

1 In Oregon we have the first experiment of
2 electronic tolling -- tolls which can vary with the
3 time of day of travel, with the class of vehicle
4 that's being driven, with the kind of roadway. The
5 charge to use a particular roadway can be posted in
6 such a way that the motorist knows what the charge
7 is. The motorist can make a choice. The motorist
8 can make a choice among vehicles based upon the
9 per-mile charge. This is being done. People say
10 it's an invasion of privacy. There's opposition to
11 it. However, in about nine European countries, it's
12 already in use for the charging of trucks. And
13 Great Britain is considering it. It's designing a
14 system now for goods movement as well as passenger
15 movement.

16 The future is there. The future of
17 transportation finance is there, such that revenue
18 and environmental considerations are aligned with one
19 another through direct user charges.

20 I say a lot more in my written testimony to
21 support these. I give a lot of data, but I think at
22 this point I have to stop because my time is up just
23 having highlighted those major points. Thank you.

24 MR. HEMINGER: Thank you very much.

25 And let me thank the panel collectively for

1 adhering to the time, which means that we have nearly
2 50 minutes for questions and answers, and that's
3 really where we get the meat of our work done. And
4 we will start with this side of the panel with
5 Commissioner McArdle.

6 MR. McARDLE: Dr. Wachs, one of the questions
7 that comes up in my mind about the road charge system
8 that you propose is the competition between trucks
9 and passenger vehicles for the road specs. I mean, I
10 argue that certainly on the East Coast -- and I kind
11 of speak to here in L.A., but I suspect this as
12 well -- that over a 50-year period, we, in fact, will
13 see, almost of necessity, the crowding out of
14 passenger vehicles from a limited volume availability
15 of lanes on the freeways.

16 Because goods movement at the end of the
17 day, whether it's international, as we've talked
18 about, but more precisely local, is going to increase
19 as population increases if we go to the greater dense
20 cities that have been spoken to by Ms. Mc-Peak. But
21 on the roads itself -- and again, I speak to the
22 contractor on your panel. He needs concrete at a
23 given time because he has people waiting. It can
24 only be in a truck for a limited time. He is going
25 to quite frankly, given the yield on the project,

1 probably be willing to pay a much higher price for
2 access to the road space than other ones.

3 I mean, in New York City where concrete for
4 high rise as a premium people pay \$15, \$20 a yard
5 because to get it because they want it in this window
6 between 7th and 12th because they want their
7 finishing and includes everything (inaudible). So
8 they'll pay. They are quite prepared to crowd anyone
9 off the road because of the net value.

10 How do you ration the access in those
11 circumstances where truck deliveries particularly
12 local truck deliveries to stores -- just-in-time, and
13 what have you -- are truly going to crowd people
14 right off the road. And I suspect, if we look at the
15 London Report that I saw in the FT, people have now
16 absorbed \$15 and only 8 percent of the people aren't
17 driving anymore. They are right back up to where
18 they are. And I think that's something we should
19 talk about. I'm not looking for an answer so much
20 but asking if you thought about how you deal with
21 those issues in any kind of a rationing system where
22 the commercial entities have much greater stakes,
23 perhaps a better understanding of pricing, and,
24 therefore, much more anxious access to road space.

25 MR. WACHS: I think it's very, very interesting

1 that we have a major federal program addressing
2 managed lanes. And the SR-91 in Southern California
3 and I-15 in San Diego are examples of managed lanes.
4 And they focus upon passenger movement. And there
5 are many trucks on those very roads, and they're not
6 addressed by the program of managed lanes. I think
7 it's quite rational and logical to think that
8 appropriate pricing will result in attention to goods
9 movement on those same highways through a system of
10 managed lanes. Bob Pool (phonetic spelling), who I
11 am sure you all know of, has done work on truck-only
12 toll roads and has found, in interviewing people in
13 the industry, that truck operators are willing to pay
14 higher tolls, if they get their money's worth.
15 That's the critical thing. They are not willing to
16 pay higher tolls so that motorists can drive at any
17 time at lower cost. They are willing to pay higher
18 tolls in order to get service which is actually
19 cost-effective in terms of their own operations.

20 And I think in a region like this one,
21 there isn't the opportunity to segregate traffic.
22 There's enough truck volume now to have truck-only
23 roads, thereby improving service for
24 passengers -- for personal movements as well as goods
25 movements -- and there's plenty of money to be found

1 among the user fees that are possible if you give the
2 user value for money.

3 MR. McARDLE: And if I could, because then that
4 extends to the second piece of it, how do you link
5 this crowding out in the commercial purchase of space
6 on the freeway, so to speak, with good land use
7 policy decision? Because they are often divided.

8 You know, the people who need to, in fact, get into
9 the land-use issues often aren't in the same world.

10 In fact, what we are seeing in New York
11 City is communities insisting in down-zoning dense
12 cities around in which the transit system was
13 planned. You know, "No, we don't want that. We
14 don't want any more people." It's lost under the
15 bridge to Staten Island.

16 MS. WRIGHT-McPEAK: If that is being addressed
17 to me, it starts with the outcome of what is the most
18 cost-effective way to get to reduction and
19 congestion. So I think that is overarching that is
20 actually stitched together, a common interest from
21 the local, to the region, to the state in California.

22 Secondly, the way we approach, the regional
23 Blueprint Planning Process, taking a little bit of
24 money, \$5 million the first year; 5 million the
25 second. Director Kempton is leading to continue that

1 effort, but that's a drop in the bucket. All of the
2 regions came forward and said we would like to have a
3 grant. So we entered into a contract that they are
4 voluntarily pursuing to do the 20-year plan.

5 Part of that is to analyze how do you get
6 the congestion reduction with all of the alternative
7 sets of tools in that pyramid. It includes
8 everything such as pricing and time of use of the
9 infrastructure, looking at the combination of surface
10 and transit, walking and biking as an offset to that.

11 Performance outcomes includes, in our
12 opinion, going from ten trips generated per household
13 a day down to at least eight, a 20 percent reduction
14 through land use. That's huge. Being able to --
15 because of the goods movement impact on the system
16 and, just as importantly, the critical role it plays
17 in our economy, we have at the top of our pyramid,
18 and at the top of the very top section, investment in
19 the goods movement infrastructure in California
20 because it's the pivotal investment to get congestion
21 out of the rest of the mixed closed system.

22 And in this state we will lead to go to
23 dedicated corridors. With a preference to move as
24 much to rail as we can, we do see emissions. And
25 then from that, that is on truck for long haul to

1 dedicated truck ways. When it comes to local
2 deliveries such as the cement, that is indeed
3 recognized as a priority, and the marketplace can
4 regulate who might be able to actually use certain
5 pieces of the system. But also for local deliveries,
6 we've got to work with local governments not to have
7 ordinances that prohibit deliveries at times of the
8 day when the streets, local streets, and roads and
9 our thoroughfares are generally pretty empty.

10 Let me add that for us in California -- and
11 you heard from Gary Gallegos -- the north-south
12 traffic across the border from Mexico is very, very
13 important. I want to add, because Marty has brought
14 this up, you to consider allowing the United States
15 and Mexico, California-Baja California, to have a
16 joint financing authority across the border for
17 improvements.

