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On April 20, 2006, a meeting was held to discuss potential CyberPort Initiatives. To date of the \$2.7 million secured for CyberPort projects, \$2.1 was allocated for the construction of the FAST Lanes and \$300,000 for the GSA Feasibility Study for the Redesign of the Mariposa Port of Entry. Approximately \$350,000 remains to be allocated.

Updates and discussion focused on several projects:

- FAST Lane Construction at the Mariposa Port of Entry-AZ/SON
- SENTRI Lane Construction at the DeConcini Port of Entry
- Ag Seal and Secure
- Rail C-TPAT Proof of Concept
- Nogales ITS Project

The following summary provides information on the various projects and identified next steps. Many of the projects will require further refinement to advance with a funding recommendation to the full Taskforce, expected to reconvene on June 16 between 3 and 5 p.m.

**FAST Lanes**

- The lanes on the U.S. side are under construction. Completion is anticipated by late July. A planning committee is organizing a celebratory ribbon cutting event with the Governor and other high level binational dignitaries on August 15<sup>th</sup> at 11 a.m. The theme of the event will be "The FAST Lanes: CyberPort in Action."

- The Sonora government secured approximately \$7 million pesos to construct lanes extending back to the first overpass, approximately 300 meters. The plan is to have six lanes at the border (two FAST, two non-FAST and two POVs). The bridge will be widened to four lanes. The construction schedule is set to coincide with the completion of the U.S. lanes.

**SENTRI Lanes**

- A binational meeting with federal officials and the contractors was held this morning (April 20<sup>th</sup> at 10 a.m.) to discuss the construction of a permanent lane. No timelines have been set, however consensus exist to move expeditiously. Once construction is initiated, it should only take approximately one month to complete.
- The SENTRI Lanes opened as a pilot on April 4<sup>th</sup> using temporary facilities until the permanent lane could be constructed. Enrollment applications have increased significantly since the lane opened.

**C-TPAT Rail (Low Risk Shipments) Proof of Concept**

- UP Railroad indicates that by late 2008, Nogales will become the 2<sup>nd</sup> largest rail port along the U.S. Mexico Border. This could occur much quicker in light of the narrow margin between Eagle Pass, currently in second place at 14%, and Nogales at 12%.
- Expansion plans by Ford, CEMEX and potentially Guaymas factor into this projection. Currently 70 percent of the rail traffic is from Ford and CEMEX. CEMEX in particular generate 140 rail cars a day. This amount exceeds the capacity of the Nogales route and must be split by directing shipments to Calexico. UP regulates the number of rail cars going north. A project is needed to increase capacity.

- BTA contacted CBP to proactively plan for this growth and consider ways to integrate the C-TPAT program into a solution. Both Ford and CEMEX are C-TPAT certified and have agreed to participate in a pilot.
- The initial concept is to work with these companies to bundle their shipments on one and/or possibly two trains. As C-TPAT certified companies their shipments would receive low risk designation and thus move efficiently through the border. Non-certified rail traffic would be contained to an additional train considered a higher risk for inspection purposes.
- CBP advocates for passive transponders/electronic seals which are compatible with their FAST lane technology. BTA in cooperation with NTMI is identifying the various seal options, for instance whether it is economically viable to incorporate reusable seals. Readers will be positioned in route to monitor the transit.
- Over the months of May and June, BTA expects to work out the logistic hurdles with the federal agencies and the railroads (Union Pacific and Ferromex). Constraints include the requirement for crew changes and break inspections at the border. Possible solutions include certification of international drivers and the use of technology to expeditiously verify brake systems. The BTA conference in DC featured a presentation on thermal screening technology.
- BTA will be meeting with the Federal Railway Administration on May 15 in D.C. and meeting with UP within the same timeframe.
- CBP HQ has authorized this project as a pilot. Initial estimates suggest a timeframe for implementation over the next six to twelve months, CBP indicated that it might be possible to substantiate success within a month. Successful implementation could lead to expansion of the pilot to other ports.
- Potential funding sources include 1) the U.S. Embassy Narcotics Affairs Section in D.F., which would grant funds through BTA's Mexico subsidiary; 2) U.S. Homeland Security; 3) Rail companies; 4) CEMEX/Ford and 5) CANAMEX-CyperPort. The project is anticipated to cost around \$100,000. An official funding request for \$25,000 from CANAMEX is being prepared. The project exemplifies and supports the CANAMEX efforts to focus attention on actual process and technology enhancements to move commercial traffic.
- Performance measures are under discussion. Rail traffic is currently facilitated through Nogales via a single track. This program has the potential to increase capacity from the four trains a day to six to eight. The rigors of substantiating a proof of concept require that careful consideration be given to implementation and outcomes.
- In February of this year, several C-TPAT certified companies (Ford, UP, Ferromex and CEMEX) requested that CBP extend rail service to include Sunday. The schedule for rail is Monday through Saturday 9 a.m. to 5 p.m. and Sunday from 9 a.m. to 1 p.m. CBP's position is to approve extensions if the customer's workload can justify the request. An important condition of the review process is to determine whether the request is based on an increased workload or a compensation for operational inefficiencies.
- Typically, CBP does not stop the train at the border, since manifest data is received and processed electronically in advance. If a container is examined, the inspection is conducted at Rio Rico during the FRA's mandatory brake inspection. CBP generally examines 3 to 4 containers a week. Merchandise is not offloaded unless narcotics or other illegal conveyances are discovered.

