









WHAT IS AMS

Asociación de Maquiladoras de Sonora A.C, (today, also known as **index Nogales**) is a private organization established as a Civil Association (non-profit) in 1972, originally formed by the companies in the Nogales Industrial Park (PINSA) whose mission, vision and objectives are continuously changing based on the conditions of its environment while maintaining its position as a leading Organization in the community and providing value added services to the companies that it represents.

The membership of AMS consists principally of regional Maquiladora plants (throughout the state of Sonora) and suppliers of direct goods and services whose intention is to share information of common interest to this dynamic sector.







OBJECTIVES

Provide an environment of mutual support among the Associates that ensures good relations between the different companies operating in the region with the goal of unity and well-being.

Facilitate representation of the interest of the Maquiladora Industry before diverse forums, principally the three levels of government.

Heed, analyze and seek solutions to the problems that affect the Maquiladora Industry, promoting measures that favor the membership.

Provide current official information that affects operations to its members.

Seek to elevate the level of quality in all areas by promoting continuous improvement, training and development.







Internal Organization:

The AMS is administered by a Board of Directors that is elected by the members in a secret ballot.

The by-laws of the AMS specify the number of Board members to be nine each serving staggered three year terms. Board members are eligible for reelection.

The President, Vice-president(s) and Treasurer are elected by the Board of Directors annually.

The officers that have the direct responsibility of directing the functions of the AMS staff with the support and assistance of the other directors.

The general assembly is the top level authority that approves the by-laws 4 and modifications suggested by the Board.







Internal Organization (cont...)

The AMS office is coordinated by an Executive Director and a staff of facilitators whose execute the direction of the Board of Directors and coordinate the application of services, programs, projects and other objectives.

Each member of the Board of Directors as well as the Executive Director also serve as liaisons for working committees of the AMS as well as serve as representatives to other organizations in which the AMS participates. These assignments are reviewed on an annual basis and reassigned based on the members areas of interest or specialty.

Working committees meet on a bi-monthly basis. Their purpose is to discuss various subjects that affect AMS members, develop recommendations, propose actions and where appropriate coordinate various programs and projects.







INTERNAL ORGANIZATION

WENDY MOLINA TREASURER



RICHARD RUBIN DIRECTOR



Javid LLC Javid de Mexico

JOEL PHILLIPS DIRECTOR



ALFONSO SOTO PRESIDENT Master TOUGH

Board Of Directors



Asociacion de Maquiladoras de Sonora, A.C.

RENE MORENO VICE PRESIDENT



JEFF LANG DIRECTOR



THAYNE HARDY DIRECTOR











JESUS MONTOYA Executive Director

FRANCISCO LUJAN External

Accountant

MA. TANYA CELAYA
Administrative
Assistant

LUIS F. VELDERRAIN General Assistant GENARO VECERRA
Projects
Coordinator

EFREN MARQUEZ
Messenger
Maintenance







MISSION

Efficiently and effectively represent our Members through professional actions and quality services to achieve competitiveness in a global environment







VISION

Be the representative organization for the Maquiladora and Export Industry established in the State of Sonora







AMS MEMBERSHIP

NOGALES CHAPTER

- (50) REGULAR MEMBERS LOCATED IN NOGALES AREA
- (40) SHELTER (JAVID DE MEXICO AND SONITRONIES)
- (4) REGULAR MEMBERS OUTSIDE OF NOGALES (Maquiladoras located at Magdalena, Santa Ana, Cananea and Caborca)
- (53) ASSOCIATE MEMBERS (Arizona and Sonora States)

HERMOSILLO CHAPTER

(19) REGULAR MEMBERS (Maquiladoras located at Hermosillo, Guaymas, Empalme, Ciudad Obregon, Navojoa)







