet increased demand at its international border ports of entry.
- Roads entering and exiting international border ports of entry also need investment. Toll roads to ports of entry could finance improvements and repair if tolls are spent properly. The Mexican toll road that serves the Nogales Port of Entry presents a cautionary tale. While the 14-kilometer (approximately 8.7-mile) road has a \$10 toll, funds are not reinvested in road repairs, and the road needs maintenance and improvements.

## **RAILROADS**

- Investments in freight rail and high-speed rail, through a combination of public and private financing, would yield significant return on investments. The Nogales freight rail system needs to be improved to meet demand for additional cross-border rail service. A new line in the San Luis area is under consideration and should be supported.

## **ROADS**

- Arizona should prioritize investment that facilitates trade. State Route 189, a four-mile highway that serves the Mariposa Port of Entry in Nogales, has a critical need for repairs, improvements and modernization. State Route 95 also should expand to four lanes from Yuma to Las Vegas.
- Another productive investment would be development of Interstate 11, a proposed interstate highway designed to expedite shipment across the border. Interstate 11 would connect Nogales, Arizona, to Nevada (and eventually, Canada) while potentially bypassing Tucson and Phoenix.
- On the Mexican side of the border, the Querobabi checkpoint ideally should be eliminated. It creates a competitive disadvantage for Arizona as it is the only permanent military checkpoint in Mexico. In lieu of elimination, the checkpoint needs to streamline the inspection process to lessen the impact on trade and tourism.

## **OTHER**

- Rural and tribal communities need the improvement of their basic needs such as water services, roads, and living conditions, as well as better broadband access. Broadband services improve access to information and could reduce income inequality.
- Nogales, Arizona needs sewer system improvements. Because of topography, sewage from Mexico flows north, from Mexico into Arizona, overwhelming the Nogales, Arizona sewer infrastructure.
- The construction of a natural gas line to San Luis, Sonora should be completed in order to provide clean energy resources to both San Luis, Sonora and San Luis, Arizona.

## **The Impacts of Energy Infrastructure and Natural Resources**

Economic opportunities in both Arizona and Mexico are influenced by energy and natural resources that are shared regionally. We need prudent development of energy and natural resources, which should consider development of such resources more holistically within a system that includes continual exchange of goods across the border.

Investments in infrastructure should consider those aspects of energy and natural resources where our region is already interrelated, through exports and shared resources. For example, our shared interests in this context broadly include energy, water, and copper mining. These shared areas of interest point to a need to invest in electricity generation and transmission, including renewable resources, and for expanded investment from U.S. companies in Mexico given the recent regulatory changes in the energy markets. In addition, increased provision of natural gas from the U.S. to Mexico provides new opportunities. Investment in water infrastructure should include consideration of a desalinization project in Sonora, pipelines for water conveyance to the U.S., as well as reservoirs to store water temporarily and generate electricity. Investment in water and wastewater treatment also is vital for the region, given the scarcity of our water resources. With respect to copper mining, Arizona and Mexico should continue development of sustainable mining practices.

Regional partnerships among governments, universities, institutions, and private companies provide opportunities for development of green energy infrastructure; implementation of best practices to avoid contamination, pollution and environmental degradation; advancements in electricity technology; and, the sharing of information. These efforts will increasingly play a role in how we manage our energy systems and stewardship of natural resources.

The challenge for investment with respect to energy, water, and mining is how best to balance the needs of consumers for reliable and affordable resources with an evolving environmental ethic. Responsible energy development must be based on collaboration with each government. Policies that regulate natural resource development should consider current standards and technologies, as well as indigenous ecological knowledge in an effort to responsibly utilize natural resources.

## **Global Economic Trends and Opportunities**

Global economic trends continually influence the Arizona-Mexico region, presenting new opportunities and challenges for both Arizona and Mexico. Key trends include ongoing globalization of markets through international trade agreements and foreign relations; weakening of economies in South America and Asia; fluctuating currency exchange rates; China's shift from an export based to an internal consumer-based economy; and near-shoring of jobs. Mexico has 50 trade agreements – making international trade a prime focus for the country and allowing it to become more competitive in the automotive sector for instance. Similarly, the U.S. has pursued and should continue pursuing additional trade agreements, such as the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (T-TIP). With continuing and growing supply chain linkages to the U.S., these trends create mutual benefits to both Mexico and the U.S.

