



ARI-SON Council Meeting  
Welcome Reception



SMART Borders /  
Cross-Border Connected Cities

Steve Hamilton, Senior Manager  
Deloitte Advisory

August 23, 2017



**High-Level Economic Dialogue  
(US-Mexico)**

**US-Mexico CEO Dialogue  
(Bilateral Private Sector Forum)**

**US-Mexico CEO Dialogue Leads**



## Working Groups

**Transformation**

**Border  
Optimization**

**North American  
Competitiveness**

**Strategic  
Trade  
Initiatives**

### Co-Chairs:

Curt Mortenson / John Skowron (Deloitte)  
Emilio Cadena (Grupo Prodensa/INDEX)

***SMART Borders / CBCC***

### Deloitte Team Leads:

Jim O'Gara  
Steve Hamilton

### INDEX/CCE Team Leads:

Juan Vazquez  
Alfonso Rojas  
Salvador Ledon

**Transformation Working Group  
Leads**



**Deloitte.**

**GRUPO PRODENSA**

**US and Mexico Chambers**

**Private Sector Stakeholders**

**Public Sector Stakeholders**



## The Cross-Border Connected Cities (CBCC) Platform ...

- Builds on *interconnected* nature of US-Mexico city-pair communities
- Utilizes *technology-enabled infrastructure and streamlined processes* to meet needs of citizens on both sides of the border
- Brings together *coordinated investment* for pilot projects that improve economic and social development



Border communities joined by a SMART border will benefit from a **“Border Dividend”** — an estimated 5-10x return on targeted investments from improved services and coordination.

## EXAMPLE BENEFITS INCLUDE:



Broader Economic Development



Broader Technology Access



Improved Mobility and Security



Increased Job Creation



## Features of the CBCC Platform

The overall **Transformation Zone** encompasses all *technological advancements* to the border and serves as a *catalytic platform* for border economic development.

The **Regional Planning Area** enables regional efficiency and mobility through transit-oriented development around supply chains and adjacent communities and technology solutions.

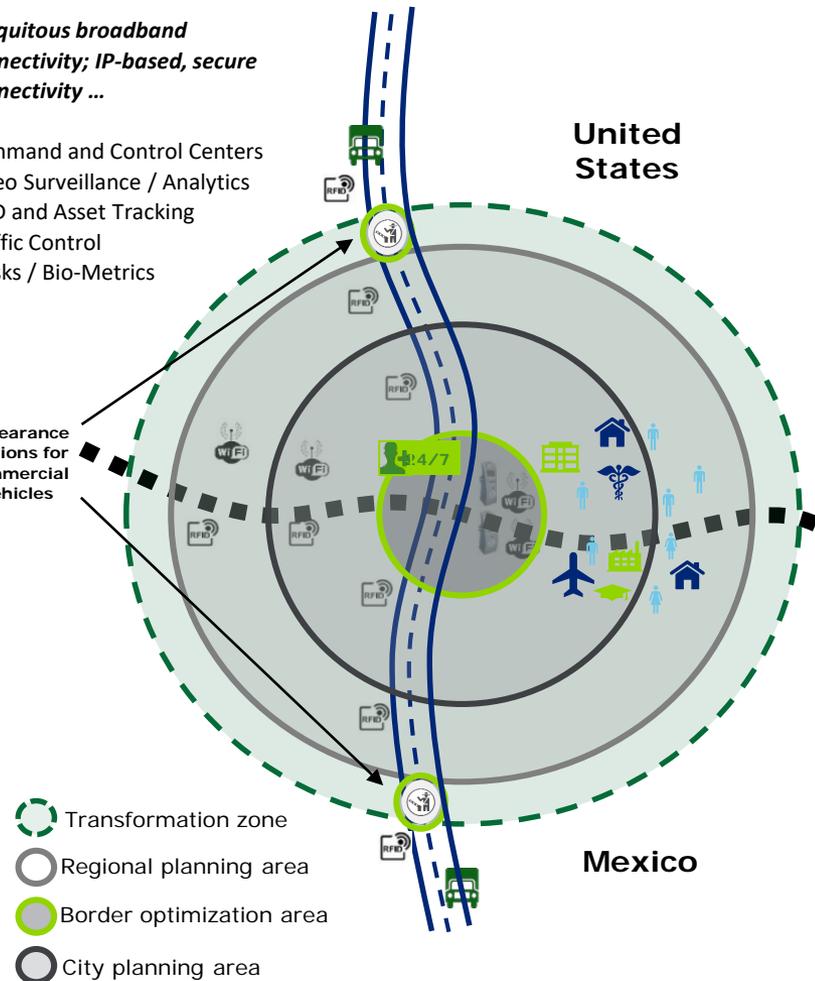
The **City Planning Area** creates a more integrated region through complementary strategic planning for economic development, business investment, and workforce training.