18 Right now the U.S. Department of State will
19 tell us that it'll take at least another eight years
20 before they're willing to start looking at
21 infrastructure improvements. With the demand for
22 truck traffic, we could in five years, within
23 authority, actually build the infrastructure, be a
24 lot more efficient, be a lot more secure, and
25 actually serve this country as well as Mexico. So an

1 important additional detail of what you might
2 consider in your recommendations, I wanted to add to
3 the table.

4 MR. WACHS: I'd like to add one sentence, if I
5 may. I don't want to hog the microphone. My
6 distinguished colleagues deserve a chance too. But
7 Ms. McPeak mentioned land use and briefly mentioned
8 it was connected to what I had said. There is no
9 force toward eliciting a more efficient land-use
10 pattern than properly pricing the roads. The kinds
11 of densities that are sought in some of our land-use
12 plans are best achieved through proper pricing of
13 highways and transit, I should add.

14 MR. WALTZE: I have two comments. Your
15 observation on the trucks crowding the traffic is a
16 reality. As a motorist, I've watched that grow
17 particularly after 9:00 o'clock when we get more
18 truck traffic on the 710 Freeway that you saw, on the
19 60 Freeway, which goes out of the L.A. County. At
20 most times during the middle of the day, truck
21 traffic takes up two of those lanes and motorists are
22 left with two. So there is that crowding. Even
23 though they have to stay there, there is that
24 crowding out.

25 An observation as a contractor -- you were

1 talking about deliveries -- I thought it was
2 interesting when you were down at the hinge and port.
3 Our company built that facility and the truck
4 corridor next door. As those port jobs were being
5 built about ten years ago, it was cheaper to bring
6 the aggregates down by ship from Vancouver, Canada,
7 than to ship them 30 miles across the L.A. basin even
8 though the drop sources are here. Then as you went
9 across the bridge -- I don't know if you observed
10 stockpiles of aggregates -- those were all brought by
11 Ensenada, Mexico. So it does have an impact on
12 commerce when we have to go out of the country to
13 bring in material mainly because of transportation
14 costs, not the aggregate cost.

15 MR. HEMINGER: Mr. Skancke.

16 MR. SKANCKE: Thank you, Mr. Chairman.

17 I have just two questions. Jim, I am going
18 to let you off the hook. I told Jim to be prepared
19 for a question. I'm going to let him off the hook.

20 I have a question as it relates to the
21 funding of transit, if we go into a mode of funding
22 highways based upon vehicle miles traveled or based
23 upon use. If we get off of a gas tax system -- and,
24 true, the gas tax is being depleted, which it is.
25 It's not funding the current infrastructure. In

1 fact, we will probably be getting that report in
2 March. And Secretary Peters said it yesterday, that
3 this Commission is going to be getting an in depth
4 report from OMB, I believe, on the future of the gas
5 tax and funding of SAFETEA-LU, which is going to be
6 non-existent after the first of January of '09.

7 How do we fund transit? There's a funding
8 component in the gas tax, if I recall correctly, to
9 help fund transit. So if we go to another system,
10 then how do we make transit, which is a critical part
11 of the overall solutions to our transportation
12 problems of congestion management, air quality, and
13 those things? How do we fund it? How do we make it
14 self-funding? What is the mechanism by which we make
15 the transit program successful if we go to a
16 different type of funding mechanism for
17 infrastructure?

18 MR. HEMINGER: Marty, if you wouldn't mind, I
19 wanted to note that Sunne McPeak had to leave, and
20 she did advise us of that beforehand. So we're sorry
21 that her schedule required her to depart when she
22 did, but we are glad we had her when we did. And
23 we're glad to have three of you left, which means
24 more questions per capita coming to you.

25 MR. WACHS: I would like to respond to that

1 question. I'm sure others would as well. The fact
2 that we rely upon the motor fuel tax today as a
3 source of transit support doesn't mean that, if we
4 transition to a per-mile charge per road for roads
5 paid for on a credit card after use or whatever, that
6 a portion of that couldn't also be used for transit.

7 A change in the mechanism of collection
8 doesn't preclude us from dedicating a portion of the
9 highway user fee to a public transit. And in fact,
10 it might allow us to better link the investments in
11 transit to the user payments from highways by
12 focusing on the collection of revenue, in particular
13 corridors, with the use of that money for transit
14 investments in those corridors and transit operations
15 in those corridors just as the fee, the toll, on I-15
16 is used in San Diego for transit investments that are
17 in that very corridor on a transit system that
18 requires heavy subsidization.

19 The second point I would make is that we
20 are today relying upon the sales tax measures for a
21 great deal of highway revenue as well as transit
22 revenue. If we were to rely more heavily upon user
23 fees for the highway portion of that, the sales tax
24 is a perfectly appropriate measure because it's local
25 in nature, and transit is local in nature for people

1 to choose to support their transit systems. And as
2 they did here in Los Angeles, I think they would. In
3 part one of the objections to voting for sales tax is
4 why should I vote to pay a sales tax to improve the
5 road for through trucks that are coming through my
6 area and are not serving me? I would be willing to
7 vote for a sales tax for transit because it's local
8 and I benefit from it.

9 MR. SKANCKE: Right. So let me go to your
10 second -- I'm not disagreeing. I am just trying to
11 get a better understanding of where we're going. So
12 if I go back to the vehicle miles traveled -- and
13 then we had a discussion. I think my colleague,
14 Mr. McArdle, asked the question about trucks. And so
15 if the freight is going to pay more to be on the road
16 and they're going to pay vehicle miles traveled, why
17 would they then want to have a portion of their fee
18 siphoned off to pay for transit if we are going to
19 require them to pay for them to use their own lanes
20 or for them to use a specific transit roadway, if you
21 will? And then we currently don't have the existing
22 right-of-way to expand those lanes.

23 So how do we -- teach me how we're going to
24 put all those together and fund all of this based
25 upon if we just use a user fee.

1 MR. WACHS: The interesting thing is that the
2 question that you ask is always asked when a proposal
3 is made for a new system. But the question that you
4 ask applies to the system that we have now. Why
5 would a trucker want to pay a higher fuel tax if a
6 portion of the fuel tax collected is going into
7 transit?

8 The answer is the same whether they pay a
9 per-mile fee or a fuel tax. And the answer is that
10 there are benefits to traffic flow on a highway of
11 removing, especially at the peak hour, a substantial
12 portion of people who otherwise would be driving and
13 making the road more congested but who are taking
14 transit because it is partly subsidized.

15 That doesn't justify, by the way, charging
16 a portion of the motor fuel tax in rural Idaho to
17 build a subway in Los Angeles or Chicago or
18 Washington, D.C. So a per-mile charge is actually
19 more equitable because it could be targeted more than
20 the fuel tax is.

