

MINUTES
Legislative Finance Committee
Deming/Columbus/Santa Teresa, NM
October 1 - 4, 2019

Wednesday, October 2nd

The following members and designees were present on Wednesday, October 2, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Mary Kay Papen, Steven P. Neville, William F. Burt, Gabriel Ramos, John M. Sapien, James P. White, and Pete Campos; and Representatives Harry Garcia, Jason C. Harper, Susan K. Herrera, Gail Armstrong, Rodolpho “Rudy” Martinez, Nathan P. Small, and Randal S. Crowder. Guest legislators: Representatives Phelps Anderson, Paul Bandy, and Jack Chatfield.

Executive Session: Playas Training and Research Center at New Mexico Tech. New Mexico Institute of Mining and Technology (NMIMT) hosted the LFC at its Playas Training and Research Center in Playas. In 2002, the university purchased the property from Phelps Dodge Mining Corporation, which had developed the Playas site to process copper ore for market using a smelting operation that is no longer viable economically or environmentally. In its first years of operation, New Mexico Tech entered into an agreement with the federal government for use of the facilities, which allowed the university to recoup its investment into the 640-acre site. The property includes more than 250 dwelling units, a community center, and an airstrip.

Recently, the Air Force Research Lab (AFRL) entered into an agreement with New Mexico Tech for new training and research activities at the property, investing more than \$93 million over several years. The university will perform research under the AFRL contract through its Institute for Complex Additive System and Analysis, a research and public service project. Committee members toured the Playas site. The airstrip needs to be reconstructed to allow logistics and materials to be transported easily to the site. The project is estimated to cost \$4 million.

Antelope Wells Port of Entry. Director Tony Hall welcomed LFC to the port of entry at Antelope Wells on the southern frontier of Hidalgo County. Giving an overview of the port, Director Hall said about 12 primarily commercial vehicles enter New Mexico through the port a day during high season. Located at the end of state highway 81, the road continues in Mexico toward Mexico highway 2, with two miles from the port unpaved. Effort is being made to pave the two-mile stretch to improve access to the crossing. The facility has a waiting area, cell, and living quarters.



Johnson Ranch Tour. The Johnson family met LFC on New Mexico 9 and led the committee to the border on their ranch where Normandy fencing ends and barbed wire fencing begins, about 20 miles west of Columbus. Russell Johnson said current fencing between the ranch and Mexico provides inadequate barrier, sharing his experience with incoming traffic of illegal immigrants, from break-ins, litter, theft and damage to his property and livestock. If triggered, a ground sensor at the site alerts U.S. Border Patrol of cross border activity; however, Mr. Johnson said the response time is over 30 minutes, often too late to stop drug smugglers and people entering the United States illegally. The lack of cell phone service in the area prevents suspicious activity from being reported quickly, which Ms. Johnson said also creates a safety issue for her family. The Johnsons support constructing a wall between the U.S. and Mexico border and recommend more patrolling agents at the border.

In response to Senator White, Joe Johnson said cattle stolen from the ranch are often sold at Texas auctions that don't require a brand.



Normandy fence on the Johnson Ranch

Department of Homeland Security Unmanned Aircraft System. Jackie Lindsey, secretary of the Department of Homeland Security and Emergency Management, arranged a demonstration of the agency's new unmanned aircraft system, a \$400 thousand investment. Silent Falcon President Grant Bishop and his team gave an overview of the drones, flying and controlling the aircraft through a computer system. Drones offer a wide range of uses, including law enforcement, emergency response, wild fire management, and infrastructure oversight.

Silent Falcon's drones are manufactured in Albuquerque. The drone demonstrated weighs 35 pounds, flies up to 20 thousand feet, travels 35 miles per hour, and can remain in flight for eight hours if outfitted with solar panels.



Thursday, October 3rd

The following members and designees were present on Thursday, October 3, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Mary Kay Papen, Steven P. Neville, William F. Burt, George K. Muñoz, John M. Sapien, James P. White, and Pete Campos; and Representatives Harry Garcia, Jason C. Harper, Gail Armstrong, Rodolpho “Rudy” Martinez, and Randal S. Crowder. Guest legislators: Representatives Phelps Anderson, Paul Bandy, and Jack Chatfield.

