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## **SCLC Co-Chair Robert Wolf Seeks to Unite the Region in Support of Infrastructure Investment**

**Developer and former transportation official Robert Wolf assesses the infrastructure bonds from a region-wide perspective.**



*Southern California is so vast as to seem almost ungovernable, yet many civic leaders are undaunted. Foremost among the groups making progress towards regional solutions is the **Southern California Leadership Council**, an LAEDC initiative whose scope and membership covers the seven S. California counties. MIR was pleased to speak with SCLC co-chair **Robert Wolf**, an Inland Empire business leader and former Calif. Transportation Commissioner, about SCLC's signature issues: transportation and goods movement.*

Robert Wolf **The largest transportation bond measures in the history of California appear on this November's ballot. Do you support them? And do the bonds, while sizeable, make up for decades of neglect in public infrastructure investment?**

It is exciting to see an acknowledgement, at last, of the need for infrastructure development in the state of California.

By accident of geography we are the doorway for nearly half of the goods imported into the United States, which come through the ports of L.A. and Long Beach. The infrastructure needs are tremendous for the growth of California alone, but when you add the unbelievable growth that has taken place at the port as a result of trade, the infrastructure needs go off the chart.

The bonds are a good first step. However, in and of themselves, they don't come close to meeting the needs that have been quantified by any number of people—it is not a partisan issue; Democrats and Republicans all ride the freeways—but it is a good first step. What it will allow, I believe, is the opportunity to match monies from the bond with monies that self-help counties have generated through their own sales tax measure, which they combine with the usual funds through Caltrans.

If I have a fear, it is that people will vote for this bond measure and then say, “good job; I'm done,” and then be disappointed as traffic continues to worsen. It is not going to solve all of our problems, but I am very excited about the bonds and am eager to see them pass.

Some of the challenges associated with the bonds center on which projects are most “deserving” and which projects have the greatest priority. I think the current process by which the California Transportation Commission essentially adjudicates and decides which projects are ready is a pretty good way of doing it. Historically the CTC has been on-point and not swayed by politics or pressures.

**Former Assembly Speaker Bob Hertzberg told MIR in May that “the original plan of the governor’s had much more emphasis on logistics, goods movement, and trade infrastructure than the ultimate bond package on the ballot in November.” He argued that it was critical for leveraging the state’s resources with the needs of the state. Do you have any thoughts on how the bonds evolved, how they changed, and the pros and cons of the final product?**

My good friend Mr. Hertzberg is much more of an expert on the machinations of Sacramento. However, I can say that we have turned out an acceptable compromise and got the bonds on the ballot. It was a political evolution.

**During that drafting of the bonds many argued for provisions encouraging public-private partnerships that would maximize the bonds’ value. What are the benefits of funding infrastructure through public-private partnership?**

I am a strong advocate of public-private partnerships. To me, it is the only other source of funds for the development of infrastructure. No one, I think, believes that the traditional public sources of financing are ever going to address all the infrastructure needs, particularly for goods movement.

But the business community case for such partnerships is—and I say this lovingly—rather simple: if you tell a business person, “give me five dollars and I will guarantee you ten dollars back,” the only question would be, “how many five dollar bills can I give you?” We can do that kind of deal in transportation and infrastructure. It takes an open mind and some creativity, but there can be structures that would give private sector investors a return on their capital while providing public infrastructure.

**It looks like design-build, another means of maximizing the value of the bond funds for infrastructure, failed to survive the Legislature. Why? And what are the prospects of that method of delivering projects?**

Anyone involved in the delivery of projects knows that a sequential approach takes an awfully long time. Anything that would shorten that process deserves public support. Design-build has so many different interpretations, and that continues to be part of the challenge.

In its truest sense, if you can partner with those that design and actually deliver the physical infrastructure, times can be shortened, costs can be saved, and the public can get a far bigger bang for its buck.

**Let's focus, to provide a context for your advocacy of the state bonds, on your involvement in the Southern California Leadership Council, which you co-chair. What is SCLC's mission and membership? And what is the promise of this unique, multi-county business coalition for Southern California's economy?**

To my knowledge, this is the first time that a geographic area of this size has come together as a business community, where business leaders have said that we cannot expect government to do all the work, nor is it prudent to not have some seat at the table. It's the first time I've seen as much effort put towards a common set of goals and principles.

Although there may be different ideas of what needs to be done and how, this group of leaders—and I am delighted to be just a part of it—has found a way to stay true to its principals of delivering infrastructure to meet the needs of Southern California and has not devolved into any kind of regional infighting. It's a unique and exciting experience.

