

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING

September 14, 2011  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

- Mayor Lyn Truitt, Surprise, Chair
  - Mayor Jim Lane, Scottsdale, Vice Chair
  - \* F. Rockne Arnett, Citizens Transportation Oversight Committee
  - \* Ron Barnes, Total Transit
  - # Mayor Bob Barrett, Peoria  
Dave Berry, Swift Transportation
  - \* Jed Billings, FNF Construction  
Councilmember Ben Cooper, Gilbert  
Councilmember Shana Ellis, Tempe
  - # Councilmember Dick Esser, Cave Creek
  - \* Victor Flores, State Transportation Board
  - \* Mark Killian, The Killian Company/Sunny Mesa, Inc.
  - Phil Matthews, Salt River Pima-Maricopa Indian Community
  - Mayor Jackie Meck, Buckeye
  - # Mayor Marie Lopez Rogers, Avondale  
Garrett Newland, Macerich
  - # Mayor Elaine Scruggs, Glendale
  - \* Mayor Scott Smith, Mesa
  - \* Karrin Kunasek Taylor, DMB Properties  
Councilmember Jack Sellers, Chandler
  - \* Vice Mayor Thelda Williams, Phoenix  
Supervisor Max W. Wilson, Maricopa County
- \* Not present  
# Participated by telephone conference call  
+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Lyn Truitt at 5:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mayor Marie Lopez Rogers, Mayor Elaine Scruggs, Councilmember Dick Esser, and Mayor Bob Barrett participated in the meeting by telephone.

Chair Truitt introduced two new members to the TPC: Councilmember Ben Cooper from the Town of Gilbert, and Garrett Newland from Macerich, who was appointed to a regionwide business seat.

Chair Truitt requested that members of the public fill out blue cards for Call to the Audience and yellow cards for consent or action items on the agenda, and then turn in the cards to staff, who will bring them to him. He stated that parking garage validation and transit tickets for those who used transit to attend the meeting were available from staff.

3. Call to the Audience

Chair Truitt stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens were requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard. No public comment cards were received.

4. Approval of the March 23, 2011, Meeting Minutes

Chair Truitt asked if there were any changes to the minutes of the March 23 meeting. Hearing none, he called for a motion.

Mayor Lord moved approval of the March 23, 2011, meeting minutes. Mr. Berry seconded, and the motion passed unanimously.

5. Draft Fiscal Year 2012 Arterial Life Cycle Program

Christina Hopes, MAG Transportation Planner, reported on the Draft Fiscal Year 2012 Arterial Life Cycle Program (ALCP). Ms. Hopes stated that the ALCP is funded by three sources: the half cent sales tax or Regional Area Road Fund (RARF), MAG Surface Transportation Program funds (STP-MAG), and Congestion Mitigation and Air Quality (CMAQ) funds. She displayed a graph of Proposition 400 revenue for November 2003, October 2009, and November 2010 that showed the decline in revenue since the Regional Transportation Plan was first developed. Ms. Hopes noted that this meant a deficit of funds in the program and advised that the ALCP must be fiscally constrained in order to comply with state law.

Ms. Hopes stated that Section 270 of the ALCP Policies and Procedures provide guidelines for program deficits, which is to delay projects in priority order. However, if this policy had been followed, it would have resulted in almost all of the projects being unfunded. Ms. Hopes stated that in February 2011, the Transportation Policy Committee recommended a proportional reduction in reimbursements to member agencies in the ALCP. She then explained the attachments in the agenda packet. She noted that Appendix 1-A showed the initial reduction estimated in March at \$245 million and she added that member agencies were allowed to reprioritize their ALCP projects based on local priorities. Ms. Hopes then said that they were able to bring \$50 million back into the program, which brought the reduction amount to \$196.5 million. This is shown in Appendix 1-B. Ms. Hopes stated that Appendix 1-C shows the impact to each Lead Agency and project.