The **Border Optimization Area** uses advanced technological infrastructure and better data management to improve border operations.

**Ubiquitous broadband connectivity; IP-based, secure connectivity ...**

ICT  
 Command and Control Centers  
 Video Surveillance / Analytics  
 RFID and Asset Tracking  
 Traffic Control  
 Kiosks / Bio-Metrics

e-clearance stations for commercial vehicles



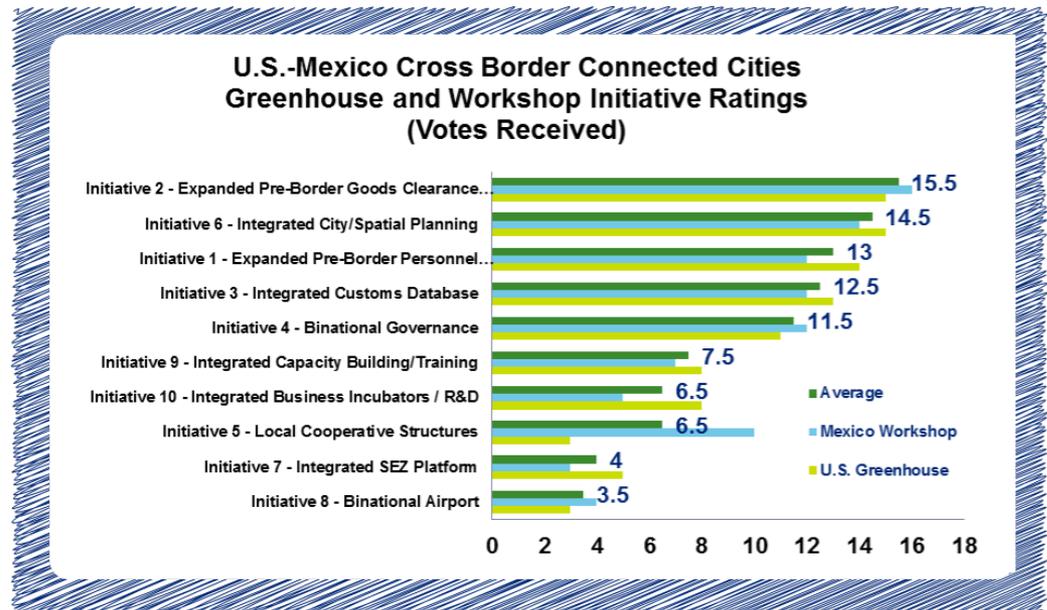
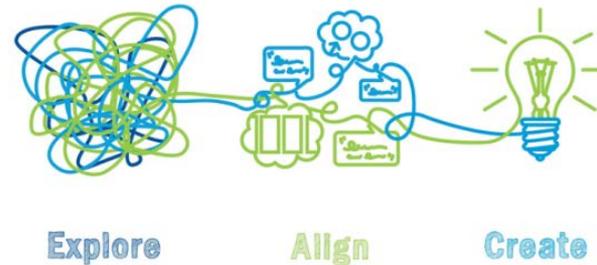


Beginning in 2014/2015, Deloitte held two Greenhouse prioritization workshop sessions to gauge interest in various CBCC platform initiatives.

