



Los Angeles Area
Chamber of Commerce

WEDNESDAY | February 22, 2006

THE BUSINESS PERSPECTIVE:

Transportation Is the Priority



Coming up at the Chamber

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

THU | Feb. 23
California Identity Theft Summit
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THU | Feb. 23
Entertainment Industry Business Council
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THU | Feb. 23
Export Seminar Series #2: Finding Export Markets
[more info](#)

THU | Feb. 23
International Trade & Investments Committee Meeting
[more info](#)

TUE | Feb. 28
Referral Network
A Growing Companies program sponsored by Wells Fargo
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TUE | March 7
Doing Business With Brazil
[more info](#)

TUE-WED | March 7-8
Access Sacramento
[more info](#)

FRI | March 10
Health Care Committee Meeting
[more info](#)

TUE | March 14
Referral Network
A Growing Companies program sponsored by Wells Fargo
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The Los Angeles Area Chamber of Commerce is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit www.lachamber.org

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Unlike past years, there is a lot of substantive dialogue taking place in Sacramento about California's infrastructure and how to fix it. It is a refreshing occurrence that has restored much of our faith in our lawmakers to identify problems and work together to fix them.

The L.A. Area Chamber is visiting the state capitol frequently, meeting with legislators and other opinion leaders from both sides of the aisle about what an infrastructure bond might contain—if the Legislature can muster enough votes to qualify something for the June ballot.

Our crumbling infrastructure has largely been ignored for a least a generation by lawmakers and constitutional officers. Today, less than half of one percent of the state's general fund is invested in maintaining our infrastructure. Forty years ago, it was three percent, and our highways, schools and health facilities were renowned throughout the world as being first-class, thanks to the post-war vision of our governors, the commitment of the voters, and a strong economy.

After a lengthy period of inaction on our infrastructure needs, there appears to be a sincere commitment to building enough consensus so that a state bond will be presented to the voters either in June or November of this year.

But we are not there yet. Between the Governor and both houses there are at least three more plans being floated, all with different priorities.

All of the plans have merit, and there is no right or wrong answer to the state's infrastructure needs—they all need immediate attention. But we can't afford everything at once, and we must get started now.

Before I comment on either legislation, allow me to share with you how the L.A. Area Chamber is addressing the various infrastructure bond proposals. Last December, we convened a task force to examine each of the proposals and needs of our regional membership. This task force has been chaired by Fran Inman of Majestic Realty Co. and has included input from a variety of experts, industries, financial analysts and past and present lawmakers. [The Chamber recently adopted a series of principles and recommendations to lawmakers](#) as presented by our infrastructure task force.

While we will wait to take a position on a specific bond bill until it is clearer which one will have the most support, we have expressed interest in supporting a bond under some of the following circumstances:

- 1. Transportation is the state's most pressing infrastructure need.** (Housing should also be considered a transportation issue).
- 2. Prop. 42 must be fixed so that our gas tax dollars can no longer be diverted to non-transportation programs.**
- 3. Design-build and design-sequencing are proven ways to maximize the public's investment into this enormous public works project** and such language should be included in the legislative package. Same can be said for public private partnerships.
- 4. Reforms to the California Environmental Quality Act (CEQA) will demonstrate to us that the legislature is serious about rebuilding our infrastructure** and willing to bring costs down for projects that have already been through the CEQA process before.
- 5. We don't need a Christmas tree with a lengthy list of pet projects,** just a simple bond with formulas, criteria and procedures to ensure that funds are directed to the projects with the most regional benefits with rewards for those regions that have already generated their own funds for them.

We have other principles and suggestions for lawmakers which you can [access here](#).

The reason why we think transportation is the most pressing infrastructure need? Because it is a crisis throughout the state, and as I have said before, relieving congestion on our roads directly affects our economy, our air quality, our public health and quality of life.

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

L.A. Business THIS WEEK

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Poll after poll demonstrates that Californians across the board identify transportation as our state's biggest problem. If the legislature can present a bond mainly focused on transportation, the public's confidence in the legislature will likely improve.

Furthermore, state and federal funding for transportation lags behind other programs.

It is interesting then that Assembly Speaker Nuñez opted to focus on education and health care. While they are both seriously in need of more funding, I don't think they are as pressing as transportation. Here in Los Angeles, LAUSD is building more than 100 new schools, thanks to \$11 billion worth of schools bonds passed by the voters since 2002. I don't think we need to build many more schools at this time, at least not as much as we need to relieve traffic congestion. Moreover, we understand that there is still \$5.5 billion leftover in the \$28 billion in state education bonds voters have approved since 1998.

Poll after poll demonstrates that Californians across the board identify transportation as our state's biggest problem. If the legislature can present a bond mainly focused on transportation, the public's confidence in the legislature will likely improve, thereby giving us hope that more infrastructure bonds can be passed in future elections to help fix the other infrastructure needs of our state—including education.

And that's *The Business Perspective*.



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