One of the major challenges facing California is our infrastructure, the basic foundation of our economy. In California, we are living on borrowed time. We have not invested adequately in transportation, water, sewers, levees and schools for most of the last 25 years. Fortunately, it finally looks like something will be happening soon—if the taxpayers agree.

Governor Schwarzenegger, Senate President Don Perata, and Assembly Speaker Fabian Núñez seem to be working to fashion a bold measure to spur billions of dollars of new public and private investments to address the problem. It’s a good sign the issue now tops the political agenda and that leaders of both parties are working together to solve it. It is bipartisan and should unite both sides of the aisle in a time when partisanship is all too high.

But if we are not careful, new legislation will look like every other Christmas tree appropriations bill that comes out of Washington. Congressional leaders seem to be incapable of authorizing and appropriating money unless everyone gets a piece. And some pieces make no sense—just look at Alaska’s Bridge to Nowhere. The theory is that the legislation won’t pass unless everyone gets something. At one level, I understand that. But at the heart of the matter, we shouldn’t allow that to happen.

In an era when resources are scarce, we should be funding those projects that are of the highest priority.

Although we believe in a fair share, we should reject the idea that money should be allocated on a per capita basis in any one year or on any given issue and make sure that, over time, funding is balanced. All one has to do is to see the wasteful spending on homeland security that has major terrorist targets, like Los Angeles, getting the same amount relative to areas that are not strategically chosen. When towns in Wyoming (I have nothing against the Cowboy State) get the same per capita as the nation’s second-largest city, something is wrong.

This is the dilemma that the leaders will face. In the first major infrastructure investment taxpayers will be making, they must see results if they are to do it again. They also must see a commitment to a long term investment plan. They must see major bottlenecks relieved. They must see dangerous facilities replaced. They must see that we have safe rivers and strong levees.

If they don’t, we shouldn’t expect the taxpayers to be supportive.

So I call upon the leaders to agree on a bond measure for next year, one that not only prioritizes state expenditures, but that also includes needed structural reform to empower the private sector, local and regional governments to do their part in a common effort. If our lawmakers cannot resist the temptation to hang every pet project on the tree, perhaps they should appoint a special commission to fashion the bond.

We will be among the leaders of the parade to pass such legislation. But to be effective, our legislators need a visionary and cost-effective program that’s less like a Christmas tree, and more like a real solution to the problem.

And that’s The Business Perspective.

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

(Editor’s Note: Today’s Business Perspective will be the last edition for 2005. The L.A. Area Chamber of Commerce is closed Dec. 26-Jan. 2. The next edition of The Business Perspective will be distributed January 3, 2006. Enjoy the holidays!)
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