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Our Transportation Crisis: Who Will Pay? IISTPS, Report M-00-1

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Our Transportation Crisis: Who Will Pay?



Mineta
Transportation
Institute

Created by
Congress in 1991



IISTPS Report F-98-2

Our Transportation Crisis: Who Will Pay?

November 17, 1998

Sponsored by:

**The Norman Y. Mineta
International Institute
for Surface Transportation Policy Studies
College of Business
San José State University**

Co-Sponsored by:

**The Silicon Valley Forum
of the Commonwealth Club of California
The Silicon Valley Manufacturing Group
The Metropolitan Transportation Commission**

a publication of the

**Norman Y. Mineta
International Institute for
Surface Transportation Policy Studies
IISTPS**

Created by Congress in 1991

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FOREWORD

It is very easy for both politicians and private citizens to look at the present rush-hour traffic situation in the Silicon Valley and offer possible solutions to the problem— more buses, more freeways, more car pool lanes. Very seldom do we ask “Who will pay for these improvements?” when initially proposing projects.

The purpose of this forum, which was held on November 17, 1998, was to explore ways to fund transportation and mass transit improvements. Co-sponsored by the Norman Y. Mineta International Institute for Surface Transportation Studies, the Silicon Valley Chapter of the Commonwealth Club, the Silicon Valley Manufacturing Group, and the San Francisco Bay Area Metropolitan Transportation Committee, the forum dealt specifically with methods of funding transportation improvements. The traditional way of funding California’s highway system, the gas tax, will soon be unable to keep up with the necessary maintenance and expansion Silicon Valley will require to maintain its status as an economic leader.

The forum was attended by interested private citizens and moderated by “Mr. Roadshow”, Gary Richards of the San Jose Mercury News. The expert panelists, from the Bay Area as well as other states, included:

- Jim Cunneen, 24th Assembly District of California
- Charlotte B. Powers, Chair, Valley Transportation Authority and Councilwoman, City of San Jose, District 2
- Paul Toliver, Director of Transportation, King County, Washington
- Carl Guardino, President and CEO, Silicon Valley Manufacturing Group

While the gas tax has provided funding for the explosive growth in the California highway system throughout the 1960s, today’s tendency toward more fuel-efficient cars, plus the increase in California’s population has lead to a shortfall in highway and transit funding when communities depend upon the state gas tax for funding. Today’s trend is to pursue ballot measures for sales tax increases for transit operations. But what options can a transportation authority take when citizens no longer approve tax measures? How can a constituency be persuaded that a tax for transit improvements is necessary and good?

A question-and-answer period followed the panelist statements, bringing up issues such as the use of tax dollars for transit improvements versus other tax-

supported services, Silicon Valley job growth and the impact on transportation, and long-term limits on transportation funding, planning and execution.

The purpose of forums such as *Who Will Pay?* is to bring the issues to the forefront for the consideration of not only transportation and government officials, but for consumers who will benefit from those improvements as projects come to fruition.



Rod Diridon
Executive Director

EXECUTIVE SUMMARY

The Norman Y. Mineta International Institute for Surface Transportation Policy Studies (IISTPS) has been fortunate to receive funding through the Federal Research and Special Programs Administration (RSPA) and the California Department of Transportation (Caltrans) to conduct policy-related activities in the areas of research, education, and information sharing to benefit the United States surface transportation industry. This publication is the transcript of the fifth annual fall forum held on November 17, 1998.

Gary Richards (“Mr. Roadshow”) of the *San Jose Mercury News* moderated the event. The expert panelists included Jim Cunneen, California Assemblyman from District 24; Charlotte B. Powers, Chair, Valley Transportation Authority and Councilwoman, City of San Jose, District 2; Paul Toliver, Director of Transportation, King County, Washington; and Carl Guardino, President and CEO, Silicon Valley Manufacturing Group.

The event explored methods of funding transportation improvements which include managing the current highway system, investing in better public transportation, fostering alternative modes of transportation such as bicycling or walking, and working to create a better transportation future for the residents of the Silicon Valley. Maintenance and improvement of those modalities and facilities are necessary if this area is to remain a major economic power into the 21st century.

Funding is needed, however, to maintain and improve a transportation system. What types of funding measures will best achieve those objectives? Should the gas tax be increased? Should sales taxes provide funding for transit improvements? Are toll roads a feasible alternative to traffic gridlock? Are there ways for the public and the business community to work together to fund road improvements? What are the fairness issues surrounding different funding processes? What has worked before and what has not worked in the past?

According to the California Taxpayers Association, the state of California ranks 50th in the country in transportation funding, which is a drop from 46th or 47th a few years ago. The gas tax, which was the traditional method of transportation funding, is no longer able to provide the funds necessary to improve or maintain today’s transit systems. The impact of the two-thirds majority required to pass a tax initiative has also impacted the ability to acquire funding for transportation projects.

In 1998, the state of California had a \$6 billion deficit in the state transportation improvement plan. In the nine Bay Area counties, \$3 billion is

lost moving goods and services because of traffic gridlock, and in Santa Clara County alone, 35,000 hours a day are lost in productive time waiting in traffic stalled below the speed limit. Estimates are that California needs to commit between \$50 and \$60 billion over the next 10 years, which is double the planned spending, just to maintain the present transportation infrastructure.

Carl Guardino, President and CEO of The Manufacturing Group, offered insights into how The Manufacturing Group, along with a broad-base coalition of private and public-sector citizens lead Measures A and B to successful passage. Over nine years, \$1.4 billion in revenues will be raised for specific transportation improvements.

Charlotte Powers shared plans and goals that the Valley Transit Authority has over the next nine years thanks to Measure A and B funding. Not only are there plans to expand the light rail system, there are plans to integrate modes of transportation in a seamless manner, for example, the building of a light rail station in Mountain View which intersects with Caltrain.

Assemblyman Jim Cunneen discussed the three roadblocks to transportation improvement: funding, lack of space for improvements, and consumer acceptance. The use of technology not only to increase revenue but to lower maintenance costs are alternatives that the transportation industry and consumers must look into and seriously consider.

Finally, Paul Toliver shared his experience in King County, Washington, with the Regional Transit Authority and the initial failure of an initiative to build a regional high-capacity public transit system, including rail, for urban parts of King, Pierce and Snohomish counties. The initiative was repackaged and re-presented to voters a couple of years later and was passed overwhelmingly. What did the RTA do correctly the second time to ensure successful passage of their transportation package?

While the purpose of a forum such as *Who Will Pay?* is not to offer concrete solutions to transit funding problems, the forum suggests alternatives and permits policy makers and private citizens the chance to learn about new options and begin to explore the feasibility of those options in bringing the Silicon Valley's transportation system into the 21st century.

OPENING STATEMENTS

WELCOME BY BILL DERRICK

Welcome to this university and to the IISTPS Fall Forum.

My name is Bill Derrick, and I'm the Research Director for the Norman Y. Mineta International Institute for Surface Transportation Policy Studies, also known as the Mineta Transportation Institute.

Today's forum topic deals specifically with methods of funding transportation improvements, including managing our highway system, investing in better public transportation, fostering alternative modes such as bicycling and walking, and in essence, trying to create a better transportation future—a future that enhances availability and accessibility. These improvements are essential if we are to reverse our emerging transportation crisis.

What types of funding measures are best suited to achieving these objectives—gas taxes, sales taxes, or some other form of funding stream? How can public and business communities support this cure? What are the equity and fairness issues surrounding different funding processes? What has worked before? What has not worked?

We hope to be able to shed some light on these and other questions during the course of today's program.

Before we continue, I have a couple of housekeeping issues that I'd like to take care of.

First, if you parked your car on campus and did not receive a parking permit, there are parking permits available at the desk and at the back of the parking lots.

Also, we have two changes in the program as it was described in the brochure. First of all, U.S. Secretary of Transportation Rodney Slater, who was originally scheduled to be here, could not be with us today, and one of our original panelists, Assemblyman Fred Keeley, will also not be here due to a scheduling conflict. Nevertheless, we do have a very distinguished panel of experts here this morning and we're looking forward to a very stimulating and interesting program.

It's my honor at this point, to introduce Mr. Rod Diridon, who is the Executive Director of the Institute and who has provided leadership to the organization since its very inception. Rod needs little in the way of an introduction, having been at the vortex of virtually every transportation issue this region has faced

for many, many years—both as a county supervisor and as a nationally recognized transportation leader.

Rod.

ROD DIRIDON

We're having the proverbial microphone problems, so please bear with us while that is sorted out—and I'll tread water just a little bit, in order to allow us to do that while I'm speaking.

Let me retroactively introduce Bill Derrick to you. Bill is the Research Director for the Norman Y. Mineta International Institute for Surface Transportation Policy Studies—if you can say that fast you get my job. The other day I was fined at the Rotary Club. A fellow said I was going to be fined, and the fellow—the person—the president—said, “Can you say that backwards,” and I said, “Certainly” (turns around and begins to speak), and they didn't think that was funny, so it cost me \$200.

I'm here to give you a welcome from the university. President Bob Caret called this morning, and he has been called to go to the Chancellor's office down in Southern California, so he wasn't able to be with us, but he does extend his regards to you—and so I'm here to say welcome to San José State University. This fine institution is providing the facilities at no cost to us for the Institute's activities, and we sincerely appreciate it.

Also, although he'll be here to say this for himself a little bit later, Carl Guardino of the Manufacturing Group is on our panel, of course—and the Silicon Valley Manufacturing Group is another one of our co-sponsors. They had a very fine session yesterday talking about technologies available for solving our problems in transportation, and today's session is intended to follow up on those issues and to discuss the myriad of ways available for funding those technologies.

Our third co-sponsor is the San Francisco Bay Area Metropolitan Transportation Commission. We appreciate the MTC's co-sponsorship, and we're very pleased to have the new MTC Commissioner representing the cities in the Santa Clara Valley, Councilmember John Maclamore, of Santa Clara here with us today.