INTERACTION OF AMS WITH OTHER ORGANIZATIONS

- Index Nacional (Consejo Nacional de la Industria Manufacturera y Maquiladora de Exportacion, A. C./Board of the National Association of Maquiladora) - Member
- THE GREATER NOGALES & SANTA CRUZ PORT AUTHORITY(Organization for promotion or trade through Nogales) – Member
- CENAC (Consejo Empresarial Nogales, A.C./Business Advisory Council for Nogales) Member, President, Founder
- FESAC (Fundacion Empresariado Sonorense/Sonoran Business Foundation for channeling charitable donations) Member – Founder
- PATRONATO DE LA ADUANA (Customs Advisory Board) Member
- * GRUPO LIBRAMIENTO CONCESIONADO(Fiscal Corridor Group Oversight group for flow of traffic between Mexican & U.S. Customs)– Member
- * A.P.S.A. (Asociacion de Profesionales en Seguridad Ambiental/Association of Environmental Professionals) Member
- CONSEJOS MUNICIPALES (City Advisory Boards/Committees) Member







MEETINGS:

Annually, three meetings of the General Assembly are held (April, August & December) Including special events during the summer and at the end of the year.

The Board of Directors meets monthly.

There are an unnumbered amount of special meetings to deal with matters that require the immediate attention of various members. Members are kept aware of all regular and special meetings through the Internet.







SERVICES

Provide continuous, updated information about changes in the law that directly affect the Maquiladora sector from local, state, federal and international governments.

Lobby, administer, facilitate or intervene, as needed, with whichever, authority, agency or institution to protect the interest of the member companies or their employees.

Negotiation of agreements with government offices and third parties to improve costs, services, information, etc. that have general or particular benefit to the members.

Constantly monitor the compliance of procedures, regulations, laws and agreements related to aspects of Customs, Immigration, Fiscal, Labor, Environment, Public Services, etc.







Services (cont...)

Programs of Community service through "Nogales Project" which has a completed project base of over \$1.4 million dollars since its creation in 1988.

Organization of sports tournaments and other inter-maquiladora activities.

Scholarship program for children of maquiladora employees in "Ambos" Nogales.

Orientation and recommendations about the most positive form to operate a maquiladora in the area.

Training and updates through seminars, events, conferences, workshops and presentations.

Representation of the Maquiladora sector before other organizations and authorities.







Services (cont...)

Promotion of housing programs for the employees of the Maquiladora Industry.

Representation of the local members before the National Council of the Maquiladora Export Industry (Index Nacional).

Maintain a directory of the Maquiladora Industry.

Facilitate relations with government, suppliers, individuals, and organizations, whenever they favor its members.

EVENTS

Throughout the year, the AMS offers a great variety of events such as: Conferences, Seminars, Conventions, Sports Tournaments, Social Events, Special Meetings for communication and information, forums, expos, etc.







AMS COMMITTEE'S

Working groups formed to address issues in specific areas that impact plant operations. They analyze, lobby and/or provide guidance to the general membership in their specific areas except as noted below.







COMITÉ	B of D Liaison	DIRECTOR
LABORAL/RELACIONES PUBLICAS, IMSS	RENE MORENO	
PROGRAMA DE BECAS/TORNEO DE GOLF	RICHARD RUBIN	
SUSTENTABILIDAD (E&HS)		ORLANDO DURAZO
DESARROLLO DE PROVEEDORES	WENDY MOLINA	
FISCAL/LEGAL	CLAUDIA ORDUÑO	
COMERCIO EXTERIOR	JOEL PHILLIPS	GUADALUPE GOMEZ
PROYECTO NOGALES	ALFONSO SOTO	
C-TPAT COMPLIANCE		
COMITÉ TECNICO	WENDY MOLINA	
DESARROLLO DE ESTRATEGIAS/COMUNICACION	ALFONSO SOTO	







OTHER ACCOMODATIONS

The members of the AMS have the right to be heard and to vote, as well as the use of the installations and equipment of the Association without cost.

They also have direct access to whatever consultation and privileged information as well as the right of all of their employees or representatives to participate in all of the events and promotional activities of the Association.