## Arlington, Virginia Workshop



## Mexico City Workshop



Based on voting results, stakeholders on **both sides of the border aligned on border initiatives**, with expanded pre-border clearance programs garnering the most votes.



Given existing political, economic, social, and institutional collaboration (e.g., Arizona-Mexico Commission), Arizona / Sonora are well-positioned to take advantage of the CBCC platform.

## Trade Activity in Arizona-Sonora



**\$40+ billion** worth of goods in two-way trade processed at Arizona's ports



**60%+** of the winter produce enter the US through the Nogales port-of-entry



**50%+** of sales tax revenues for Santa Cruz County are from Mexican visitors

## Economic Imperative for the Region

By implementing SMART Border/CBCC Platform, border pair cities can recognize the following benefits:

1. **Job creation** through technology infrastructure investments
2. **Increased economic activity** through greater traffic
3. **Lower costs for locally based industries** through border efficiencies

## The Case for Change in Arizona-Sonora

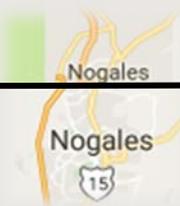
Arizona ports have **strong existing private sector collaboration** and are already a site for several successful **pilot projects to improve border processes**.

### Yuma – San Luis



- Strong collaboration capacity
- Large agricultural worker population

### Nogales – Nogales



- Piloted the C-TPAT Program
- Heavy produce and industry traffic

### Douglas – Agua Prieta



- Opportunity to develop a cohesive economic development vision



*Applying the general CBCC platform, we've been working with local stakeholders in Arizona and Sonora to determine priorities and potential pilot projects for the greater Arizona-Sonora border region.*

## **Nogales, Yuma, San Luis Scoping Missions**

**October 2016 – May 2017**

*Hold stakeholder meetings in Nogales, Yuma, San Luis, and Phoenix to collect inputs on potential pilot projects and ongoing efforts within the Arizona – Sonora region*

## **Governor Ducey's Support Letter**

**November 10, 2016**



## **Leadership Alignment**

**July 6 – 9, 2017**

*Convene Arizona, Sonora, Deloitte, and Grupo Prodensa leadership for joint alignment on the CBCC platform at the US-Mexico CEO Dialogue and Deloitte Global Public Sector Meeting in Washington, DC.*

## **Alliance Workshop**

**August 8, 2017**

*Convene technical and local stakeholders and implementing partners for a technical working session on potential pilot projects*

## **Pilot Project Finalization**

**August – October 2017**

*Develop investment prospectus briefings for "qualified" pilot projects that outlines the approach to implementation readiness and provides a clear path to funding*





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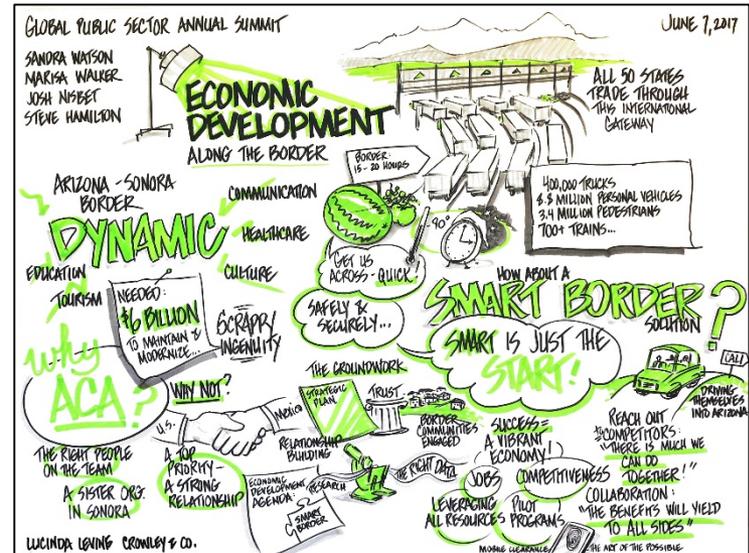
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## Workshop Facilitators