21 MR. SNOBLE: I wouldn't mind having people in
22 Iowa pay for a subway. I just don't think there's
23 enough of them.

24 MR. WACHS: But they might.

25 MR. SNOBLE: But as far as the current system, I

1 actually started my first professional job working
2 under the national Defense Highway Act building
3 highways, and at the time that was a lot of money
4 when we could build interstate systems very, very
5 quickly. And we did. We built whole freeways. And
6 I hate that name, and we gave that name to the
7 freeways back then, and they are anything but free.

8 But nevertheless, we could build a freeway
9 in five years to ten years very easily. We can't do
10 that today. But then later on, a portion of the gas
11 tax did go to transit to augment transit operations
12 and capital. Now it's primarily to capital that the
13 federal money goes to. It is not a huge part of our
14 budget, but it is an important part of our budget,
15 and it would certainly hurt us to lose that piece of
16 federal money that comes to us both on the formula
17 basis and through the New Starts Program. So any
18 kind of a new mechanism that may come out of this in
19 the future I do think has to have some recognition of
20 a transit component.

21 As far as why the trucker should have to
22 pay for transit systems, I really don't think that
23 that's really a good strategy. I think if you are
24 providing truck lanes, as we are planning now, we are
25 working very hard on the South 710 to look at

1 providing some truck lanes and perhaps making those
2 detached to the container fee or to a toll or
3 whatever, but only if there's a big benefit to the
4 truckers and they can make a trip much faster, which
5 is money to them, then it's worth their while to pay
6 for that.

7 The only thing I would think would be
8 reasonable in that situation is if there just wasn't
9 enough room to be able to add more mixed slow lanes
10 for regular cars and there was a transit component to
11 parallel that corridor to be part of the overall
12 program for that corridor. Then I think it would
13 make sense. Otherwise, on the general terms, I think
14 the cleaner you keep it, the better off you are.

15 In Los Angeles, we do have a wholesale
16 sales tax. A lot of that money, if not most of all
17 that money, goes to subsidizing our fares. One of
18 the real issues that all transits are having today is
19 what really is the appropriate amount or level that
20 we should be subsidizing fares as opposed to actually
21 improving the transportation system.

22 Unfortunately, we have not raised or
23 increased or changed our fares very much in the last
24 16 years. There's only been two different times we
25 have made some adjustments to the fare in 16 years.

1 As such, about 24 percent of the cost of the rise is
2 actually being paid by our riders. That means that
3 more and more of the money that comes into us for
4 transit goes to the subsidy side of it as opposed to
5 improving the transportation system, and that's not
6 sustainable. That's just flat-out not sustainable
7 for any long period of time. And I think most
8 transit agencies are looking at having the user
9 actually contribute more to the cost of the ride so
10 that they can look at continuing to improve the
11 system and offer the system to more people.

12 In Los Angeles, the word
13 "transit-dependent" is used kind of a derogatory term
14 saying we have to provide service to the
15 transit-dependent, but a lot of what we are doing --
16 and Sunne has talked to it a lot -- is trying to
17 reshape lands used so that a lot of people can depend
18 on the transit system for a lot more of their trips
19 than they have in the past. And that transit
20 dependence is important to what our future is
21 because, if you can't depend on transit to take you
22 to work and back five days a week or more, then you
23 do a lot to decrease ridership.

24 Currently we have 32 different joint
25 development projects underway right now. Sunday you

1 are going to see the Academy Awards. That's at the
2 Kodak Theater. The Kodak Theater is part of a joint
3 development with us. There's a Metro stop there.
4 It's not used during the Academy Awards, but there is
5 a Metro stop there. And that is a very large -- one
6 of our very large developments, and it has no
7 housing. Most all the rest of our developments do
8 have a very diverse mix of housing, retail, and now
9 even some commercial going into them so that we can
10 not only provide jobs, we can provide housing, and
11 people don't have to get into a car to make every
12 single trip in their life.

13 So I think there's a lot of different
14 strategies that we can use here. But I do think -- a
15 lot of people have said we don't need federal money.
16 The transit program does need federal money. We get
17 formula money out of the transit program which is
18 hugely important to all the operators in Los Angeles
19 and throughout the country. We don't want to really
20 see that diminish. That should probably be increased
21 so that we have at least a fighting chance for some
22 of the other discretionary programs that come along.
23 So that is important money to us. My riders would
24 like to see that pot actually increase and then do
25 the kinds of things that Kent Woodman was talking

1 about, give us more flexibility to use that money
2 smarter because right now it's the least effective
3 dollars we've got.

4 MR. HEMINGER: Mr. Waltze.

5 MR. WALTZE: I guess Roger and I have been
6 around long enough when we had a highway program and
7 it was rated and the transit money was diverted for
8 other purposes. And of course, we never recovered on
9 the highway side of the issue. But I think as that
10 money was taken away and the need was there, it had a
11 devastating effect on the highway program Nationwide.

12 But as we look at the California model --
13 you got to look at it yesterday, and you are hearing
14 about it today -- living in Orange County and working
15 in L.A., I see two different tactics. And I do take
16 a look at the L.A. model, and there's a sale tax.
17 Because transit basically is a local issue, you are
18 talking about the federal significance of local
19 programs. The voters here decided that that's what
20 they wanted, that's what they needed, and they voted
21 for that sales tax, mainly dedicated it to transit
22 and because that's where the need was. And they made
23 that decision, and they are paying for it and funding
24 it. And all of us who have been dealing with the
25 transit issue for some time recognize that the

1 capital improvement of the transit system is the
2 least of the problem. It's the operation and ongoing
3 operation when a subsidized 75 percent is hard to
4 sustain. It's very, very difficult. There has to be
5 other funding to sustain it.

6 You take a look at the Orange County model.
7 They took a little different -- the same sales tax
8 measure. They took their money, and I think they had
9 more flexibility, because the need wasn't there for
10 the transit, and built a lot of the highway
11 infrastructure and got rid of their bottlenecks and
12 were able to build car pool lanes and widen freeways
13 and took care of the immediate problem.

14 I'm sure you recognize that 30 years ago
15 98 percent of the people traveled on highways. Today
16 98 percent travel the highways, and 30 years from now
17 probably 98 percent will travel on highways. We
18 can't forget the motoring public as we go through
19 these hearings and then take a look at who's paying
20 the bill for these programs.

21 But the point is L.A. voters chose what
22 they wanted to do with their money, and Orange County
23 voters chose how they wanted to spend their money.
24 And then as we do the (inaudible), there's a feature
25 for everybody in there. There's a portion that is

1 allocated for highways, a portion for transit, a
2 portion for the ports. And it's put before the
3 voters, and the voters here in California really
4 like -- they don't necessarily trust their
5 politicians to spend their money wisely; so they like
6 that money pigeonholed and say, "This goes here, and
7 this goes here, and this goes here," and then with
8 the trust that the money will be spent on its
9 intended purpose. And then we don't have this
10 bickering for the funding and who is going to get
11 what part of the money. It's much cleaner when we
12 all have our dedicated funding source and get on with
13 our programs.

14 MR. HEMINGER: Thank you.

15 You know, I'd like to talk a little bit
16 more about the gas tax, and this is a subject clearly
17 that the Commission is going to have to wrestle with.

