



Los Angeles Area  
Chamber of Commerce

**TUESDAY | Sept. 13, 2005**

THE BUSINESS PERSPECTIVE:

# 405 Freeway Fix Blocked by Politics



## Coming up at the Chamber

[View all upcoming events on our web calendar.](#)

**WED | Sept. 14**  
Member Orientation  
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**WED | Sept. 14**  
New Member Reception  
[more info](#)

**THU | Sept. 15**  
Environmental Quality  
Committee Meeting  
[more info](#)

**FRI | Sept. 16**  
Accenture Pancakes &  
Politics  
[more info](#)

**FRI | Sept. 16**  
Education and Workforce  
Committee Meeting  
[more info](#)

**TUE | Sept. 20**  
Transportation & Goods  
Movement Committee  
Meeting  
[more info](#)

**TUE | Sept. 20**  
Small Business Advisory  
Council  
[more info](#)

**TUE | Sept. 20**  
Trade Briefing: Doing  
Business with Israel  
[more info](#)

**WED | Sept. 21**  
Business After Hours:  
Radisson Wilshire Plaza  
Hotel  
[more info](#)

**THU | Sept. 22**  
Technology Industry Council  
[more info](#)

**THU | Sept. 22**  
Economic Development &  
Land Use Committee Meeting  
[more info](#)

**FRI | Sept. 23**  
Executive Briefing with  
Chinese Entrepreneurs and  
Investors  
[more info](#)

**TUE | Sept. 27**  
Referral Network  
a Growing Companies program  
sponsored by Wells Fargo  
[more info](#)

**WED | Sept. 28**  
Entertainment Industry  
Business Council  
[more info](#)

**THU | Sept. 29**  
Access L.A. City Hall  
[more info](#)

**WED | Oct. 5**  
Health Care Committee  
Meeting  
[more info](#)

**FRI | Oct. 7**  
Education & Workforce  
Committee Meeting  
[more info](#)

**FRI | Oct. 7**

Imagine your family needed to make an important purchase, and you had a time-sensitive discount coupon that would save you a substantial amount of money. Everyone in the family knew the purchase needed to be made, but one member of the family decided to block the purchase for selfish reasons. What would you do under these circumstances?

Well, it just happened on an issue important to the L.A. region, as our latest legislative session ended on an especially sour note.

Our own employees – people we pay to work for the state – threatened a lawsuit to prevent the contracting out of engineering for the greatly needed I-405 carpool lane, resulting in failure of legislation to get the project going. This failure has not only increased the cost of the project by losing out on \$130 million of federal funds, but also has probably delayed the project, condemning L.A. drivers to more time sitting uselessly on the highway. That’s a shame.

It should never have happened. Public projects should not be held hostage or delayed due to a lack of manpower. The voters said so when we approved Proposition 35, which allows Caltrans to “contract out” engineering services on high-priority projects if Caltrans’ own staff could not get the job done in a timely manner.

Somebody in Sacramento needs to ask the question: who do the legislators really represent — the voters in their districts, or their special-interest constituents?

Here’s the background. One of the few bright spots in the recent federal transportation bill was the \$130 million Rep. Howard Berman (D-North Hollywood) secured for extending the carpool lane on the northbound 405 roughly between the 10 and 101 freeways. The catch was that the [state had to come up with its own \\$320 million](#) and begin work on a fast track or risk losing the money forever.

So far, so good. Congressman Berman packaged the goods. All we had to do was pick them up.

Mayor Antonio Villaraigosa (the current Metro board president) and Assembly Speaker Fabian Nuñez quickly crafted a proposal to allocate the money, allowing Metro to implement what is known as a “design-build” project to get the job done. Design-build is a faster way of road construction, allowing the private sector to both design and build the project instead of waiting for Caltrans engineers to design it. Design-build was used to rebuild area freeways after the Northridge earthquake, which resulted in projects being completed on time and under budget. What a unique concept.

But the state failed to come up with the money on time. And guess who stepped in and blocked it? Bingo! Caltrans’ engineers’ union.

We will spend more time in a future column talking about design-build, because it is so critical to cutting costs and speeding schedules on large projects. It is an issue on which Republicans and (at least some) Democrats can agree. We just need to get the self-interests of the state engineers in check, so that we can do the state’s business as the voters intended.

Meanwhile, with the legislature adjourning for the year one day early, it appears the clock has run out to capitalize on a rare opportunity to ease congestion with federal money.

What kind of message does this send to the House transportation and appropriations committees? While [Mobility 21](#), the Chamber’s transportation advocacy coalition, and many others fight each year for more of our fair share of federal tax dollars (currently 79 cents on each tax dollar is returned to California), too many lawmakers are saying that the engineers’ union takes precedence over what is best for their constituents.

It is outrageous that more local legislators failed to champion this rare funding opportunity, but let’s give credit where it’s due. The following lawmakers recognized that easing congestion on the 405 freeway is a priority: Villaraigosa, who lobbied last month with the Chamber for this funding along with L.A. City Council transportation chair Wendy Greuel; Rep. Berman; and Sen. Sheila Kuehl, who carried the legislation along with Assemblymember Fran Pavley. They each deserve recognition for their hard work.

Lastly, I think it is deplorable that the Legislature adjourned early, before both houses could pass important bills like this one. Some have speculated that this maneuver was retribution for the L.A. delegation blocking state funds to cover the Bay Bridge seismic

*The Business Perspective* is an award-winning weekly opinion column by Rusty Hammer, President & CEO, LA Area Chamber

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Mastering Media I  
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**FRI | Oct. 7**  
Mobility 21 Coalition  
Meeting  
[more info](#)

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retrofit. In this period of putting politics ahead of the common good, it sounds plausible.

Nonetheless, securing state money for this project remains a top priority. Unless the legislature acts on it when it reconvenes in January, this rare opportunity of federal matching funds will be lost forever — and so will the credibility of the Caltrans engineers and Valley lawmakers who side with them on this issue.

And that's *The Business Perspective*.



Russell J. Hammer  
President & CEO  
Los Angeles Area Chamber of Commerce

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## TALK BACK TO THE CHAMBER

Please tell us your thoughts on this issue. Include your name, company and email address and your response may appear in next week's *Business Perspective*.

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