



Arizona's Current Transportation Needs

Recently, the Arizona Department of Transportation along with the state's Metropolitan Planning Organizations (MPOs), Council of Governments (COGs) and business leaders completed its work on a project called Building a Quality Arizona (BQAZ) which comprehensively lays out Arizona's long term transportation needs. ADOT's *Preliminary Definition of Critical Needs* concluded that from now until 2030 there is \$162.3 billion of unmet need.

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

BQAZ acknowledges that Arizona must further diversify its transportation modes (multi-modal) to plan for continued growth statewide especially in the Sun Corridor Megapolitan Region.

Air Quality

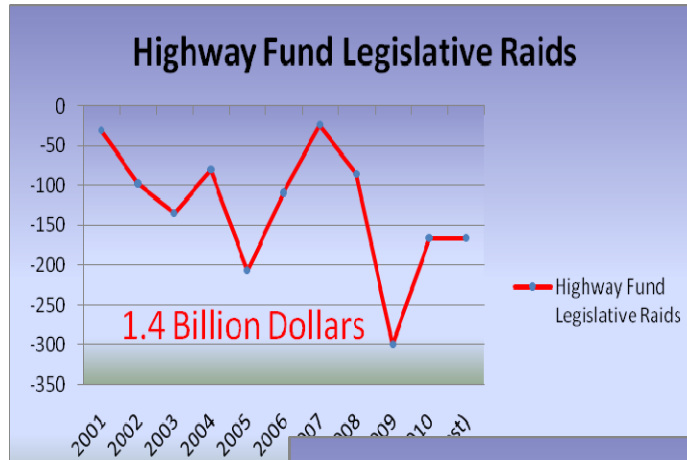
According to the Environmental Protection Agency (EPA), Maricopa and Pinal County struggle to meet attainment. If Maricopa County fails to

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.

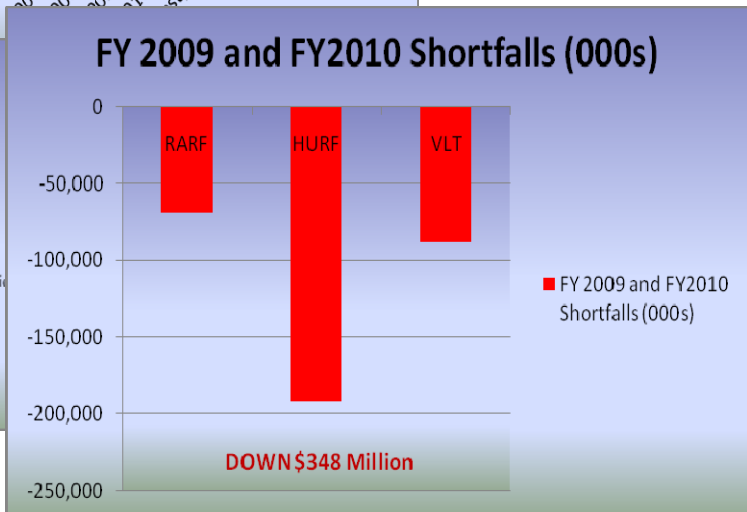
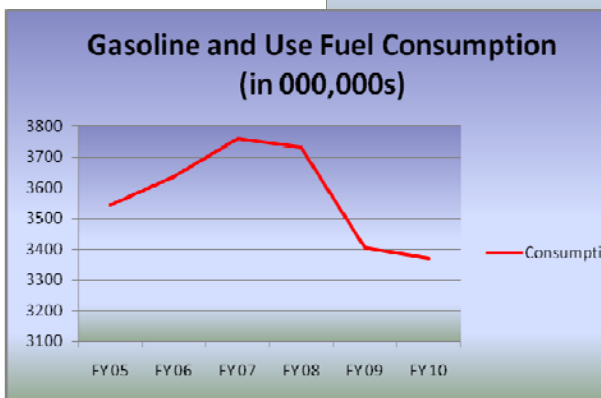
State Highway Funds are Being Raided

From 2001 to 2011, over \$1.4 billion has been taken from transportation coffers. This equates to approximately 40,000 jobs over the last 10 years.