18 And Marty, I really enjoyed your paper.
19 And a lot of food for thought. It does strike me
20 that there is nothing wrong with fuel tax that a
21 50-cent increase wouldn't cure. Fuel efficiency is
22 not an immediate threat. I think your TRB committee
23 made that finding. The collection system is pretty
24 airtight. And in terms of climate change and other
25 improvements to try to improve fuel efficiency, it

1 strikes me that a gas tax will be much more efficient
2 than more government regulation. It's basically what
3 Europe has done. Europe has a much more
4 fuel-efficient fleet. They have very high fuel
5 taxes. Most of the money doesn't even go to the
6 infrastructure, for that matter. And their VMT has
7 been growing substantially. So the fuel tax is not
8 knocked down driving as much as affected what people
9 are driving in.

10 Having said all that, obviously we have a
11 problem with fuel tax, and that is persuading
12 legislatures and congresses to increase the rate.
13 What troubles me about the notion of a VMT fee or
14 some other option is, as long as that other option is
15 subject to congressional or legislative approval, it
16 strikes me it will have the same exact problem that
17 the fuel tax has, which is that the politicians don't
18 want to be seen raising people's taxes or tolls or
19 whatever euphemism we use.

20 They especially don't want to be seen doing
21 that when, in the case of the federal program today,
22 it's not clear what purpose it would be for. You
23 know, if it's for another few bridges to Alaska, you
24 know, why bother? If it's for some defined federal
25 interest, like the interstate system was, then maybe

1 that changes the political calculus. And I think it
2 is worth remembering that the Congress did adjust the
3 fuel tax, by its own action, in broad daylight, to
4 fund completion of the interstate system. So when
5 they had an objective, that seemed to permit a
6 different political calculus about adjusting the
7 rate, and it also seemed to, by the way, slacken the
8 appetite for earmarking, which now is just out of
9 control.

10 Having said all that -- well, let me say
11 one more thing and then ask a couple questions. The
12 other thing is that the VMT fee in particular also
13 has, it seems to me, a couple of liabilities. The
14 first one is sort of a perception that it's a tax on
15 mobility itself. The economists very often talk
16 about taxing bad things, taxing things we don't want.
17 And fuel obviously has a lot of externalities,
18 petroleum fuel that we want to tax to mitigate,
19 whereas mobility itself, just traveling in a vehicle,
20 it doesn't strike me as a good or a bad thing. If
21 you travel at the wrong time, you cause congestion.
22 If you travel in the wrong vehicle, you cause
23 emissions. But traveling per se doesn't strike me as
24 something that we necessarily want to tax away, and a
25 VMT fee does appear to me to be a bit of a tax on

1 mobility itself.

2 The others, though, have to do with the
3 fact that, if you don't design it in the right way,
4 it will ignore the difference between vehicles. I
5 think Senator Lowenthal mentioned this before, that
6 you will potentially have the same charge being paid
7 by an SUV as by a hybrid. The gas tax will recognize
8 that difference because it is based upon fuel use.

9 You also would have to put in place a
10 pretty substantial new and untested revenue
11 collection system, which the gas tax has the virtue
12 of having an old and fairly inexpensive, now,
13 collection framework.

14 So now I can say, "Having said all that."
15 The two questions I wanted to ask about, the first
16 one -- and it's to all three of the panelists, but if
17 I could start with you Marty. One of the most
18 interesting ideas in your paper was only one
19 sentence, and that's this notion of an ad valorem
20 tax, which we have not heard a lot about. We have
21 heard a lot about indexing. And I think you're right
22 that indexing has a lot of pitfalls.

23 So I would appreciate it if the panel could
24 talk about the notion of an ad valorem tax and what
25 that would mean in terms of revenue, robustness, and

1 the like. But even so, you still get to the
2 political question whether you ask the legislature to
3 increase the tax or convert it to ad valorem or just
4 increase the rate, you are asking them to do
5 something that they don't want to do.

6 The notion that you raise, Mr. Waltze, that
7 we have heard before as well about setting up an
8 independent Commission like the Postal Service, a
9 little bit like the base closure process where
10 Congress sort of finds itself in a place where it
11 can't help itself, that you let somebody else do it.

12 I think Commissioner McArdle has brought up
13 the issue water rates. It really is the notion that
14 treating transportation a bit more like a utility,
15 which it very much is in many respects, just as we
16 regulate electric prices and the prices for natural
17 gas in our homes. So those two questions: The issue
18 of an ad valorem tax perhaps as a transition, and
19 then as a solution, potentially, to the political
20 problem, the notion of an independent Commission. I
21 would appreciate some additional thoughts from the
22 panelists.

23 MR. WACHS: I would be willing to start. The
24 first thing that I would like to say is that I
25 completely agree with you, and I hope that my

1 comments earlier and that my written paper indicated
2 that I think the fuel tax is not broken in the short
3 run. And the TRB committee, to which you referred to
4 which I was member, concluded that it's a long-run
5 issue to look to alternatives, but that the fuel tax
6 has 10, 15, to 20 years of productive time.

7 And the question of the political will to
8 raise user fees, whether they're fuel taxes or
9 per-mile charges or whatever, is an interesting and
10 complex one. A survey done in England, where the tax
11 is already much higher than it is here, show that
12 actually the public was more willing to have it
13 raised than the politicians were thinking that the
14 public was willing to have it raised. And most
15 Americans really don't know what they pay in fuel
16 taxes; and politicians believe that they're opposed
17 to any tax increase but haven't really tested whether
18 they would prefer a user fee, which is targeted, or
19 general fee, like a sales tax, or bonded
20 indebtedness, which is also a cost to the taxpayer.

21 So what we have been doing over the last
22 five or ten years is we've been preferring to hide
23 those charges from the consumer. We haven't been
24 preventing them from paying for the transportation
25 system. We have been doing it in ways that make it

1 less obvious that they are. And it's not clear at
2 all, except in the minds of elected officials, that
3 the public would rather have long-term bonded
4 indebtedness and sales taxes rather than fuel taxes.
5 And I think we need to examine that question.

6 MR. HEMINGER: If I could interrupt, because my
7 colleagues will remember that we received some survey
8 information a couple meetings ago that AAA did
9 Nationally, and they asked people sort of a
10 top-of-mind question, "What's really bugging you?"
11 And transportation was way down the list. Something
12 that was way up the list was this notion of energy
13 independence, energy security -- whatever your phrase
14 for that is.

15 And the fuel tax obviously could play a
16 major role in that. And when the New York Times did
17 a survey about raising the gas tax some time ago,
18 when they asked people just "Do you want to raise the
19 gas tax?" they said, "Hell no." When they asked them
20 if it would benefit energy independence and
21 development of alternative fuels and the like, you
22 were in the fifties. So it does strike me --

23 MR. WACHS: I would also like to comment on two
24 more -- briefly, two more of your points. One was
25 tax on mobility. I think that a per-mile user fee

1 must be structured so that it reflects the costs
2 which that trip are imposing upon the system. It
3 shouldn't be a tax on mobility. It should be quite
4 the opposite. It should encourage mobility, and it
5 should be reflective of the fuel efficiency of the
6 vehicle. It should be reflective of the cost imposed
7 on the highway because of the size and weight or axle
8 load of the vehicle. And it should be reflective of
9 the cost imposed on the use of the system by the time
10 of day. Traveling at three in the morning shouldn't
11 cost the same as traveling at eight in the morning on
12 a major urban route. And I would not support a shift
13 to per-mile charges if they were just flat charges.
14 They can be graded in a way that you talked about.

