September 14, 2016

To: Senator Kevin De Leon, President pro Tempore, California State Senate
Senator Jean Fuller, Republican Leader, California State Senate
Assembly Member Anthony Rendon, Speaker, California State Assembly
Assembly Member Chad Mayes, Republican Leader, California State Assembly
cc: Governor Jerry Brown

The 2015-16 Biennial Session of the Legislature has come and gone. This past year, legislators have acted on health reform, addressed issues of poverty and assistance for the developmentally disabled community and moved forward to increase the state’s minimum wage. A balanced budget was approved and substantial dollars set aside for a rainy day fund. Greenhouse Gas Emission targets and overtime pay for farmworkers were the latest issues that were tackled.

We appreciate these significant 2016 accomplishments. However, the Legislature has yet to respond to one of our state’s most important issues, California’s transportation fiscal crisis. Every year for the past two legislative sessions, transportation advocates, stakeholders and the general public have worked to find a solution to this crisis and each year the problem has gone unresolved.

Just before the Legislature adjourned, business leaders from across the state joined other transportation stakeholders in Sacramento to hear from Legislators and Administration officials regarding the status of legislation on transportation funding and reform. What we were told was not good news. While there are some leaders willing to talk about the crisis and even offer solutions, consensus has been stymied by differences of opinion and no real engagement among the principal parties.

Everyone in California seems to recognize that our transportation system is in terrible shape and the cost of repairs are going up each year. For decades, we have underinvested in the state’s mobility network, and that lack of investment has resulted in a broken system that materially affect our quality of
life, impacts the safety of the traveling public, and adds to the cost of vehicle maintenance and repairs. A recent report by a national research group finds that the average Californian pays more than $2,500 a year in increased vehicle repair expenses resulting from driving on bad roads. That adds up to a $53.6 billion annual price tag and a hidden tax on the public due to our crumbling infrastructure.

The necessity for increasing investment in our transportation system isn’t just about unsafe roads and deteriorating highways, it’s also about jobs, the economy and meeting the state’s aggressive climate change objectives. According to U.S. News, more than 14 million jobs – about 11 percent of the civilian workforce in this country – are directly related to infrastructure. Each $1 billion invested in infrastructure produces 13,000 jobs and the projected annual savings from moving people and goods more efficiently runs into the billions of dollars. Moreover, funding for road repairs, transit and traffic relief should be at the top of the list as part of AB 32 solutions to achieve California’s innovative greenhouse gas reduction targets. Emissions today caused by congestion and bad roads undo all the good work done to date, as it takes time to ramp up to new standards.

Last year, Governor Brown convened a Special Session on Transportation and Infrastructure Development to address the transportation issue, but there has been little progress. The Governor also put forward a proposal which has been largely ignored by the Legislature, and Republicans have proposed legislation that focuses on reforms and existing revenues. Senator Jim Beall and Assembly Member Jim Frazier recently introduced identical bills to provide additional funding and reforms and would redirect some existing revenues, but hearings have not yet been set and the Legislature has adjourned without formally discussing these solutions to a problem that affects all Californians.

The transportation industry, labor, business leaders and local government associations have pushed for action in Sacramento for the past four years to no avail. No legislative fix has been forthcoming, and investment in transportation infrastructure continues to fall woefully short of meeting basic needs to serve the state’s growing population and dynamic economy. By failing to act, the state also runs the risk of abrogating its role as a partner with local and regional agencies who rely on state
financial participation to meet system needs and commitments to their constituents.

Our leadership must meet face to face to solve this problem. Leaders in both parties and the Governor must work together to develop a consensus approach that will provide additional funding, protect and dedicate those dollars for transportation improvements and include appropriate reforms so the money is spent in an accountable and efficient manner. The current Special Session does not expire until the end of November, and there is still time to act. We, the undersigned business leaders, employers and transportation stakeholders, call on the legislative leadership to work together with the Governor to pass a comprehensive transportation bill before adjournment of the Special Session. It is time to stop ignoring the transportation needs of our state.

Respectfully,

Jim Wunderman
Bay Area Council

Lucy Dunn
Orange County Business Council

Gary Toebben
Los Angeles Chamber of Commerce

Kish Rajan
Southern California Leadership Council

Rob Lapsley
California Business Roundtable

Carl Guardino
Silicon Valley Leadership Group

John Hakel
Southern California Partnership for Jobs

Michael P. Quigley
California Alliance for Jobs

Will Kempton
Transportation California

Jenny Larios
Mobility 21

Chris McKenzie
League of California Cities

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California State Association of Counties

Oscar De La Torre
Northern California District Council of Laborers

Rocco Davis
Laborers’ International Union of North America

Bob Alvarado
Northern California Carpenters Regional Council

Cesar Diaz
State Building & Construction Trades Council of California

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Southern California District Council of Laborers

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Operating Engineers Local 12
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Tim Cremins  
International Union of Operating Engineers – CA/NV

Josh Shaw  
California Transit Association

James H. Roberts  
Granite Construction

Rich Gates  
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Tom Holsman  
Associated General Contractors of California

Mark Breslin  
United Contractors

Tim Schott  
California Association of Port Authorities

Bill Higgins  
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Tee Ness  
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Mike Aparicio  
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Vulcan Materials Company

Mary Rotelli  
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Clinton W. Myers  
Myers & Sons Construction

Tom Foss  
Griffith Company

Brad Diede  
American Council of Engineering Companies

Paul Von Berg  
Southern California Contractors Association

Donald “Matt” Pim  
Riverside Construction Company

Mike Crawford  
Sukut Construction

Dave Sorem  
Engineering Contractors Association

Gary Hambly  
California Construction & Industrial Materials Association

RJ Cervantes  
California Trucking Association

Jeff Petersen  
Kiewit

Gilbert Ivey  
BizFed

Michael Shaw  
California Manufacturers & Technology Association

Chad Wright  
Laborers-Employers Cooperation & Education Trust-Southwest

Bryan Zatica  
Building Industry Association of Southern California

Tom Tietz  
California Nevada Cement Association

Russ Snyder  
California Asphalt Pavement Association
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<td>Kelly Kolander</td>
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