Ms. Hopes stated that member agencies are permitted to make changes to their ALCP projects during the annual update process. She said that the changes were presented to and recommended for approval by the MAG Street Committee. The projects include (1) a Town of Gilbert project on Queen Creek Road to change the scope to eliminate one mile of roadway that had been completed by a developer; (2) City of Scottsdale project, change in project scope to the CAP Canal frontage road; (3) City of Scottsdale delete the segment of Redfield to Raintree on Hayden Road and replace it with three intersection improvements; (4) Maricopa County change the alignment of two projects on El Mirage Road.

Ms. Hopes reviewed the updated project schedules and reimbursements. She said that 29 project segments were advanced, 70 projects were deferred due to the decrease of regional and local funds, and 36 project segments had regional funds reduced due to the deficit. Ms. Hopes noted that the inflation rate used was 2.6 percent.

Ms. Hopes stated that six projects were completed in FY 2011; \$72.6 million in Proposition 400 funds was programmed for reimbursements, \$41.3 million was deferred from FY 2011 to a later year, and \$31.3 million was reimbursed to Lead Agencies. Ms. Hopes noted that of this amount, the completed projects received \$15.8 million and the projects underway received \$15.5 million. Ms. Hopes stated that 38 projects are underway in FY 2012 and \$103.3 million is programmed for reimbursements.

Ms. Hopes stated that the requested action was to recommend approval of (1) the Draft FY 2012 Arterial Life Cycle Program (ALCP), (2) amendments and administrative modifications that are exempt from conformity to the MAG FY 2011-2015 Transportation Improvement Program for ALCP projects programmed for work and/or reimbursements in FY 2012, and (3) amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program and to the Regional Transportation Plan 2010 Update, as appropriate, contingent on a new Finding of Conformity.

Chair Truitt thanked Ms. Hopes for her report and asked members if they had questions. Hearing none, he called for a motion.

Mayor Lord moved to recommend approval of (1) the Draft FY 2012 Arterial Life Cycle Program (ALCP), (2) amendments and administrative modifications that are exempt from conformity to the MAG FY 2011-2015 Transportation Improvement Program for ALCP projects programmed for work and/or reimbursements in FY 2012, and (3) amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program and to the Regional Transportation Plan 2010 Update, as appropriate, contingent on a new Finding of Conformity. Mayor Meck seconded, and the motion passed unanimously.

## 6. The Future of Federal Transportation Funds

Eric Anderson, MAG Transportation Director, stated that federal transportation funds is a critical element to the work of the region. He spoke of the economic downturn and the decrease in sales

tax collections that resulted in moving \$6 billion from the freeway portion of the Regional Transportation Plan and changes in the street and transit programs. Mr. Anderson stated that the sales tax collection had been down for 38 straight months, but is now in positive territory. Growth is slow, at four to five percent. Mr. Anderson stated that the same trend of decline is occurring in the Highway User Revenue Fund (HURF), which is composed of fuel taxes and vehicle license taxes. He stated that the Legislature swept HURF funds and applied them to the state general fund for public safety and other uses. Mr. Anderson noted that the Arizona Department of Transportation drafted a chart that showed the transfers over the past ten years. He noted that the amount transferred from HURF to the FY 2012 state general fund totaled approximately \$229 million.

Mr. Anderson remarked that this has hurt the region's ability to build projects. He advised that Moody's has downgraded ADOT's HURF revenue bonds due to the decrease in revenue and the state's history of diverting funds from HURF. Mr. Anderson stated that in the federal funding was a pretty stable area, but activities over the past year have changed this perception.

Mr. Anderson introduced Mary Peters, former U.S. Secretary of Transportation, to share her perspective on what is occurring in Washington, D.C.

Secretary Peters stated that there are a number of factors in play that affect transportation funding. She said that the country is facing unprecedented times, and in the past, that transportation funding was sacrosanct and not touched in budget battles is not true any longer.

Secretary Peters first provided background. She noted the unprecedented levels of debt and deficit – \$1.5 trillion deficit in FY 2010 – which could go as high as \$1.7 trillion this year. Secretary Peters stated that the important factor is the debt to GDP ratio, which is currently 72 percent, up from the 20.7 percent in early 2008. She advised that the Congressional Budget Office projects that the debt to GDP ratio will be 100 percent in the next ten years if nothing is done. Secretary Peters stated that on the federal level, 40 cents of every dollar spent is borrowed, mostly from China. She remarked that one of the factors that helped stabilize Europe is China's willingness to buy debt from France and other European Union countries.