The Feds have failed to extend the highway bill

SAFETEA-LU stands for Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users. It was enacted in August 2005 and authorizes all federal surface transportation programs. It allows all of these programs to exist. The bill originally expired on Sept. 30, 2009. It has been extended through a series of continuing



overcome EPA's decision to reject the 5% plan, then the area could lose an additional \$1.8 billion in federal transportation funding jeopardizing the region's entire Transportation Improvement Plan (TIP) of \$7.2 billion.

Fuel Consumption is Decreasing

According to the latest numbers provided by the Arizona Department of Transportation, gasoline and use fuel consumption is down to 2002/03 levels.

State Transportation Funding is Decreasing

Over the last two years (FY'09 and FY '10) 11.2%, 7.0% and 9.3% have been lost from the VLT, HURF and RARF respectively. Aggregate revenue from these sources is approximately \$348,000,000.

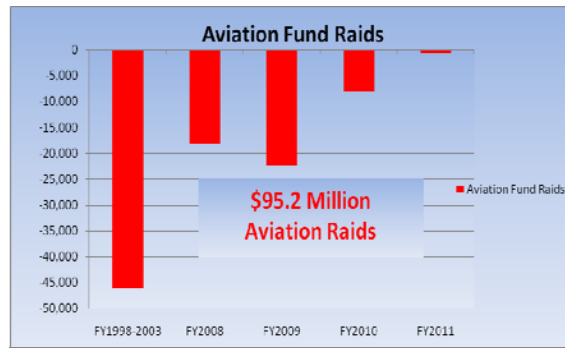
resolutions through Congress. The latest resolution expires at 11:59 p.m. on March 4, 2011.

Federal Transportation Funding is Dwindling

This year P.L. 111-226 was passed which required states to revert \$2.2 billion in unobligated apportionment (a.k.a. the rescission) back to the federal government. Arizona's portion was \$45.1 million. Since May, 2009 ADOT returned over \$280 million while congress only restored \$170 million. These fluctuations wreak havoc and instability on state transportation planning.

Arizona's Airports

The transfer of over \$96 million dollars out of the State Aviation Fund and into the State General Fund forced ADOT Aeronautics in fiscal year 2009 to terminate \$5.3 million in existing grants and placed \$19 million of existing grants on a deferred reimbursement schedule of up to 18 months. It also postponed the State/Local grant program, the Airport Pavement Management System (APMS) program and the loan program for the last two years.



the money managed by ADOT is sent into the state's economy and to its private-sector. Thus, as one of the only departments that creates 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 the Arizona Department of

Transportation plays a vital role in moving our economy forward. Therefore investments, with accountability must be made to preserve, hire and promote qualified professionals at the department.

Transit Revenue is Being Lost

In FY 2009, Arizona taxpayers generated \$484,440,000 in federal gas tax revenue from their consumption of over 2.66 billion gallons of gasoline. 80% of this nearly \$484M or \$387M is deposited in the Federal Highway Trust Fund and the remaining 20% or \$97M is deposited in the Federal Transit Fund. Without a reliable source of state rail/transit match funding, Arizona is missing out on accessing these funds. Therefore, this funding generated in Arizona is being distributed to other states.

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

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. Economic diversification is not the only solution to our current dire economic problems. Investing in infrastructure will create jobs 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.

AZAGC Message:

- **NO MORE HURF or AVIATION FUND RAIDS - Use VLT/Highway revenue and Aviation Fund for their intended purpose.**
- **Reimburse the \$1.4 Billion stolen from the HURF.**
- **Support and pass a new federal highway bill before March 4, 2011.**
- **Increase the Gas Tax or Implement a Statewide Sales Tax to Pay for Needed Infrastructure.**
- **Eliminate the Gas Tax with a Revenue Generating VMT Tax that truly funds Arizona's multi-modal transportation needs.**
- **Encourage Congress to Change U.S. Code 23 Section 111 to privatize and commercialize rest stops.**
- **Institute a 5 Year Contract for the ADOT Director.**
- **With accountability measures, increase pay for ADOT's upper management and create a career track to allow professionals to advance within the department.**
- **Oppose onerous EPA regulations that limit the use of transportation funds.**