### Public Sector

**ARIZONA**  
COMMERCE AUTHORITY

**SONORA**  
UNIDOS LOGRAMOS MÁS

### Co-Chairs of US-MX CEO Dialogue: Transformation Working Group

**Deloitte.**

GRUPO **PRODENSA**

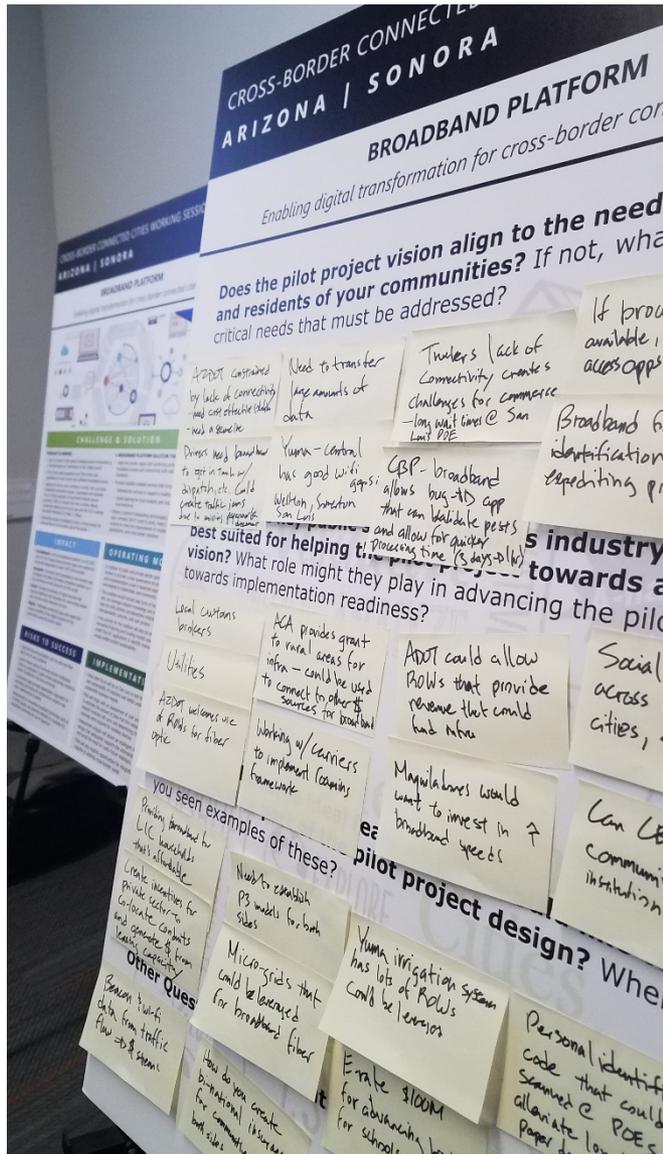
### Private Sector Technical Partners

 **amazon**  
web services™



**BLACK & VEATCH**

**HITACHI**  
Inspire the Next





*The CBCC platform has been guided by a four-stage evaluation process.*



## Define CBCC Guiding Principles

Create a framework that identifies core concepts upon which the CBCC platform relies.



## Identify Universe of Projects

Consult with stakeholders to identify potential projects that would serve as value-delivering manifestations of the CBCC platform.



## Evaluate and Select Pilot Projects

Investigate projects via initial screening for feasibility, evaluating them using an established criteria framework to refine the list.



## Alliance Workshop

Present pre-vetted pilot project options to key stakeholders for **further input** and to drive forward **development of priority pilot projects**.



*The first process was identifying the core foundational principles that guided the selection of pilot projects.*



## **CROSS BORDER IMPACT**

The project affects people across borders, reducing inefficiencies by increasing interconnections.



## **GEOGRAPHICAL RELEVANCE**

The project addresses a locally recognized need, suggested by stakeholders who live/work in the border zone.



## **ECONOMIC/SOCIAL BENEFIT**

The project generates economic/social returns, including employment or investment.