15 Then ad valorem tax, that question is a
16 very interesting one. It seems to me that, if there
17 is to be a political battle over setting the gas tax
18 level, that if we keep the tax as a cents-per-gallon
19 tax, we have to fight that battle repeatedly every
20 single time we need to raise the tax per gallon. If
21 we set it as a fee, as a percentage of the sales
22 price -- and California does have a sales tax on
23 gasoline in addition to its per-gallon fee, and
24 they're used for somewhat different purposes -- you
25 fight that battle once when you fight the battle to

1 get it enacted, but then it's in place, and you don't
2 have to fight it every three or seven or ten years
3 because the trend in the price is generally upward.
4 And it would correct itself for inflation over time.
5 And I think it's a more appropriate mechanism than
6 indexing, but it has a similar effect on revenue.

7 MR. SNOBLE: Back in the beginning under the
8 National Defense Highway, which, by the way, kept me
9 out of the draft. That's why I didn't go to Vietnam.
10 And we argued this then, the galleys tax wasn't going
11 to be sustainable. It was great at the time. But I
12 will just venture to say that had there been a
13 percentage tax originally, we would have a vastly
14 different transportation system today. It would be
15 much more well-bussed. We would have a different set
16 of arguments today because we would have more money
17 to devote to it.

18 The amount of money that we've -- that we
19 need to invest is really a much smaller percentage
20 than it used to be. But as far as taxing mobility,
21 you know, the Federal Government long ago decided
22 that they should really go after income as a way to
23 tax people because that's what's the best source.
24 That's what people have, not wealth but income. And
25 if you really look at mobility, people moving from

1 one place to another, most all the time there's an
2 economic reason for moving from one place to another.

3 I used to go for Sunday drives. I can't do
4 that anymore because I don't go very far in an hour.
5 So not a lot of people are driving for pleasure
6 nowadays, but there are economic reasons for them to
7 go where they want to go, and it seems to me that
8 somehow we ought to be tapping into that economic
9 reason. Trucks have that economic reason. If they
10 can go faster, we ought to be able to charge them for
11 the privilege of going faster.

12 When we order things on Internet now, and
13 we go to it and say, "Wow, what a great price. This
14 is what I want to get," and you go to the back and
15 there's a shipping charge on there and the shipping
16 charge is \$20 or whatever -- unless you want it the
17 next day -- then you're willing to pay 60 bucks for
18 it -- and that's your shipping charge. That's the
19 value of getting it to you. But how much of that
20 shipping charge actually goes to improving the
21 infrastructure? It's less than a penny that goes
22 actually back to improving the infrastructure. It's
23 going to the shippers to get it wrapped and get it
24 shipped to you.

25 So I really think we need to find a way to

1 tax the value, and if mobility has value, there ought
2 to be a way to jump in and capture some of that value
3 because people are reaping that value literally for
4 nothing, and that's not going to last either.

5 MR. WALTZE: In California we were wrestling
6 with the same thing you are wrestling with. Our
7 transportation in California grew. We were looking
8 at how do we raise funds. We did extensive surveys
9 to see how people felt about it. And of course, a
10 gas tax, they don't realize too much that they're
11 paying it, but they don't really realize minor
12 changes. It gets up over two cents per year, then it
13 starts getting their attention. It kept dropping.
14 It was high at that number. The more you raised it,
15 the less the support was in any poll that asked "Do
16 you want to be taxed more?"

17 The VMT tax didn't poll that well. The
18 idea of registering your car and paying a \$200 fee
19 didn't hold too well. People don't really realize
20 how much tax they pay, or in some cases, I don't
21 think they realize how little tax they pay. The
22 average motorist in a car around here probably
23 10,000 miles a year, 20 miles to the gallon, 500
24 gallons at fifty cents with our tax on it, \$250 a
25 year they pay in tax; and yet the congestion costs

1 them a thousand dollars a year in additional costs to
2 their car not counting the lost time. So it's
3 relatively small relative to the benefit. They don't
4 see those numbers.

5 So I would suggest -- you talked about a
6 AAA poll, but we did extensive polling, and we talked
7 about "Would you support a tax if earmarked projects"
8 and those types of things. And of course, we never
9 raised the tax unless we did extensive polling, but
10 after the earthquakes, our trust fund was depleted,
11 and we needed to find a new mechanism.

12 But all the other polling just
13 didn't -- when the voters were asked, they didn't
14 support it. When they were informed of what the
15 money was going for -- if your transportation policy
16 is going to put forth a new policy with a plan and a
17 way to fund it, I think you would get more support
18 for it.

19 But you might, as you get closer to making
20 your recommendations, get some polling data. It
21 might help you in the presentation. Because there's
22 all different funding sources, and if you change it,
23 they're going to assume that you are finding a
24 new way of getting more money out of them even if you
25 are not enhancing revenue.

1 I was reading an article in the Times
2 yesterday. I didn't get the Times the day they were
3 talking about concessions on the freeway or highways.
4 There was quite an outcry when I read the editorial
5 page on that. And as you look at concessions -- and
6 you heard the senator talk that it's probably not
7 likely here -- there could be a backlash on some
8 other alternatives that we looked at.

9 As you said, there's nothing better than
10 the gas tax. It's just for every half-cent sales
11 tax, it would cost eighteen cents on gas tax. You
12 raise a lot more money with the sales tax than you do
13 with gas tax.

14 And I understand that truck lanes -- I wish
15 we had room to put the truck lanes. I just, for the
16 most part, as we talk about them -- and certainly
17 Roger would know better than I, but as I drive the
18 freeways, I don't know where we would put those truck
19 lanes. They got two of the four lanes right now.
20 Our capacity -- we are at capacity on our ability to
21 build.

22 MR. HEMINGER: Thank you.

23 If I could, Roger. Mr. Busalacchi has been
24 very patient waiting for all of us.

25 So it's your turn.

1 Just answer the question that he asks with
2 what you want to say anyway.

3 MR. BUSALACCHI: They just pick on me all the
4 time.

5 Doctor, let's talk just for a second about
6 concepts. You know the Clay Commission came up with
7 a pretty successful concept, the interstate highway
8 system, which we all know is hugely successful.
9 There's a couple of concepts, and you touched on it
10 out there about truck-only corridors -- I think
11 that's what you were talking about -- and how these
12 truck-only corridors would work. I mean, a large
13 part of the problem I think we're having is this
14 intermingling with trucks and cars. We all know
15 that. Out here it's a lot more magnified than it is
16 back from where I come from, but it's still an issue
17 throughout the whole country.