WEB PAGE:
www.indexnogales.org.mx







NOGALES HEADCOUNT CHRONOLOGY

NOVEMBER 1999 - JANUARY 2001 THRU DECEMBER 2009 AND JANUARY 2010 THRU MARCH 2011

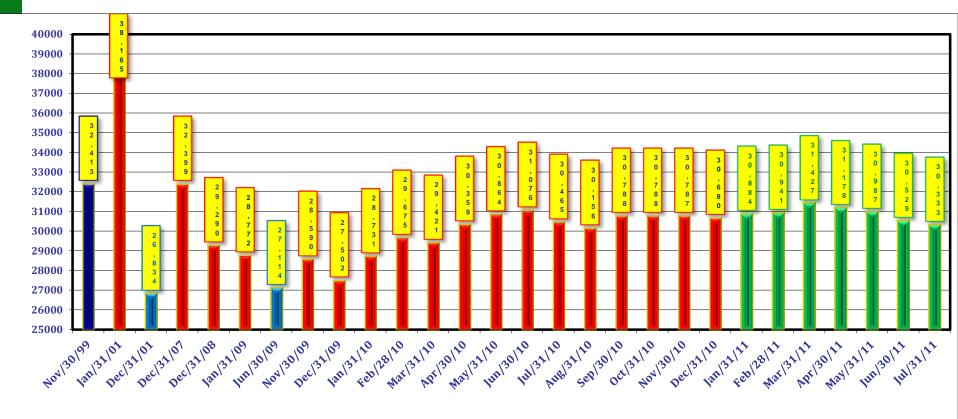
** HEADCOUNT ANALYSIS INCLUDING 2012 WILL BE UPDATED SHORTLY June, 2012 – 34,414







NOVEMBER 1999 - JANUARY 2001 THRU DECEMBER 2009 -AND JANUARY 2010 THRU JULY 2011



^{* 1}st. Great Crisis - September 2001







HIGHLIGHTS







► LAW # 161 OF CIVIL PROTECTION

This law was passed in October of 2005 but due to its potential high impact on operational costs with little perceived benefit, the AMS took the initiative through lobbying and negotiations with State Government to convince the State Civil Protection Agency to analyze change proposals made by the AMS. Due to this effort, the law has still not been implemented.

➤If the law had been applied as published, the estimated impact would have been \$38,000/year for small companies, \$80,000 for medium size companies and \$135,000 for large companies.

>AH1N1 EPIDEMIC

During the outbreak of the AH1N1 flu, the AMS served as a clearing house for information by maintaining contact with CNIMME and authorities in the health sector on a federal, state and local basis providing timely and consise information to our members about actions that needed to be taken thus reducing the risk to as well as the panic among their employees.







►LAW # 171 ENVIRONMENTAL PROTECTION

As a result of the ongoing position of the AMS of protecting the interests of its members, in 2009, the state government contacted the association before implementing THE ECOLOGICAL EQUILIBRIUM AND ENVIRONMENTAL PROTECTION LAW OF THE STATE OF SONORA (# 171). This gave us the opportunity to have the regulations reviewed by our company experts that are affiliated with APSA. Based on this review, changes were made to insure the correct application and proper functioning of the regulations.

≻OOMAPAS (Sewage Discharges)

At this time the AMS, supported by APSA, are in negotiation with the local water company to review the validity and correct application of sewage discharge standards. Currently sanctions from recent inspections have been suspended until we reach a consensus that is acceptable to both parties.







►I.E.T.U. (FEDERAL TAX)

- Through the lobbying efforts of CNIMME (of which our association is an active member) with the Federal government and the Congress, substantial reductions in the application of the IETU tax were obtained in benefit of the Maquiladora sector.
- ➤ Savings between 40% to 60% on specific concepts of ISR.
- ➤ Reduction of 50% of the impact of IETU.
- Net savings quantifiable in millions of dollars.

>FISCAL CORRIDOR

AMS has been an active participant in the FISCAL CORRIDOR GROUP which includes organizations, agencies, associations and authorities of Sonora and Arizona, whose objective is to improve traffic flow conditions in the FISCAL CORRIDOR thereby facilitating the flow of international trade.







▶BORDER BLOCKADES

AMS has served on several occasions as arbitrators between transportation groups and authorities to stop and/or prevent blockades by the transportation companies in protest of conditions, tariffs or other issues in the Corridor Fiscal or at the Mariposa port that they were unable to resolve in direct communication with the authorities.

