

PROPOSAL FOR A
2008 ARIZONA DEMOCRATIC CAUCUS



April 13, 2006

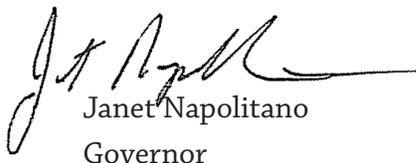
Dear Rules and Bylaws Committee Member:

We are pleased to present you with Arizona's application to conduct a "pre-window" caucus in the 2008 Democratic presidential nominating process. We appreciate this opportunity to tell you about Arizona and are confident you will see why our state is so uniquely qualified to play this critical role.

As you will see, Arizona is a state rich with diversity – racial, cultural, economic and environmental. This wealth of diversity will help to shape strong Democratic candidates, better able to speak to all Americans and who understand the issues and opportunities in the most exciting political region in the United States: the Southwest.

We thank you again for this opportunity and, if selected, look forward to working closely with the Democratic National Committee to plan and conduct successful statewide Arizona caucuses in 2008.

Sincerely,



Janet Napolitano
Governor



Terry Goddard
Attorney General



Edward Pastor
Member of Congress



Raul Grijalva
Member of Congress

Welcome to Arizona!

Famous western author Wallace Stegner hoped the West would someday create “a society to match its scenery.” By all measures, Arizona is making Stegner’s dream a reality, which is no small accomplishment for the Grand Canyon State.

Arizona is the new face of the United States, economically, demographically and politically. It is one of the most exciting states in the country, attracting both industry and people in record numbers. Its thriving businesses – both large and small – are now recognized as key drivers of America’s economy. As never before, Arizonans are leading the way in industries such as software, biotech, health care, defense and agricultural industries.

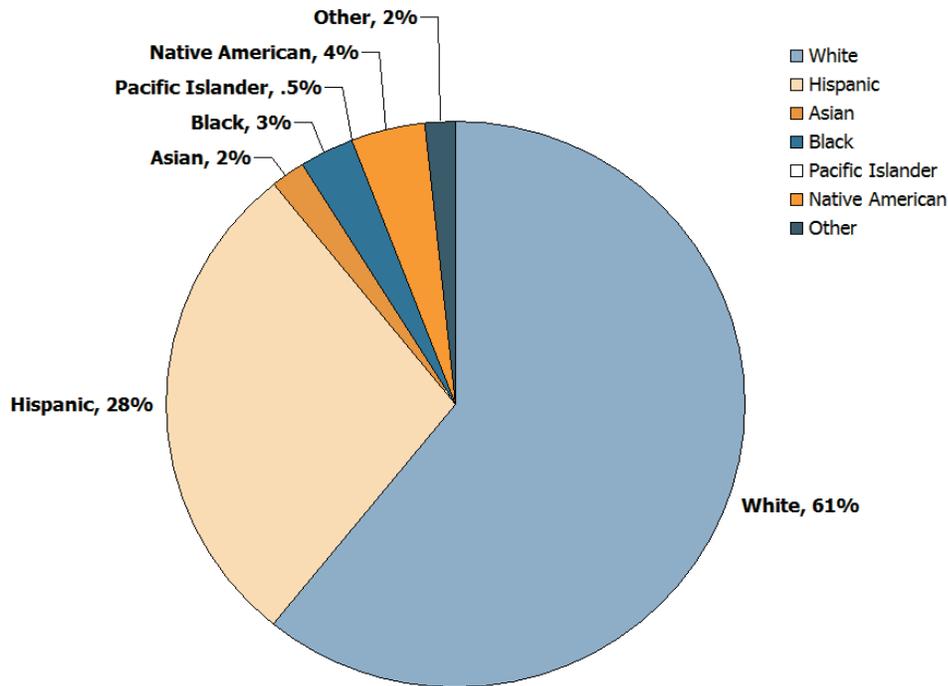
People are flocking to Arizona not only for its vibrant economy, but also for its natural beauty and high quality of life. This winning combination of assets has made Arizona the second-fastest growing state in the country. It consistently ranks as one of the best places to live and do business in the United States.