And finally, let me introduce for her comments, the Executive Director of the Silicon Valley Forum of the Commonwealth Club of California, Pat Thompson.

PAT THOMPSON

Good morning and welcome to today's jointly sponsored transportation forum.

I'm Pat Thompson, Executive Director of the Silicon Valley Forum of the Commonwealth Club of California—and Rod thinks he has troubles! I guess both of those titles are a bit long.

I would like to welcome any members who are joining us today and invite guests to consider membership—there is membership information outside the room, and our staff will be happy to answer any questions that you might have.

Here are a couple of reasons to join. Next Monday, November 23, Daniel Cavales will discuss the controversial MIT versus Baltimore case of the 1980s that became a modern-day medical witch hunt; and on Tuesday, December 8, Kim Polese, CEO of Marimba, will discuss the world's obsession with the Silicon Valley. Information about those events is available outside the ballroom.

Please note that there are question cards available on your table—these will be collected during the time of presentations for use during the question and answer portion of the forum. This forum will be transcribed and published so we would appreciate very much if you could put your name on your question card so that we can attribute it to you properly. Thank you very much for your time and to the presenters.

ROD DIRIDON

And thank you, and thank you to the Silicon Valley Forum of the Commonwealth Club of California. As you folks see their announcements from time to time, please do attend their sessions because they are quite informative—in fact I think you hosted Secretary Albright last week.

Let me conclude my introductory comments with a couple of special introductions.

We have two of the grand gentlemen of the transportation scene in the history of California here today—we have Senator Al Alquist, our own local senator who has chaired both the Assembly and the Senate Transportation Committees before becoming Budget Committee Chair for 32 years in the legislature. That's quite a wonderful legacy for our area and he's here—of course representing Elaine Alquist, the Assemblymember from the district just a little bit to the north of us.

And the other gentleman is now an attorney with the law firm of Nossan, Gunder, Thompson, Elliot—Senator John Foran. John was the Chair of the

Assembly's Transportation Committee and the Senate Transportation Committee for many years. He was very kind to Santa Clara Valley during the period of the expansion of our transportation systems and the Guadalupe Corridor Project.

John, very nice to have you here, too.

The next person that I'm going to introduce pays part of my salary, so we'll want to say a special thanks to Harry Yohata, who is the District Administrator for Caltrans, right back here.

As Pat mentioned, please do write your names on the question cards—and the question cards, by the way, will be given to Gary Richards. Gary will sort through them, and present them to the panel at the conclusion of the presentation. So make sure that your names are on those cards, so that we can give you credit for the question in the publication of the proceedings of this forum.

That publication will go to the state legislature and to the U.S. Congress to assist them in establishing policy on the subject of transportation financing, so please put your names down there—if you wouldn't mind, also print very legibly so that Gary can read your writing.

I think that probably covers all of the preliminaries, now let's get into the meat of the process.

One more note—there are various kinds of publications on the tables near the exits and you will be able to see those on the way out, or during the break period. Make sure that you pick some of those up and look at them. If you don't care to keep them and read them, make sure that you leave them for someone else to read.

The U.S. Department of Transportation through the Deputy Administrator of Research and Special Programs Administration, Dr. Van Beek, dropped off some of the summaries for TEA-21, the recently adopted Congressional action that reauthorized the surface transportation programs for the nation. This document is a very brief summary of that huge bill—if you were to look at the legislation, it would be from this high (indicates with hand) down to the ground—but this is a very functional brief summary for you to review.

And of course, the Commonwealth Club materials and our own publications for the Institute are out there as well.

Also, I'd like to mention, especially for anyone here who's interested in pursuing a Master of Science in Transportation Management, we do provide that degree through the San José State University College of Business.

Professor Rob Vitale is in the back of the room—he is the Education Director of the Institute, and if you would like to talk to anyone about pursuing that Master of Science degree in Transportation Management or a Certificate in Transportation Management, both of those are available through Professor Vitale’s offices. I’m sure he would be interested in discussing it with you.

Let’s move now to the panel. The intent today is to have each one of the panelists give something in the neighborhood of 20 to 30 minutes worth of comment, proceed then to the question and answer period—or have a break after their presentations, and have your box lunches—and then proceed into the question and answer period which will be the wrap-up.

I apologize to you that the Secretary of Transportation was required to cancel his visit with us, as did Assemblymember Keeley, who is at the Public Utilities Commission providing testimony this morning. So we will have two fewer panelists. Therefore, we can question our current panel of exceptionally well-prepared experts a little more in depth.

The person who will guide that process is “Mr. Roadshow,” Gary Richards, from the San Jose Mercury News.

Gary, who is a political science graduate from Iowa State University, spent the first ten years of his professional life as a sports editor covering the Big 10—the Big 8. He’s learned that there’s a little less risk of bruising in the transportation field.

Gary actually moved here to the Santa Clara Valley in 1984 and became the Associate Sports Editor for the Mercury News. Then he learned that it was a good idea to get into transportation, a much more exciting field, especially in our county—at that time, it was very exciting. Seven years ago he became the associate editor in charge of transportation for the Mercury News.

He was nominated for a Pulitzer Price in 1984, which is very prestigious as you know. He has set standards for transportation editorial work, as well as reporting, for our area and for the nation.

He lives in West San Jose with his wife and two children. He noted that he took light-rail to arrive here this morning—and that makes my little heart thump—and so we very much appreciate Gary Richards sharing the day with us and guiding our panel through a discussion of transportation financing.

Would you please greet now, Mr. Roadshow, Gary Richards.

GARY RICHARDS

Now, make sure you get this right: “Sports writer from Iowa covering transportation in California.” In Iowa, a traffic jam is four cars at a four-way stop—I kid you not—so it was a real eye opener when they asked me to do this. My first question was, “Why?” “Why do I want to get involved in this?” And in fact, my boss’s boss said, “Tell Gary to only write two or three questions a week in his column, because after a few months, it’s going to die out.”

Well, seven-plus years later, I now get around 300 questions a week, and the column which was 12 inches originally, now runs 35 to 45 inches. And the upside of it is, I feel like I’ve got all these ties out there, and it’s led to interesting debates.

The debates back in 1991, ran like this: “Why in the world do we have carpool lanes?” “Who invented metering lights? Let’s shoot that guy!” and “This trolley isn’t going to go anywhere!” Seven years later, there’s been a gradual change—and this change has been manifested in new questions as well, such as, “Why doesn’t the carpool lane go to SFO on 101?” “My God, when are they going to build that carpool lane on 880 and 680?” “When is light-rail going to Mountain View?” We’ll answer that one pretty soon.

This morning has been very interesting. Light-rail doesn’t go to my neighborhood, but I decided to take light-rail today, because I don’t want to risk getting a parking ticket at this university. I’ve gotten a few in the past. As I stood down at the light-rail station at Highways 85 and 87, I counted something like 72 people waiting for the train. And so I think, “Well, this is pretty good,” but then I get on the train—standing room only. And this is the same experience I had several years ago when I decided to do the story “Where is Light-Rail Going?” Granted, rapid transit doesn’t carry a large percentage of commuters, but light-rail—standing room only—is a far cry from what I saw seven years ago.

This morning, we’re going to talk about funding—and the traditional way we do this, is through the gasoline tax. I say “traditional way” because it is, but it is also a failing way. California, according to the California Taxpayers Association, now ranks 50th in the country in transportation funding—that’s 50th at the bottom end of the spectrum—and that’s actually a drop from 46th or 47th a few years ago.

So then, to fill in this transportation gap—the state recently had a \$6 billion transportation shortfall, and the Metropolitan Transportation Commission has projected that over the next 20 years California will have another multi-billion

dollar shortfall—we're talking a lot of zeros. They fell back to sales taxes, and these sales taxes have provided quite a few dollars in the larger picture and have served counties in California well in the development of transportation monies. Counties are now paying for projects that the state traditionally paid for, and these sources of funds are now being threatened. I think you're all familiar with the 1992 Santa Clara County sales tax effort passed by majority ballot—it was thrown out because these taxes, which specifically named the private sector and were going to be paid through these measures—they're called special taxes—now need a two-thirds vote. Santa Clara County came back in 1996 with another sales tax initiative, and Carl Guardino said we would be lucky to win by one percentage point. And I'm thinking, "Carl, you're crazy! This is a slam dunk—this county always passes these kinds of measures." It passed by a 51.8 percent majority—a very slim margin.

Why was it so slim? Because of the advisory measure, which states that the tax is simply a passive sales tax for a nine year period. The supervisors can give themselves a raise, they can build a new jail, they can do whatever they want with that money, but then they put this advisory measure on the ballot that says, "Hey, gee, we should get \$1.1 billion over the next nine years. Here's what we would like to do."

The voters who passed that advisory measure, barely passed the sales tax—it was upheld in a resounding decision by the courts, but would that tactic work in the future? That's a big question mark, because I guarantee you that a measure like that, if it wins at the ballot again, the Howard Jarvis people will sue—their attorney has said so—and when they sue, you have to listen to them, they're very powerful, and they usually only get involved in cases when they believe their chances of winning are very strong.

In fact, Marin and Sonoma Counties tried a simple Measure A and Measure B approach earlier this month, and both of the advisory measures passed overwhelmingly, 70 percent to 75 percent, no question about it, but on the tax itself, 47 percent, 45 percent, it couldn't get a majority vote—and this is to widen Highway 101 north of the Golden Gate Bridge! If you've ever driven 101 up through Santa Rosa and that neck of the woods, you know how bad that traffic is, and if they can't get that kind of tax passed, I don't believe any of the other counties will either.

San Benito County took a different approach: they went after the two-thirds vote, and they are one of only two in eighteen counties that have gotten a two-thirds vote on previous sales tax measures—their sales tax to widen Highway 25. Now if you live in Hollister, which more and more people are doing these days and commuting into the valley, Highway 25 is a two-lane bottleneck. And

I thought this was a slam dunk—56 percent of the vote. They failed to get two-thirds, so the sales taxes, which again provides one or two dollars statewide for transportation measures, are in extreme danger in the future, and they will go to court.