Secretary Peters stated that entitlement programs, Social Security, Medicare and Medicaid, are especially problematic when it comes to the federal budget. She noted that in the FY 2012 budget, these three programs account for \$2 trillion, or 60 percent of all federal spending, not including interest. Secretary Peters advised that this amount will increase to \$3.3 trillion by 2021 and will represent 68 percent of federal spending. She stated that over the next ten years, the cost for social security will grow 71 percent, Medicare 72 percent, and Medicaid 115 percent.

Secretary Peters stated that in his budget proposal, the President thought he could get the debt GDP ratio down substantially, but it was based on a four percent per year growth rate, and the actual growth rate is about one percent. She advised that the budget also did not address entitlements. Secretary Peters indicated that entitlement spending leaves only about 20 percent of the budget for Congress to work with to achieve the balance. Secretary Peters stated that the number would be 36 percent with defense and security removed.

Ms. Peters stated that the unemployment rate remains at 9.1 percent, but she thought this number was understated. She said they are also not looking at sector unemployment, for example, the construction industry has approximately a 20 percent unemployment rate.

Secretary Peters then spoke of the recently passed Budget Control Act. She remarked that the length of time it took to pass was very unnerving to the markets around the world. Secretary Peters remarked that because we are in a global economy, not just the US economy needs to be considered. She stated that the Budget Control Act resulted in a cut and cap of \$917 billion in discretionary spending over ten years, and gave the President the ability to increase the debt limit by \$400 billion. In addition, he can use an additional \$500 billion of debt limit increase in 50 calendar days unless two-thirds of Congress votes to stop him. Secretary Peters stated that the Act also requires that Congress vote on a balanced budget amendment between now and the end of the calendar year.

Secretary Peters explained that the Act also designates a 12 person Joint Select Committee, six Republicans and six Democrats, that will report a bill back to Congress by December 2, 2011, that reduces the deficit by \$1.3 trillion (preferably \$1.5 trillion) over ten years. Secretary Peters advised that Congress will then have to vote the bill up or down by December 23, 2011. She stated that Congress cannot amend the bill and the Senate cannot filibuster the bill. Secretary Peters advised that if the committee cannot reach agreement, then a process called sequestration begins, which means that half of the \$1.3 trillion amount would be across the board cuts in defense and non-defense spending respectively. She said that she thought it was structured that way because the Republicans do not want cuts to defense and the Democrats do not want cuts to entitlements. Secretary Peters added that the committee has a very big task ahead to identify the cuts.

Secretary Peters explained the lines between two distinct philosophies are more apparent than ever. She stated that the Democrats believe that making more cuts would stall economic recovery and think government spending will stimulate economic growth. They feel that the stimulus bill failed because there simply was not enough money to stimulate the economy. Secretary Peters stated that the Republicans feel only if government spending is substantially reduced and the burden lifted off businesses will the economy fully recover and businesses will begin to hire again.

Secretary Peters stated that last week the President outlined the American Jobs Act, a \$447 billion proposal to boost the economy and create jobs. She explained that it includes an immediate investment of \$50 billion in transportation (highway, transit, rail, and aviation) and \$10 billion to establish a national infrastructure bank. Secretary Peters stated that to allocate the \$50 billion, the President intends to administratively speed infrastructure investment through a recently issued Presidential memorandum developed with his jobs council that directs agencies to identify high impact, job creating infrastructure, projects that can be expedited in a transparent manner through current review and permitting processes. Secretary Peters remarked that there is no fast track to get these projects through, and without changing the processes, such as NEPA and 404 permits, there is no prayer to get the money out and spent quickly.