Deming Migrant Shelter Tour. City of Deming Manager and Deming Migrant Shelter Co-Director Aaron Sera, Deming Migrant Shelter Co-Director Ray Trejo, Luna County Manager David McSherry, and Colores United Co-Founder Ariana Saldares talked about the community’s accomplishment in erecting the Deming migrant shelter in a short period of time. This past May, Deming received about 10 thousand migrants, a result of overcrowding at U.S. Customs and Border shelters. Deming quickly converted the old National Guard building into shelter for migrants, many of whom were families. Initially, migrants remained at the shelter for five days, but the average stay is now two days. Ms. Saldares said many migrants arrive very hungry and have a hard time adjusting to cultural diet changes. The shelter has relied heavily on volunteers and donated food and clothing. Mr. Trejo said the shelter’s monthly costs total about \$100 thousand; the shelter, however, will be closing due the decreased need for it.



Columbus Infrastructure, Port of Entry, and Stockyards Tour. LFC visited the recently rebuilt and expanded port of entry in Columbus. Director Tony Hall escorted committee members around the new state of the art facility, which is four times larger than the original and designed to help control flooding. During chile season, the port serves between 120 and 200 commercial vehicles. Chile and other produce undergo an inspection process at the facility. About 500 U.S. born children living in the area of Palomas cross through the port on weekdays to attend school in Columbus or Deming.

Co-Owner Antonio Chavez gave LFC a tour of Columbus Stockyards, an importer and marketer of Mexican cattle. Between 50 thousand and 60 thousand cattle are imported annually through Columbus. The stockyards have the capability to receive more but the Union Ganadera Regional de Chihuahua directs more imported cattle through Santa Teresa. The union, a cooperative comprising livestock producers throughout Chihuahua, operates the livestock import facilities in Santa Teresa and Columbus. Columbus Stockyards and other stakeholders are advocating the union to direct more imported cattle through the Columbus facility.



LFC toured by bus other infrastructure in the Columbus area. Mayor Esequiel Salas said flooding continues to be a major concern. Columbus is working to secure funding to build a channel to control flooding. Jackie Lindsey, secretary of the Department of Homeland Security and Emergency Management, said the village may be eligible for Federal Emergency Management Agency (FEMA) assistance for the project.

Migrants/Asylum Seekers. Jackie Lindsey, secretary of the Department of Homeland Security and Emergency Management (DHSEM), explained a change in policy by U.S. Customs and Border Protection (CBP) led to large numbers of asylum seekers being released directly into border communities such as Deming and Las Cruces. These communities established temporary shelters to house these individuals, conduct health screenings, and coordinate travel to their sponsors. Secretary Lindsey said DHSEM staff spent 72 days on the ground assisting in these efforts, and reported that, to date, DHSEM has expended \$1.25 million of a \$2.5 million 2019 special appropriation for border security, public health, and communications. Secretary Lindsey noted this sheltering operation is not sustainable and ongoing sheltering would require federal support.

Kathy Kunkel, secretary of the Department of Health (DOH), said that DOH's role in the border crisis began when it received a request for assistance from Hidalgo County due to its medical services being overwhelmed. DOH also loaned a mobile medical unit from Santa Fe to Dona Ana County to assist at its shelter. Secretary Kunkel stated DOH had a much larger role in the sheltering operation in Deming and eventually relocated the mobile medical unit there. DOH reported about 8,600 asylum seekers passed through shelters in Deming and 17.2 thousand passed through shelters in Las Cruces. DOH coordinated staff and volunteer efforts, dedicating over 2,800 hours of staff time from 72 FTE to the effort and hiring a contract site coordinator for Deming. DOH reported the results of health screenings conducted at the shelters, including levels of influenza-like illness observed; the agency offered flu vaccinations to all asylum seekers in the Deming shelter until the vaccine expired on June 30.

Cullen Combs, emergency manager for Dona Ana County, reviewed the history of private volunteer care of migrants and asylum seekers and reported the need for government involvement began on April 12 when, as a result of CBP's policy change, about 70 individuals were dropped off in the county. Mr. Combs reported the highest numbers of individuals sheltered in Dona Ana County in May, averaging 191 per day. On average, Mr. Combs estimated asylum seekers spent three days in the shelters and received food, clothing, medical care, and hygiene assistance, among other services. Mr. Combs estimated the sheltering operation in Dona Ana County cost about \$70

thousand per month (\$200 thousand at peak) with few staff and a large number of volunteers and donations. Mr. Combs noted these individuals were legally released by CBP into New Mexico communities, and the county had a humanitarian obligation to care for them; he called this an “unfunded federal mandate.”

Freida Adams, volunteer coordinator for the Heart for the World Church, explained migration usually follows patterns of seasonal ebbs and flows, but other factors sometimes have a significant impact. Ms. Adams explained that Annunciation House in El Paso began helping shelter migrants and asylum seekers about 10 years ago and reaches out to Las Cruces churches when they are over capacity. When CBP instituted its policy change on April 12, these organizations were no longer able to provide sufficient sheltering capacity.