Alameda County is up next, I believe in the year 2000; they will try the A/B approach, but I don't think they'll pass it. I think Alameda County, you're talking about the Berkeley-Oakland area, is so much different than the Fremont area. This county (Santa Clara) is a little bit unique: It thinks more about doing things together; we've had a successful history with the sales tax.

Also, you've got to face that in the year 2000 you will probably be seeing on the ballot a proposal for a gasoline tax for the nine Bay Area counties—not a statewide tax, just the nine Bay Area counties. Governor Wilson signed the legislation, it will be put on the ballot, but will it pass? Right now, they need two-thirds vote, and I'm not very optimistic.

I spoke to a group in Los Altos—300 people in this church—and I said, “How many of you would like to see a 10 cent a gallon gasoline tax?” Whoa!...I heard this murmur go through the crowd, and then I said, “How much does the sales tax equal in gasoline tax?” The estimates on the sales taxes in Santa Clara County have ranged from 15 to 17 cents to become equivalent to the gasoline tax. People like the sales tax. The sales tax sounds like it doesn't cost very much.

I go to Burger King and I get my iced tea and fries, and I pay a few cents more—I think I can handle that. But when you multiply what may be the equivalent of the gasoline tax, and that's getting to be a lot of money for the county, in fact, this county has talked about assessing fees and developing new measures, but that's kind of in limbo right now.

Everybody is exploring new ways, your new proposals, to put toll lanes on 680 and on 101 in Marin, and those have had mixed results.

I'm going to tell you a story. It involves a discussion I had with Bill Lockyer. Bill Lockyer does not favor toll lanes; he thinks our lanes are freeways, and he told me, “Your audience will not support toll lanes on 680.” So I've got this huge database of commuters, and I call up 24 commuters, and I ask them a two-pronged question.

The first part of the question was, “Would you pay a toll on 680?”

“No, I would not pay a toll, no way!” It's like two out of three said, “No way would I pay a toll.”

Then I asked them “Why wouldn’t you pay a toll? Would a dollar toll be too much? Would a fifty cent toll be too much? Would two dollars be too much?” “No,” they almost all said, “I’d pay a toll to get out of traffic, but I don’t want to stop at a toll booth.” That was their perception—that they would have to stop at a toll booth. So then I came back and said, “There won’t be any toll booth; if they ever put tolls on 680, they would be transponders, and the cars would speed through like the trial on Highway 91 in Orange County and on I-15 in San Diego. You won’t stop to pay.” When they heard that, it was like two out of three of them told me, “Okay. I’d pay a toll to get out of that traffic on the Sunol Grade.” And I thought that was an interesting dynamic regarding how people think.

You’re going to see electronic tolls coming. They were supposed to arrive September of this year (1998). Now they’re projected to arrive in the summer of next year on all of the bay bridges, except for the Golden Gate. And it will be interesting to see how successful they will be.

The MTC has been pushing congestion-pricing as another way of raising revenue on the Bay Bridge: their study has projected a 40 percent decrease in congestion. But raising tolls is a political football, and no one wants to charge people \$4 tolls during their commute. So that idea has been put on a shelf.

Something that’s going to be very interesting is the involvement of the “Environmental Defense Fund Group.” I think they are one of the more respected environmental groups dealing with transportation. But they have not been very active with the sales tax measures. However, they were very active with the congestion-pricing on the Bay Bridge. And they went to Sacramento trying to get support for that. And as their transportation leader said, “We weren’t even on the radar screen; we couldn’t even get an audience most of the time.”

So as the congestion crisis went down in view of the Bay Bridge, they said, “Okay, we’re going to get some attention. We’re going to fight these sales tax measures in Marin and Sonoma Counties.” The sales tax measures of Santa Clara County basically had no opposition, and yet it barely passed. Now the EDF is getting involved in the sales tax measures in Marin and Sonoma Counties, and they lose. What’s more, it’s by a majority of the ballot. If Santa Clara County comes back with a sales tax measure, probably in five more years, that’s how soon we’re talking about, you can bet that unless some things change, the EDF will be fighting here against that sales tax too.

Carl Guardino, who has been an advocate of sales tax measures, will probably tell you that sales tax is not a very good way of raising transportation dollars. He has said that in a class that I teach; supporting sales taxes is not a very good

way to fund transportation improvements. The reasons it's not a very good idea are, for example, the amount we pay to drive our cars, the amount we pay for transportation, and the fact that we really don't like to deal with pain as we drive.

I'm going to give a quick introduction for each of the panel members, and come back with a few housekeeping chores, and then, we will get started.

Charlotte Powers is the Chairperson of the Santa Clara Valley Transportation Authority.

Until six years ago, the County Board of Supervisors called most of the shots in transportation in this region. Now, they are separate from the county. We have a VTA board with twelve officials, including two council people, five officials from San Jose, and five officials from other cities. It is a board that most of the transportation experts that I've talked to love. These officials do not like elected boards like you see at BART. They also do not like boards where elected officials are directly appointed and are very involved in policy like you see in Los Angeles, and so, it's a board that seems to work. Small cities seem to believe that they have a say in what goes on around the valley, when they felt that they didn't have a say a few years ago.

And Charlotte, as a member of the San Jose City Council has been sitting on the VTA board for a couple of years. She is now the chairperson.

The other speaker is Paul Toliver.

Paul is the Director of Transportation for King County, Washington. Their transportation authority is just the opposite of the VTA. Paul is also from the Bay Area and worked at San Francisco MUNI for a number of years. You can ask him about that MUNI train that ran without a train driver one day, and he'll tell you, "I wasn't there."

And we have Jim Cunneen.

Jim is an assemblymember from the west side, and has been very instrumental in transportation problems. Back when Highway 85 opened up in 1994, I started getting calls from motorists asking, "Why isn't there a median barrier?" And I started writing stories before that freeway opened about why there were no median barriers. And basically, the only state policy was a median of 46 feet or wider, 15 feet of median barrier, and previous studies have shown that that the rate of crossing over and accidents is very low. But this is a different freeway; it's a very flat freeway, it's very high-speed freeway. In fact, as I was driving down 85 today, doing 70 m.p.h. in the slow lane, I had a man behind me flashing his lights at me to move over...to where, I don't know.

It's probably as fast as 280, if not the freeway with the fastest speeds in the area. And the motorists could see this coming—and unfortunately they were right. There were a number of crossover accidents and several fatalities. Jim finally got involved with Caltrans to speed up the installation of the guardrail there, and also to change the state policy about when they could install guardrails. So there are freeways around the state now that have guardrails, thanks to Jim's work.

Jim has also been very active in dealing with the problems that Highway 17 commuters have; it doesn't take much; it takes a hiccup to close down 17—and many of these mountain people who live south of the summit are on the Santa Clara County side saying “Gee, we're stuck in this traffic—stopped—we can't get to pick up our kids at the school up there, and we can't get home at night.” Jim has set the policy where now they're going to issue ID cards so some of those people can get home.

And last, but not least—and he just walked in right now—Carl Guardino.

Carl is the CEO of the Silicon Valley Manufacturing Group.

Carl's name is in the record books. In the Supreme Court Measure in 1992, I think it was called Guardino v. Santa Clara County traffic. Basically, they sued themselves in a preemptive strike because they knew a lawsuit was coming over the sales tax, so when the sales tax went down in defeat, Carl won. Try to figure that one out.

I think, Carl, you have a time limit today, right? So we're going to lead off with Carl.

Again, write your questions down; Carl, if we have any questions for you, since you have to run, you can take a few.

Now, I present to you Carl Guardino. He's in all the legal books, and he's the CEO of Silicon Valley Manufacturing Group. Yesterday, they held a very interesting seminar on transportation technology, which has been getting a lot of attention.

But when you look at finance, you look at the ways that technology can play a role. Carl Guardino.

CARL GUARDINO

What a pleasure it is to be here this morning. I want to thank Rod Diridon for leading the IISTPS, for leading this conference today, and for his incredible vision in the Valley that provides us the opportunity to continue to shape our

transportation land-use and housing policies here in the Valley and throughout the Bay Area.

It is really a pleasure to be here today. When I heard that Gary Richards, Mr. Roadshow himself was the moderator, I thought I'd look to him in shaping my speech, as a journalist would with the "who, what, where, when, and why" that any good story should have. In responding to the question, "lessons learned from my experiences in organizing business, community support for major transportation funding initiatives." So I will set out to answer the who, what, where, when, and why this morning. And Gary, you can let me know if I did it right.

I'm going to start with a story. How many of us have ever been to Houston, Texas? Wow, impressive, about half. About five years ago, on a business trip for Hewlett-Packard Company, I went to Houston for five days. And if you have not been to Houston, those who raised their hands know, as I found out, Houston is a huge metropolitan area; it's 2½ million people totally encapsulated in a 58 square-mile area with a concrete structure that they call their beltway or their freeway system. I didn't know that before I arrived.

So each day of my five day business trip, I would go out to my hotel after my work was done and put on my jogging clothes, and I would jog along that grassy area right along the beltway, their freeway system, and I started to notice something very curious from that very first jog, something that happened, and on every single night. What I realized was that I was jogging faster than commuter traffic was traveling in Houston, Texas. And I'm going to let you on a little secret; I am not a good runner. This should not *even* happen. Yet, it was happening.

And something even more curious, after three to five days, I noticed that I was seeing the exact same cars in almost the exact same position every single night, and I started to wonder to myself, "Am I catching you during your normal commute time or have you not moved at all in the last five days?"