CUSTOMS RULE 2.2.4

In another case related to Customs Rule 2.2.4, working with CNIMME, we were able to obtain a clarification that allows companies ten (10) days to present evidence of their innocence when their trailers are contaminated by the introduction of drugs or other controlled substances by third parties. This ruling prohibits the immediate suspension of the companies Importation Permits in these cases as happened to one of our member companies causing serious economic consequences.



Nogales, Sonora, México.

ANO 5 • NUMERO 1650

42 PAGINAS • 5 SECCIONES

\$8.00 • Un délar en Artzona





BUENOS DIAS SONORA Y ARIZONA

> Hoy es Jueves 15 de Febrero de 2007

Protestan por "tortuguismo" del lado americano

Traileros bloquean el corredor

Peligran millones de dolares en productos perecederos

José Vaupez

ás de mil traileros bloquearon el Corredor Fiscal, inconfor mes
por el trate
que reciben por parte de los "customs" del lado americano y por lo
lento que es el aceso al vecimo
país, cuando van cargados con articulos perecederos, exponiéndose a perder la mercancía

Desde temprana horas de ayer una serie de conductores formaron un plantón con sus unidades de carga a lo largo del corredor fiscal obstruyendo con ello la libre circulación a todo tipo de vehículo en los dos sentidos quedando inmovilizados autos de carga menor y transporte de uso personal.

Los conductores de las pesadas unidades expresaron que el plantón no tiene tiempo definido para levantario ya que quieren que el administrador de la aduana, Francisco Ignacio Salozar Mariscal haga acto de presencia.

Salazar Mariscal debe entablar una conversación con su homólogo del lado americano para que los 'customs' de recién in-



La linea de unidades de carga casi cubre desde la entrada a Estados Unidos hasta el sur llegando a la caseta de cobro, ubicada por el Corredor Fiscal.

greso brinden un mejor trato a los conductores de las unidades de carga, fueron parte de las peticiones de los inconformes.

'De anternano sabemos que desafortunachmente existen traileres que en algunas ocasiones a parte transportar productos a exportar también intentan hacer llegar cualquier tipo de droga dentro de las urádades, pero no así la

mayoría, agregaron.

Le curioso del caso es que después de las 17-30 a 18:00 horas las itness que forman más de cuatro kilómetros de unidades con carga logran cruzar en menos de 90 minutos, pero el resto ya sea de la mañana o del transcurso del día para internar la misma cantidad de unidades se tarda más de seis horas, mencionaron.

Otra de las quejas de los reportantes es que ahora les quieren revisar hasta la cartera donde portan sus documentos personales además que buscan cualquier pretesto mecánico para regresarles el tractor:

Una vez que la carga se queda varuda del lado americano, los conductores deben solicitar los servicios de una grúa para

que remolque la caja a la bodega correspondiente por lo cual tiene que pagar hasta 280 dólares expresaron.

Más tarde se informó que un total de 800 unidades de carga procedentes del vecino país, serian desviadas por el periférico Luis Donaldo Colosio, para evitar el congestionamiento del lado americano.



Los transportistas durante el paro.

Amenagan con otro planton

Por su parte, los traileros incoeformes amenazaron a las autoridades con realizar otro plantón en caso que de que el cobro de la caseta por el 1800 del Corredor Físcal continúe aumentando, ya que recientemente se presentó un incremento de 12 pesos por unidad.

Los quejosos mencionaron que además de la inconformidad por el ahora cotro de 145 pesas por unidad, solicitan que queden exentos de nago aquellos que van vacios.

Al cuestionar sobre el nombre del lider del grupo de choferes, éstos respondieron que todos y cada uno de etios se hacen responsables de las acciones en su contra ya que no están de acuerdo en seguir permitiendo los aumentos en la caseta de cobro.







>MARIPOSA PORT OF ENTRY

Members of the AMS Board of Directors participated as active members of The Greater Nogales & Santa Cruz Port Authority in their lobbying activities for the assignment of \$218 Million Dollars from the United States Federal Government for the expansion of the Mariposa Port of Entry.

We will see the positive impact on export operations over the next three to four years as the installations are completed.

