

November 26, 2007

Honorable Dale E. Bonner  
Secretary  
Business, Transportation & Housing  
Agency  
980 9<sup>th</sup> Street, Suite 2450  
Sacramento, CA 95814

Mr. James Ghielmetti  
Chairman  
California Transportation  
Commission  
1120 N Street  
Sacramento, CA 95814

Dear Secretary Bonner and Chairman Ghielmetti:

I applaud your efforts to develop a statewide consensus regarding the allocation of state funding for goods movement infrastructure from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), and recognize the challenge that you face in trying to develop a program in a situation where the demand will far outstrip available resources in the Trade Corridor Improvement Fund (\$2 billion).

Your proposal to expand state resources for this program is commendable, but an expanded program must also be distributed in a way that recognizes the mobility and environmental impacts in Southern California.

The state's economic competitiveness relies on international trade based in our region. Residents throughout the Southland experience the highest levels of goods movement-related traffic congestion on our state, and local roads and are exposed to the greatest health risk from goods movement-related diesel congestion. Cargo volumes coming through the San Pedro Bay Ports and flowing in and through Southern California are expected to triple in the next 10 years.

Given California's economic and air quality challenges, it is imperative that the California Transportation Commission target the use of Trade Corridor Improvement Fund (TCIF) dollars and other sources for goods movement infrastructure to those areas in the state with the greatest needs and impacts. Geographic funding allocations should be generally consistent with the level of cargo and health risk experienced by a particular region that is consistent with the intent of Proposition 1B.

In 2005, the \$256 billion of containerized cargo moving through the Ports of Los Angeles/Long Beach generated 890,000 jobs in California alone (3.3 million in the entire U.S.). International trade moving through the Southern California region during that same time period generated over \$6.7 billion in state and local tax revenue. While our region is creating jobs and economic benefits for every area of California, our residents are being disproportionately impacted. For example, the Southern California region has the highest percentage of the state's population with the health risks of diesel pollution exposure. Daily

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truck trips in the region are expected to grow by over 70%, and daily train traffic in the region is expected to grow by over 150%.

In order to ensure the future competitive edge and health of the California economy, significant investments must be made in the regions with the highest levels of goods movement activity and where congestion points and health impacts have the greatest potential to negatively impact the goods movement sector.

I stand ready to work with members of the State Legislature, the Governor and elected officials in other areas of California in a unified way to advocate for additional federal funds to address our needs. But any new federal funds should complement a strong State commitment of TCIF funds for Southern California, and should not be viewed as a replacement of TCIF revenues.

Any investment of state resources should recognize the significance of trade volume moving through this region. Any allocation that fails to recognize this special burden is unacceptable, and demonstrates a lack of commitment to the millions of voters in Southern California who overwhelmingly supported Proposition 1B. I stand with Speaker Núñez and the many others in our legislative delegation in demanding a fair and equitable share of TCIF funds for our region.

Very truly yours,

ANTONIO R. VILLARAIGOSA

Mayor

MAV:aa

cc: Honorable Members, Los Angeles Delegation to the California State Legislature  
Honorable Alan Lowenthal, Chair, Senate Transportation & Housing Committee  
Honorable Pedro Nava, Chair, Assembly Transportation Committee  
Members, California Transportation Commission  
Members, Southern California TCIF Consensus Group