Date: January 4, 2017

To: Members, California State Legislature

Cc: The Honorable Edmund G. Brown, Jr.

Re: Solving California’s Transportation Infrastructure Crisis in 2017

On behalf of the Fix Our Roads Coalition (Coalition), we want to welcome both returning and new members of the State Legislature as you begin the 2017-18 Biennial Session. While much was accomplished during the previous legislative session, one of the pressing issues that the Legislature did not resolve is the fiscal crisis facing the state and local transportation system. The purpose of this letter is to once again reiterate the extreme importance of dealing with this problem and the significant impacts that are affecting the traveling public, our state’s economy and the environment by failing to act. Everyone in California seems to recognize that the state and local transportation system is in terrible shape and the longer we delay, the more it will ultimately cost to fix the problem. What is not as apparent is that there is a nearly $54 billion annual price tag and a hidden tax on the public due to our crumbling infrastructure.

Our Coalition has worked tirelessly over the past two years to secure approval of a transportation funding and reform package. We welcomed the Governor’s call to action in his January 2015 State of the Address to the new Legislature two years ago. We supported efforts by transportation leaders in the Senate and Assembly as they introduced transportation funding and reform measures. We applauded the convening of a special transportation session later that summer and were pleased to see the Administration introduce a transportation funding plan in August of that same year. We were further heartened when the Governor introduced his funding package as part of his FY 2016-17 budget and members on both sides of the aisle continued to push legislation in response to California’s transportation infrastructure needs and the necessity for increased accountability and efficiency in the conduct of the program. In spite of our high hopes for a solution, the Legislature failed to act not only in the regular session which adjourned on August 31, 2016, but also took no action before the special session expired at the end of November.
We have attached a copy of a letter sent by the Governor and legislative leaders on November 22, 2016, cancelling an expected lame-duck session for consideration of a transportation bill before a new legislature was sworn in. That letter states unequivocally that the Administration, Assembly and Senate are all committed to taking on the transportation issue early in this new year in order to address our critical infrastructure needs. The letter also asks for our continued support. Be assured that you have that continuing support. The Coalition, representing local and regional government associations, the construction industry, labor, and business interests, stands ready to assist you in this critical endeavor.

For your further information, we have also attached a summary of the implications of a funding and reform package on your district. Please contact any of the undersigned Coalition members if you have questions or need further information to support this important effort. California’s future is dependent on your positive engagement.

Respectfully,

Rich Gates
DeSilva Gates Construction

Tom Foss
Griffith Company

John Hakel
Southern California Partnership for Jobs

Matt Cate
California State Association of Counties

Will Kempton
Transportation California

Joseph Mejia
California State Council of Laborers

Tim Cremins
International Union of Operating Engineers – CA/NV

James H. Roberts
Granite Construction

Mary Rotelli
Teichert Construction

Michael P. Quigley
California Alliance for Jobs

Carolyn Coleman
League of California Cities

Bob Alvarado
Northern California Carpenters Regional Council

Cesar Diaz
State Building & Construction Trades Council of California

Rob Lapsley
California Business Roundtable
Lucy Dunn
Orange County Business Council

Jim Wunderman
Bay Area Council

Carl Guardino
Silicon Valley Leadership Group

Gary Toebben
Los Angeles Chamber of Commerce

Kish Rajan
Southern California Leadership Council

Mike Aparicio
Skanska

Bill Higgins
California Association of Councils of Governments

Josh Shaw
California Transit Association

Mark Breslin
United Contractors

Tom Holsman
Associated General Contractors of California

James P. Halloran
Caterpillar Inc.

Brock Lodge
Vulcan Materials Company

Gary Hambly
California Construction & Industrial Materials Association

Paul Von Berg
Southern California Contractors Association

Felipe Fuentes
Apex Group

Emily Cohen
United Contractors

Mark Watts
Smith Watts & Hartmann

Eddie Bernacchi
Politico Group
November 22, 2016

Dear valued stakeholder:

Thank you for your work and advocacy on behalf of the people of California to fix our roads. While there will not be a lame-duck session of the Legislature to approve a transportation funding deal in 2016, our work on this critical issue continues.