While New Mexico’s shelters have seen a significant drop in individuals needing assistance, Secretary Kunkel noted Chihuahua and Sonora have not seen any decline in asylum seekers, and most are being returned from the United States through the federal migrant protection protocols (MPP). Secretary Lindsey added about 20 thousand members of the Mexican National Guard have assisted in guarding the border from the Mexican side. As a result, CBP apprehensions of individuals crossing between ports of entry have decreased significantly, and CBP announced it was ceasing the policy of releasing individuals directly into communities.

Members noted the resources currently unused in New Mexico’s shelters might be better employed in Mexico’s shelters and inquired about the possibility of sending resources across the border. Ms. Adams explained some of this work is already taking place, but there were restrictions on what could be transported across the border and distributed in Mexican shelters.

Senator Neville inquired how cartels and human trafficking play into this situation. Adam Simonson, Homeland Security Bureau chief for DHSEM, said the department tracks cartel movements and noted shifts in areas controlled by cartels directly impacted which areas of the border saw increased or decreased migration. Mr. Simonson reported the department cooperates effectively with its law enforcement partners in Mexico.

Members, including Chairman Smith, praised the local communities for their response to this crisis. Chairman Smith also discussed his experiences working with the shelters and praised Secretary Kunkel and Secretary Lindsey for their efforts.

Border Security. Jackie Lindsey, secretary of the Department of Homeland Security and Emergency Management (DHSEM), reported Hidalgo County requested assistance in January due to concerns over lack of law enforcement in the county after U.S. Border Patrol officers were relocated to help process asylum seekers. Secretary Lindsey explained the county has only four sheriff’s deputies, and they are not on duty 24-hours-per-day. New Mexico State Police (NMSP) were deployed to assist.

Mark Shea, secretary of the Department of Public Safety (DPS), explained Hidalgo County was also concerned about law enforcement shortages due to the New Mexico National Guard being pulled back from operations along the border. NMSP initiated “Operation Bootheel” to address these concerns, using existing district staff and using overtime to ensure 24-hour shifts. NMSP

relocated officers from patrols along Interstate 10 to the county to assist. Secretary Shea reported NMSP coordinated with local law enforcement and U.S. Border Patrol during this operation.

Tim Johnson, chief of the New Mexico State Police, reported that, in addition to Operation Bootheel, which lasted from February 2 through May 7, NMSP conducted several other recent operations in border communities, including assisting the Sunland Park Police Department with its investigation into the United Constitutional Patriots (a militia group that detained migrants at gunpoint), conducting interdiction operations to prevent drug trafficking in Otero County in response to the county's declaration of emergency after U.S. Border Patrol closed checkpoints to relocate officers to process asylum seekers, helping to ensure peace during activities related to the construction of a border wall on private land, and providing 24/7 security coverage to migrant shelters (when occupied) in response to the El Paso mass shooting targeting immigrants. Chief Johnson noted NMSP's interdiction operations in Otero County did not see significant results, and the U.S. Border Patrol checkpoints have now been reopened. Chief Johnson reported NMSP districts 12 and 4, which encompass the bootheel region, do not have significant vacancies.

Members expressed serious concerns regarding the state of communications along the border, including issues with public safety radio communications and lack of cell coverage for civilians. Secretary Lindsey noted interoperability of public safety radio communication systems is a serious concern. Secretary Shea stated the Department of Information Technology (DoIT) has been very proactive in trying to improve public safety radio communications, and DPS is working with DoIT to develop a plan, but it will require time and money. Secretary Shea noted DoIT wants to shift away from a fee-based structure to a more unified radio communications system.

In response to Representative Bandy's inquiry as to whether sanctuary cities impacted cooperation with the federal government, Secretary Lindsey stated they did not impact DHSEM's operations but some sanctuary cities believe they are treated differently by the federal government.

Miscellaneous Business.

Action Items. Vice Chairwoman Lundstrom moved to adopt the August 2019 meeting minutes, seconded by Representative Armstrong. The motion carried.

Vice Chairwoman Lundstrom moved to adopt the August 2019 subcommittee report, seconded by Senator Neville. The motion carried.

Vice Chairwoman Lundstrom moved to adopt the LFC contracts, seconded by Senator Neville. The motion carried.

Chairman Smith asked if there was any objection to the FY21 appropriation request guidelines; there was no objection.

Review of Monthly Financial Reports and Information Items. David Abbey, director of LFC, briefed the committee on information items.