Secretary Peters stated that she has asked Congress repeatedly to pass this bill immediately. He intends to pay for the bill with \$405 billion coming from limiting deductions for higher income individuals, curbing or repealing tax breaks for oil companies in the amount of \$41 billion, raising taxes on profits from investment funds by \$18 billion, and reducing corporate jet tax breaks by \$43 billion. She noted that the Republicans have not responded favorably to how this is proposed to be funded. Secretary Peters remarked that this complicates the job of the joint select committee because it still has to come up with \$1.2 to \$1.5 trillion in cuts. She said that the President has indicated that he would like the committee to also tackle funding, but she did not see that happening, and she thought the Joint Select Committee and the President's proposal would proceed on two separate courses.

Secretary Peters stated that critics say the \$887 billion stimulus package in 2009 did not stimulate the economy or end unemployment. She remarked that 40 percent of the transportation funds remain unspent because shovel ready did not mean as shovel ready as they thought it to be. Secretary Peters stated that advocates say infrastructure is an investment in our economy and is the right place to create jobs. She said it is supported by the U.S. Chamber of Commerce, the unions, and the industrial trade groups.

Secretary Peters stated that the Jobs Act calls for a way to kick start infrastructure spending. She noted that extensions of the surface transportation act and the aviation act expire this month; this is the eighth extension of the surface transportation act since 2009 and the 22nd for aviation since 2007. Secretary Peters reported that the Senate would like to see a two-year surface transportation bill in the amount of \$109 billion, and she noted that they prefer a shorter term bill because they feel the economy may improve and there will be more funding. Secretary Peters noted that even under the most optimistic of circumstances, the Senate bill is still about \$12 billion short to make the \$109 billion. She noted the competing interests for funding, such as the Joint Select Committee and the President, and indicated that the funds must come from new revenue sources, which means new taxes, even though no one wants to call it that. Secretary Peters noted that to date, \$34.5 billion has been taken from the general fund to keep the Surface Transportation Program solvent. She noted how people driving fewer miles and increased gas efficiency have affected the Program's revenue.

Secretary Peters addressed the six-year, \$230 billion House bill drafted by Congressman John Mica, which is tailored to the amount that is projected to accrue over the ensuing six years and fits in with the House Budget Resolution developed by Committee Chair Paul Ryan. Secretary Peters advised that if the House bill passes, about a 30 percent reduction in overall spending on surface transportation programs is expected, because it must fit within the amount the fund will accrue during that period of time. She then explained if SAFETEA-LU is compared to Chairman Mica's proposal, it is a smaller decrease, but if stimulus funding and TIGER grants are added, then it becomes a bigger decrease.

Secretary Peters remarked that both bills include good policy changes, for example, streamlining the environmental approval process and a reduction in the number of discretionary programs. She

explained that the federal gas tax was established in the 1950s to pay for the interstate system, and now funds 108 programs.

Secretary Peters stated that the House proposal would ensure funding for core programs and would jettison the high speed passenger rail program. She noted that the Senate proposal is more receptive to high speed rail, and although it includes reductions, they are not at the level of the House proposal. Secretary Peters stated that both chambers and the President have taken a no-earmarks pledge. She said that the Senate is considering sweeping older, inactive earmarks, and she noted that when she was Secretary, she estimated the amount in this category to be in the range of \$11 billion to \$13 billion. Secretary Peters indicated that she thought this could be the source to fill the \$12 billion gap. She stated that the Highway Trust Fund firewalls will no longer protect transportation funding from the cuts that will need to be made.

Secretary Peters stated that the House and Senate, by voice vote, have extended the aviation program four months and the surface transportation program six months. She explained that they not only extended the authority for operating authority, but also the tax, which is important to the Highway Trust Fund. Secretary Peters stated that she thought it wise to take a voice vote, because the votes are not recorded, otherwise, it could have been more problematic. She stated that the extensions will govern transportation spending during this period until action is taken by Congress or the Joint Select Committee, but the problem is more money is being spent than is being brought in, which results in depletion of the Highway Trust Fund at a faster rate.

