



Los Angeles Area
Chamber of Commerce

TUESDAY | Mar. 7, 2006

THE BUSINESS PERSPECTIVE:

Last Call For Infrastructure Bond



Coming up at the Chamber

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TUE-WED | March 7-8

Access Sacramento
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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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WED | March 15

International Trade and Investments Committee Lunch Meeting
with Geoff Garrett, President, Pacific Council on International Policy
[more info](#)

THU | March 16

Export Seminar Series #3: Internet Export Marketing
[more info](#)

THU | March 16

Land Use, Construction & Housing Committee Meeting
[more info](#)

FRI | March 17

Pancakes & Politics
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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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The Legislature has until this Friday to place bonds on the June ballot, and we would like to see a meaningful infrastructure bond. The stars have been aligned all year to get this done.

But in the usual fashion, state lawmakers will have us wait until the last minute until they have ironed out some minor and not-so-minor details. First, they have to agree on what the infrastructure needs are. Gov. Arnold Schwarzenegger and Senate President Don Perata reportedly are not far apart on their infrastructure priorities, which include transportation, housing and water levee protections. Assembly Speaker Fabian Nunez is pushing more funds for education and health care.

Like I've said in this column before, there many priorities. California's infrastructure has been neglected for way too long. Investment in any aspect of it would be welcomed.

The L.A. Area Chamber will in Sacramento this week on our annual Access Sacramento lobbying trip to pursue our priorities and urge lawmakers to place an infrastructure bond on the June ballot. Among our priorities in such a bond are:

1. Transportation is the state's most pressing need, particularly in its most populated areas.
2. Prop. 42 transportation funds must never be diverted from transportation projects and needs a permanent fix.
3. Reforms to the California Environmental Quality Act must be part of the overall package so that bond money is not tied up in unnecessary litigation and redundant planning.
4. Proven cost-efficient construction methods such as design-build, design-sequencing and public-private partnerships must be allowed in rebuilding our infrastructure.
5. Bond allocations should take into account and reward regional plans and self-help municipalities which have already, on their own, generated funds for similar purposes.

Our decision whether to support an infrastructure bond will be contingent on how these issues are incorporated into the final language. (See the Chamber's [Access Sacramento Advocacy Agenda](#) for details.) And let's be realistic. The voters are unlikely to pass an infrastructure bond if they are not confident that such monies will be invested properly and spent wisely. Obtaining the necessary two-thirds vote majority will be a challenge, but I think we can do it. However, I am very concerned that if the voters do not see tangible benefits soon, they may not vote for future infrastructure bonds at all.

Such a bond must be clear and focused on specific issues as opposed to a shopping list of all kinds of infrastructure needs—schools, hospitals, water delivery, affordable housing, roads, bridges, etc. They all need investment, but the first bond needs to focus on just one or two. Otherwise, there is only so much money to go around and multiple infrastructure issues will only dilute what is available. Think how much can be done with \$5 billion of transportation monies. A lot! Now imagine that \$5 billion is shared among schools, roads, levees and the like. Not nearly as much—in fact, probably not enough to even warrant the expenditure, unless the bond is truly the first in a series of bonds needed to get the job done right.

And the voters won't stand for it either. Like shareholders, the voters want to see results from an infrastructure bond, and the Legislature has a unique opportunity to demonstrate that they can work together despite differences and concentrate on the overall good of the state—and our future.

It won't be the end of the world if they don't qualify an infrastructure bond for the June ballot, and one that focuses primarily on transportation. But it will surely reinforce the public's perception that politics all too often gets in the way of good public policy. And it won't be any easier to get one on the ballot in November at the height of the gubernatorial election.

Let's hope they get it right.

And that's *The Business Perspective*.

Russell J. Hammer
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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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