



Arizona's Current Transportation Needs

Arizona will continue to grow possibly doubling its population by 2050 and there are inadequate funds to meet these challenges.

According to Building a Quality Arizona's (BQAZ) *What Moves You Arizona* report issued by the Arizona Department of Transportation (ADOT) along with the state's Metropolitan Planning Organizations (MPOs), Council of Governments (COGs) and business leaders ADOT's challenge over the next 25 years will be prioritizing \$89 billion of transportation needs with only \$26 billion of expected revenue. The

Transportation Trade Corridor Alliance (TTCA) is making the case that our economy and jobs depend on a reliable, safe and efficient transportation system. Under the leadership of Mayor Scott Smith with input from transportation leaders across the state, iArizona will be evaluating state needs along with options necessary to deliver a transportation system that meets Arizona's appetite for economic growth and prosperity.

BQAZ, TTCA and iArizona all acknowledge that Arizona must further diversify its transportation modalities (multi-modal) to plan for continued growth statewide especially in the Sun Corridor Megapolitan Region.

Infrastructure is Important to the Overall Economy

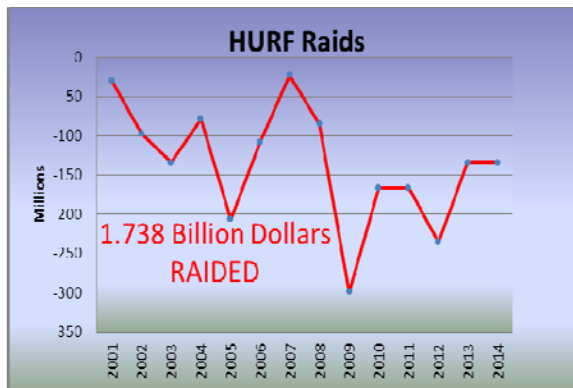
AZAGC acknowledges Arizona needs a more diversified and innovation-based economy, but it could take a decade or more to accomplish this assuming there is broad-based and coordinated effort aimed at that goal. AZAGC agrees with the TTCA that a vibrant economy will be based on a strong exporting manufacturing sector. However, investing in infrastructure will create jobs immediately and give future generations an asset that improves their quality of life. The quickest way to get Arizona's economy moving forward again is to reverse the sharp decline in the construction industry.

Fuel Consumption is Decreasing

According to the latest numbers provided by the Arizona Department of Transportation, gasoline and use fuel consumption is down to 2005/06 levels.

State Transportation Funding is Decreasing

The Highway User Revenue Fund (HURF) distribution is currently below 2005 levels. In FY2013 \$1.210 billion was deposited into the HURF, which is \$35 million less than FY05 \$1.245 billion deposit.



MAG Projects Cut

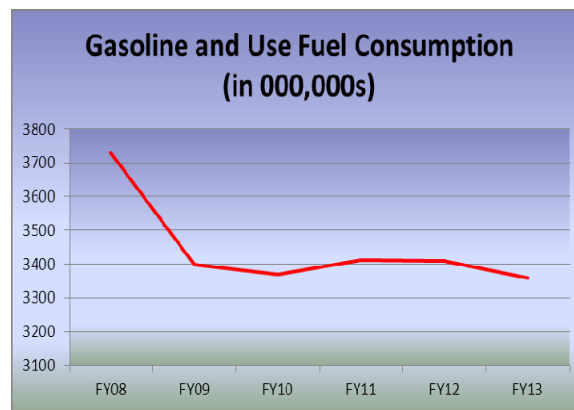
Due to the lack of revenue being generated from the regional area road fund now known as Maricopa County Excise tax, in 2009, the Maricopa Association of Governments (MAG) - the Valley's Metropolitan Planning Organization - revised their twenty-year plan by reducing the expected projects by \$6.6 billion.

State Highway Funds are Being Raided

From 2001 to 2014, over \$1.7 billion has been taken from transportation coffers. This equates to approximately 35,000 jobs over the last 10 years.

The Feds must extend the highway bill for a longer term

Last year Congress passed and the President signed into law the federal surface transportation authorization, Moving Ahead for Progress in the 21st Century (MAP-21) which funds highway and transit investments through FY 2014 at current funding levels plus inflation. Unfortunately, MAP-21 did nothing to resolve the long-term funding problem facing our federal-aid highway and transit programs. In fiscal Year 2015, the Congressional Budget Office estimates the Highway Trust Fund will have a shortfall of approximately \$8 billion,



resulting in a possible 93 percent cut to federal transportation investments in 2015. In order to avoid these draconian cuts, Congress and the Administration must act to address the long-term Highway revenue shortfall to complement MAP-21's policy reforms before the law expires in September 2014 while continuing to provide the full MAP-21 authorized funding levels for highway and transit programs in fiscal year 2014.

Our Arizona Department of Transportation

Over the last few decades, the average tenure of the state engineer is sixteen months. The Director's tenure is similar. Eighty percent of the money managed by ADOT is sent into the state's economy and to the private-sector. Thus, as one of the only departments that create private-sector jobs, it is imperative that there is stability, especially at the upper-management levels. ADOT loses many employees to local agencies where pay can be as much as 50% higher than what is offered at the department. Also, the department's workforce is aging and becoming retirement-ready, leaving an already depleted department in line to have another wave of departures. It must be understood that ADOT plays a vital role in moving or economy forward. Therefore investments, with accountability must be made to preserve, hire and promote qualified professionals at the department.

AZAGC will work to:
Eliminate the HURF Raids;
Get \$1.7 Billion Reimbursed;
Increase Statewide Funding; and
Pass a Long-Term
Federal Transportation Bill