Secretary Peters stated that she feels it is very important to emphasize to Congressional leaders to resolve this during the extension period, if not, we will be in a Presidential election year and it will be difficult to get anything done. She stated that the worse case scenario is to spend down the Highway Trust Fund to almost insolvent levels and not make any policy improvements during this extension period. Secretary Peters quoted Winston Churchill, "Americans always do the right thing, but only after they have exhausted all other opportunities."

Chair Truitt thanked Secretary Peters and asked members if they had questions.

Supervisor Wilson asked the status of the F-35 program coming to Luke. Secretary Peters replied that she thought the program was still coming to Luke. She stated that what could hurt the program is if the defense budget is cut substantially more than forecast. Secretary Peters indicated that there are not many more places to cut the defense budget without going into major weapons or aviation programs such as the F-35.

Dennis Smith asked if there was any way to streamline the process for stimulus funds to spend the funds more efficiently. Secretary Peters acknowledged that federal processes conservatively can add 17 to 20 percent to a project's cost. She stated that more funding could be used toward projects if state environmental processes were used as an alternative to federal processes. Secretary Peters stated that she had strongly suggested this in December 2008, at the time of the first stimulus program. She stated that if the same processes are used, we will not be able to move projects quickly and Congressional members need to know that.

Mr. Smith stated that in this region, because the funds had to go out quickly, this region did a lot of pavement preservation projects, but if the requirements are changed, funds could go into longer range projects.

Vice Chair Lane stated that it seemed contradictory to put out stimulus against the backdrop of the \$1.2 trillion cut across the board. He asked the consequences. Secretary Peters replied that she felt it would make the hole that much deeper. She stated that some believe that the short term pain will be relieved by the increase in jobs and economic activity, but she was skeptical because of the first stimulus program. Secretary Peters expressed she had a great fear the Jobs Act will not stimulate the economy but will dig the hole that much deeper. She noted that if the President's proposal to end itemized deductions and tax credits for gas and oil goes through, those items will be off the table to the Joint Select Committee.

Mr. Berry stated that there is another proposal, devolution, where states keep the funds that otherwise would be sent to the federal government, and he thought this might be the only solution. Mr. Berry stated that MAG should feel good about what has been done in the region – we took responsibility for our own transportation future and the residents approved various taxes to build the transportation system that is an economic engine. He stated that he felt that getting control to the local level might be our only hope because he did not see the will to make the tough decisions at the federal level. Mr. Berry stated that the trucking industry has been saying to please tax us because they know that the user fees are needed to build and maintain the highway system. He remarked that some people think tax increases are unacceptable, but in the MAG region, the voters voted to tax themselves when they saw how the money would be spent and what they would receive.

Secretary Peters stated that Senators Hutchison and Flake have a bill that would allow states the opportunity to opt out of the federal system. She remarked that this bill could have an uphill challenge. Secretary Peters reported that 70 percent of local initiatives succeed because the voters know who is responsible for projects. She stated that the federal gas tax has not been increased since 1993, and she thought there was a lack of investor confidence; citizens feel if the tax is increased, they will only get bridges to nowhere for their money.

7. SR-202L/South Mountain Freeway Corridor Update

Bob Hazlett, MAG Senior Engineer, reported that MAG and the Arizona Department of Transportation (ADOT) are in the final stages for completing the Environmental Impact Statement (EIS) that will clear for construction the proposed SR-202L/South Mountain Freeway corridor. He noted that the EIS is currently under internal review before it is released for public review, perhaps early next year. Mr. Hazlett estimated the EIS process would be complete in 2012.

Mr. Hazlett said that the Federal Highway Administration (FHWA) and ADOT asked MAG to get more information on purpose and need for the South Mountain Freeway. Mr. Hazlett noted that including the Interstate 10/Broadway Curve was integral in this discussion. He first displayed a

map of the South Mountain Freeway as it is in the Regional Transportation Plan, and noted that the 2009 scenario program amount is \$1.9 billion.

Mr. Hazlett reviewed the improvements to Interstate 10, which involve adding a number of lanes, especially around SR-143 to US-60. He stated that the cost of the project is approximately \$1.5 billion and the Regional Transportation Plan includes improvements from 40<sup>th</sup> Street to the Pecos Stack.