**Why is the business community so passionate about goods movement and infrastructure?**

One of the things that leaps out from the data that is being collected is the fact that—and I'll speak for the Inland Empire—50 percent of the people in the Inland Empire have never set foot inside a college classroom, and neither has 46 percent of the people in L.A. County.

Historically those people not wishing or unable to further their education could have looked to the manufacturing sector as a place to enter as a forklift driver and leave as a plant manager, and they had every reasonable right to expect that because the infrastructure was there in manufacturing. I would submit that that infrastructure is not there anymore; the manufacturing opportunities are not there.

When one asks where these people going to work in the 21st century, my answer would be in the logistics industry. Dr. John Husing, an Inland Empire economist whom many people look to on these issues, has estimated the number of jobs available in logistics to be in excess of a million; they would pay, the data shows, better than manufacturing and construction.

If you are interested in the future of Southern California and you see a group of people who otherwise might find it difficult to find well-paying employment, you have to ask, "what is the surrogate?" The surrogate is logistics, so we have to be sure to deliver all of the benefits of goods movement including the jobs creation.

**The Southern California Leadership Council is advancing a "Green Freight Initiative," in response the challenges of explosive growth in goods movement through metropolitan Los Angeles. SCLC recently hosted a forum with the PUC, regional transportation agencies, railroads, and other stakeholders regarding trade quarter approvals and utility relocations. What's the significance of this initiative?**

We are very excited and gratified by the disparate groups of stakeholders (public and private) who will get around a table and talk about the Green Freight Initiative. Everyone associated with

the SCLC is keenly aware of the importance of being sensitive to the environment while the infrastructure is being designed and delivered.

This is part and parcel of what we have to do; it is so much better, in our opinion, to do it in partnership rather than in an adversarial role. I think the Green Freight Initiative has gone a long way towards advancing a partnership approach to meeting the needs of both the environmental community, the general public, and the need for investment in our good's movement infrastructure.

**MIR recently interviewed State Senator Lowenthal on his bill SB 760 (now SB 927), which would have imposed a \$30 fee on all containers processed at the ports of Los Angeles and Long Beach to improve the transportation infrastructure and deal with the port pollution and operations. There is little disagreement that regional pollution and congestion have been exacerbated by the explosive growth in trade and goods movement through Southern California's ports. Does SCLC support this strategy?**

I personally believe—and I think I express the opinion of the SCLC—that any solution that results in any kind of assessment or voluntary contribution based on containers or trucks has to be voluntary. I believe that any attempt at imposing a fee will result in litigation and stall infrastructure improvements, stall needed environmental improvements, and be counter-productive.

But, again I would go back to my analogy of the business community. I believe that the economic benefits of working together towards environmental goals as well as infrastructure delivery are so clear that they can be addressed on a voluntary basis.

**In last month's MIR Geraldine Knatz, the new head of the Port of LA., discussed the two ports' joint effort to devise a clean air action plan, which would require industry to bear some of the costs of impact mitigation. What are your thoughts on that plan?**

It is subject to interpretation, but we are by accident of geography the door to the nation and to the extent that we bear the costs, and to the extent that our infrastructure is worn out as a result of trade for the whole nation, begs the question as to whether this region should continue to subsidize the cost of a television set for a lady in Wichita or a refrigerator for a gentleman in Texas. That is exactly we are doing.

How that is treated I think is really the key. A partnership between the ports, the producers—frankly, those in China are the biggest one—the delivery companies, and consumers, can and must be struck so that everybody benefits. I think the deal is there to be made.

**What role has and should the federal government play in helping this region respond to its goods movement challenges?**

My personal opinion is that the federal government has not stepped up where it should. The trade we experience currently is not the result of any international decision being made by the ports or the state of California. National policies have resulted in the current structure. National policies

have resulted in the—dare I say it—the consumer approach to the life that we now lead in the United States.

The federal government should not expect a state or region by accident of geography to bear the brunt of its foreign policy. I have been distressed by the lack of recognition of this issue by the federal government, and I hope that the SCLC will articulate a position that will help federal leaders realize that the federal government is part of any solution to infrastructure improvements.

**Lastly, update us on your work in the Inland Empire on the redevelopment of former March Air Force Base.**

Since last we spoke DHL has decided that they would land—no pun intended—their facility here at March. We have completed a very large facility and are landing any number of planes every day. As expected, their presence has generated a need for additional office and industrial space around their facility.

We are seeing not only the direct jobs associated with the DHL facility here but also the indirect jobs that accompany a facility of that kind. We're excited that we could be a part of bringing that facility and those jobs to the Inland Empire.