## **APPLICATION OF TECHNOLOGY**

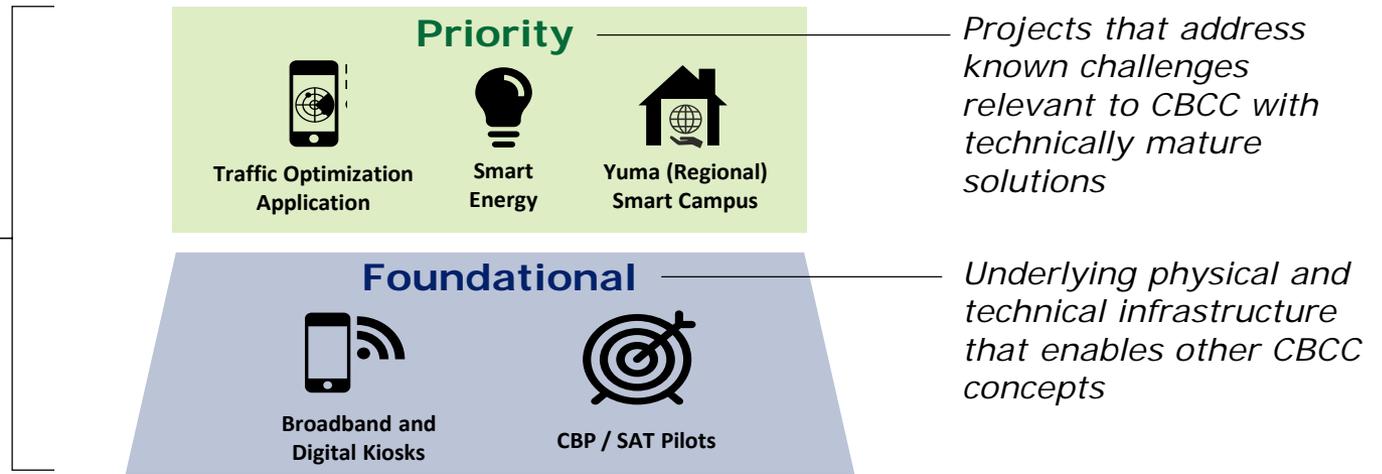
The project depends on thoughtfully designed use of tech solutions to drive improvements.

# OVERVIEW OF PILOT PROJECTS | PROJECT CLASSIFICATION

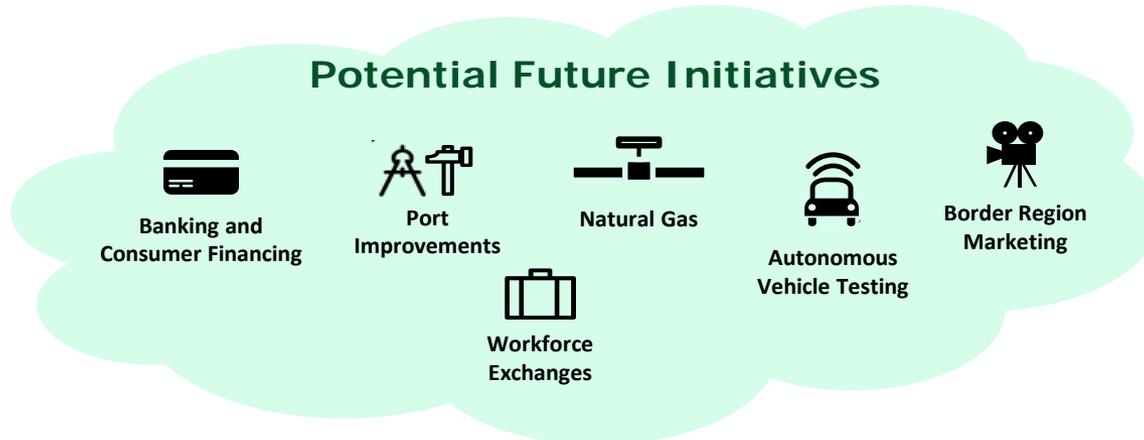


Based on this evaluation exercise, we prioritized projects according to the established parameters, which informed the workshop exercise.

Defined projects identified as ready for further discussion and vetting, to be discussed today



Reserved for future discussions





# Thank you!



***Get in touch:***

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