Opportunities for investment that should be pursued include:

- Expand the existing Canamex trade corridor to include Douglas and San Luis.
- Develop a regional approach through a comprehensive plan that focuses on “Buy North America” rather than “Buy USA” – and market the region as a destination for foreign investment.
- Develop an infrastructure plan to make transportation systems more efficient, with increased emphasis on pre-clearances and inspection programs.
- Invest in transportation infrastructure, such as the Port of Guaymas to increase multi-modal options for regional producers.
- Improve our connections with key commerce corridors, leveraging the Mexican investment in the Pan American highway through Central and South America.
- Use incentives, enterprise zones, Arizona Port Development Authority bond programs, and tax abatement as tools to accomplish goals of a regional plan.
- Continue developing support services for existing businesses in the Arizona-Mexico region, including legal, trucking, warehousing, accounting and other professional services.
- Encourage Arizonan and Mexican businesses and citizenry to increase their understanding of the languages and cultures of the region.
- Encourage continued near-shoring of jobs by U.S. companies.

Any plan and investment requires education and awareness, and the support of governments (national, tribal, state, and local) and private sector stakeholders. Proactive steps need to be taken by governments, businesses, and individuals with cross-border collaboration. We need both near- and long-term actions defined and implemented to prepare the state for future opportunities of a global market place, where 95 percent of the world’s consumers live outside the U.S.

### **Innovation and Technology**

For Arizona and its neighbors in Mexico to truly form a regional economy, we must better integrate innovation and development of technology. Innovation and technology should be approached on three fronts: better use of current technology; investment innovation; and fostering the exchange of information and opportunities for collaboration.

Innovation and new technology spring from education, which can create a regionally beneficial cycle. Arizona’s universities have developed a national reputation for innovation. They also have made major investments in technology and in incubating business on the leading edge of innovation. We must leverage their strengths and build cross-border partnerships for research and education. Legislative changes may be required to facilitate commercialization and attract private investments.

Public-private partnerships also can be used to innovate. We have opportunities to build research partnerships through Mexico’s industrial and technology parks and the companies that operate there. For instance, Guaymas has an industrial park (founded by a company from Arizona) that is home to manufacturers for the aerospace and energy sectors. Cross-border collaboration, resource-sharing, and incubation of start-ups should be encouraged.



Aerospace, mining, manufacturing, biotechnology, education, eco-science, medical, agriculture and energy all offer prime opportunities for use of technology to maximize economic growth. Arizona's existing public and private expertise in aerospace should be used to help expand the cross-border aerospace industry. Innovation in renewable energy, and integration of the region's energy delivery systems would benefit industry on both sides of the border.

Reliable, secure, high speed broadband infrastructure is critical to expanding Arizona-Mexico business partnerships and trade. We can deploy existing technology to upgrade our current border commerce infrastructure. For example, pre-clearance programs, better analytics and monitoring systems (including GPS and optical character recognition) can improve efficiency, manage lane traffic, increase safety, and help intercept illegal goods at international border ports of entry.

### **Communications, Public Perceptions, and Marketing**

The story we tell, how we share it, and who we share it with can influence public perceptions related to the bi-national region. There is currently a concern that the Arizona brand is tarnished, in part due to rhetoric, also due to past conduct. In addition, a lack of information perpetuates the problems with public perceptions. Through elected officials or other political and community leaders, we need to aggressively convey our value and how strong our industries and relationships have become. Concurrently, our leaders need to engage those responsible for negative rhetoric in Arizona and Mexico. We need data-driven, fact-based communications focused on the number of jobs created and the revenue impact of cross-border business in support of Arizona-Mexico trade and branding – independent of the national dialogue. We need to be specific about the competitive advantages of doing business in Arizona and on the Arizona-Mexico border, as well as the importance of the Hispanic community within the state, which is responsible for billions of dollars in commerce annually. However, facts and figures should only be part of our story. The Arizona-Mexico region, through its political and trade community leaders, must also articulate a collective vision and message of what the region is, and what it can become in the future.

In particular, the Governor must continue to champion Arizona's international marketing efforts through meetings, communications, and events. An example of this is Governor Ducey's trip to Mexico City with a delegation of 35 business people. Follow-up from those meetings by the Governor and the private sector leaders is critical to reinforce the messages from those meetings and build upon them.

Additionally, different consumers of information should be kept in mind, so that tailored messages can be designed for businesses, vacation travelers, commercial visitors, and youth. The Arizona-Mexico Commission, Arizona Commerce Authority, Hispanic Chamber of Commerce, Arizona Department of Transportation, Arizona Transportation and Trade Corridor Alliance (TTCA) and other organizations such as the Arizona Zanjeros, private business ambassadors appointed by the Governor, will continue to foster cross-border relationships and communications. Prior efforts in messaging and marketing of our region's value by Arizona's universities, various cities, and private companies may serve as a model for our future efforts.