➤ <u>NEW JURISPRUDENCE</u> (Overtime Pay)

The impact of this ruling would have the impact of a 40% increase in the cost of overtime pay. The ruling argues for roll up of certain fringe benefits to the base wage when calculating overtime pay rate.

Currently, the AMS is working with CNIMME in lobbying efforts with federal labor authorities to take action that insures that we can continue to pay overtime as we have done in the past.







>NUEVO NOGALES INDUSTRIAL PARK INFRASTRUCTURE.

In conjunction with a group of companies including Fortune Brands, Dearborn, ITT CANNON and the city government the AMS has convinced the city to improve the infrastructure (lighting, paving, and security) for the Nuevo Nogales Industrial Park.







> SPORTS

- **EDUCATION**
 - >HEALTH
- CIVIL PROTECTION
 &
 PREVENTION







SPORTS

Every year, the AMS organizes a sports tournament for employees of its member companies. The tournament lasts six months and benefits more than 1,000 workers, men and women, competing in basketball, baseball, Soccer, Rapid Soccer and volleyball.

At the end of our local tournament all star teams are selected to represent Nogales in Regional or National MaquiOlympic games. Our teams have won the tournaments for seven consecutive years.

To encourage participation by the children and young people of our community we have constructed four multi-use sports courts as well as a Rapid Soccer court in strategic areas of the city.

Related to our sports programs the AMS has organized an Annual Golf Tournament for 34 consecutive years. The tournament draws 150 golfers from the management of our member companies and their suppliers. The proceeds of this tournament are used to fund our annual scholarship program for our employees and their children that is administered by the AMS Education Committee.



(7) NATIONAL CHAMPIONSHIPS!!!









EDUCATION

•For the last thirty years, the AMS has provided assistance to the children of our workers through our Scholarship Program. Through promotion of our golf tournament, we have been able to increase the amount of funds available over the years to the point where in 2009, we were able to award scholarships to 110 students in the amount of \$30,000.

The scholarships are distributed to students in both Nogales Arizona and Sonora as well as other cities in Sonora where we have members.

•Another way we have managed to encourage and support education is through the Nogales Project Program through the recent construction of an elementary school as well as the restoration of others. We also contribute to student competitions by donating prizes to the local Technical University.







EDUCATION COMMITTEE SCHOLARSHIP PROGRAM









SPECIAL PROGRAMS IN SUPPORT OF THE COMMUNITY

NOGALES PROJECT







NOGALES PROJECT

The amounts of participation are invoiced quarterly to the companies a rate of 0.65 dollars per employee based on their beginning headcount in the month of January of each year.

A committee comprised of at least five representatives of participating companies, decide where, how and when to apply the funds collected in community projects. Decisions are based on written requests with maintenance plans that are screened by the Executive Director of the AMS prior to presentation.

To date (through January 2012), the fund has completed 84 specific projects. The areas of focus of the vast majority of the projects have covered are: Health, Family Support, Education, Youth Services, Sports and Community Non-profit Organizations.







NOGALES PROJECT ELEMENTARY SCHOOL









NOGALES PROJECT

REMODELING SCHOOLS









HEALTH

- •With funds from Project Nogales, we were able to construct a Cooperative Health Clinic in conjunction with IMSS. This clinic serves approximately 30,000 people that are employees and family members of the companies that participate in Project Nogales.
- •We also provided part of the funding for the construction of the General Hospital of Nogales.
- •Last year we provided the funding for an additional area in the DIF building where many medical and social services are provided to the community.
- •We also make some direct contributions to support other non profit organizations dedicated to children with handicaps such as Autism or Hearing deficiencies.







AMS-IMSS CLINIC INVESTMENT \$320,000 USD

















CIVIL PROTECTION & PREVENTION

With funds from Project Nogales, the AMS has contributed:

- •Cash contributions to the D.A.R. E. program which has graduated close to 20,000 children in the last three years.
- •Thirty percent of the funding as well construction management for a new Substation for the Volunteer Firefighters of this city.
- •Construction of a substation for Emergency services (police, Red Cross and firefighters) in the Nogales Industrial Park.
- •Made direct donations of equipment for firefighters throughout the city which consisted of extinguishers, hoses and other needs.
- •Periodically we have donated ambulances for the Red Cross.