Giving Arizonans a prominent voice in selecting our 2008 Democratic presidential nominee will help ensure we have a nominee who speaks to ALL Americans and who intimately understands the issues and opportunities in the most winnable, dynamic political region in the country: THE SOUTHWEST.

The New Arizona

A Slice of America

Arizona is a true American melting pot. Not only is a quarter of Arizona's population of Hispanic origin, but most people currently living in Arizona are transplants from other parts of the country. Arizona is also home to 22 federally-recognized tribes. This strength of diversity continues to fuel Arizona's transition to a knowledge-based economy and enrich its culture.



The state has one of the highest percentages of citizens of Hispanic origin in the nation, and will be a “minority-majority” state by 2035.

26% of Arizonans speak a language other than English in their homes. Maricopa County's one million Hispanics represent fully 1/3 of the county's residents. This is more than the counties for San Diego or San Antonio, longtime leaders of the Hispanic market.

Arizona is also proud of its significant and growing community of citizens of Asian origin. At more than two percent of the population and growing, Arizona's Asian community has been instrumental in the state's economic transformation.

Arizona's diversity goes beyond just its racial and ethnic mix. Women are leaders in Arizona's economy and public life. Not only is Phoenix ranked 3rd in the nation for women-owned businesses on a per-capita basis, but

in 1998 Arizona became the first state to elect women to all of its top five statewide executive offices. For the past two decades, Arizona has been among the top, and often the first, in the percentage of women legislators.

Contrary to popular belief, Arizona's population is young and active. The average Arizonan is 34 years-old -- younger than the national average of 36 years.

Arizona has four major military installations, including Luke Air Force Base, the largest F-16 training base in the world, in Maricopa County. It is also home to nearly 600,000 military veterans, about 10 percent of the entire population.

The Political Landscape

A Democrat can win Arizona in 2008. While historically a Red State, Arizonans consistently demonstrate a willingness to vote across party lines if they like and respect a candidate. This was true in 1996, when Arizonans helped return President Clinton to the White House and again in 2002 when both Democratic Governor Janet Napolitano and Attorney General Terry Goddard were elected on the statewide ballot. Republicans have a registration advantage over Democrats in the state, yet the two top state officeholders (Napolitano and Goddard) enjoy higher approval ratings than the majority of their colleagues in traditionally Blue states. Moreover, this year Arizona has three Federal races targeted as potential Democratic pick-ups: a U.S. Senate seat and two highly competitive Congressional races.

Senator Dennis DeConcini and Governor Bruce Babbitt were the first Democrats in the modern political era to consistently win statewide elections in Arizona. Much like Governor Napolitano does today, these two Arizona leaders drew bipartisan support by focusing on moderate, common sense issues and tackling problems important to ordinary Arizonans. In many ways, Arizona's current success is built on the work done by these two Democratic icons that began 30 years ago.

Big, But Retail Still Rules...

While now the 16th largest state with 6 million residents, retail politics are still key to political success in Arizona. Unlike in other states with similar geography and population, retail campaigns are possible in Arizona because of its dense population centers and modern infrastructure.