18 So why don't you give me kind of your idea
19 of how you think this would work and how you think
20 the funding would go, keeping in mind that I drove a
21 truck for a long time. And the other thing is that
22 when we were on the East Coast recently, we went to
23 the port of Newark, and they had about 11,000 trucks
24 a day that took containers off the port and left the
25 port and sat on a bridge for hours, and yet

1 literally, a mile or a half a mile away was a toll
2 road that they could have taken.

3 So I think some of the concepts that we
4 heard about, this truck-only corridor -- I really
5 like the idea. I think it's got some vision to it,
6 and I think -- that's what the committee -- or the
7 Commission is really struggling with. Because we
8 really want to know what is our interstate highway
9 system going to be, and how do you fund it.

10 I think there are people in the truck
11 industry that would resist talking about tolling this
12 road, but they wouldn't resist a tax on their diesel
13 fuel to pay for it. So I guess it's a concept -- I
14 don't know. I mean, everybody might look at me today
15 and think that I might be smoking something funny
16 here, but I know that this is a concept that's out
17 there, and it may be one way of us relieving this
18 conflict that we're constantly having. I mean,
19 70 percent of the freight being hauled in this
20 country is being hauled by truck. And it's not going
21 to decrease; it's going to increase.

22 MR. WACHS: It strikes me that the most
23 important issue that we have to face is the provision
24 of more choices. And I thought it was interesting
25 that you said that some truck drivers choose to go on

1 a crowded bridge rather than pay to use the alternate
2 toll road. But actually, if other truckers, even a
3 minority of them, are choosing to use the toll road,
4 those that use the crowded bridge and don't pay the
5 toll road are also benefitting because some of the
6 traffic has been diverted to the toll roads. So they
7 are making appropriate choices. For them to say we
8 will have no toll roads means we will have fewer
9 choices.

10 MR. BUSALACCHI: But what I'm concerned about,
11 Doctor, is paying for this concept. We need to be
12 able to pay for it, and if 30 percent of them are
13 choosing not to take the toll road, that's revenue
14 that we're not getting, whereas, if the revenue was
15 attached to their diesel fuel that they all must
16 have, wouldn't that be a way of paying for this
17 concept?

18 MR. WACHS: Well, if the goal of the toll is in
19 part to induce more efficient use of the system, then
20 only charging diesel tax provides a certain amount of
21 revenue, but there is no differentiation. I can't
22 choose to take a higher-quality road and pay a toll
23 for it or take a lower-quality road and not pay a
24 toll for it.

25 One thing we have really learned from the

1 SR-91 and the I-15 in California is that the patterns
2 of use demonstrate that people like to have choices.
3 The people using the toll lanes on those roads
4 typically use them once or twice a week and often use
5 the free lanes quite frequently. And they make a
6 choice: I'm late; I'll pay the toll. I have an
7 important appointment; I'll pay the toll. I'm just
8 going home to relax; I'll take the free lane. The
9 idea here is to give people more choice. And there
10 is no better test for the willingness to pay than
11 actually charging a toll.

12 And so by putting out a toll road, you are
13 not requiring the person to pay the toll. By
14 charging the diesel fee, you are requiring them to
15 pay a higher fee. And it's more in keeping with the
16 free enterprise system and, you know, to give the
17 truckers that choice. Where we can estimate that the
18 demand is sufficient to pay the cost, it doesn't
19 matter that 30 or 40 percent continue to prefer to
20 use the free road. The critical question is whether
21 enough truckers will choose to use the toll road to
22 pay for it, and the answer seems to be yes in most
23 cases.

24 MR. BUSALACCHI: So let's say that we disagree
25 on how you pay for it.

1 MR. WACHS: I don't think we do.

2 MR. BUSALACCHI: Let's say for a second we don't
3 agree. The concept of this truck only corridor, your
4 comments on that. What do you think of that concept,
5 having a truck-only corridor where only trucks use it
6 coast-to-coast, north-to-south, east-to-west?

7 MR. WACHS: It's a concept that I favor because
8 so much of the anticipated growth in travel is
9 related to trucks. The rate of goods movement on
10 highways is growing at three or four or five times,
11 depending on the region, the rate of growth in
12 passenger movement. And trucks and cars behave on
13 the road differently. They have different
14 performance characteristics. And a road is more
15 efficient if it's serving only trucks because it
16 doesn't have the intermixing of trucks and cars,
17 which slows down and makes less efficient the
18 operations on that roadway and also is a safety
19 hazard.

20 So for all of those reasons, I would favor
21 truck-only corridors. And we have a few in
22 California in the I-5, over the Grapevine, as one
23 example, and it's been working fine for 20 or 30
24 years. There are downsides to everything, and surely
25 if I lived in a residential neighborhood that abutted

1 a truck-only freeway, I would be very worried about
2 the diesel particulate and emissions. And those have
3 to be addressed, but they are largely being addressed
4 through (inaudible) of the vehicle rather than the
5 roadway.

6 MR. SNOBLE: If I might, here we have a
7 different situation because here we are dealing with
8 containers. The container is something you can see
9 and identify with it. So what we are looking at is
10 building truck lanes that allow those containers to
11 get to inland facilities much faster. If they get
12 there much faster, the tractor can turn around and
13 come back and get another container. So they can
14 actually do more trips in a day. So they get the
15 speed advantage of it.

16 It's not a matter of giving the operator of
17 a truck the decision-making capability. If he picks
18 up a container and if he is charged that container,
19 then he has the ability to use those truck-only
20 lanes. So that's a little bit different concept than
21 just general trucking because it's a different kind
22 of movement we have to deal with. We just have to
23 get those containers out of here as fast as we can,
24 and if that's an advantage, then we might be able to
25 come up with a way to toll for it. Otherwise, I

1 think you are right. There have to be choices. And
2 I think Texas has a lot of good information on that
3 because they do have tolls. And truckers make their
4 choices based on their economics.

5 MR. BUSALACCHI: And then just one real quick
6 one. Mr. Waltze, my usual question that I ask I'm
7 going to direct it to you because you gave the
8 statistics about the overwhelming needs in the
9 country. Your numbers are probably about the same
10 numbers that we've gotten. It doesn't look good.
11 Needs continue to grow, and revenue is falling.

12 In light of all of this, are you satisfied
13 with the federal commitment that we have now?
14 Because this report is going to go to Congress, who
15 is going to have to deal with this. Or do you think
16 there should be a larger federal role, a larger
17 federal commitment to meet these needs?

18 MR. WALTZE: Well, your role is evolving all the
19 time. When you freeze the amount of money, you are
20 actually participating in the program. Just as was
21 said earlier in the panels, the federal role is less
22 and less all the time. If you freeze the amount of
23 money -- I mean, the last time in a highway bill what
24 was funded was 65 percent of the needs, the
25 documented needs to keep the system at its current

1 level. At the funding level it is, we will increase
2 congestion at a slower level, but no one should be
3 under the illusion that we are solving the problem.
4 Congestion is going to increase at a slower pace.

