

INVEST NOW IN TRADE CORRIDORS OR REMAIN IN CONGESTED TRAFFIC

Last November, 61% of the voters approved of Proposition 1B to authorize \$20 billion for transportation and air quality improvements. California's message to its residents is that we want to reduce traffic congestion, and to the world's producers is we are prepared to invest in our economy to meet their future needs.

Of the \$20 billion available from Proposition 1B, more than \$15 billion is reserved for projects to reduce commuter traffic. With the remaining dollars, the state created a first-ever goods movement funding category worth \$2 billion, and a supporting \$1 billion fund to pay for environmental protection projects along key trade routes.

Our trade corridors, like the Long Beach and Pomona Freeways, are shared by commuters and trucks alike. But they are crucial to our state's international trade businesses compared to other routes and require additional investment to ensure the reliable distribution of goods locally and nationally. With only \$2 billion available to spend on vital trade-related road and highway upgrades, transportation leaders must ensure that funds are spent on projects that deliver the highest return on investment.

Following the process set forth in Proposition 1B, the California Transportation Commission has allocated the first \$4.5 billion in congestion relief funds for commuter traffic improvements and many projects will soon be underway. The remaining money will be allocated in successive years to qualifying improvements.

The next crucial step is to address our goods movement needs and begin allocating the \$3 billion available for those projects. However, the \$170 million slated for goods movement investment in next year's budget is woefully inadequate to the task and we need to increase the available funds for trade-related infrastructure. The Southern California Leadership Council has identified 40 projects costing \$11 billion that need to be completed over the next ten years to address our region's minimum needs. Governor Schwarzenegger's Goods Movement Action Plan identifies most of the same improvements.

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It is the unrelenting growth of container traffic (tripling in 20 years) through our ports and destined for markets throughout the U.S. that is creating this capacity catastrophe on our highways and impacting our local communities. Forty percent of the nation's imports flow through the Ports of Los Angeles and Long Beach. The pressure on trade corridors like the 710, 60, 5, 10 and 15 freeways, and adjacent rail lines to move more than half of this cargo out of the region, increases our congestion and impacts our air quality. The situation demands our urgent attention.

The Southern California Association of Governments estimates that 52% of the nation's total, diesel-related air pollution is concentrated in the densely populated South Coast Air Basin. Failure to reduce that amount increases the chance that we will not comply with federal air quality mandates that unlock future highway funds. We find ourselves facing either a vicious cycle in which failure to invest in our infrastructure impedes our ability to qualify for crucial federal highway money, or a virtuous cycle in which proper investments foster less congestion and economic growth that helps pay for continuing investments.

So much is riding on our ability to manage and mitigate our growing international trade flows that we must act now. California should concentrate its Proposition 1B funds on trade corridors, not only to accommodate the growing impacts of rising trade, but to clean our dirty air and promote the creation of more than one million new, high wage, transportation and logistics jobs that will support this expanding industry.



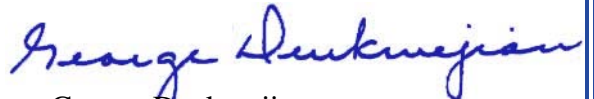
Pete Wilson

36th Governor of California



Gray Davis

37th Governor of California



George Deukmejian

35th Governor of California