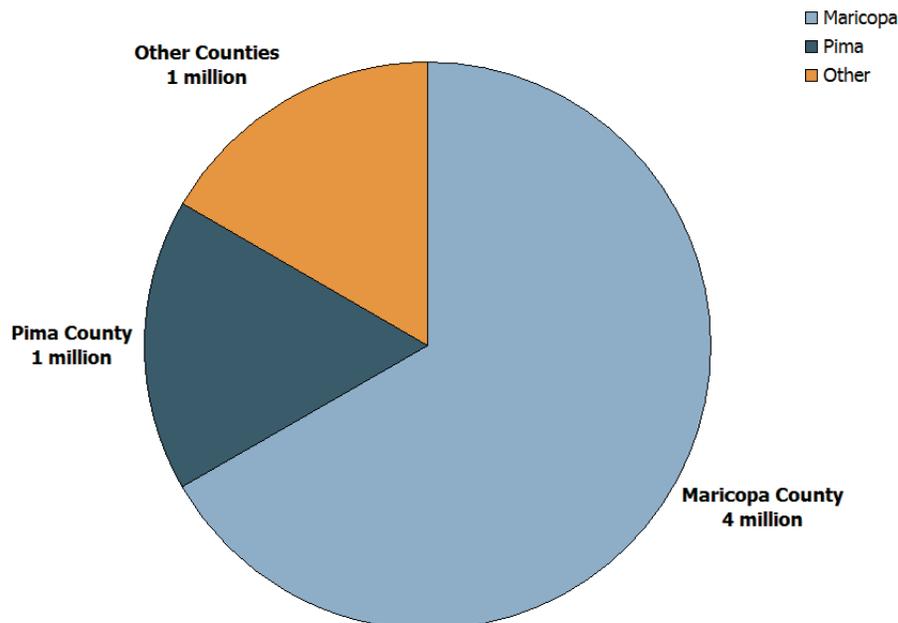
A Growing Arizona: By The Numbers

- More than 6 million residents; 16th largest state
- Arizona is the fastest growing state in the country in terms of actual numbers, and the 2nd fastest by percentage
- Population has doubled since 1980, and is projected to double again by 2030
- Maricopa County is 3rd largest in the country (approx 4M); it grew by 137,000 in the past 12 months
- Phoenix is now the 5th largest city in U.S.
- Arizona's job growth is currently four times higher than the national average

Arizona is easily accessible to national candidates thanks to direct flights to/from every major city in the U.S. via Phoenix Sky Harbor International Airport. Nearly all of Maricopa County's cities and towns (and their four million residents) are less than an hour's drive from Sky Harbor. In addition to a second major airport in Tucson, Arizona also has 95 other public airports throughout the state which make it convenient to access rural areas.

Voters in Arizona are concentrated in two main population centers: Maricopa County (metro Phoenix) and Pima County (metro Tucson).

Population Density: 67% of Arizona residents live in or near the Phoenix metro area.



Economic Transformation

Like most aspects of the state, Arizona's economy is booming. But Arizona's economy is more than just the "5 Cs" which adorn its Great Seal: cotton, copper, citrus, cattle and climate. The state has seen an almost wholesale realignment of its economic base over the past 5-10 years, shifting from an economy fully dominated by service and agricultural to one that is driven by high-tech, knowledge-based industries.

Among its diverse array of "new economy" sectors, Arizona's leadership in biomedical research is among the most exciting. Arizona is home to the Translational Genomics Research Institute (TGen), the world's leader in human genomics mapping and related research. Arizona is also home to the Critical Path Institute (C-Path), which works to improve the process of developing new drugs and getting them more quickly to market. The state is also in the final stages of forming a first-of-its-kind \$250 million public/private partnership to continue building on Arizona's lead in biotech and medical research industries.

Arizona's burgeoning high-tech industry, steady population growth, and Democratic leadership have all been instrumental in the state's fiscal turnaround in recent years. Governor Napolitano inherited a \$1 billion budget deficit when she entered office three years ago. Today, Arizona is reporting a \$1.2 billion budget surplus.

Prominent national businesses in Arizona include:

- Intel
- Motorola
- U.S. Airways World HQ
- Northrup Grumman
- Qwest
- Google
- United Healthcare
- Microchip Technologies
- eBay
- AOL
- Goodrich Aircraft
- Honeywell
- Boeing
- Raytheon
- Cox Communications
- ST Microelectronics
- AvNet
- American Express

Labor

Arizona has a dynamic and growing organized labor movement. Although it is modest in size compared to other states, Arizona is one of the only states to see its union membership rolls increase thanks to very active organizing in the past few years. Arizona has 145,000

union members statewide, with approximately 200 active local affiliates. Unions like UNITE-HERE, which had no presence in Arizona just a few years ago now have 40% of the laundry services organized.

Arizona's union membership rolls are on the rise at a time when most states have suffered union losses.

One of the hallmarks of organized labor in Arizona is the close relationships among the various unions. The major unions are currently actively engaged in a coalition to pass a minimum wage increase in the state and Arizona is the only state in which the locals of the Change to Win Coalition (SEIU, UFCW and Teamsters) have signed "Solidarity Charters" and are fully affiliated with the Arizona State AFL-CIO.