Being from California, I'm a pretty friendly guy. And Texans, by their very nature, are friendly and very proud of their state, so they and I would smile and wave at each other, and I would jog faster, and they were very friendly about it at first. Then, I became a frustrating reminder that I was traveling faster on foot than they were in their four-wheel drives, and I think it started getting to their Texas pride a little bit, because by the third night, when I was smiling and waving, they were still waving but it wasn't with that same Houston enthusiasm. By the fourth night I still saw teeth, but it was no longer a smile; it was more of a grimace. Finally by the fifth night, oh sure, they were waving at me, but they weren't using all five fingers anymore. Now, what's frustrating

about that true story is that in Houston, Texas, where I jog faster than their commuter traffic travels, each year the Texas Transportation Institute, measures the 30 largest metropolitan areas in the country, and Houston is consistently the fifth or sixth most traffic congested region in the United States. And of course, I think all of us in this room know where the Bay Area consistently ranks; we're usually number two or at best number three, and we're usually behind Los Angeles. And we all know that Bay Area residents don't like their traffic conditions being compared to those of L.A., so the "why" nonetheless is learned, "Why do employers care?" And the answer is lack of self-interest.

In California today, we have a \$6 billion deficit in the state transportation improvement plan: in the nine Bay Area counties, we lose about \$3 billion a year moving goods, services and ourselves well below the speed limit, and in Santa Clara County alone, we lose 35,000 hours a day in commute traffic stalled below the speed limit.

Employers care in an information-age-based-economy, because their employees care, and our employers recognize that if your employees aren't happy, they're not going to live here, because they can live and work anywhere in the country and quite often in the world that they want to and still do business in the high tech industry. And if they're not happy with the quality of life here, traffic and other issues being key factors, we are not going to succeed. That clearly is why employers care. It's not just looking at the next quarter, but the next quarter century in terms of whether the valley will remain a viable place to live, to work, and to conduct business.

What have we accomplished as businesses in the Valley? Answering this will answer the question that I was asked to respond to, "What have I learned from my experiences in organizing business and community support for major transportation funding initiatives?"

Here's a quick overview, since some of you are not from the area. In 1984, with the leadership of people like now-Congresswoman Zoe Lofgren, the Manufacturing Group had the pleasure of leading the state's first successful half-cent sales tax, dedicated for transportation improvements. That measure, known lovingly in this area as Measure A, was a 10-year half-cent sales tax, for three specific highway improvements. That project list was delivered on time, and on budget; it became a statewide model emulated by 17 other counties, those 18 counties represent more than eight out of every ten Californians. And those measures provide one of every two transportation dollars going into our infrastructure today—a huge success.

In 1996, again, the Manufacturing Group, with a broad-base coalition of citizens, mainly private, but also public sector, led new measures, twin measures known as Measures A and B; a new approach to meet the spirit and the letter of the law were again successful. And over the next nine years, a nine-year measure this time instead of ten, we will generate \$1.4 billion local money for specific transportation improvements that will be carried out by our board of supervisors with a fiduciary responsibility in our Valley Transportation Authority board as project managers. Big successes in terms of the “what” we as a community together have accomplished.

The “who” is very important too in terms of lessons learned.

Who was involved?

It was private-sector led. And why is that important? When elected officials ask for your money and say that they need to increase your taxes, I think as citizens, we are just a little bit more skeptical about whether that’s needed. When a private citizen comes forward and says, “I’m going to tax myself, and I hope you are too,” that adds more credibility. When the business community says that, it heightens it even more.

Why is that? I think it’s a lot harder for me to reach into my level and take out funding than it is for me to reach into Charlotte’s or Gary’s or anyone else’s wallets in this room. It always seems easy to reach into our neighbor’s wallets. When we’re willing to do the same thing to ourselves—that means something. And when we’re talking about a 1/2-cent sales tax that in this county, and 42 cents of every tax dollar is paid for by private businesses, then you know we’re serious.

The second element under the “who” list in terms of involvement, is the coalition, the SVMG. We operate on a basic principle at the Manufacturing Group, and it’s called our “95/5 principle.” This is an important lesson that we have learned over the years. No matter how diverse we think we are in terms of the political spectrum, if it came right down to it we’d probably agree on 95 percent of the issues, and to be quite honest with you, vehemently disagree on five percent. Yet, we tend to focus on the five percent where we disagree and probably will never find agreement, and therefore never build coalitions that will move our community forward. Why not instead, focus on the 95 percent where we can find agreement, and go forward as a valley that cares about its future vision? So the 95/5 principle allowed us to build a coalition of several hundred organizations and individuals.

The third principle on “who” was involved is that those involved weren’t just involved in name only. They were involved in a roll-up-your-sleeves, lead-the-effort type of way. And that was to ensure a role for everyone.

John F. Kennedy once said that a committee is 12 people doing the work of one, and that is quite often the case. When we try to build a coalition for us today, our goal, through the Citizens Coalitions, is to have 300 people doing the work of 3,000 by getting them involved and giving them ownership.

Let me give a couple of quick examples. We had a fund raising committee of about 45 community leaders. Rod Diridon in this room, and several others served on that committee chaired by Lou Platt, the President, Chairman and CEO of Hewlett-Packard Company. We had a goal of raising \$1.4 million to run that campaign. Well, Lou, in 16 phone calls, was able to raise \$750,000. Not everyone can do that.

It was equally important, from our perspective, that Jim Sayer, President of the Greenbelt Alliance could make 15 phone calls and raise \$600 total. Why? Because Jim knew that he was at the table and had buy-in, and owned it. And that went throughout that fund raising committee; we were able to conduct 200 speeches to community groups and organizations such as the Lions, the Elks, and all the other entities, groups, neighborhood associations, city councils, planning commissions, etc.

Yet, with that broad-based coalition, I didn’t go to speak to senior citizens. No, the woman from the Congress of California Seniors went and spoke to her peers. I rarely went to labor unions; John Niece and ABD labor leaders from the valley went to speak to their peers. They owned it, they delivered it, they were accepted.

One of the most exciting ingredients was in-house employee education campaigns; 103 of the most respected employers in the valley, fitting with the corporate culture of their companies, allowed campaigns to be run in their companies. With nine different loaned executives working from one to seven days a week, they contacted their peers in companies who then ran campaigns in their companies, newsletter articles, email messages, desk drops, messages from the CEO letting them know about the election and why it was important to the valley that they vote—not how they vote, but that they vote, and simply providing information, both pro and con.

What are the lessons learned about when to run campaigns for people to tax themselves?

You want to run it in elections where there are as many voters coming out as possible—that’s different if you’ve ever worked on a school board election

where you're usually doing a special election with very targeted mail. For taxes and for transportation, you always have a selected electorate. I think this was true in the 1976 measure for the transit district. In 1978, you did; in 1970, you did special elections. When we did the 1984, 1992, and 1996 successful half-cent sales tax measures, all of them were in presidential general elections. The biggest turnout, the most young voters, the most idealistic voters possible help to win these elections.

And then finally the "where," and that is, "Where must we begin?"

In 1997, Governor Wilson signed legislation that the Metropolitan Transportation Commission on the public side and the Manufacturing Group on the private side, sponsored. And that was AB595 which allowed us to vote on a regional gas tax. John Foran helped lobby successfully for that bill—we still thank you, John, for all those doors you knocked on. He still has the bruises on his knuckles.

We were able to get that bill to the governor and signed after five years of trying. Five years, just to sign enabling legislation to let the citizens in the nine county Bay Area determine their own destiny! Over the next couple of years, with more focus groups and surveys, we will determine if the climate is right to put a regional gas tax measure on the ballot that shares many of the traits of our successful half-cent sales tax measures—that it is accountable, that it has specific projects, that it ends after a specific amount of years, and that we have a return-to-source, so that there's geographical equity in these project lists.

We will do it as a region; just as we did it as individual counties. Yet, I am so delighted that leaders like Assemblyman Jim Cunneen, Assemblyman Fred Keeley, and others like them represent our area, because they recognize that, while we're willing to do it as a county, and we're willing to try to do it as a region, what we really need is the political courage to do it as a state; and we need a statewide plan that is going to move California's economy and its residents forward.

The biggest lesson that we've learned is, if we don't have that leadership, we'll do it ourselves. Yet tangentially, we need to continue to work with good legislators like Jim to make sure that the state knows that we need a long-term statewide plan.

I was told to speak for 30 minutes—I'm not going to do that to you—it's been 14 already.

I'm going to close with a story, and then allow some time to answer questions.

I started to do this speech by referring to Texas, so I'd like to close in Austin, if I may. There's the story of a Texas billionaire who is throwing a party at his house. At the end of the evening, he invites all of his guests to join him by the swimming pool, and when they surround that pool, they quickly notice that he has put two live alligators in the pool. And as they absorb that shocking event, he lifts up a satchel that's next to him, and he holds it above his head. Then he says, "I'll give the \$1 million that's in this bag to the first guest here who's brave enough to jump into the water and swim across to the other side."

Well, he barely finishes laying down this proposal, when he hears a big splash, sees a body scampering across the waves and climbing out all wet on the other side of the pool. He's impressed, and he picks up the bag, walks around to the other side of the pool, taps the young lady on the back and says, "Ma'am, that was the bravest thing I have ever seen in my life. You deserve this money, but before I give it to you, is there anything that you would like to say?"

Still out of breath, trying to compose herself, she looks him right in the eye and says, "Yes, just one thing. Who pushed me in?"

If you're at the IISTPS conference today, you're probably already in the pool and helping to lead our valley and our state on these transportation issues, so please grab one person with each arm and push them in the pool too. We're in a crisis in California when it comes to our infrastructure and it's going to take all of us pushing together to accomplish our mantra at the Manufacturing Group that "working together works." If we are going to build the capacity we need both road and rail to move our state forward. Thank you very much for your time.

My colleague Gary has asked if there were a couple of quick questions about lessons we've learned about passing transportation initiatives.

GARY RICHARDS

And I would like you to raise your hand and come up to the microphone and please state your name.

