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Charting a better SoCal trade route

By Jerry Brown, George Deukmejian, Pete Wilson and Gray Davis

INTERNATIONAL TRADE has been an indisputable boon for Southern California. The cargo moving through the ports of Los Angeles and Long Beach in trucks, trains and enormous container ships has directly created more than a quarter of a million jobs — many of them middle-class, blue-collar jobs — and indirectly sustains employment for an additional 300,000 people. Still more permanent jobs will be added as annual container traffic continues to climb, with the prospect for growth limited only by the region's heavily strained port, rail and highway capacity.

And by the patience of local communities, which see international trade contributing mightily to noise, traffic congestion and diesel pollution throughout the region, fouling the air and creating health risks.

More than 14 million containers move through the Los Angeles Basin each year. Bouncing along local streets battered by truck traffic; surrounded by

tractor-trailers on the Long Beach and Pomona freeways; and delayed at rail crossings in the San Gabriel Valley, northern Orange County and the Inland Empire, people living along our major trade corridors can be forgiven for believing that a reduction in trade would be better than an increase.

But we believe the answer is not less trade, but more. In fact, handling more trade at the ports and corridors than we do today is the only way to fix the problem. This surprising conclusion is rooted in the mutual dependence of the private and public sectors. Two types of projects are needed — those that allow us to move more containers to and from the ports and those that protect the surrounding environment and community — and neither can proceed alone.

The private sector wants the ability to increase capacity, but local communities will block projects that increase container movement unless they also see a clear strategy for relieving traffic congestion and improving the air. The state, meanwhile, needs the new permanent jobs and taxes generated by moving more international goods to pay back the bonds needed for critical environmental and community projects. In

other words, trade growth, congestion relief and air quality will all sink or swim together.

As former governors representing both major political parties, we are united in our opposition to sinking. We have come together to rally business and local community leaders behind what could be called a "green freight" initiative — a self-reinforcing cycle of investment in trade growth and environmental improvement projects.

The way forward is to build support for a coordinated effort in which the public and private sectors will each pay only for those projects from which they derive tangible benefits. The state must only pay for projects that make communities more livable, such as eliminating delays at rail crossings or reducing or eliminating diesel pollution along freeways. Meanwhile, the private-sector partners should focus their investments on adding capacity and efficiency, and paying for any state-mandated environmental mitigation.

We support a statewide bond issue (no exact size yet, but we expect it to be in the billions of dollars). This would clearly increase state debt, and may appear counterintuitive when elected officials are already struggling to balance

the state budget. But we believe it is a prudent fiscal move.

First, state money invested in local infrastructure now is money that will pay dividends in future public safety, air quality and productivity gains.

Second, the state has the bond capacity. A recent article in *The Times* said Wall Street does not regard California's debt load — about \$55 billion — as overly burdensome.

And third, if the publicly financed projects are carefully matched with private-sector projects, new tax revenues generated by the resulting permanent job growth would more than repay the cost of the state bonds. An L.A. County Economic Development Corp. study says this project approach would boost state taxes by \$17 billion over 25 years.

Southern California's goods-movement system is nearing a breaking point. We are now working with the Southern California Leadership Council to create a virtuous cycle of investment that will unite the green of money associated with economic growth and the green of environmental protection.

JERRY BROWN, GEORGE DEUKMEJIAN, PETE WILSON and GRAY DAVIS are all former governors of California.