

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. SCHENENDORF: Next, Mr. Smith.

MR. ANDERSON: Mr. Vice Chairman, I am Eric Anderson with -- I am the Transportation Director for the Maricopa Association of Governments.

Mr. Smith, unfortunately, was called into a meeting with the governor this afternoon on -- for a growth and infrastructure committee. So I am initiating, and I apologize for not letting you know that beforehand.

MR. SCHENENDORF: Eric Anderson?

MR. ANDERSON: Yes. Eric, E-r-i-c.

Mr. Vice Chairman, members of the study commission, my name is Eric Anderson and I am the Transportation Director for the Maricopa Association of Governments, the MPO for the Phoenix metropolitan

1 area. It is my pleasure to address you today on the
2 transportation issues facing areas of Arizona and
3 some thoughts on how the USDOT can help.

4 Arizona and its urban areas face daunting
5 challenges in dealing with the pressures caused by
6 rapid population growth. Since 2000, the population
7 of the Phoenix metro area has grown about 25 percent,
8 while Tucson grew by almost 15 percent. Pinal
9 County, which is in between the two member areas, has
10 grown by 50 percent over that same time period. This
11 rapid growth is expected to continue.

12 Currently, we estimate there are
13 approximately 1.8 million housing units in the
14 pipeline. These are unbuilt units that are going
15 to -- either have been entitled to the planning
16 process or are moving through that process right now,
17 1.8 million, which translates into additional
18 population of about four million.

19 By the year 2030, the population of Arizona
20 is expected to be more than 10 million with almost
21 90 percent living in central Arizona, which stretches
22 from sections from south of Tucson to the Prescott
23 area north of Phoenix. This region will become one
24 of the ten megapolitan areas in the country.

25 While Arizona has several unmet needs, we

1 have not waited for the federal government to deal
2 with our transportation infrastructure requirements.
3 The Phoenix metro area was one of the first regions
4 to pass a dedicated regional tax for transportation,
5 which has built 138 center line miles of new freeway
6 in the last 20 years.

7 In 2004, the voters of Maricopa County
8 reaffirmed this commitment by extending the tax for
9 another 20 years. This -- the vote was based on a
10 20-year plan, which identified specific projects for
11 the next 20 years. And in fact, our plan includes
12 not only the sales tax, but also expected federal
13 highway and transit revenues, as well as state
14 contributions to these -- this infrastructure plan.

15 This new plan will build another 90 miles,
16 center line miles of new freeway, about 900 lane
17 miles of expanded capacity, significant increases in
18 regional and express bus service, completion of a
19 58-mile light rail system, and \$1.6 billion for
20 arterial street improvements throughout the region.

21 In addition, a number of local cities in the
22 region have enacted additional taxes dedicated to
23 transportation. For example, the city of Phoenix has
24 a four-tenths of a cent sales tax, and in combination
25 with general fund money, is about \$130 million

1 investment, annual investment, by the city of Phoenix
2 and the adjusted transit for the metro area.

3 Likewise, the city -- the Tucson metro area
4 recently enacted a sales tax to fund multi-modal
5 improvements for the area. But even with the
6 substantial commitment of state and local resources,
7 Arizona is still far behind where it needs to be with
8 respect to transportation infrastructure.

9 I think Victor Mendez earlier testified that
10 we think the highway needs in the region for this
11 state about 50 billion over about a 50-year period.
12 So we're, right now, trying to put a package together
13 that would raise another billion dollars a year for
14 infrastructure in Arizona.

15 We've outlined several concepts in the
16 written testimony, so I'm only going to cover three
17 areas for you today. And you've referred to great
18 testimony that was submitted.

19 First, we believe the role of the federal
20 government in building and maintaining a national
21 transportation system needs to be defined including a
22 focus mission and direction. We all know there is
23 much more to be done. Contrary to some people's
24 belief, we do not think the interstate highway system
25 is complete.

1 A plan to improve and widen key interstate
2 routes is critical for the continued economic
3 vitality of the nation. Currently, three of the four
4 most traveled freight transportation corridors,
5 highway corridors, run through Arizona. As expanded
6 international trade increases freight traffic from
7 the ports of California and trade with Mexico,
8 extreme pressure will be placed on Interstate-10 and
9 40, particularly towards Arizona, and Interstate-19,
10 which is an important trade route with Mexico.
11 That's the route that connects the Mexican port of
12 entry with the Tucson metro area.