Mr. Hazlett stated that a travel demand modeling analysis was done on three different scenarios in response to the additional information requested by ADOT and FHWA. He noted that improvements were looked at separately and in totality, to illustrate that each corridor has its own unique characteristics and travel needs.

Mr. Hazlett first addressed the productions and attractions for expanding I-10 only. He displayed a graph that showed the trip origins and destinations, and he pointed out the congestion around Sky Harbor International Airport. Mr. Hazlett stated that the traffic on the I-10 corridor is using the corridor to access a destination on the corridor.

Mr. Hazlett stated that they also looked at the projected level of service for 2031 with improvements to I-10 and not building South Mountain Freeway. He pointed out the levels of service: "F" being most congested and "A" being least congested. Mr. Hazlett said if the South Mountain is not built there would still be congestion issues on I-10, even with the improvements.

Mr. Berry asked if the level of service projection took into account the current growth situation with the downturn in the economy. Mr. Hazlett replied that the projection is in the process of being revised based on the recently released 2010 Census socioeconomic data.

Mr. Hazlett then addressed the South Mountain Freeway only. He said that the analysis shows that the South Mountain serves the emerging population and employment growth in the West Valley and the East Valley. Mr. Hazlett stated that the South Mountain Freeway is not a reliever or a bypass to I-10/Broadway Curve, but serves a distinct market. He noted that the 2031 projections show the traffic would fill up the corridor, but at a fairly manageable level.

Mr. Hazlett stated that they next modeled I-10 and the South Mountain corridor together at I-10 and the Broadway Curve. He noted that it showed the South Mountain does help with congestion, and both corridors have a distinct purpose and need.

Mr. Hazlett stated that they then did a financial comparison and looked at travel time savings across the network, assuming a population of six million people for 2031. If only the improvements to I-10 were made, about 60,000 travel hours per day would be saved. Mr. Hazlett noted that building the South Mountain Freeway alone would represent about 229,000 travel time savings per day. If both projects are constructed, about 266,000 travel time hours per day would be saved.

Mr. Hazlett stated that they translated this into economic benefits by applying the prevailing wage rate over the next 20 years. He said the net present economic value of expanding I-10 is \$4.6 billion, of building the South Mountain Freeway is \$17.3 billion, and building both projects is approximately \$20 billion. Mr. Hazlett stated that the system benefit/cost ratio where economic benefits are measured against construction costs, the travel time savings of expanding I-10 is 3.04, building South Mountain is 9.12, and building both projects is almost six.

Mr. Hazlett stated that the purpose and need of these corridors is established by these analyses. He said that the effectiveness of one corridor is dependent on the other, even though they serve different markets. Mr. Hazlett stated they will prove to be beneficial economically to the entire metro region.

Mr. Hazlett then provided a status report on the SR-202L/South Mountain Freeway. He stated that on July 19, 2011, the Gila River Indian Community Council directed its legal team to develop a referendum within 90 days for community members to consider moving the alignment of the South Mountain Freeway onto community land. Mr. Hazlett stated that it has now been about 90 days and the referendum is being vetted by several Gila River Indian Community committees and we are waiting to see if the referendum will be referred to the community for action. Mr. Hazlett stated that if referred, it could be on the ballot as early as November, but possibly January or February.

Chair Truitt thanked Mr. Hazlett for his report and asked members if they had questions.

Councilmember Sellers asked if the potential change in alignment would impact the EIS of the South Mountain Freeway. Mr. Hazlett replied that as it currently stands, a change in alignment would impact the EIS, but ADOT and FHWA have been working in parallel so if the Gila River Indian Community votes to have the alignment on community land, not much delay would occur.

Mr. Berry asked for clarification of the \$214 million obligated for the South Mountain in 2012. Mr. Hazlett stated that ADOT has taken an aggressive role on potential right of way acquisition in hardship cases, setting aside funds for environmental impact statements, and doing spot improvements. Mr. Hazlett replied the amount is the expenditure from 2006 to July 2012, much of which has been for hardship right of way acquisition.