While the entire effort in communications, marketing, and public perceptions need to include many different people, organizations, companies, and government agencies in Arizona and

Mexico, it must consistently reflect a new narrative based on our identity as members of a bi-national region focused on positive reinforcement of our strengths together. We need a strategic communication and marketing plan—developed through participation from both sides of the border on an equal basis—that reaches multiple audiences, including citizens of Arizona and Mexico who may not know the benefits of the Arizona-Mexico relationship, policy makers, and business and economic development agencies. We also recognize that actions send strong messages beyond the dialogue and fact-based communications. For example, investment in infrastructure that promotes cross-border trade and travel would send a stronger message that Arizona is “open for business.”

### **Noneconomic Factors**

Cultural exchanges allow individuals on both sides of the border to share experiences and better appreciate various aspects of what Arizona and Mexico share. Mexican culture energizes both sides of the border. Arizona is projected to become a majority Hispanic state by 2030. We should recognize that Hispanic influence permeates the entire region’s food, art, and language, and seek to share and celebrate this culture.

We can build and cement business and political relationships through cultural outreach and education. Student exchange programs, trade missions, cross-border sports and recreational events, and programs sponsored by faith-based organization all can play important roles to enhance cultural understanding.

We should encourage international study and student exchange programs, and should make these available to students of a younger age. Even short programs, such as class trips, cross-border concerts, and virtual foreign exchange programs, provide benefits. At the university level, state universities should promote the availability of federal funding for foreign exchange. The University of Arizona’s involvement in the 100,000 Strong in the Americas Initiative, which encourages foreign exchange among students in the Western Hemisphere, offers a model for these efforts. Non-profit groups also offer exchange programs for students and adults.

Political outreach can help support and grow the Arizona-Mexico relationship. Sister city and sister region programs can develop cross-border cooperation. For example, government officials in Pima County and Puerto Peñasco (aka Rocky Point) met recently to discuss issues of common interest. We can work with the Mexican consulate to foster bi-national partnerships; this outreach need not be limited to politicians. We should engage with and listen to the governments of the Tohono O’odham Nation and Pascua Yaqui Tribe. These peoples’ histories, cultural perspectives and proximity to the border yield insights that can benefit all of us.

## Setting Priorities and Taking Action

The actions described below seek to create prosperity for all people, businesses and communities in the Arizona-Mexico region, by capturing and marketing its geographic, business, cultural, and demographic advantages as a world-class center of international trade and commerce. When reflected by consensus of the Town Hall participants, the responsible party for implementing the action has been identified parenthetically. The following three areas require immediate and urgent action: (1) improve operational efficiency at Arizona international border ports of entry; (2) advocate for infrastructure improvements to improve international border ports of entry freight movements; and, (3) develop an information campaign to inform state lawmakers, Arizona residents, and stakeholders regarding the value of the Arizona-Mexico economy

### Infrastructure

- Pursue flexibility in hiring at and staffing of our international border ports of entry to address seasonal peaks and valleys. (Customs and Border Protection [CBP])
- Construct port of entry improvements to facilitate the crossing of commercial and personal vehicle traffic, and streamline processes for inspections.
- Identify additional funding to build out SR 189 to ADOT’s “preferred ultimate plan.” (stakeholders, business organizations, ADOT)
- Examine opportunities for CBP to use private sector funding (under Section 559 of the Consolidated Appropriations Act) to supplement port staffing (for example, paying for overtime). (Arizona-Mexico Commission [AMC])
- Build new commercial crossing at Douglas authorized by CBP and funded through federal, state, and/or public-private partnerships.
- Implement the recommended improvements from the Arizona-Sonora Border Master Plan to improve capacity and operational efficiency of international border ports of entry and supporting transportation infrastructure, such as full funding for the build-out of State Route (SR) 189.
- Reinstate funding for and activities within the Arizona International Development Authority, or ensure that the mission and purpose of the organization is being accomplished elsewhere. (Arizona Legislature)
- Improve: Mexico Highway 15; Highway 2 from Cananea to Douglas and from Caborca to San Luis; and, improve the 14 kilometer toll road through Nogales, Sonora to the Mariposa Port of Entry. (Mexican government – SCT, ADOT, CBP, US DOT)
- Support funding and development of the interstates and highways that comprise Arizona’s key commerce corridors and the future federally designated I-11. (individuals, Chambers of Commerce)
- Improve State Route 95 from Yuma to I-10 to make it more usable for commercial traffic. (ADOT)
- Seek congressional recognition for the San Luis and Douglas as the western and eastern passages of the Canamex Trade Corridor.
- Complete the natural gas line to San Luis.

