



# Transportation and Trade Corridor Alliance

Arizona Department of Transportation • Arizona-Mexico Commission • Arizona Commerce Authority



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# The Road We're On

Arizona' gas tax  
has remained flat  
for 20 years

Revenues are now at  
1994 levels

State is moving from  
75% of its budget on  
construction to 65%  
on maintenance

Public private  
partnerships and  
other alternative  
financing means are  
imperative

How to communicate  
that with business  
leaders and find out  
how to make the best  
investments for them.

# The World We're In

- Globalization and trade may be the defining trends in the current economy
- Jobs connected to trade pay about 16% higher than others
- Trade connects to foreign investment
- Exports bring in new money
- Trade stabilizes markets and evens out the economy
- Trade jobs locate near transportation hubs and airports (chicken or egg?)



# What Companies Want (and Need)

- Keep costs as low as possible
- Provide reliability and redundancy in transportation systems
- Provide seamless multimodal transportation (even though each mode is the responsibility of a different provider!)
- Recognize the costs of transportation
- Create a network

# Trends to Understand

- CoreNet survey: Almost all use trucks, but use every mode to varying degree – most effective?
- Sometimes logistics seems counterintuitive: how can we understand?
- E-commerce
- Caught between competing public and private sector philosophies
- US infrastructure deteriorating
- New trends such as nearshoring – recent study by Booz & Co. shows US relationship to Mexico to be a top-5 strategy for future competitiveness!



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- ◉ Charged by Governor in 2012
- ◉ Partnership between ADOT, Arizona Commerce Authority, Arizona Mexico Commission
- ◉ Not Governor-appointed, but advisory council to agencies
- ◉ Multi-modal
- ◉ Heavily private sector
- ◉ Help the state develop strategies for improving infrastructure and attract private investment
- ◉ Help the state understand the business

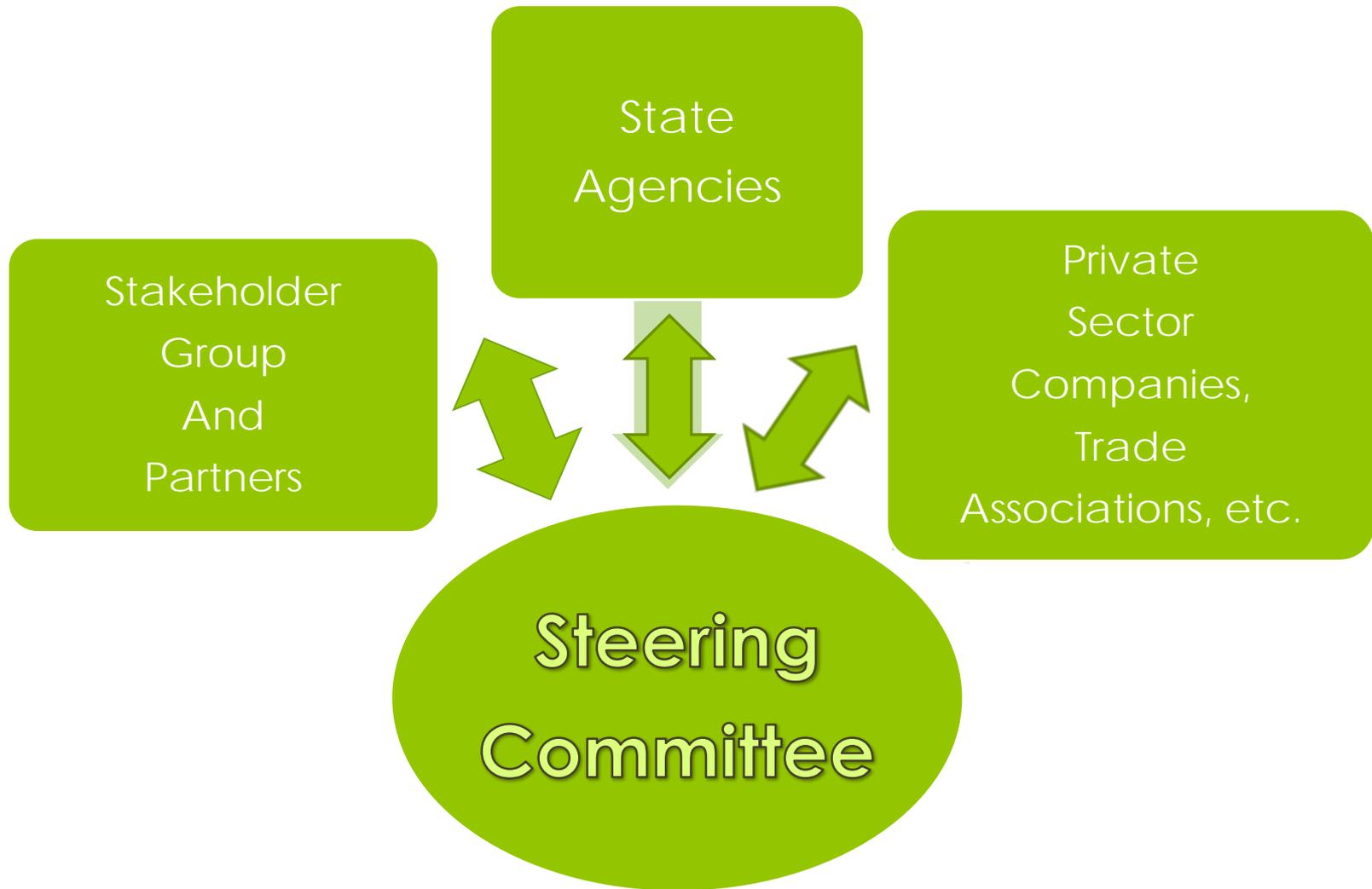
# At the Table

- APL
- Avnet
- UPS
- BNSF
- W.L. Gore
- Port authorities
- Growers and Brokers
- Mexican manufacturers
- Arizona Trucking Association
- Phoenix Sky Harbor International Airport
- COGs and MPOs, including MAG



# Structure

- Steering Committee
- Co-Chairs: John Halikowski and former Congressman Jim Kolbe
- Vice-Chairs: Margie Emmermann and Sandra Watson
- Stakeholder group – e-communications, occasional ‘summits’, small group meetings around the state
- Input from agencies and partners – suggest speakers, invite to events, share articles of interest
- Keep up with changes – ie, MAP-21



# MAP-21 – Trade and Logistics

- For the first time, strong emphasis on freight movement
- Required that DOTs develop a long-range freight plan
- “Strongly suggests” that every DOT have a freight advisory committee
- TTCA already in place – all the players we would need
- Gives an additional and very substantive charge to the TTCA!

# Mexico as an Important Trade and Logistics Partner for the US

- Six million US jobs are tied to Mexico
- Mexico is the number one trading partner for six US states, and third for the nation (including Texas, California and Arizona)
- Mexico is the largest source of imported fruits and vegetables
- Wage difference between Mexico and China is now less than 20%
- For every \$1 spent on Mexican imports, Mexico spends more than 50 cents back on US products – very different from China!

Not that there aren't challenges...



Thanks for your interest!