5 You asked yesterday about the federal role
6 and the compelling need, and I agree with you: What
7 is the national significance of all the various
8 things that you're funding? And back in 1956, we
9 talked about interstate travel for cars and commerce
10 and defense. All of these were issues with national
11 significance. That's where it started. We have a
12 lot of other modes of transportation looking for
13 funding, and I don't think that was the original
14 intent. But the world is changing. If we are
15 pulling people off highways and we are doing other
16 systems, moving people around, then if that's what
17 the voters want, then that's what we're going to do.

18 The role of the Federal Government has been
19 diminishing over time. And I think because we had
20 not raised the tax, we haven't kept up with growth.
21 This was said earlier, and I testified. All the
22 money now is going maintenance. No new highways are
23 being built. The scarce money we have now is really
24 just to maintain the system, just to patch it and
25 keep it going.

1 We have the same thing on the state level.
2 We were doing the same thing. We weren't keeping up
3 with it. So what has happened is, since the Federal
4 Government is not keeping up with the needs and the
5 state government was not keeping up with the needs,
6 the counties took it upon themselves to say, "Well,
7 if you are not going to do it, I'm tired of sitting
8 in traffic. I'm going to do something." That's when
9 they chose to tax themselves. But they do like the
10 local control over the local transportation and how
11 they handle it. I just think if the counties had to
12 step up and tax themselves, we've had to put a
13 \$20 billion bond out because the combined federal
14 role that was 75 percent along the interstate is now
15 a lesser percent.

16 MR. HEMINGER: Thank you. And I'm afraid the
17 witching hour has arrived. So we need to thank this
18 panel again for excellent testimony. We've had a
19 morning of very, very good testimony before the
20 Commission, and we very much appreciate it.

21 So thank you, gentlemen.

22 I do have two speaking cards from members
23 of the public. So let me call out first Joshua
24 Golku. Mr. Golku, you have five minutes.

25 MR. GOLKU: Good afternoon, Mr. Chair and

1 Commissioners. Joshua Golku representing the
2 Professional Engineers and California Government. I
3 hope not to use the entire five minutes knowing
4 there's an impending board meeting coming.

5 I do have some written testimony that I
6 would like to submit that is going to be much more
7 detailed than what I'm going to say.

8 MR. HEMINGER: Please do.

9 MR. GOLKU: But before I do go, I would like to
10 comment quickly on design-build. A word in contracts
11 without competitive bidding, as well as allowing the
12 construction company to hire inspectors to tell that
13 company if their work is acceptable, is a recipe for
14 disaster, and it shouldn't be allowed. To ensure the
15 safe, cost-effective, and timely project delivery,
16 construction contracts for transportation projects
17 should be competitively bid, and construction
18 inspection should be performed by those accountable
19 to the public, not those motivated by profit.

20 Brief statement. That's all I got to say
21 today. The testimony is much more detailed, and we
22 look forward to providing you with even more
23 information, particularly on the design-build
24 failures that have occurred in California despite
25 what you have heard over the last two days. There's

1 much more in regards to why it's not the right way to
2 go for transportation projects than has been
3 discussed. Thank you very much.

4 MR. HEMINGER: Thank you very much and thanks
5 for being mindful of our schedule as well. We will
6 read your written testimony.

7 Sheldon Walter?

8 MR. WALTER: Good afternoon, Mr. Chairman,
9 Members of the Commission. I won't take up five
10 minutes. I'm more used to one minute that the MTA
11 Board allows me to speak.

12 MR. HEMINGER: All right then, you have one
13 minute.

14 MR. WALTER: Well, okay. I'm a resident of a
15 senior retirement center in North Hollywood. I have
16 been very active in transportation for about the last
17 four years and also was on the Transportation
18 Advisory Committee for the late Mayor Tom Bradley,
19 where we did a lot of improvement in public
20 transportation.

21 I wanted to note that SCAG, Southern
22 California Association of Governments, has rated the
23 Los Angeles regional mobility an "F" -- that sounds
24 like failure to me -- not only last year but the year
25 before and "D" in previous years. It seems like --

1 well, pretty bad. SCAG officials have quoted that
2 rail transit would be a good solution to some of this
3 problem to help improve mobility, reduce traffic
4 congestion, gridlock, and improve air quality.

5 L.A. only has 73 miles of rail transit.
6 That seems awfully small for a huge metropolitan
7 area -- over 10 million people in Los Angeles County.
8 New York City has near a thousand miles of rail
9 transit. Chicago has hundreds of miles.

10 I think the subway to the sea is an
11 interesting solution. I think Mayor Antonio
12 Villaraigosa and transit officials are on the right
13 track in trying to pursue that along the Wilshire
14 Corridor. If it's properly constructed and improved,
15 it would be good for centuries to come.

16 Also, well, Roger Snoble nicely talked
17 about rapid busses, commuter rail, light rail, and
18 bicycles in here. I won't repeat his good comments
19 on that, but I would suggest that we would like to
20 extend the Red Line from North Hollywood to Bob Hope
21 Airport and continue it out to Sylmar with stations
22 along the way and also to Burbank, Glendale,
23 Echo Park, and Pasadena.

24 Also, the Green Line is being extended to
25 LAX. I understand officials are working on that.

1 And if Mayor Antonio Villaraigosa and officials want
2 to host the 2016 Summer Olympics here, I think it's
3 great. I think it's super. I hope we can have it
4 here. But, we better do something about our traffic
5 situation in the next nine-and-a-half years before
6 that happens.

7 So I will stop at this point and wish you
8 have a nice lunch and thank you for hearing me. And
9 have a nice day, afternoon.

10 MR. HEMINGER: Thank you, sir.

11 I have two more cards, Stephanie Moller or
12 Molen. Sorry about the last name.

13 MS. MOLEN: Stephanie Molen. I'm a
14 representative for Assemblyman Ted Lewis' office.
15 I'm not an expert, nor do I pretend to be, but I do
16 have a simple question. When it comes to a gas tax,
17 it seems that our constituents are willing to pay for
18 it when, as stated before, we have a proof it's going
19 to go somewhere, it's going to protect our
20 environment like MTBE.

21 Right now I feel that the sentiment is the
22 concern that our gas companies can just charge
23 whatever they want. Last year it was 350. Right now
24 it's 250. Before the election, they were able to
25 reduce it and to encourage that gas tax that was

1 being proposed wouldn't happen. Is there a way that
2 we can take some of the funds that -- for instance,
3 EXXON mobile has had an increase for the past two
4 years of record-breaking profits. Is there a way we
5 can tap into that as a gas tax and to the companies
6 that are making all of this money on our
7 constituents?

8 But if we can prove that we are going to be
9 using the funds accordingly and we'll be working for
10 our environment, I do believe that our constituents,
11 with proper education, will pass a tax. That's my
12 question-slash-statement.

13 MR. HEMINGER: Thank you. I think you are
14 referring to something similar to the windfall
15 profits tax, which I believe we had in -- was it 70's
16 or 80's?

