

Enlist the private sector to build roads, clean air



BY GEORGE ARGYROS AND JOHN HAWKINS

The following commentary was also signed by former California Govs. Pete Wilson, Gray Davis and George Deukmejian.

Southern California needs two essential elements for success — economic prosperity and quality of life.

We can't have one without the other and we won't have either if we don't plan for the future. Unfortunately, Plan A — relying on the government to fund our critical infrastructure needs — is no longer a viable option.

Over the next 20 years, our region will grow by more than 5 million people — more than two Chicagos! And most of this population growth will be internally created, not "imported."

Meanwhile, goods movement to and from booming Asian economies will triple along our trade corridors.

As the port of entry for more than 40 percent of the nation's water-borne imports, Southern California faces both the challenges (congestion and air quality) and the opportunities (more than 1 million new, well-paying jobs) linked to this growth.

We need to plan and build the necessary infrastructure if we are to ensure our success.

California took a dramatic first step last November by passing Props. 1A through 1E to help fund our transportation, water, school, housing and environmental needs.

However, a year later, little of this funding has been put to work. In order to balance the state's 2007 budget, \$1 billion of the gas-tax money was again diverted to other state needs.

None of the Prop. 1B goods movement infrastructure funds were authorized either. Now the state treasurer is warning that the state's fiscal imbalance could continue for 20 more years.

The federal government echoes much of the same: too many needs, not enough money.

It's clear we need a new solution, a Plan B, to ensure our state's future success. We can do so by creating Public Private Partnerships, or "P3."

Through P3, most of the highway, bridge, rail, water conveyance, public health and other facilities projects would be paid for out of a combination of taxpayer-supported bonds, private equity and debt, in addition to fees charged to those who actually use or benefit from the infrastructure and services.

One successful model in British Columbia created a "state enterprise agency" to identify P3 opportunities and then impartially evaluate private- and public-sector involvement.

Why haven't we started? Because Sacramento needs to pass legislation. Senate Bill 61, supported by the governor, is a first step, but it is stuck in the Assembly because of opposition by public employee unions that believe their members' jobs may be threatened.

What they don't understand is that without this Plan B, a lagging economy and dwindling state revenue stream will indeed threaten their jobs and retirements.

The time to move forward is now. Each year we fall further behind.

We already have the worst congestion and air quality in the nation.

Either we implement Plan B and ensure a vibrant future for all, or we face impending gridlock and a slow decline into Third World existence.

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