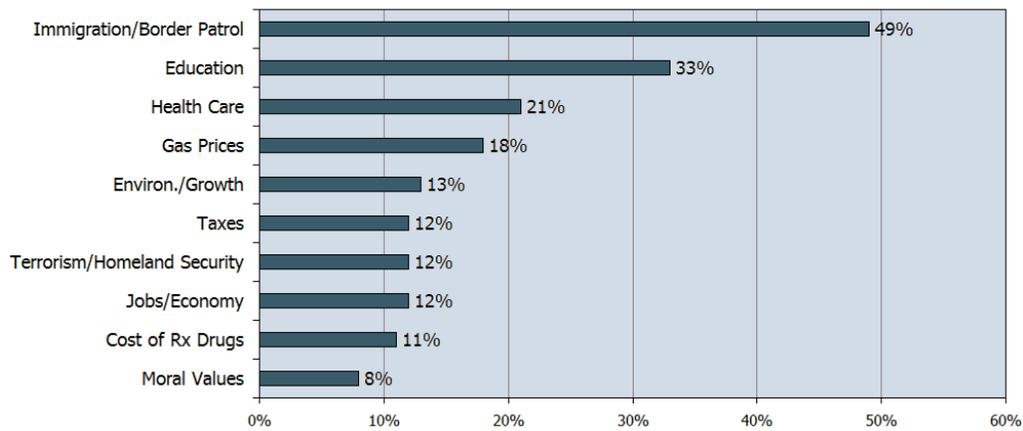
The Arizona AFL-CIO currently conducts ongoing training programs for more than 25 union organizers for the 2006 election year. They are also training and hiring strategic researchers in partnership with local universities.

Arizona is a right-to-work state, with roughly six percent union density.

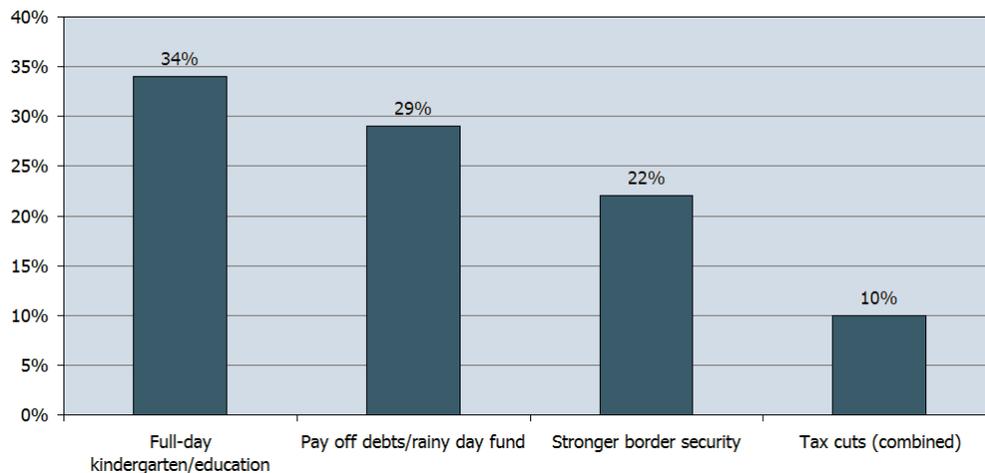
A Moderate, Persuadable Electorate

The Arizona electorate is moderate and pragmatic. Arizonans are generally more practical than their conservative reputation would suggest. Severely gerrymandered districts and a small but active base of social conservatives has given rise to a conservative state legislature and several conservative Members of Congress. But it is important to understand that these elected officials are not representative of the general electorate.