17 MR. BUSALACCHI: The state of Wisconsin, the
18 governor of the state of Wisconsin just submitted his
19 budget a week ago with a petroleum assessment, and
20 that assessment will raise, I think, about 270 or
21 \$280 million to pay for transportation. There's talk
22 it may get challenged legally, but there already has
23 been a Supreme Court case that ruled that you could
24 do that. The law that he's talking about would
25 prohibit them from passing the fees on to the

1 consumer. So this is a battle that we're fighting in
2 our state as well. I know where you're headed with
3 that, but that's just one of the concepts that's out
4 there.

5 MR. HEMINGER: It sounds like we ought to track
6 Wisconsin to find out the answer.

7 The last card I have is from Andrea Hricko.

8 MS. HRICKO: Hello, thank you for the
9 opportunity to present. My name is Andrea Hricko.
10 I'm with the University of Southern California Tech
11 School of Medicine, where I'm an associate professor
12 of preventive medicine. I also direct a community
13 outreach and education program.

14 Our scientists at U.S.C. are the scientists
15 who have been studying children and the effects of
16 air pollution on children's respiratory health over
17 the last 10 to 15 years and recently came out with a
18 study that many of you may have read about in the
19 paper, since it got worldwide attention, about
20 proximity to traffic and reduced lung function in
21 children who lived close to freeways.

22 Also, you may have seen, over the last few
23 weeks, a lot of attention paid to increasing particle
24 exposures and the link to cardiovascular disease in a
25 study that was done of women. So I'm here with a

1 different perspective than any of the other people
2 who have spoken because we are very concerned in
3 Southern California about trade and commerce, which
4 is one of your topics at this meeting, and the
5 environmental health and community impacts. And I
6 would have to say that, at a time when ports and
7 goods movement and trade are considered the number
8 one environmental health problem in Southern
9 California, perhaps in the whole state right now,
10 it's very surprising to those of us who have been
11 working on this issue for the last five years that
12 there could be a hearing like this from the
13 Department of Transportation, Surface Transportation
14 Policy Review Study Commission, that completely
15 neglects to look at the environmental health, air
16 pollution, environmental community impact, community
17 resident-side of the picture.

18 Every one that I spoke to when I first
19 heard about this hearing through a Google alert the
20 other day by chance, no one from the environmental
21 community group community in Southern California who
22 is working on these issues from the community and
23 public health perspective, no one knew about the
24 meeting. No one had been invited to speak.

25 So I think that this is a problem that the

1 public health community and this perspective in
2 Southern California about the community and
3 environmental impacts of trade and commerce and how
4 to mitigate those -- you know, tremendous efforts
5 going on by the ports of Long Beach and L.A. and
6 other people in Southern California to try to
7 mitigate these impacts, and to have that not be part
8 of a meeting like this and not reach out to people to
9 have them come to this meeting, I think, is
10 perpetuating a problem in Southern California that we
11 thought had been solved.

12 The MTA and the Gateway Council of
13 Governments neglected to inform community residents,
14 community groups, public health community in Southern
15 California about the I-710 major corridor study, and
16 all of them would agree that that completely
17 backfired and it put the project two years behind
18 because of the failure of community participation,
19 community outreach.

20 So I would -- it's too late to do anything
21 about this hearing, and we would be very interested
22 to know what the outreach was to the community,
23 whether any community of environmental
24 public-health-perspective people were asked to
25 participate in any way because, you know, we are

1 completely unaware of that.

2 So if people were asked and we don't know
3 about it and they couldn't come or something, we'd
4 like to know, but I think any future meetings -- and
5 maybe you are having them in other cities -- you may
6 not have people who are as concerned as Southern
7 California with Long Beach and L.A. ports being the
8 largest port complex in the United States.

9 But this is an issue that you can't sweep
10 under the rug by talking about the economy, trade,
11 commerce, efficiency, and whether or not there should
12 be, you know, truck-only lanes across the country.
13 You've got to involve the public health, scientific,
14 environmental, and community perspective.

15 MR. HEMINGER: Let me, first of all, assure you
16 that we don't intend to sweep it under the rug. And
17 in fact, I asked a question myself yesterday on the
18 subject. But it appears that an apology is in order
19 because we did not do sufficient outreach in that
20 community. It obviously is an issue that looms very
21 large in this region, and we're well aware of that.

22 And as you say, it's too late to do
23 anything about it right this minute, but if I could
24 ask you to do two things: First, if you could
25 submit, for the record, written testimony on the

1 subjects that you are discussing today.

2 And secondly, if you could submit to us a
3 list of any other organizations here in the Southern
4 California region that you think we ought to consult
5 and receive their testimony as well.

6 I apologize for the oversight, but we
7 certainly want to see the whole picture. And we
8 understand that the trade volumes that are coming to
9 this country have not only infrastructure impacts but
10 human impacts as well.

11 MR. McARDLE: Again, one of the things that we
12 have really focused on has been this 50-year
13 perspective, in part so that we are not constantly
14 trying to catch up with an economy that is running
15 faster than our ability to execute. And quite
16 frankly, with a 50-year perspective, we can much
17 better identify what we intend to do and examine the
18 consequences of it.

19 If we are truly, as we talked yesterday,
20 going from what is now 15 billion TEU's to 40, as
21 they talk about, that is an increase in the number of
22 trips that is simply unsustainable from the point of
23 view of the environment and the community impact. If
24 we would simply try to do it as we are today, there's
25 just no way you can do it.

1 And I have to say that that's got to be a
2 critical planning component to all of this, and we
3 need to push that horizon out because these things
4 have come over us. If we had been sitting here in
5 1991, no one would have anticipated the kind of
6 growth in the port that we are now looking and
7 accepted. And we've just not started fast enough on
8 a lot of the elements which, I think, is why we want
9 to look out so much further than most studies look.
10 And we get horizons of 20 years, and I suspect we all
11 believe that's not enough, that you really do need to
12 look out much longer because of those impacts on
13 communities, health, and otherwise on communities.
14 The 710 Corridor is a prime example of where those
15 impacts fall.

16 MR. HEMINGER: Pardon me, ma'am. I'm afraid
17 we've got a bus that we got to catch. Again, my
18 apologies for only talking about this for the last
19 few minutes. Please do submit, as I requested, the
20 written information that will help us explore the
21 issue.

22 And thank you, Commissioner McArdle as
23 well.

24 One of the members of our staff will
25 provide you with the card that you need.

1 Let me very briefly thank my colleagues;
2 thank all the members of the public who were here;
3 thank our sponsors, who are too numerous to
4 mention -- they know who they are -- thank our staff,
5 which is not too numerous to mention, Susan Binder
6 and Chris Binoti, for all of their work putting this
7 together.

8 And the local staff who are over there, you
9 will receive a round of applause from us. And we
10 need to say au revoir to Los Angeles.

11 (End Time: 12:45 P.M.)

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I, Rosa I. Guzman, Certified Shorthand

Reporter No. 12024, declare:

That the foregoing proceedings were

recorded stenographically by me and were thereafter

transcribed, said transcript being a true and correct

copy of my shorthand notes thereof.

In Witness Whereof, I have hereunto

subscribed my name this 14th day of March, 2007.

Rosa I. Guzman, CSR No. 12024