VOLUNTEER FIRE DEPARTMENT STATIONS















NATIONAL EMERGENCY
COMISSION (CNE)
BUILDING









KITCHEN AND DINING ROOM
BUILDING.KINDERGARTEN "CARMEN
YOLANDA CURIEL MONTIEL"COLONIA
LUIS DONALDO COLOSIO
INVESTMENT \$ 20,000.00 USD

























Nogales Project 2011

Multisports Court, Nogales Municipal High School
Project No. 84

INVESTMENT

\$ 38,500.00 USD







TOTAL INVESTMENT TO DATE

\$ 1,414,537.00 USD

NOGALES PROJECT MEMBERS 2013





























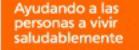














To the memory of Mike Rankin Nogales Project Program Director

"Mira a tu alrededor, ve dónde puedes hacer la diferencia y juntos podemos formar parte de la solución."

Este mensaje nos muestra la esencia del trabajo de Mike Rankin, es un gran ejemplo para todos los que lo conocimos y tenemos el compromiso de continuar con sus proyectos. Sentimos un gran dolor por esta perdida, pero estamos seguros que su visión, pasión por el trabajo y mejora continua seguirá en nuestros corazones.

1950 - 2010









CONCLUSIONS

SINCE ITS FOUNDATION, THE AMS HAS DIRECTED ALL OF ITS EFFORTS TO SUPPORT OUR MEMBERS, THE EMPLOYEES OF OUR INDUSTRIAL SECTOR AND THE COMMUNITY OF NOGALES PUTTING ASIDE ITS OWN INTERESTS TO BETTER SERVE THE COMMUNITY THAT HAS BEEN SO SUPPORTIVE OF OUR INDUSTRIAL SECTOR.

CURRENTLY OUR OFFICES ARE HOUSED IN A BUILDING FOR WHICH WE PAY \$11,000 PER YEAR IN RENT AND FIND OURSELVES HAVING TO BEG FOR OR RENT ADDITIONAL SPACES FOR THE MAJORITY OF OUR EVENTS BECAUSE OUR INSTALLATIONS ARE INADEQUATE FOR OUR NEEDS.







OUR DREAM & GOAL

CONSTRUCT OUR OWN BUILDING ON OUR OWN LAND IN TWO PHASES.

PHASE ONE WOULD CONSIST OF OFFICES, CONFERENCE ROOMS AND PARKING.

THE SECOND PHASE WOULD ADD A MULTIUSE HALL FOR CONFERENCES, SEMINARS AND TRAINING.

INSTALLATIONS THAT PROPERLY REFLECT THE IMPORTANCE OF OUR CONTRIBUTION TO THE COMMUNITY.