Arizonans' Priorities



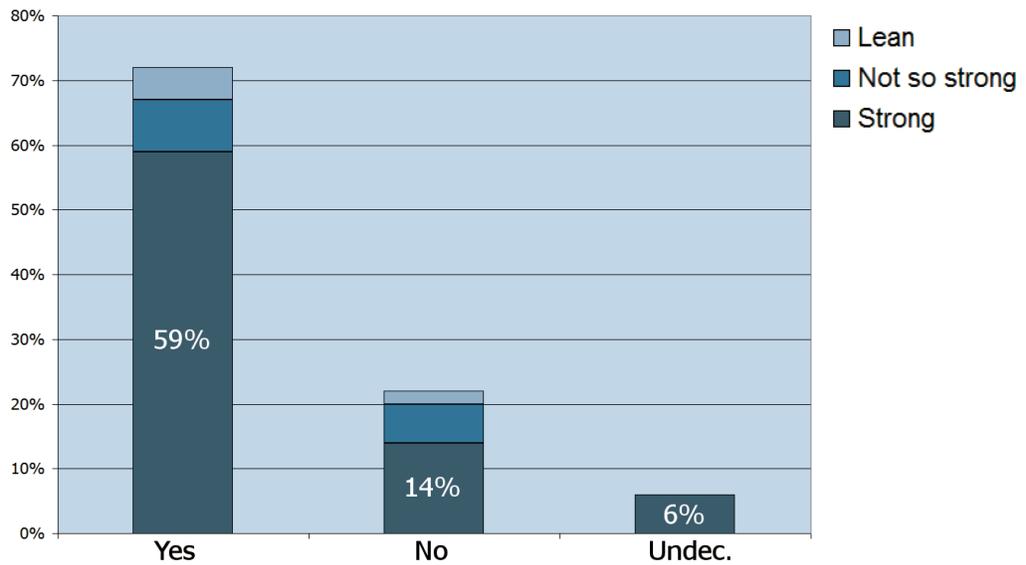
As an indication of Arizona's moderate electorate, voters overwhelmingly want to invest the state's \$1.2 billion budget surplus in long-term solutions rather than a short-term tax rebate:



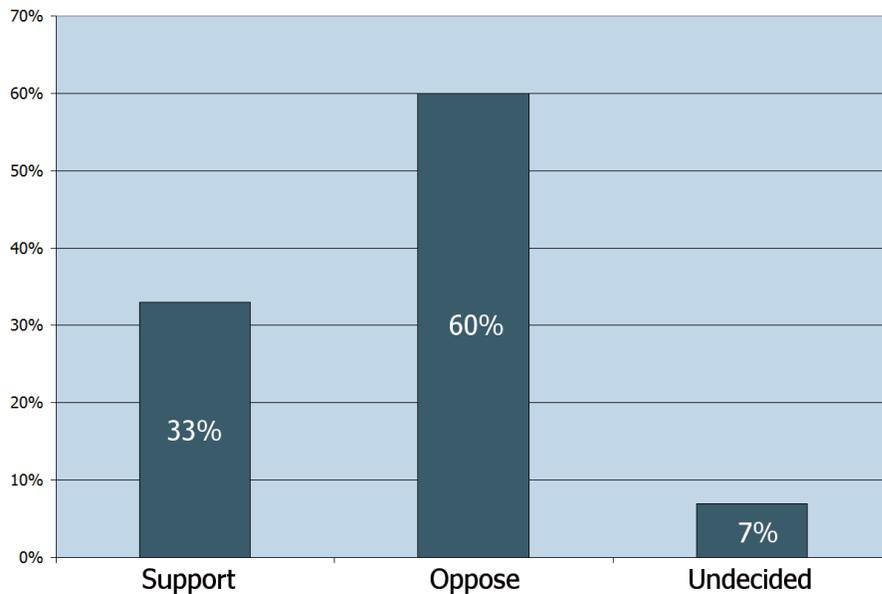
A Moderate, Persuadable Electorate (continued)

There will be a variety of high profile initiatives on the ballot in 2006 in Arizona. Two of the most prominent regard the minimum wage and gay marriage.

Support an initiative to increase the minimum wage in Arizona from \$5.15 to \$6.75?



Position on constitutionally banning gay marriage in Arizona?



AZ Dems & Caucus Plans

The Arizona Democratic Party

The Arizona Democratic Party (ADP) is uniquely prepared to successfully plan and execute an important early presidential preference contest. Further easing Arizona's ability to execute an early contest, the Governor has the ability to set the contest date by official proclamation, unlike other states that may have to secure legislative approval:

Arizona Statute 16-241 (B). ... the governor may issue a proclamation that the presidential preference election is to be held on a date earlier than the fourth Tuesday in February. The proclamation shall be issued no later than one hundred fifty days before the date of the election as set forth in the proclamation. The governor shall transmit a copy of the election proclamation to the clerk of the county boards of supervisors.

Though historically a primary state, Arizona did successfully hold caucuses in 1996. The political organizing done through the caucus system in 1996 has been partly credited with President Clinton's historic victory in Arizona that year.

