October 4, 2017

Fix Our Roads Coalition
c/o Kelly Garman, American Council of Engineering Companies, California
1303 J Street, Suite 450
Sacramento, CA 95814

Dear Fix Our Roads Coalition Members,

Thank you for your letter regarding the proposed effort to repeal SB 1, legislation enacted earlier this year by the State Legislature that burdens Californians with an annual $5.2 billion tax increase. We appreciate the opportunity to respond.

Your letter suggests that our primary goal is “to protect all incumbent Republicans and increase the number of Republicans in the House.” In reality, our primary goal is representing the interests of our constituents. That is exactly why we have and will continue to voice our concerns with the passage of SB 1. We agree that we need to take significant steps to improve transportation in California; however, we object to the policy contained in SB 1 as well as to the process in which it was enacted. We have three overarching reasons for opposing SB 1 and supporting its repeal.

First, the passage of SB 1 represents a bailout for our transportation programs that have been habitually raided, mismanaged, and not made a priority in Sacramento. Nothing in SB 1 reverses any of the transportation funding diversions previously enacted by Democrats in the Legislature. Hard working California taxpayers should not be on the hook because Democrats in Sacramento have failed to make transportation a priority.

Your letter states that an effort to repeal SB 1 via an initiative “amounts to an attack on improving our badly-deficient transportation system, endangering our economic growth and competitiveness, and increasing unemployment.” Let’s be clear – the actions and policies advanced by Democrats in Sacramento for many years now have led to a badly-deficient transportation system, endangered our economic growth and competitiveness, and led to increased unemployment. We are not alone in this belief. It is one that many members of the Fix Our Roads Coalition have come to our offices to voice time and time again.

If Democrats in Sacramento are rewarded with a gas tax bailout now, what is to stop them from looking at the industries represented in your coalition to pay for the next fiscal crisis? These are principles we should stand shoulder-to-shoulder to defend.

Second, we believe California voters should approve significant tax and fee increases. Instead, SB 1 proponents in the Legislature chose to simply take more money out of the pockets of California taxpayers without asking them. Prior to the enactment of SB 1, California was already one of, if not the highest taxed states in the nation. Currently, California has:
• The highest top marginal state income tax rate in the country;
• The highest sales tax rate in the country; and
• The fifth highest state taxes and fees on gasoline in the country (even before the SB1 tax increases take effect and without factoring in the cap-and-trade "hidden gas tax" of around $0.45 per gallon).

The tax burden on the families we represent is especially high and dramatically impacts their quality of life. Over the last ten years, median income in California has steadily decreased and a number of homeowners in our districts live in relatively newer neighborhoods that have additional property tax assessments imposed upon them. Furthermore, many of the Californians that we represent have some of the longest commutes in the state, meaning they already pay more gas taxes than the average driver in the state. The tax increases in SB 1 will disproportionately impact these already highly-taxed commuters.

Third, SB 1 is bad policy. Like the commuters we represent, we are fully aware that we need to make significant improvements in our transportation infrastructure. That’s why we are incredulous that SB 1 prohibits funds from being spent on projects that increase capacity and actually takes steps to implement “complete streets” design concept” policies that reduce the number of car lanes in favor of dedicated space for bike lanes and transit. What our constituents need is increased motorist capacity to reduce traffic and decrease the amount of time drivers spend on roads.

Further, SB 1 perpetuates the myth that we can solve our traffic woes by simply throwing more money at the problem. California’s outdated regulatory approval processes cause tremendous delays and add substantial costs to building transportation projects. As a result, fewer projects are funded and our current system is increasingly overburdened. To the dismay of California taxpayers, SB 1 lacks policy reforms that will hasten construction of transportation projects or decrease their price tags.

We stand with California taxpayers who know that Sacramento does not need more money for transportation projects, they just need to be better stewards of the taxes we already send them. We appreciate your warning that opposing SB 1 could “create new political adversaries” but we are far more concerned about SB 1 creating more financial burdens for the constituents we represent. When the Fix Our Roads Coalition is done making political threats and is interested in discussing real, long-term solutions to our transportation challenges, please know that our doors are always open.

Sincerely,

Rep. Ken Calvert

Rep. Kevin McCarthy

Rep. Dana Rohrabacher

Rep. Darrell Issa