JOHN FORAN

This is a question that I want to throw out to you and to the panel, with respect to what the attitude would be in Santa Clara County—Gary has spoken about the difficulty of obtaining a two-thirds vote for transportation purposes—if there were initiatives put forward either by collecting signatures, or by legislative action, that would reverse the method by which the vote is taken, so that where you have specific objectives such as the transportation measure, you

would only require a majority vote, and when you have general taxation which can be spent for any purposes, then you would require the two-thirds vote. It seems to me that the people have supported the measures that were advisory; they seem to go along with that. But if we were to reverse the voting part of it, I just wonder if there would be a sort of an attitude from Santa Clara County as to how that would be received?

CARL GUARDINO

Why don't we start with this. I think we all heard Senator Foran. Again, a simple-majority or two-thirds; let me answer it in two ways.

The first is, it is a bit ironic if everyone is paying and everyone is benefiting with a sales tax, that we need a higher threshold in a democracy than a majority plus one vote. Now, I understand the higher threshold if it is something that not everyone is paying into, such as the property tax. There is some logic that there may be some type of a higher threshold for that just logically, but for something like the sales tax or a gas tax, where pretty much everyone is paying and everyone is benefiting, I think the majority vote plus one is just fair in a democracy. Why should Gary and I vote the same way "yes" on something, and Charlotte wants to vote "no?" Why should Charlotte's vote be worth two other American citizen's votes? So I have a philosophical problem with that.

The second issue is a fascinating one, and that is we've turned logic on its head, we require a higher threshold, and therefore, it is more difficult to *not* have accountability. We allow a general tax to pass for a majority vote, but a specific tax where as taxpayers we know where our money is going requires a two-thirds vote at the lower level. And to me, that seems like we have flipped logic on its head.

I personally would like to see government operate in such a way that they are more accountable, and we know where our tax dollars are being spent. I would like to reward that with a specific list that we can pass rather than a general tax. To me, it just seems logical that we review that; I don't know if that's how the majority of Californians feel.

And I'm not even speaking for the Manufacturing Group in essence, but on a personal level; it just doesn't seem to be logical. And I agree with your statement, and I'm sure others would want to comment on that as well.

JIM CUNNEEN

Hi, everyone. I apologize for being late.

I guess my formal remarks will come in a moment, but I will respond to that, Senator, in the following way.

First, in agreement with Carl—and he and I actually had one conversation about it—the principle of the super-majority is sound when you’re asking a sub-group of society to pay; for instance, I agree with the argument that school bonds at the local level ought to be a super-majority.

As a logical progression of this point, I also believe that a simple-majority is flawed only when the funding and mechanism that they’re asking to pay for is a sub-group, for instance the property owners. So where everyone gets to vote to tell one sub-group in society to pay the bill, in that case, having a higher threshold, to me, exudes common sense.

But in the case of a broad and general tax, not a specific tax, a broad tax that we all pay, like a sales tax, if we all pay and we all benefit from the outcome, I can see a greater argument for a simple-majority vote, or at least a lower threshold vote if that is the political compromise that needs to take place.

Speaking indirectly to the logic of your question on a specific tax, it’s a little tricky. On a broad, global scale, you could say, “Yeah, it ought to be simple-majority for the specific tax,” and then mention transportation as the example—something that is broadly used and benefits society.

But suppose the specific tax is for something not quite as popular, a more specific agenda of one group, or ideology? In that case, the protection of the simple-majority may be more warranted. I think a lot of things need to be thought through before we embrace the broad notion, to see how it might also be abused in other issue areas where it may require an unprecedented community effort in support for a particular tax initiative.

So I think there is a real policy conundrum that will be controversial in embracing that kind of concept, although in a general aspect of a general tax that everybody pays and everyone benefits from the outcome, I can see entering into that conversation. It would be much more difficult in my political party to do that, but I certainly would be willing to enter into that kind of discussion.

CHARLOTTE POWERS

Long ago, when I was in the education business, we learned in the school district that I worked in, that when you were putting the tax measure on the ballot for our schools to improve them, if you had specific projects mentioned that were going to be achieved, and you detailed how that money was going to be spent and how the board of trustees for that school district was going to be

accountable, then the parents would support it, and the residents of the community would support it. However, when it was nebulous, it was not supported, or it was only supported by a majority of the vote, and I think that's very critical. And we learned that long ago. You have to list what your projects are going to be.

Additionally, I have a little disagreement with Jim, in that I'm a landowner. I have three properties that I rent out. The rents that I levy on those properties include enough money for me to pay the property tax, so in essence, the persons that rent those properties are helping to pay the property tax that I'm responsible for. So I think that everybody contributes in some way or another. If you live in an apartment, the rent you pay helps to pay for that person's (the owner's) property assessment.

JIM CUNNEEN

Not in a rent-control city.

GARY RICHARDS

Carl does have to run; we can take a couple more questions for Carl.

BARBARA GRACE

Thank you very much. My name is Barbara Grace.

I'm a citizen-supporter of Measure A, and I worked very hard for it. Since that time, I've had a little different thinking about transportation, and I want to ask, and I'm afraid it's not a real simple question.

In thinking about it, I think that the mistake that we made was that we did not have an integrated approach, because now what I get to choose from is, instead of sitting in traffic on Highway 280, is whether to sit in traffic on either Highway 85 or Highway 280. And also, with every earthquake, I get to watch the sound-walls fall down to the tune of \$1 million per mile.

So what I've been thinking about is, that time when I was a big supporter and I thought if we could just infuse some money, we could win this transportation battle. Now I'm thinking we have to not only think about roadways, we also have to think about mass-transit. And we have to think about land use. What good does building more roads do if we're sprawling in such a way that I have to get in my car to even get a loaf of bread somewhere; how do I integrate that kind of thinking into supporting a new infusion of cash into the whole process?

That's not an easy question, but I hope you can give me some answers.

CARL GUARDINO

I have a one-word response, and then a longer one. But the one-word response, Barbara, is “Amen.”

The longer one is that we couldn’t agree more at the Manufacturing Group. That’s why our 1996 measure was divided into 60 percent for rail transit: Caltrain connection to BART and three new light-rail lines, and 40 percent for roads, including a whole gamut of improvements, smart road improvements, money for bicycle lanes, and improvements throughout the county.

Because we have to have an integrated approach, I couldn’t underscore your words more. We have to link transportation with housing, land use, education, employment and entertainment centers; we have to have a sustainable valley if we’re going to have a successful valley. That’s why we did so much work on housing, land use, transportation, and the environment. We never, ever disconnect them. Why?

Think of it as this table Charlotte and I are at. It has four legs—housing, land use, transportation, and the environment. If you remove any of those legs, or if you shortchange one, the table is going to tip over. If you build all four legs together, you can balance that foundation for community action. If you don’t do that, then instead of the four legs of the table, you have the Four Horsemen of the Apocalypse, and it’s not sustainable. So in everything we do, we link land use, housing, transportation, and the environment, and you’re absolutely right.

JIM CUNNEEN

I’d like to make a quick comment on this as well, and I know that we will still have time for Charlotte and I to make our presentations at some point. But I want at least to talk about one of the assertions that I’m going to make in my remarks, and that is that we have to give more attention and even more funding to what I’ll call “third-way initiatives” in transportation planning.

These go beyond just the traditional way, at least from the public’s perception of, “is the focus on either highways or transit?” But what these ways have in common is build, build, build. There has to be more attention from policy makers and transportation policy experts to third-way initiatives too, with a focus on things like demands, alternatives to driving, market forces, market kinds of demands, pricing, and technology initiatives.

I’m going to talk a little bit about those, because I do think that while they are addressed—and I give the Manufacturing Group great credit for trying to address them—we really don’t give enough attention to this third-way

initiative principle as a stand-alone alternative to the traditional debate in solving the transportation crisis. That's why a lot of those types of alternatives are, I think, underfunded.

So that will be part of my more formal remarks, and I'll be glad to get into more detail on those remarks and take questions afterwards.

GARY RICHARDS

Okay, Shelley, we'll take one more question and then get back on schedule.

MEMBER OF THE AUDIENCE (SHELLEY)

Mr. Roadshow, Mr. Chairman, a question about the *San Jose Mercury News* report about six months ago about the ridership we have in transit. I was glad to see that the ridership has risen to 148,800 trips per day. I was glad to see that increase in ridership; however, Senator Quentin Kopp would say, "Simply divide that figure by two, and come up with 75,000 people in the county using mass-transit," that is, the buses, streetcars, and trains. Yet, we've got 1,600,000 plus people in the county.

If we divide the 75,000 figure into the other figure, that's less than one half of one percent. Yet on Measure B, we'll be spending \$840 million now to do a 60 percent of 1.4 billion split for mass-transit, to build the West Tasman Corridor, to build the Consumnes Corridor, to build into Milpitas, and out to Eastridge Shopping Center, towards that area. The question is, "is that justified?"

Who represents the automobile and truck driver in the county, who seems to be more or less put down? I see no quality of representation for that constituency. And yet, that group is the one that provides the mobility, moves the goods and people most often.

Yes, you're supposed to stay home and use telecommuting, and that's probably risen to 10 percent, maybe 15 percent for our daily trips that occur from home instead of using the other. So I think we really need a more constituent-based policy of using roads and highways at a higher level of operation than we have at the present time, than I've seen the organization really forwarding and putting together for any of the hot spots in the present transportation system and planning in the future.

If we don't ask for money for roadways or for freeways, then we certainly won't get them, and we haven't been asking for them. Mass-transit also supports probably an 87 percent, or somewhere between 85 and 90 percent subsidy in the first place for the maintenance and operation of a mass-transit

system, but there seems to be a one-year wait for the roads and the highways and freeways. Yet, we can't afford to do that in our county.

The question basically is what kind of a cost-benefit do we have between mass-transit and the cost and effectiveness of roadways themselves?

I would like to ask that question as a general question for the conference to be able to discuss this, and for the speakers to look at and talk about that as well.

Thank you, Mr. Roadshow.

CHARLOTTE POWERS

I'd like to take a stab at that.