13 The USDOT needs to explicitly consider the
14 needs of rapidly growing areas. The need to continue
15 to expand capacity of the infrastructure cannot be
16 ignored. Rapidly growing states, such as Arizona,
17 have a vital need to add substantial capacity as well
18 as maintaining the system that's already in place.

19 Alternative new routes through the state
20 have to be identified to ensure that national freight
21 movements are not hindered. Identification of gaps
22 could improve critical linkages in the nation's
23 transportation system. For example, an alternative
24 to Interstate-10 through the central part of Arizona
25 would reduce the amount of freight traffic that uses

1 I-10 in the two urban areas and could reduce
2 congestion while providing substantial time savings
3 for drivers.

4 Furthermore, upgrading State Route 85 to
5 full interstate status would divert traffic around
6 the Phoenix metro area. This route would connect
7 Interstate-8 and Interstate-10. And Interstate-8
8 right now is an unutilized freeway, you could say.
9 Construction of an interstate between Phoenix and
10 Las Vegas would also complete a major missing link in
11 the Canamex corridor.

12 Our rail infrastructure is also running at
13 capacity through Arizona which has resulted in
14 shortages of materials and is a major hurdle for
15 providing passenger rail service between Phoenix and
16 Tucson. Strategic investments in Arizona's freight
17 and passenger rail systems will be crucial to sustain
18 our economic vitality.

19 Second point, there is a great need for
20 federal leadership to change the system of
21 transportation funding. As this commission is well
22 aware, fuel taxes are not keeping up with inflation
23 and are being eroded by fuel economy increases and
24 the transition to alternative fuel sources.

25 Much of the national and state discussion is

1 focused on tolling concepts that enable the use of
2 private sector funds to leverage public monies.
3 Although tolls and public/private partnerships will
4 be an important part of the package, they are not a
5 panacea for the fundamental transportation funding
6 problem since such projects may only represent less
7 than 10 percent of the need.

8 A stable and reliable alternative to the gas
9 tax is needed. The USDOT should be a leader in the
10 research and implementation of a new system of
11 transportation taxation with a target date for
12 transition to a new system within the next 10 years.
13 A related need is to ensure the "Fair-Share"
14 distribution of federal transportation funds as
15 Arizona continues to be one of the many donor states
16 even in light of rapid growth and the large federal
17 land portion of the state.

18 We estimate that Arizona has lost
19 approximately \$500 million of federal highway funds
20 over the last 10 years due to a donor status. We
21 also believe that Congressional earmarks should be
22 discouraged since they divert scarce transportation
23 resources to projects that may not represent the
24 highest and best use of the funding.

25 The third area is for the USDOT to continue

1 to look for ways to streamline processes and improve
2 communications. We've heard a lot of testimony on
3 that today. Arizona has much in common with the
4 states in the intermountain region, such as Colorado
5 and New Mexico, and would benefit from more sharing
6 of ideas and creating solutions to our transportation
7 problems. Renewed federal sponsorship of the annual
8 Intermodal Planning Group meetings, when we have the
9 transportation professionals get together, would be
10 extremely beneficial and at a fairly low cost.

11 Another change would be to put Arizona back
12 in the same FTA region as the rest of the
13 intermountain region. Right now we are in the
14 Region 9 FTA, which is out of San Francisco. We have
15 much more in common with Denver, for example, and
16 we'd like to be put back.

17 Protecting new transportation corridors from
18 encroachment is a critical element. We'd recommend
19 the USDOT provide tools for corridor preservation and
20 that flexibility be given to states and regions to
21 design processes that work within federal
22 regulations. We'd also like to see the New Starts
23 process changed to reduce the time and resources
24 required to even have a chance to compete for some of
25 that funding.

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

In conclusion, new ideas and forward thinking will be required to meet the challenges of the next 50 years. The USDOT will be a critical force in this effort. We believe that it is time to redefine and focus the mission to areas of national importance and defer to the states and regions for the balance of the -- of the system. The USDOT must be a leader in identifying new revenue models for transportation to foster the transition from fossil-based fuel taxes.

And finally, the USDOT should continue to streamline its processes and procedures and improve communication with and among states facing similar challenges.

Thank you for your time and I would be happy to answer any questions.

MR. SCHENENDORF: Thank you very much.
Thank you both.