- Pursue consolidation of Mexican military checkpoints south of Nogales, Sonora into one checkpoint—similar to the military checkpoint south of Texas—to streamline inspections; there are three stops now heading north from Mexico through Nogales. (Mexican Federal Government, U.S. Department of Homeland Security)
- Support the Mexico Highway 15/I-19 corridor study which will analyze both the status of the infrastructure and the existing supply chain and business relationships along the corridor and recommend actions for the future. (ADOT and SCT)
- Explore high speed rail from Phoenix through Guaymas.
- Implement stable, reliable, secure, redundant, accessible high speed cross-border broadband infrastructure. (private sector)
- Request the Arizona Congressional Delegation actively advocate for a funding solution and technical assistance to resolve sewer problems at Nogales.
- Improve the Port of Guaymas as a deep-water seaport and break-bulk destination.
- Seek approval from U.S.-Mexican authorities to create a new international bridge connecting Baja California and Arizona at Gadsden, Arizona.

### Economic Opportunities

- Repeal SB 1070 to boost Arizona's image and credibility in Mexico and Latin America and help repair the State's brand and perception.
- Expand the current Border Card Crossing zone to include the entire State of Arizona to increase tourism and hospitality revenue (Federal government) – promote through existing tourism organizations. (U.S. Department of Homeland Security)
- Streamline passport and visa processes for entry to the U.S. and Mexico.
- Streamline the guest worker programs in the U.S. and Mexico.
- Re-establish joint sessions with the Arizona and Sonoran legislatures. (State Legislature, AMC)
- Encourage Arizona's office in Hermosillo, which is a collaboration of ACA and AMC, to include technical assistance for businesses in Mexico that want to expand and grow in Arizona. (Governor's office)
- Assist in facilitating partnerships with Mexico and encourage near-shoring cross-border opportunities focusing on supply chain opportunities particularly in industries such as electronics, aerospace, mining and automotive sectors. (Transportation and Trade Corridor Alliance [TTCA], ACA)

### Energy, Technology & Innovation

- AMC can facilitate an event in July 2017 with Arizona universities and universities in Mexico (e.g., Universidad de Sonora, Instituto Tecnológico de Hermosillo, and Universidad Estatal de Sonora) to encourage interdisciplinary collaboration on energy research and development to become an annual event. (AMC).
- Investigate the establishment of a technology development center in Sonora leveraging U.S. companies, using the incubator model developed by Arizona universities, and encompassing software services and development. (ASU, UA, private sector businesses)
- The AMC can reach out to potential investors and serve as a hub to develop cross-border business and partnerships in the energy sector.

- Partner with Mexico to develop potable water through desalinization, including pipeline rights of way, using Water Infrastructure Finance Authority (WIFA) and International Boundary and Water Commission (IBWC) funds.
- Investigate options for attracting a new manufacturing operation for lithium-ion batteries along the border region with Arizona.
- Arizona can actively participate in annual Border Energy Form. (AMC Energy Committee)

### Education, Marketing & Communication

- Develop an information campaign to inform state lawmakers, Arizona residents and stakeholders regarding the value of the Arizona-Mexico economy. This campaign should be part of a coordinated bi-national marketing plan that includes expansion of the TTCA to lead and execute transportation and trade initiatives.
- The AMC, as a member of the TTCA, should serve as the organization coordinating and communicating activities between Arizona and Mexico. (AMC)
- The Trade and Transportation Corridor Alliance should help make the data-driven case for why trade with Mexico is positive and important. (TTCA)
- Convene a Town Hall in Sonora for Arizonans and Mexicans.
- Arizona should aggressively and consistently market the State's value as a business partner and tourism destination to Mexico.
- Promote sharing of best practices in agriculture, automotive, electronics, tourism, renewable energy, aerospace, and other industries. (Government and private sector)
- Arizona needs to develop programs at all educational levels that:
  - teach Arizona-Mexico studies to promote cultural awareness;
  - expand teaching of Spanish language classes in all grades;
  - foster student and cultural exchange programs (including virtual exchange programs); and
  - encourage participation in cross-border and cross-cultural activities that emphasize the advantages of diversity and Mexican-American cultural exchanges.
- Develop and promote a new Arizona-Mexico narrative that includes:
  - creating a unique brand for the Arizona-Mexico trade region;
  - bringing the new narrative to young people by promoting it at schools of all levels; and
  - developing grassroots and social media campaigns to promote the new narrative with the hashtag #AZMEXjuntos.
- Compile a reference directory of those already working towards these goals. (appropriate public and private sector entities)
- Learn from and engage with the Cocopah, Pascua Yaqui, Tohono O'odham and other tribal governments, the Mexican Consulate and others with unique understanding of cross-border issues.
- Develop a long-term, strategic communications and marketing plan, including a tri-national marketing campaign to "Buy North America."

## Individual Actions

- Participate in virtual or in-person language exchange programs to improve second language fluency and to broaden cross-cultural understanding.
- Incorporate Spanish into more aspects of Arizona civic and cultural life (for example, bilingual business cards).
- Write emails and letters to support the proposals above.
- Communicate this Report to professional organizations, state agencies, and other influential entities throughout the state.
- Lobby our Arizona federal elected officials to enact legal immigration reform for our nation.