Most major cities in this country, and in fact, in this world, have transportation systems that are mass-transit systems, moving people to work, and home, and to the theater, all over to wherever they're going. And people use those systems. It seems that on the West Coast we've had somewhat of an aversion to having mass-transit systems, and we've been wedded to the automobile for a number of years. But if we were to build freeways that people think they want, there wouldn't be any room for us to live. You can only pave so much; you've got to look at some new ways to move people to and from wherever they're going.

And not just to work, because people will use mass-transit in many other cities. I just visited New York, and we took a tour of the subway system, which they have completely restored and revitalized, and it's just jammed with people going places. Cities a similar size to ours in Europe, for example Dublin, Ireland, have mass-transit systems that are moving people to and from work, and they're successful; people are involved with that.

You just can't build roads; there wouldn't be anything left if you did, and there is a quality of life issue—cars pollute the road.

GARY RICHARDS:

We'll come back to this in just a minute.

MEMBER OF THE AUDIENCE

Let's do come back to that. And just remember that we can either build up or down, either, as you pointed out. And we can also convert our expressways too, Mrs. Powers.

GARY RICHARDS

I want to introduce a new San Jose City Council person, Linda Sach.

Linda, now you should call me back when I call you, because I voted for you.

Our next speaker is going to be Charlotte Powers. Charlotte has lived in San Jose for 35 years. She's been on the City Council since 1992, elected to a second term in 1996. She represents the Santa Teresa area of San Jose. She's on a ton of boards. You have her resumé in your packet. As far as I'm concerned, she's the chairperson of the VTA.

I actually felt sorry for Charlotte when she joined the VTA because, whether you are for or against term limits, one of the difficulties in dealing with transportation as elected officials, is that the learning curve is so high. You ought to see the new VTA members when they come on the board; their eyes are like that of a first-grader on his first day of school. I have a first-grader, so I saw those eyes this year, and it is a lot to learn in a very short time.

Charlotte has quickly become one of the leaders in the VTA. She serves as the Chairperson, and she can talk with authority about the Valley Transportation Authority.

CHARLOTTE POWERS:

I think we've done very well here this morning, so I don't know how much more we need to say. Most everybody who's talked so far has covered probably most of the issues, but I'd sure like thank you all for being here.

I have a very easy solution for all of the problems brought up today, and that is to go into the basement and print money, so now we can all go home, I guess.

I'd like to thank Gary specifically because Highway 87 is a very important piece of the transportation puzzle in Santa Clara County, and thank you for the detours underway. We're really happy, because now we can start working on the rest of Highway 87 and get that promise fulfilled to our commuters.

Carl left out a little bit more in his "how," segment, and that is that we also need to look at our transportation system as more than just getting people to and from work. We need to get people to as many places as possible, as I mentioned to Mr. Williams just a minute ago. People should be going to the theater on the light-rail line; they should be able to.

Many of them do come downtown when we have special events in the downtown area and they take the light-rail over from south San Jose, which is about the only place you can take it from at this point, because our system is not complete. But six years ago, the voters of Santa Clara Valley voted at the

polls to separate the then Transportation Department from the County Board of Supervisors, and to establish a new agency. After the voters gave us the advisory vote, thanks to Senator Alquist, who carried the legislation for us in the state legislature, we were enabled to form our “authority,” as it is called.

There are 15 cities and unincorporated areas of the county in this authority, which includes about 1,300 square miles. We have 1.7 million residents, who comprise 25 percent of the Bay Area’s population, 4,100 high technology firms, and we hold 30 percent of the Bay Area’s jobs.

We are really a driving force in this community. As I said, the board is made up of 12 individuals, two county supervisors, and I think Gary alluded to this, five San Jose City Council members. And then, the rest of the board is composed of representatives from the smaller cities who are aggregated together to make a somewhat light population as the council members have indicated.

Our vision of our organization is to provide a transportation system that allows anyone to go anywhere in the region easily and efficiently. That’s a mighty tall order, but we’re working very hard on that. Our mission statement is to provide the public with a safe and efficient countywide transportation system—a system that increases access and mobility, reduces congestion, improves the environment, and supports economic development, thereby enhancing the quality of life. And those items are very important.

As we do things, we always keep that mission statement in our minds, because in our strategic plan and our planning efforts, the customer is the number one person who we are serving, and he or she is the person to whom we need to listen.

You’ve already heard about a lot of the tax measures. We’re going to have less and less for each of us to say, because we’re all going to start repeating ourselves pretty soon. But in 1976, there was a half-cent local sales tax that was for transit operations, and every six years voters have had a chance to reaffirm that on the ballot, and they have been very consistent in affirming that that half-cent sales tax meant for operations be continued. This certainly has made a difference as to the quality of transportation systems that we have in our area.

In 1984, we had the original Measure A, which gave us \$900 million and generated Highway 85, for one thing. It also generated the last piece of the light-rail line and generated some of the Premium Line, which is now being constructed up to Mountain View. It was a half-cent sales tax, specifically for highway projects, and it had a 10-year life. Then, as you have heard, we went back to the voters, and we were successful, but in the course of all of these

successful votes, we also lost. That's why Carl Guardino's name is known throughout the state.

I have attended many a League of California Cities' meetings where Carl Guardino's name has been tossed out as the "Guardino decision," which is what it's being used to refer to, and everybody turns around and looks at us in Santa Clara County and says "why didn't you win that?" because there were a lot of their other cities that were also riding on the same thing.

Again, in 1996, Measure A/B was approved by the voters, which was a half-cent sales tax for transit in the transportation projects with a nine year lifetime. Well, we spent the first two years, as you well know, in court, so now we're making up for a lot of that time trying to move projects ahead and to move them ahead faster.

Now the question is—and I pose this question to you—"Would you like to see all of these projects under construction at about the same time creating absolute chaos in the valley, or would you rather have it staggered out and have chaos for a longer period of time?" That's the question that we're trying to face now—do we do all of the projects at one time, or do we spread them out, because there are a lot of highway projects in that package. It's half and half—half highway and half mass-transit.

The 1996 Measure A/B will complete the Highway 87/101, and Highway 87/85 interchanges in the southbound area of San Jose. It will complete Highway 85 and 101 connections in the southern area of San Jose. It will widen 101 from San Jose to Morgan Hill. It will improve some of the Montague Expressway and the Calaveras/Route 237 project.

And there's also quite a bit in there for maintenance of streets for each city in the county; each city will receive a small amount to have on an annual basis for maintaining their streets and sidewalks, etc. In each city, the measure has a nine year lifetime, estimated at 1.1 billion, but obviously, since the economy has improved and this is a sales tax, it is much more than that at this time; and it's also been earning a little bit of interest as time has gone along.

Our strategic plan at the VTA is to enhance our customer focus—to improve mobility and access, to integrate transportation and land use, to maintain this financial stability that we have been so successful at achieving over this time, and to increase employee-ownership. You know, all of these things work together, and one piece without the others does not make a successful transportation agency.

We also like to see how well we're doing, so we do an annual on-board survey of all of the people who ride our buses and our light-rail lines, and our surveys have shown in the last few years that the satisfaction rate is going up.

When the VTA was first formed, it was pretty low in performance measurement, and it really had almost a negative point of view in the public's eye. But in the last four years since the new VTA has really been moving forward, that has changed. Our last survey indicated that a general majority supported VTA performance and services, and actually, VTA was becoming a household word. That's what you want; you want people to think transportation, you want them to think VTA—that's our goal.

There are a lot of things that we do on a regional basis as well in VTA. We are a part of Caltrain's Joint Powers Force that's made up of San Mateo, San Francisco, and Santa Clara Counties, which is the Caltrain that most people ride in San Francisco. We also have a piece that goes from San Jose to Gilroy, and that is not a part of the general Caltrain Joint Powers, but is something that is connected, yet still specifically financed by San Jose or Santa Clara. We would like to extend that; we need to have more trains.

That's another part of Measure A/B; there's great demand for trains going south into the south part of San Jose, the new industrial areas out there, and down to more...can you hear me? This always happens in Silicon Valley, right?—technology doesn't work!

I can remember when I was a media-specialist in school, and there were lots of things that teachers were concerned about. If they were going to bring a computer, or if they were going to use film, or whatever it was in the classroom, they wanted to make sure that it worked. Because when you're planning a presentation and the technology you have doesn't work, it doesn't really help the kids learn a lot.

So anyway, we do have Caltrain. One of their most recently initiated projects was the Altamont Commuter Express, which Santa Clara County was very active in. In addition, the Transportation Authority was also very active in getting it up and under way, as well as was the Manufacturers Group with both Alameda and San Joaquin Counties, which necessitated us developing a different configuration of partnerships than we have had before. The train is most successful. Of course, I don't know if you're into getting up at 4:30 in the morning...that's when the first train leaves. But the ridership has been growing each and every day.

We have a shuttle system on this end that makes it a seamless effort for people to get to and from their job. There is no change in fare, or anything—one fare

out wherever you buy your tickets and that will get you to your job and home again.

We also have some buses that we share with Santa Cruz, and also some that go over the San Mateo/Hayward Bridge in San Mateo County.

And we're working on a project now to connect San Jose to BART, from wherever it may end—either at Warm Springs or in Union City, which is also a part of the implementation of Measure A, being used for the Tasman line, which is the north/south light-rail line under construction from Santa Clara—to Mountain View, and will be completed on time and under budget. In fact, it will probably be completed early.

We also have in our focus an intermobile station with child care actually at one of the Tasman stations, and in the south and middle of San Jose, you can take the light-rail, you can ride by bus or you can ride Caltrain to the Tasman stop, and you can leave your children in the child care center. Or if you're on light-rail and you need to switch to Caltrain to go to San Francisco or vice versa, you can make that change right there.

A second intermobile station will be coming on line when the Mountain View station opens, because it will also intersect with Caltrain.