The Arizona Democratic Party is highly organized, well-funded and led by a team with extensive national and Arizona political experience. ADP staff have worked local, legislative, gubernatorial, U.S. Senate and presidential campaigns. They have led political organizing efforts in California, Colorado, Florida, Georgia, Illinois, Kentucky, Iowa, Maine, New Mexico, New York, Ohio, Texas, Utah, Virginia, Wisconsin and – of course – Arizona.

ADP is an exceptionally strong state party, in part because of Arizona's Clean Elections Law. Since the Clean Elections Law provides for public financing of campaigns (but at very low funding levels), ADP necessarily drives the operations of nearly all state and local Democratic campaigns in Arizona. As a result, ADP has a vibrant staff and infrastructure working around the state on an ongoing basis.

Compared to the last Presidential cycle, ADP finances are on an entirely new playing field. ADP finances in 2004 saw a 355 percent growth over 2000. Between 2001 and 2005, they grew 650 percent.

The Party has professionalized its finance apparatus, asking for larger

contributions from a donor list which has more than doubled in size. The ADP raises its money and aggressively prospects new donors through ten fundraising programs that include call time, events, phone solicitations, direct mail, internet fundraising and a door-to-door canvass.

ADP works aggressively to engage all Democrats in the state. As part of this effort, ADP employs full-time Hispanic, African American and Native American field organizers. Arizona also has the largest and most active state delegation in the Young Democrats of America, boasting two of the top three largest chapters: Arizona State University and University of Arizona.

The Arizona Democratic Party's broad and sophisticated infrastructure is the perfect foundation upon which to build an early caucus operation. ADP is ready, willing and able to make it a success.

Arizona's 2008 Caucus Plans

Caucus Goals

Arizona's caucus program has two goals. The first is to create a process which is transparent and user-friendly for Democrats who may be unfamiliar with a caucus system. The second is to use the caucuses as a vehicle to expand the Democratic Party's infrastructure and base in Arizona. Done correctly, the caucuses will be a powerful tool for engaging new Democrats with the Party and cultivating this pool of potential new activists, volunteers and voters.

Caucus Structure

Arizona is committed to a true caucus system. The Arizona Democratic Party will plan and execute its caucuses consistent with the following principles:

- Only registered Democrats will be eligible to participate in the caucuses. However same-day, on-site registration will be allowed.
- ADP will select 430 caucus locations around the state. With 2,140 precincts in the state, each caucus will average 5 precincts apiece. To reduce

drive time for rural caucus-goers, caucuses located in rural areas would encompass fewer precincts, while some urban sites would have more.

- Caucus supervisors will be chosen by the County Chairs, except in Maricopa and Pima Counties where they will be chosen by Legislative District Chairs with the advice and consent of the County Chair.
- Caucuses will run from 7:00-8:30 p.m. if held on a weekday and 6:00-7:30 p.m. if held on a weekend. The 1½ hour caucuses will include an explanation of the caucus process, some Party business, brief statements from candidate representatives, and a vote.
- The votes will be counted and aggregated on the basis of Congressional Districts. The statewide tabulation will be available to press within one hour of the close of caucuses.
- Democrats wishing to become presidential delegates will file paperwork indicating their preference before the day of the caucuses. All those filing such candidate preferences would meet after the caucuses on the Congressional District level and elect from among themselves the number of presidential delegates to which they are entitled, based on each candidate's aggregate percentage. Consistent with DNC rules, those candidates with fewer than 15 percent will be entitled to no delegates.
- Under Arizona's plan there would be no caucus-level viability threshold. All votes will be tabulated and reported. The viability threshold will only apply to the Congressional District aggregated totals from which delegates would be rewarded.

Financing the Caucus Effort

The Arizona Democratic Party is able to accept unlimited contributions from individuals and corporations, as well as unlimited contributions from PACs registered in the state. The ADP's off-year surplus (\$1.4 million in 2005) would more than cover the cost of the Caucus without any additional revenues.