The Administration, Assembly and Senate are all committed to tackling this issue early in the new year to address our critical infrastructure and transportation needs – and we’ll need your continued support.

Let’s get it done!

Jerry Brown
Governor Edmund G. Brown Jr.

Kevin de León
Senate President pro Tempore Kevin de León

Anthony Rendon
Assembly Speaker Anthony Rendon
After two-years without a solution, the Legislature and Administration must act early in 2017.

California’s transportation system is in crisis. The funding necessary to stop the decline of California’s transportation network and bring it into a state of good repair, including state highways, local streets and roads, transit, and active transportation infrastructure, is well documented. When adjusted for inflation, the state highway system has a backlog of maintenance projects of over $72 billion over the next decade and the local street and road system needs approximately $91 billion over the same timeframe for maintenance and rehabilitation. There is barely enough funding to ensure our transportation infrastructure is safe and efficient, let alone make the necessary improvements to increase transit and other mobility options, reduce transportation impacts on climate change, and bolster our economy.

In 2016, the California Transportation Commission (CTC) was forced to cut $750 million in multi-modal transportation projects and delay indefinitely another $750 million worth of projects due to the significant drop in gas prices, which is the primary revenue stream to maintain our existing freeways, streets and roads, and other multi-modal transportation infrastructure.

While a number of important new and renewed local sales tax measures were passed in November 2016, California needs a strong state funding package to maximize local investments and draw down federal funds. California cannot do it with local or federal investments alone. Without an immediate legislative funding and reform solution, state and local transportation infrastructure will continue to deteriorate only making the problem more costly and difficult to solve in the future.

Projects That Have Been Cut or Delayed Indefinitely in AD 1:
The 2016 CTC cuts meant the loss of $37.4 million in funding for planned transportation projects in AD 1. Specific projects in the district that have been delayed or killed altogether:

- Rehabilitation of Vista Drive in Siskiyou County
- Phase 1 of Big Springs Road Rehabilitation in Siskiyou County
- Reconstruction of Graeagle-Johnsonville Road in Plumas County
- Phase 1 of North Loop construction in Plumas County
- Phase 1 of expanding I-5 to six lanes from Redding to Anderson in Shasta County
- Widening Highway 49 from La Barr to McKnight in Nevada County

Good-paying Jobs and Millions of Economic Output at Risk in AD 1:
The elimination or delay of these projects will result in the loss of 1,085 good-paying jobs and $180.2 million of economic activity in the regions in AD 1, including:

- 349 jobs and $54.5 million of economic output lost in the North Valley & Sierra region
- 349 jobs and $58.1 million of economic output lost in the Northern Mountains region
- 387 jobs and $67.6 million of economic output lost in the Greater Sacramento region

Additional Funding Cuts to Cities and Counties in AD 1:
Cities and counties are also experiencing major declines in gas tax revenues. The price-based gas tax revenues have declined by the following amounts over the past three years in cities and counties in AD 1:
These significant revenue reductions highlight the critical need to stabilize the gas tax, return existing transportation dollars back to transportation projects, raise additional new revenue for transportation, and enact sensible reforms to maximize every dollar invested. The longer we wait to fix it, the more expensive the problem becomes. California motorists are already paying the price of our poor road conditions, to the tune of $762 per person annually in additional car maintenance and repair costs.

After two-plus years of tireless efforts on behalf of the Fix Our Roads Coalition to secure passage of a robust and comprehensive transportation funding and reform package, the 2016 regular session and special session on transportation came to a close without final resolution. The Governor, Speaker of the Assembly and Senate President pro Tempore penned a letter committing to taking transportation funding/reform back up early in the 2017 legislative session. We call on our leaders and every member of the State Legislature to fulfill this promise and take immediate action on our critical transportation needs.

**Once and for all, it’s time to fix our roads.**