The Vasona line is in planning stages and should be under construction in the next year or so. We are also into the planning piece of the Capitol Corridor, which will be the first line that will run to the east side of San Jose. So there's much going on in both the mass-transit areas, as well as in buses.

We are increasing the number of buses that we have in this area; we have extended operations on some lines from just the normal daily operation times, to a 24-hour facility, in that the light-rail runs 24 hours a day now. We have a bus from East San Jose, bus line 22 which runs a 24-hour-a-day schedule. We've also initiated something that's special and is really growing in popularity, and that's the VTA Flyer.

You can take Caltrain or light-rail to the airport, and the VTA Flyer will pick you up and take you to your terminal or wherever you are going for free; and it's something that can either come into the Santa Clara Caltrain station, or it will pick you up and zig-zag through the airport properties—so you're not stuck on the roadways there—and take you to your terminal. It will also pick you up at the light-rail line over by the Hyatt Mediterranean or Hyatt Hotel and take you to the airport, and it's been very well received; we really haven't had that much publicity about it, but it's certainly growing in popularity.

But one of the most important things I think we can do in terms of financing, besides printing money—and this is not really a finance issue—is to try and reduce the amount of time major projects take—from initiation, to conception of the idea, to the feasibility studies, to the time construction begins.

There was a question asked yesterday at the seminar, “How come products have a very short life cycle? People get a new car every five years, but when it comes to building a roadway, it takes 12 years; how can we bring some of these cycles together?” We really need to look at some ways to reduce that transportation project completion time-frame, because that would be cost-saving as well, and certainly would be more cost-effective. I think we need a single, intense effort to plan how we’re going to focus on financing our future transportation needs. I would think it would be interesting to see if people in this room could come to a consensus on how we should do that, and perhaps when we get through our discussions, we can have a few little discussions with one another regarding how to meet this future need and how we can do that together.

And with that, I now look forward to hearing from our upcoming panelists.

Thank you very much. Gary, back to you.

GARY RICHARDS

Thank you, Charlotte.

Next comes Jim. When I first heard of Jim, I never thought about transportation, but you can’t be an elected official in the valley and not get involved in transportation. Again, if you drive Highway 85, there is now a guardrail separating northbound and southbound traffic because he jumped into the fray. And if you live up in the Santa Cruz Mountains and there’s a traffic jam or there’s a CHP incident, you’re not going to have to sit there, you can get home and feed your kids; and it’s that kind of dealing with problems—the type of problems that I often hear about it in the Roadshow format—that Jim has come to the forefront with and been very instrumental in implementing.

JIM CUNNEEN:

Gary, thank you very much. It’s very kind of you to have mentioned those two things, and it’s a delight to work with you. Many people say, “Jim, how do you anticipate all those problems,” and I tell them I just read Mr. Roadshow, and we get right on it.

But I am delighted and honored to be with all of you, and to have a chance to talk about this important issue in this unique forum. Although my wife tells me I seem to be delighted and honored to be anywhere but in Sacramento, and there's great truth to that; it's nice to be out of session and at home full-time.

I want to thank Rod Diridon for giving us this chance. If I just look across the room, I see people at all levels of government—city government, the federal government. And it's good to see you. It's an honor to be here with former Senator Alquist and Senator Foran as well, who have both been real leaders in improving, as best we can, our transportation infrastructure. I would like to thank the academic community who is here—I'll be very interested in Ken Yeager's comments, perhaps, or questions on some of my comments about how we can approach transportation and build public support for it from a political scientist's point of view.

Only in Silicon Valley, although this is starting to be true in more and more urban areas, can you have a 45-minute commute and live just eight miles from work. That's really, I guess at the gut level, at the grass-roots level, at the citizens' level; and it's really the policy conundrum that we have to confront.

I've been involved in a lot of these issues—just to give you a little sense of my background—I've been involved in transportation issues at least since 1984 when I went to Washington, D.C. to work for former Congressman Ed Schau, and I was immediately handed the transportation issue. It was at a time when there was a crucial budget debate over the investment of the potential transit operations in Santa Clara Valley. I also got to play a role in molding some of those policies for funding light-rail and transit projects around the Bay Area back in 1984, 1985, which is when I also learned that when your boss loses an election, you lose your job.

I then came back out to California and went to work for Becky Morgan in the state legislature, where I was able to work with a great deal of focus, with a great deal of time, in forming the Joint Powers Board Authority for Caltrain. It was at that time we were going from the transition of Southern Pacific to the collective joint operation of the nine Bay Area Counties. So to be actively involved in those negotiations from a policy perspective on a staff level was a good grounding experience for me in transportation, and I continue to handle that issue. I also worked with Congressman Campbell during that time frame.

Then, when I went to the private sector, I worked at Applied Materials. I also got very involved on a working council of The Manufacturing Group where I served and focused on transportation issues, and also created our own company's transportation program and commute program for employees at

that company, getting involved with the facilities department there to beef up that program, which has become a model program.

And then as Gary mentioned, I was an assembly member—I've been very proud to work on local transportation issues to try and make our commute a little easier.

I guess two things are very clear, and almost don't need to be stated: One is that the transportation infrastructure in our state is overburdened, and the other is that the current sources of funding will not necessarily prevent the future deterioration; at best we just keep up under the present projections.

And even increasing California's primary source of funding, the gas tax, may not be a very good long range plan. It may be controversial to say that, but in an era when we're actually discouraging use of the internal combustion engine with mandates saying that 10 percent of all vehicles will be zero-emission for instance, when we're building cars that go so much farther per gallon, when we're talking about new rules on light trucks. Do we make them more fuel efficient? You can see that may not be actually a very good basis for long-term taxation as a revenue source for building infrastructure. And we better start talking about that now, because it could be a rude awakening for us in the not-so-distant future.

I guess there are two ways of looking at the transportation challenge.

One, and it's very easy in the information age to become mired in really depressing statistics and all of us can dash out a dozen different statistics, the demographic trends alone in our area are significant. One projection between the year 1990 and 2020, shows employment growth increasing 42 percent, and population growth increasing 29 percent—and most of that particular growth is coming from outside urban areas in suburban areas. Fifty percent of the growth is in suburban areas—that's significant.

People want to live and work here, so that's the positive side. There's something happening here so as to drive people to want to locate here; people want to be a part of this area, but it also adds dire consequences in terms of the quality of life in the Bay Area.

I mean, we now have traffic delays that rival Los Angeles, nearly tripling in the past two years in Santa Clara County. Our average freeway speed is 40 miles an hour during commute time—actually slower than Los Angeles here in Santa Clara County—and it's only going to worsen.

When you look at most projections even with increased funding sources, we waste 68 hours per year per driver in traffic jams, and think about the

tremendous economic waste. Not only is it depressing statistically, but it is an enormous waste in economic resources.

In California, during the past 25 years, vehicle-miles-traveled have increased 200 percent while the number of lane miles added to the state highway system have been increased by only 13 percent. And the average travel time to work continues to increase as well.

So these are the kind of statistics and information overload that can lead to paralysis as well. And we're only sort of chipping away at it—it almost leads us to believe that maybe we are looking at the problem in the wrong way.

So what happened in the traditional response from government, from legislators, policy makers, as well as from transportation planners, some of you here today, from a legislative point of view? The response has been really quick. We've mostly just nibbled around the edges, at least in my experience. It's not the bold era of the 60s or 70s, it is a different kind of an era.

But as I look through the different legislation in just the past few years, one theme occurred to me that we may be overlooking. It actually is a general theme that might be of some value as we look to the future for transportation planning that's come out of the legislature, and that general theme is empowering local regions and local counties with the responsibility in the planning, instead of allowing it to emanate from the statewide level.

In 1996, SB1474 passed and strengthened the Metropolitan Transportation Commission's authority to improve public transportation in terms of the surface coordination and consolidation of certain transit functions—again empowering the local regional body.

In 1997, SB45 significantly revised the state transportation funding policies, delegating project selection and delivering responsibility for the major portions of funding to counties and to regions.

And there have been proposals in the hopper to go even further—one by Senator Kopp that directs us to bypass regions entirely, and empower local counties and cities for the delivery of this transportation products.

In 1997, Carl mentioned that AB595 empowered the MTC, with the approval of voters, to impose up to a 10 cents-per-gallon gasoline tax in the state assembly. In an 80-member body I happened to have been the 41st vote on that bill. It was quite controversial, but I'm delighted the governor signed it, and I cast that vote not completely convinced that I would support any plan. I wanted to read them—the devil's in the details—I wanted to read *exactly* what projects were being funded by whatever increases were created in the gas tax.

But once again, I felt that the trend towards the general theme of local empowerment seemed to be moving forward, and that voting for the bill was the right thing to do—and frankly, I benefited a lot from the advice of Senator Foran during that time.

That gave me some solace in casting that vote, and in 1997 when AB1020 transferred, it seems like a small thing, but again, looking at all the problems and the ways of transferring about \$5 million from the state highway account to the bicycle lane account in the transportation fund, it was a significant accomplishment.

As Carl was discussing, a lot of the younger workers may approach transportation in different ways, and they need to be empowered to follow through on some of those new additions and initiatives.

Locally, we also recently passed enabling-legislation again, in this instance empowering Alameda County to add an HOV lane on 680, so there are many of these landmark pieces of legislation—maybe the regional gas tax, maybe the pushing down of state-wide decisions and empowering regions and counties at best—but mostly just nibbling around the edges.

From a transportation policy point of view, at least from the public perception, the debate largely has been sort of a competition between highway advocates and transit advocates.

The highway advocates recognize what the reality is, the result of our love affair of the automobile embracing a 1950s notion of western freedom. Today I'll be controversial and I'll call them the Luddites.

On the other hand, on the other side of the debate, are those who kneel at the altar of a transit utopia—sort of the transit silver bullets. It is a utopian vision of a perfect society, almost a Stepford society, where we're going to gladly live in high-density housing projects above transit stations, and get into crowded buses to take us to places. If we don't live in those crowded condominiums, then they'll never really take us too close to work, and never really take us back too close to home. For the purposes of today, we'll call them the Dreamers.