However, the Party anticipates a level of donor interest that will greatly increase our fundraising capacity and strengthen the Party organization for years to come. Below are projections for income ADP would generate *above and beyond its normal revenue* if Arizona hosts an early caucus:

Financing the Caucus Effort (continued)

ADP Caucus-Related Fundraising Programs	
Voter file rentals	\$200,000
ADP events:	
Legislative Salute	\$75,000
Heritage Dinner	\$200,000
Volunteer awards	\$150,000
Hall of Fame Dinner	\$800,000
Direct mail	\$35,000
Telephone solicitation	\$35,000
Online solicitation	\$25,000
Major donors	\$300,000
Total	\$1,820,000

Cost of Running an Arizona Caucus

The ADP anticipates total costs of approximately \$1 million for an early caucus program in Arizona. This includes expenditures for efforts designed to maximize the organization-building aspects of the caucus process. As detailed below, ADP anticipates the voter contact program to include a mailing to every Democratic household detailing the location for their caucus and an explanation of the caucus procedures. ADP will also promote a series of town hall meetings to be held around the state explaining the new caucus system.

Caucus Expenditures	
Staff	\$235,000
Voter contact	
1 caucus-level mailing	\$375,000
Instructional townhalls	\$60,000
Caucus facilitator training	\$10,000
Caucus space rental	\$200,000
Printed materials (signage and promotional materials)	\$100,000
Total	\$980,000

Closing Thoughts

The Democratic National Committee has an historic opportunity in 2008. For decades Iowa and New Hampshire have played critical roles in selecting Democratic presidential nominees, and it is fully appropriate that they continue doing so. But 2008 also provides the chance to include more states – and more of America – in the early stages of the nominating process.

The DNC Rules and Bylaws Committee has thoughtfully outlined some of the key criteria in choosing any new states to be included early in the process. Those criteria include racial and ethnic diversity, geographic diversity, economic diversity, and union activity.

Arizona is uniquely suited on all counts. A prominent early role for Arizona would help create strong Democratic candidates who understand issues important to Westerners and who will be better prepared to speak to *all* Americans.

- **Arizona's electorate reflects the new face of America.**
- **Arizona, and the American Southwest generally, are winnable (potentially must-wins) for Democrats in 2008.**
- **Arizona's economy is a unique blend of traditional industries and modern, knowledge-based sectors.**
- **Arizona is one of the few states in the U.S. with an expanding union population.**
- **The Arizona Democratic Party has the staff, the knowledge, and the financial resources to successfully implement an early contest.**

Additional Information

10 Things You Didn't Know About the Grand Canyon State

- Arizona's official state neckwear is the bolo tie.
- Phoenix's South Mountain Park covers more than 20,000 acres, making it the largest city park in the world.
- The original London Bridge was shipped stone by stone and reconstructed in Arizona's Lake Havasu City.
- Approximately two million foreigners and 16 million domestic tourists visit Arizona each year. The state's tourism industry exceeds \$6 billion annually.
- Sovereign Native Communities make up 30% of Arizona's land. Of all the states, Arizona has the largest percentage of land set aside and designated as Indian lands.
- Phoenix is the largest capital city in the entire United States.
- Arizona frequently enjoys both the hottest and the coldest national temperatures on the same day. We get more sunshine than Florida. Mt. Lemmon, near Tucson, is the nation's southernmost ski resort.
- Phoenix is one of the country's premier sports venues and the state is home to 7 professional sports teams. The Arizona Cardinals (NFL), Arizona Diamondbacks (MLB), Phoenix Suns (NBA), Phoenix Coyotes (NHL), Arizona Rattlers (arena football), the Phoenix Mercury (WNBA), and the Arizona Sting (NLL) all play in the Phoenix metropolitan area, many in some of the nation's newest facilities. Phoenix hosted the NFL's Super Bowl in 1996 and will do so again in 2008. Each year the Fiesta Bowl is held in metro Phoenix.
- Arizona is home to the largest natural bridge in the United States, the Rainbow Bridge National Monument on northern Arizona's Lake Powell. It is also home to five of the top ten natural wonders of the world: the Grand Canyon, Petrified Forest, Painted Desert, Monument Valley and Meteor Crater.
- It's easy to think of Arizona as one big desert but, in fact, more than half of the state consists of mountain and plateau areas and the largest ponderosa pine forest in the United States is found in Arizona.

Arizona Congressional Districts

