

November 14, 2014

TO: Members of the MAG Regional Council Executive Committee

FROM: Mayor Michael LeVault, Town of Youngtown, Chair

SUBJECT: ADDENDUM TO THE NOVEMBER 17, 2014 MAG EXECUTIVE COMMITTEE AGENDA

An addendum to the November 17, 2014 MAG Executive Committee agenda has been prepared to provide an agenda item to discuss the recent trip to Hermosillo, Sonora, Mexico by members of the Regional Council, Economic Development Committee and other MAG member agency elected officials. Please contact the MAG office if you have questions about the addendum to the agenda.

**ITEM PROPOSED TO BE HEARD
BY THE EXECUTIVE COMMITTEE**

6. Discussion of Recent Trip to Hermosillo, Sonora, Mexico by Representatives of MAG Member Agencies and Request to Send a Letter to Governor-Elect Doug Ducey Expressing Willingness to Work on Trade Related Issues and Conveying Areas of Interest

On November 10-11, 2014, members of the Regional Council and Executive Committee and other member agency elected officials and staff traveled to Hermosillo, Sonora, Mexico to meet with key business and policy leaders to explore trade opportunities. As a result of this trip and related activities of the Regional Council and Economic Development Committee, it has been suggested that a letter be sent to Governor Elect-Doug Ducey expressing the willingness of the MAG member agencies to work with the new administration on critical trade issues, especially with Mexico and Canada. A copy of the draft letter is attached for review and discussion by the Executive Committee for possible approval to send the letter to the incoming administration. Please refer to the enclosed material.

6. Approval to send a letter to Governor-Elect Doug Ducey expressing the willingness of MAG to work with the incoming administration on trade related issues and conveying areas of interest.

November 14, 2014

Governor-Elect Doug Ducey
c/o Governor's Transition Team
Governor's Office
Executive Tower
1700 West Washington Street
Phoenix, AZ 85007

Dear Governor-Elect Ducey:

On behalf of the Maricopa Association of Governments' (MAG) Regional Council and Economic Development Committee (EDC), we would like to extend best wishes for your transition to the Arizona Governor's Office. As the council of governments and metropolitan planning organization for the Greater Phoenix region, MAG is dedicated to bringing local leaders together to address issues of regional significance that cross jurisdictional boundaries. We would like to extend an invitation to you to discuss areas in which we could work cooperatively with your administration to significantly augment economic opportunities, not only for the Greater Phoenix region, but for all of Arizona and its two largest trading partners – Mexico and Canada.

With the formation of the Economic Development Committee (EDC) four years ago, MAG is addressing issues pertaining to economic development and trade in the context of the global economy. One of these efforts includes working diligently to strengthen relationships at the local and regional levels and open doors for enhanced business development and collaboration between Arizona and Mexico. Below are some of the key areas of concentration at MAG on which our agency is focusing and we would like to explore further collaboration:

Transportation Infrastructure

- Provide infrastructure improvements to Arizona's ports of entry, including adequate technology and agent staffing to increase optimal port operations and facilitate effective and efficient throughput of legitimate trade and individuals.
- Invest in coordinating infrastructure for both highway and rail on both sides of the Arizona and Mexico border to augment trade flows along western Mexico through Arizona to create an optimal *Americas Trade Corridor* connecting Mexico, the U.S. and Canada.
- Address key chokepoints along the commerce corridor, including funding for State Route 189A/Mariposa Road in Nogales, Arizona (\$65 million) and work with Mexican federal government on a precertification program and usage of technology for less invasive inspection processing at the Querobabi Mexican military checkpoint on Mexican Federal Highway 15.

Commerce and Trade

- Examine freight transportation connections and commerce corridors for the movement of goods and services within Arizona and other market areas outside Arizona, such as Mexico, California, the Intermountain West and Canada.
- Augment Arizona's local business supply chain connections and export opportunities with key industry sectors in Mexico and Canada. For example, 40 percent of materials used to assemble vehicles at the Ford Stamping and Assembly Plant in Hermosillo, Sonora come from the U.S.
 - Expand brand awareness and participation of businesses on BIEN (Building an International Network) database and connection tool both statewide and internationally with Arizona's largest trading partners.

Tourism

- Expand the border zone limit from 75 miles to the entire state through a federal administrative regulation change by the U.S. Department of Homeland Security for pre-cleared and pre-vetted Mexican visitors who have been issued a U.S. border crossing card through a thorough background check and interview process to reduce wait-times and foster economic growth by increasing flow of travel and tourism at Arizona land ports of entry.

Recent efforts by MAG have increasingly focused on how transportation infrastructure connections can facilitate the advancement of economic development opportunities in our region and state. We believe that Mexico and Canada and other significant markets are integral to Arizona's economic future. By working together and coordinating efforts in the areas of transportation infrastructure, commerce and trade and tourism, we will achieve concrete economic outcomes for the entire state.

Sincerely,

Michael LeVault, Chair, MAG Regional Council
Mayor, Youngtown, AZ

John Lewis, Chair, MAG Economic Development Committee
Mayor, Gilbert, AZ

CC: Regional Council
Economic Development Committee