

For Arizona, Mexican port promises new opportunity

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GUAYMAS, Mexico - Early each morning, as the sun is still spreading golden light over the Gulf of California, the grizzled men of the Guaymas Stevedores Union crowd into a run-down building near the wharves to hear the bad news.

There are no ships today, union secretary Manuel Gutiérrez tells the group of about 60 men. Only 12 dock workers are needed this morning, mostly for sweeping the empty piers or maintaining the vacant warehouses.

"Years ago, we used to have five ships loading up here and four more waiting to get in," dock worker Arturo García Bolívar said as the union members trickled out one recent morning. "But now, there's nothing."

It has been this way for years in the port of Guaymas, 220 miles south of Nogales, Ariz., as exports of cement, grain and copper decline. But the sleepy port still has one thing going for it: its proximity to the United States. And as California ports become saturated, officials on both sides of the border are pushing to turn Guaymas into a new hub for U.S. trade with Asia.

"It's underutilized, but there is tremendous potential," Guillermo Von Borstel, the port's director of development, said as he walked across a deserted 12-acre expanse of concrete meant for holding trucks and cargo.

The port's cranes were silent, and there were only two ships in sight: a derelict ferry and an oil tanker delivering fuel to a nearby power plant.



The Guaymas port used to export lots of cement, but anti-dumping measures imposed by the United States led to the cement plant's closing. Grain and fertilizer shipments were hurt by drought in recent years as well as competition from a new port in Topolobampo, 180 miles down the coast.

Cargo has dropped steadily to 2.9 million tons in 2004 from about 5.7 million tons in 1996.

The idea of turning Guaymas into an international port is not new. For decades the problem has been getting goods quickly over the border and down the road from Arizona. The port also lacks the specialized cranes needed to lift cargo containers onto ships.

But in recent years, 14- to 21-day delays at the ports of Los Angeles and Long Beach, Calif., Arizona's closest outlets to the sea, have made Guaymas more attractive.

"It's starting to reach a boiling point with these delays at the other ports," said Colby Bower, policy coordinator for the Border Trade Alliance, a business group. "This Guaymas thing could be a real help. With Long Beach being so clogged, it may be the final push."

Gov. Janet Napolitano visited Guaymas last year and called for an effort to develop the port, saying it could become a "critical seaport connection for Arizona trade." Arizona ships about \$5 billion in goods to Asia each year, mostly aerospace products.

In response, the Mexican government is deepening the Guaymas port this year from 36 feet to 42 feet. It also is pouring \$200 million into a new coastal highway connecting Guaymas to western Arizona.

The U.S. government is adding two high-speed lanes to the Nogales border crossing point to speed shipments over the border, and the U.S. General Services Administration is planning a \$70 million expansion of the Mariposa commercial port in Nogales by 2010.

On Aug. 9, Tucson signed an agreement to help develop a trade corridor between Guaymas and Tucson's Puerto Nuevo inland transportation center. The Arizona counties of Pima and Santa Cruz have pledged their support.

Also last month, industrial engineering students from Arizona State University began a six-month study of the port's potential for the Arizona Department of Transportation.

If the engineering study is favorable, Mexican authorities are prepared to take bids from shipping management companies as

early as next year, said José Luis Iberri, the port's director. The companies would be expected to bring in the container cranes.

Iberri said the port could move about 300,000 containers per year. The four states it would serve - Arizona, Oklahoma, Texas and New Mexico - import about 700,000 containers a year and export 400,000, he said.

Shipments passing through Mexico on their way to and from the United States would have to pass through customs twice but would be exempt from Mexican duties under North American Free Trade Agreement rules.

Having a deepwater port also could help Arizona compete for big industrial projects, said Luis Ramírez Thomas, chairman of the Arizona-Mexico Commission's Border Infrastructure Initiative.

He cited Mesa's effort to woo Boeing's new 787 plant two years ago. Boeing said it needed "proximity to a port capable of round-the-clock operations" in order to move huge airplane sections. It eventually decided to keep the plant near Seattle.

"If we are going to pursue these megaprojects, whether they be from Boeing, Motorola or Intel, we need to have the option of a deep-sea port available," Ramírez said. "Otherwise, we get pushed down on the list."

Others aren't so sure Guaymas can compete with bigger, more sophisticated ports like Vancouver, B.C., or Tacoma, Wash. Asian companies send more goods to the United States than vice versa, and those companies may prefer a more established port, said Steve Morris, director of product development for Rofu Designs, a Hong Kong-based manufacturing company.

In Guaymas, however, the men at the Stevedores Union say they'd be grateful for any new business at all.

"Years ago, we used to get 120 ships a year. Now we're lucky to get 40," said Eusebio González Leal, 53. "I say they should do everything they can to revive this port."

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