Friday, October 4th

The following members and designees were present on Friday, October 4, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Mary Kay Papen, Steven P. Neville, William F. Burt, George K. Muñoz, John M. Sapien, James P. White, and Pete Campos; and Representatives Jason C. Harper, Gail Armstrong, Rodolpho “Rudy” Martinez, Nathan P. Small, and Randal S. Crowder. Guest legislators: Representatives Paul Bandy and Jack Chatfield.

Santa Teresa Industrial Park Tour. LFC took a bus tour of the industrial park in Santa Teresa. Jerry Pacheco, president of the Border Industrial Association, updated the committee on current activity and pointed out the various businesses at the industrial park, including Foxconn, Stanco, and Sunrise.

Border Economic Development. Director Marco Grajeda said the New Mexico Border Authority (NMBA) is conducting an industry survey to find out what infrastructure is needed to further economic development in the region. Director Grajeda said the agency will be publishing a newsletter and re-establishing port authority meetings.

Presenting current priorities, Deputy Secretary Jon Clark said the Economic Development Department is working with NMBA to analyze infrastructure needs in the region. Deputy Clark highlighted border businesses recently funded with Job Training Incentive Program dollars. Stampede Meats was awarded \$1 million for 220 jobs.

In response to Senator Burt, Director Grajeda said a commercial vehicle facility is needed at the Santa Teresa port to inspect for fuel leaks. The facility would cost \$500 thousand to build. Currently, hazmat vehicles can only enter New Mexico through the El Paso port.

Daniel Gutierrez, interim director of loan administration of the North American Development Bank, said funding is available for economic development projects in Otero County but is not being applied for. Loans can be leveraged 10 to 1.

Representative Harper asked why the bank’s investments are primarily being made in Mexico rather than in New Mexico. Mr. Gutierrez said the investments impact both sides.

In response to Senator Papen, Director Grajeda said NMBA is increasing collaboration with Mexico and establishing relationships with policymakers on both sides of the border.

Mayra Maldonado, a representative of the Hunt’s Institute, said trade in the United States moves from east to west; however, there are very few ways to get from east to west. Interstates 10 and 40 in New Mexico have an exceptional amount of traffic, according to the U.S. Department of Transportation. New Mexico is at the center of all trade ways, including trade transported from China to Los Angeles. Banking is crucial to support development. The institute is working with banks in Mexico and the United States to determine what is causing banks to close in critical rural communities. Bernalillo County is the top county with banking deposits, followed by Santa Fe and Dona Ana counties.

With valuable trade corridors also comes public safety concerns. The region is high in narcotics trade, high drug trafficking runs across the entire southern border. The population of New Mexico has remained relatively flat over the last eight years. Three counties account for 50 percent of the population: Bernalillo, Dona Ana, and Santa Fe. Highest per capita income is in Los Alamos County, with an average wage of 68 thousand annually. Santa Teresa per capita income has been declining. The top export out of Santa Teresa is machinery and parts. New Mexico relationships with its neighbors encourage great opportunities. As expansion continues, trade has to pass through New Mexico.

Miguel Riggs Baeza, representative of the Mexico House of Representatives, said sharing the border unites us in social, commercial and economic success that is reflective. Currently, Mexico is experiencing many changes politically. Addressing the high crime rates is a priority for Mexico. Representative Riggs Baeza said the racism currently happening is hard and detrimental to both sides, adding that we're family, we're neighbors, and we need to take care of one another.

Chairman Smith said New Mexico needs to maintain a strong relationship with Mexico.

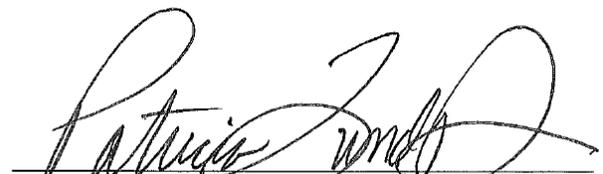
Representative Chatfield asked what is the most important thing to facilitate more trade with Mexico. Representative Riggs Baeza said trust is needed on both sides, then focus on the border crossings, including commercial development. The railroad is needed to go through Santa Teresa. Tourism on both sides is a large factor but that will only continue if Chihuahua offers better security.

In response to Representative Bandy, Representative Riggs Baeza said many of the immigrants in Juarez are not being accounted for. Representative Riggs Baeza said Juarez is taking care of immigrants as best they can, but it is a huge concern.



With no further business, the meeting adjourned at 12:00 p.m.


John Arthur Smith, Chairman


Patricia A. Lundström, Vice Chairwoman