



December 15, 2004

CONTACT--

Marc Littman/Ed Scannell

Metro MEDIA RELATIONS
(213) 922-4609/(213) 922-2700

www.metro.net/press/pressroom

CONTACT--

Marie Condron

Director of Marketing & Communications
L.A. Area Chamber of Commerce
(213) 580-7532
FOR IMMEDIATE RELEASE

L.A. County Fights to Block Another State Raid on Funds Earmarked for Traffic Relief

- **More than \$300 million could be siphoned off in next fiscal year**

LOS ANGELES - Business leaders, transportation providers, and elected officials today urged Sacramento to stop using transportation funds to balance the state budget, warning that Los Angeles County could lose more than \$300 million in state gas tax monies earmarked for critical traffic-relieving street, highway and public transportation projects in the next fiscal year.

"It's penny-wise and pound-foolish to raid these dedicated transportation dollars," said Rusty Hammer, President & CEO of the Los Angeles Area Chamber of Commerce. "Californians voted overwhelmingly for Prop. 42, specifically to fund projects that will ease congestion. Mobility is the linchpin of the California economy; if people and goods can't move, the economy suffers."

Metro CEO Roger Snoble noted that in the last three years, Sacramento has siphoned off \$5.5 billion in transportation funding statewide from mobility projects, which includes more than \$1.35 billion earmarked for Los Angeles County. These include Prop. 42 gas taxes and other transportation funds.

Prop. 42 won approval by 69 percent of California voters in March 2002. It requires state sales taxes on gasoline and diesel fuel be used only for transportation programs. However, in a fiscal emergency the Governor and the Legislature can suspend Prop. 42. Under this loophole, more than \$2 billion in Prop. 42 monies have been redirected to the state's General Fund since 2003, the year it took effect.

"It would be typical of Sacramento politicians to raid Proposition 42 funds once again to balance their budget on the backs of local cities," said Mayor Jim Hahn. "But the residents of Los Angeles County have had enough, and we urge the Governor and Legislature not to go that route. That money belongs to the people and should be used to fund projects that will ease traffic congestion."

"The more than \$300 million earmarked for LA County next year could be leveraged with other funds to get an early start on more than \$5 billion in highway, bus and rail projects that would make a serious dent in traffic in this region and also generate an estimated 70,00 full-time equivalent jobs," said Dan Beal, Managing Director, Public Policy, at the Automobile Club of Southern California.

Conversely, there are many local transportation projects that could be kept on hold indefinitely if Prop. 42 funds are diverted next year. Among these are construction of a I-405 northbound carpool lane from I-10 to US-101, a Crenshaw Corridor transit way and an extension of the planned Exposition Light Rail Line to Santa Monica.

Metro has been scrambling to push forward transportation improvements but its resources are constrained. Metro already has agreed, if necessary, to advance the state \$1 billion in local funds to move forward with construction of the Metro Gold Line extension to East Los Angeles, the Metro Orange Line in the San Fernando Valley, the Exposition Light Rail Line, Alameda Corridor East grade separations, various street and highway projects, and the purchase of hundreds of high-capacity buses.

“We can’t afford to sit idly by as LA County grapples with the nation’s worst traffic congestion, now for 18 years running,” said Hammer, LA Area Chamber President & CEO. The Texas Transportation Institute (TTI) recently reported that the average commuter here wastes 93 hours a year stuck in traffic at a cost of \$1,668 each. While retaining the dubious distinction of having the nation’s worst traffic, Los Angeles was able to prevent traffic from getting worse last year by pushing forward with an array of transportation improvements, according to the TTI report.

“We can actually reduce congestion if we can proceed with our improvements but that hinges on whether or not the state siphons off Prop. 42 funds again,” Metro CEO Snoble said.

About Mobility 21

Led by the Los Angeles Area Chamber of Commerce and the Los Angeles County Metropolitan Transportation Authority (Metro), in partnership with the Automobile Club of Southern California, Mobility 21 is a countywide effort to bring together elected officials, transportation providers, businesses, local municipalities, labor and community leaders to develop solutions to the transportation issues facing Los Angeles County. For more information, visit www.Mobility21.com.

-METRO-

[Pressroom](#) | www.metro.net