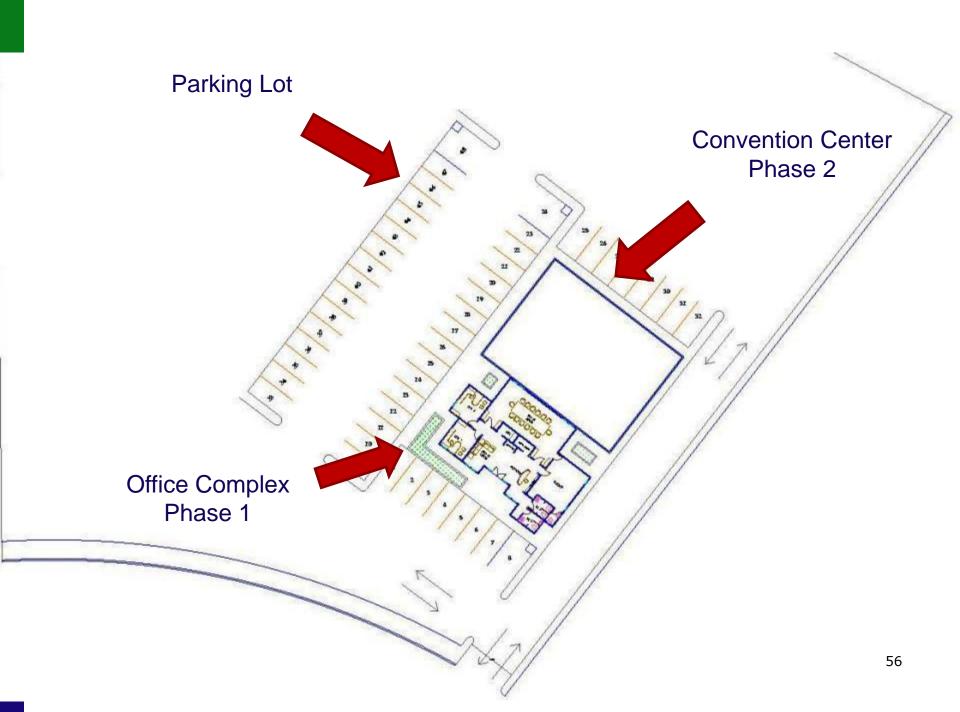


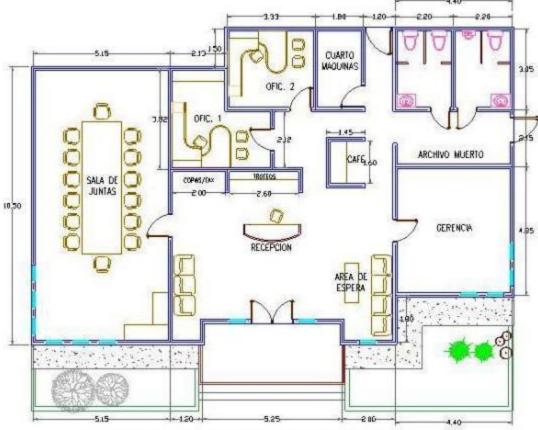
ESTIMATED INITIAL INVESTMENT

\$200,000 TO \$250,000 USD

FIRST STEP

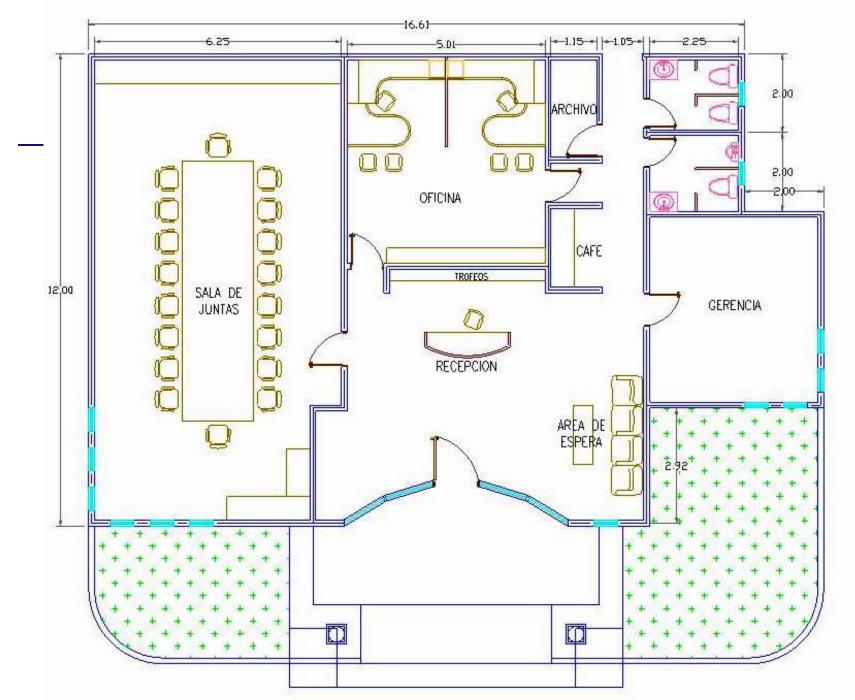
FIND A NICE PIECE OF LAND (APPROX. 5,000 SQ. METERS)





PLANTA ARQUITECTONICA PROP.2 194.91m2











THANK YOU!!!