Mr. Anderson noted that this assumes the EIS will be completed in FY 2012, and much of the funds are for right of way acquisition. He added that he thought the figure was optimistic.

Mr. Berry asked for clarification that the South Mountain is moving ahead and the only question is the alignment. Mr. Hazlett replied that was correct.

8. Update on Interstate 11 and the Punta Colonet Port and Potential Arizona Rail Crossing

Mr. Anderson stated that we look for projects during tough economic times that can improve the Arizona economy. He said that such a projects is the Punta Colonet deep water port in Baja, Mexico, which has been proposed for about 20 to 25 years. He noted that the Mexican director of

planning has been charged by President Calderon to make this project happen before his term ends in about 15 months. Mr. Anderson stated that President Calderon believes that the Punta Colonet project is important to the economic future of Mexico. He reported that there is also an increase in manufacturing activity in Mexico. He reported that some of the Asia offshore activity is returning to North America and Mexico is seen as a prime location. Mr. Anderson noted that a deep water port would boost those activities.

Mr. Anderson noted that from an Arizona perspective, a rail line from Mexico into the United States at an Arizona crossing is important. He said that a new rail line would be needed for entry from Mexico into Arizona and shippers want to get their shipments into the United States as fast as possible. He said that the Mexico SCT believes that Yuma is the preferred crossing, however, when Union Pacific looked at a crossing there in 2006-2007, the community input was not favorable, but he felt it could work.

Mr. Anderson stated that there needs to be a way to add value to the freight that is shipped through Arizona to destinations outside the state. He said that the MAG Freight Transportation Framework Study is looking at inland port opportunities. Mr. Anderson stated that Punta Colonet may be a long shot but it could be a major economic benefit to Arizona if it happens. Mr. Anderson stated that Guaymas in Mexico, a new deep water port, is also being discussed to support some manufacturing activity, and staff is tracking both port activities.

Mr. Anderson then reported on the proposed Interstate 11. He said that this new highway corridor resulted from the Hassayampa Framework Study to connect Wickenburg to I-10, and is almost in the exact location where the Regional Council designated the Canamex Corridor. Mr. Anderson noted that the Hassayampa Freeway could link Phoenix to Las Vegas, the two largest metro areas in the country not connected by an interstate. Mr. Anderson stated that the Regional Transportation Commission of Southern Nevada and the Nevada State Legislature also like the idea and want to continue the corridor to connect Las Vegas to Reno. He said that the concept could be taken even further: to continue on to the Pacific Northwest and connect to the port and economic activity there and into Canada, and then could also go south and link into Mexico. Mr. Anderson stated that the Canamex Corridor extending from Mexico to Canada through Arizona could be a real game changer for Arizona.

Mr. Anderson stated that staff was invited to make a presentation on Interstate 11 to the Western Regional Partnership, a coalition that looks at military installations in the western United States. He noted that the Partnership sees Interstate 11 as an important link in terms of military installations. Mr. Anderson stated that California Senator Boxer also is interested in Interstate 11 as a possible bypass to Interstate 5, which is congested and reaching capacity. Mr. Anderson stated that a designation as an interstate is important for this corridor, and he added that there might be funding for freight corridors in the future. Mr. Anderson stated that ADOT will be launching a corridor feasibility study instead of an environmental impact study.

Mr. Anderson stated that the Brookings Institution requested that MAG submit Interstate 11 as a transformative investment project. He explained that Brookings hopes to identify 20 to 25 projects

around the country that could transform the economic landscape. Mr. Anderson advised that the project goes beyond what a local agency could accomplish and could represent a national investment. MAG had submitted an application but does not yet know if it will be selected.

Chair Truitt thanked Mr. Anderson for his report and asked members if they had questions. None were noted.

9. Request for Future Agenda Items

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting were requested.

No requests were noted.

10. Comments from the Committee

An opportunity was provided for Transportation Policy Committee members to present a brief summary of current events. The Transportation Policy Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the TPC were noted.

Adjournment

Vice Chair Lane moved and Supervisor Wilson seconded to adjourn the meeting at 5:10 p.m.

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Chair

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Secretary