### **Ag Seal and Secure**

- The Ag Seal and Secure Initiative includes three broad objectives: 1) increasing C-TPAT certified produce growers; 2) increasing security and efficiency in the transit of produce, specifically addressing the Mexican Army Checkpoints referred to as PRECOS and 3) increasing security at the distribution warehouses in both Mexico and Arizona.
- The Fresh Produce Association sponsored two C-TPAT certification seminars in collaboration with CBP. Initial results include 4 certified growers and 12-14 applications under consideration.

- The shipment of produce in Mexico is considerably impacted by mandatory inspections by the Army. Preliminary data indicates a 10 percent market value loss and up to 12 additional hours of transit time due to these checkpoints. Over the past year, several meetings with federal officials have been initiated to identify resources and solutions, e.g. the Narcotics section of the U.S. and Mexico Embassy both in DC and DF, Mexico's Secretary of Economy, Mexico's Federal Army-SEDENA, Mexico's Secretary of Communication and Transportation.
- The State of Sonora has organized a working group that includes the regional army general with jurisdiction over the three active checkpoints in Sonora. A preliminary design for enhancements to the Benjamin Hill site (facility, lighting, infrastructure, technology) is expected next week.
- There are two components associated with securing warehouses and distribution centers in Mexico and Arizona. The first is a byproduct of an analysis funded by the Department of Energy which identified these locations as susceptible points in the supply chain. No resources have been identified to conduct a proof of concept at the Arizona warehouses in Rio Rico. Discussions are underway with Monterrey Tec to secure a grant for implementation on the Mexico side.
- The second component, strongly supported by Mexican Customs, is to utilize the CAADES facility located within the toll road as a site for conducting U.S. inspections. The ultimate objective would be to locate inspection officials in the interior of Mexico to provide preclearance at the port of entry. The U.S. has opposed this because of security concerns for U.S. personnel. Mexican Customs officials argue that the CAADES facility would permit U.S. officials to live on the U.S. side and alleviate congestion at the Mariposa Port by conducting inspections away from the Port. In addition the Mariposa Port does not have refrigerated bays.
- Mexican Customs encourages the organization of a technical team to prepare a proof of concept proposal. CAADES will be contacted to determine interest in a pilot. The design proposal from the Sonora working group regarding the Benjamin site will be solicited.

### **Nogales ITS**

- Two years ago ADOT's MVD Border Projects Division received approval by the Arizona State Board of Transportation to initiate a project to mount cameras on the toll road leading to the Mariposa Port of Entry. At the time both Mexico and U.S. Customs officials favored this as a practical solution to monitoring commercial traffic leading to the Mariposa Port of Entry.
- The project based on discussions with International Road Dynamics, Inc. would cost between \$150,000 to \$400,000 USD.
- The cameras would assist Mexico and US customs officials with security and queuing. One potential benefit would be the ability to gage wait times more effectively.
- Key concerns include insuring the integrity of the cameras and making arrangements with Mexican Customs to have them share data with U.S. officials, thus avoiding sovereignty issues inherent in monitoring traffic from the U.S.
- An additional concern is the source of funding. SAFETEA-LU included a provision, Section 1303 funds, that permits expenditures for projects on the Mexican side of the border. Both Texas and California have reported issues at the state level with meeting this requirement. The AZ Attorney General's Office has been briefed and efforts are underway to see whether any state prohibitions exist. The initial idea, depending on approval by the subcommittee and the full Taskforce, would be to allocate CyberPort funds. Since these funds could not be utilized in Mexico, a swap of sorts would be necessary with the 1303 funds received by ADOT. It may be necessary to seek State Transportation Board approval considering the nascent activity on this project.