So you have the Luddites and the Dreamers essentially driving transportation policy—and I want to be a little bit controversial in this way and push us, so that we can really have an honest conversation about what we really need to do.

What do both sides really advocate or have in common? An overwhelming emphasis on building our way out. All of their projections, which are based on

some of the depressing statistics I mentioned, are really based on current realities. They're not really necessarily based on future trends in the new economy, and what the new economy will look like—what the new worker will look like. Currently, transportation planning largely does not take that into account at all. I'm going to get to that in a moment, but I want to mention three significant roadblocks to the traditional debate in transportation funding.

The three roadblocks are: funding, a lack of space, and consumer acceptance. Let's break them all down.

Funding:

A major challenge—we rank 50th in transportation funding of the 50 states in the nation. The Valley Transportation Authority here projects the need for \$2.3 billion in the next 10 years just to keep pace, if things don't get any worse. And things are bad enough as it stand right now—keep transportation funding at a status quo and there is going to be a shortfall of several hundred million dollars to even achieve our current goals over the next ten years.

At the state level, the state can expect to spend some \$30 billion on transportation projects, and that number is based on a 1997 report of the Department of Finance, adjusting the numbers slightly to reflect the anticipated revenues from the federal gas tax to the TEA-21, Transportation Equity Act of the 21st Century. But this amount is clearly inadequate—at this level of funding, near gridlocked conditions on urban roadways would increase from 22 percent in 1996 to 45 percent by 2012, according to the Commission on Transportation Investment and the California Business Roundtable.

Estimates are that overall California needs to commit between \$50 and \$60 billion, almost double what we had planned to spend over the next ten years, just to keep things from getting worse. So what we have planned, and what we can reasonably expect to spend with no changes, clearly doesn't even maintain the status quo—things will get worse in a dramatic way.

Now how do we respond to that? How do we raise the needed revenue in this new era? Each of the obvious answers have real obstacles that we ought not overlook. It's pretty good to say, well, we should pass a bond, we should increase the gas tax, and let's continue the local sales tax. But I think we have to be more realistic about the obstacles and face the reality squarely or the voters will reject anything we come up with.

First, take a look at bonds. In the 1960s, our road construction boom was really financed by bonds, and these revenue bonds could be issued today to pay for infrastructure improvements as well, but in the 1960s, the state had a very low debt-service ratio; it was less than two percent of the general fund revenues. As

I've talked to economists at Stanford and UCLA Anderson Business School, they say in a state this large, we should never get beyond between five and six percent of the general fund dedicated to debt.

Well, today with the passage of the school bond initiative that I strongly supported, at \$9.2 billion—which by the way is three times larger than any bond we've ever placed before the voters—the state's debt service on bonds will reach 6 percent of general fund revenues at their peak. So what that said was there was room for such a large bond, but it really kind of ate up the whole pie, and trying to pay for all the transportation infrastructure improvements with bonds would increase the debt service ratio really to an untenable level.

And to make the picture even more bleak, the bulk of California's state roads were constructed in a single building boom in the 1960s, and the pavement of most of these roads have already exceeded their fixed life span of 20 to 30 years and are overdue for rehabilitation. Caltrans now estimates the cost of replacing worn pavement at \$6 billion over the next 10 years. So the outlook for massive new bonds is surely limited.

Secondly, we can take a look at the gas tax. Recently, the legislative analyst reported to the legislature and asserted that the gas tax should continue to be the primary funding source for roads in California. Again, I would argue that in the long run, that actually is an untenable position. Over the past 25 years, revenues from gas tax, after adjusting for inflation, have kept pace with population growth; the population has grown 60 percent since 1973, while real gas tax revenues have increased by 70 percent. By this measure, our transportation infrastructure should be well-funded, but we all know it's not. So why is that?

Again you're looking at a static model which does not take into account how society has also changed—with two-income workers for instance—so you actually have two people from every home going out into the workplace many times.

There has also been a rise in inter-regional traffic that is not reflected in this model. That's significant in that it had a major impact on our roadways as well and it has risen dramatically.

Also the price of gas itself, even if you adjust for inflation in 1998 dollars, shows that the price of gas per gallon is about the same in the 1990s as it was in the 1970s. A lot of transit planners make the argument that we should increase the gas tax, and say, "Well, adjusted for inflation in 1998 dollars, we're paying dramatically less than we did in 1980."

What they're not telling you is that the price of gas looks a little skewed when it's down between \$1.25 and \$1.50 adjusted 1998 dollars. And then, after this big spike—an unusual spike, during that time of rationing, etcetera—it plummeted down, so literally the chart looks like this (indicates a straight line), big spike (indicates a sharp incline), and then back down in here (indicates a sharp decline) between \$1.25 and a \$1.50 range. So it's convenient to use the spike number and say, "Look at how much less we pay," but when you really look at it as more of a rational continuum, you see that it's really pretty much kept pace with inflation.

So increasing reliance on the gas tax, I would argue, will not solve the problem. Then you've got a California policy towards gasoline that's a little bit schizophrenic. We tax our willingness to pay for road use, but our air emissions and fleet per mile requirements force manufacturers to sell cars that go farther on less gas.

Starting in 2003, just around the corner, in this state, 10 percent of all new cars sold in California will be zero-emission vehicles. John Dunlap, appointed by Governor Wilson, chairing the air resources board, said on record that ARB's ultimate goal is the elimination of the internal combustion engines. Currently, that's what we're relying on for long-term financing—to let gasoline be used to power cars, driving more miles, with the hope that more vehicle miles are also increasing. But given the fact that it is the state's intention to do away with the internal combustion engine, an engine which uses gasoline for its power, and replace it with electrically powered vehicles which use *no* gasoline—it makes little sense to continue to solely rely on a gas tax. And that's currently what our primary long-run funding source is.

Besides, to truly make a difference in meeting the transportation infrastructure needs, the gas tax would literally have to double, and while that would still leave California undertaxed by European standards, proposing a major gas tax increase—frankly, I'll be honest—would be suicidal for most elected officials. To substantially advocate that kind of gas tax increase, and again, given the goal of trying to find more fuel-efficient cars, trying to promote electric vehicles alternatives, it's probably not the right thing to do.

Then, you can take a look at local sales tax options, and enhancing local revenues sources, and this may be our best option—for county and city roads, increasing the sales tax is a good option. Seventeen counties have half-cent sales taxes around the state. Many of these—I think all of them—expire some time before 2012 and need to be reviewed—and that's going to require an unprecedented effort, but one that is necessary in the new era.

What's interesting though is, with the heavy demands on city and county governments to increase other services, there is no assurance that a dedicated sales tax would result in a net increase in transportation funding, because existing general fund monies could be siphoned off to pay for other programs as well—it's just something to be on guard and to watch for.

What we're talking about as voters anyway is a big net increase, and I think we've got that right in Santa Clara County—that was made clear with the combination of Measure A and B.

And you've got a situation where state engineers, who have won a series of court cases limiting Caltrans' ability to contract-out, designed the bill for it. The effect of that decision has been to create even more bottlenecks—the Business Roundtable estimates that over \$3 billion worth of projects have been delayed in this manner. The legislature should try to remove that bottleneck and have the ability to contract-out this design work.

But as long as the state is constrained, the legislature should explore shipping money from the state highway system to local agencies who can put the money to work immediately. Again, that's the general theme of most of the legislation, but also it's the best opportunity.

Now at the beginning of my talk, I talked a little bit about two ways to look at transportation problems—mired in statistics—and I did not mention the second, but I will now.

It is really the fact that we may not be able to just build our way out, and the transportation planners and public policy officials need to also look at transportation challenges really, as a new opportunity to rethink how the transportation infrastructure can complement the new economy that we're in. My assertion is that transportation planning and priorities should then reflect the changes in the economy.

We live in a remarkable time, when you think just about the internet alone. Here is a technology that has been introduced, used, and accepted throughout society faster than the introduction of radio, the introduction of television, the introduction of cable television—faster! That's how remarkably our lives have changed.

My wife and I have a two-and-a-half year old little daughter; we're just as likely to go on the internet for advice when our daughter has a high temperature as we are to call an advice nurse—literally changing the way we live, the way we work, the way we communicate with each other as human beings.

Transportation planning ought to reflect some of these new realities or emerging trends—in the case of transportation, when we examine the age old debate, whether we'll be the highway Luddites or if the transit Dreamers that will prevail, we begin to see, out of necessity, a third way.

Now, a lot of you have been seeing in different editorials or news columns about third-way politics that goes beyond right and left to move people forward. I'm a great advocate for third-way politics in finding that middle ground, but it also has an application to transportation—a vision that can help us more realistically achieve the proper balance between highways and transit and allow us to embrace unique new approaches that go beyond just bricks and mortar—and just what is it that I am talking about?

One, there's increasing discussion in all of our circles about demand-side initiatives. These have been recognized by The Manufacturing Group and Joint Venture Silicon Valley in their 2010 vision which calls for a "livable community" defined as communities where housing, employment, schools, churches, and BART are located together with transit options—land-use as the lady mentioned in her question.

Other examples are alternatives to the automobile. Look, we need to expand highways, of course, but we can't merely accommodate the automobile anymore, that's the new reality that we're in—although I would give maybe a higher priority to some highway projects than others might in the county.

As a first priority, I recognize you can't only accommodate the automobile—there ought to be alternatives to driving, like the incentives for ride-sharing and car-pooling. I sponsored legislation to increase the tax credit for transit passes, the new federal initiative for the commuter passes that resulted in a 40 percent discount for transit passes.

There is also the alternative of bikes and telecommuting, which is going to have to play a larger role in the way we view transportation planning. The ability of more and more people to literally work out of their homes, even when they work for major companies, is becoming more of a reality for more people—and most of the statistics and the projections don't really take those new trends into account.

Secondly, under the third-way, we could be more vigilant and give more attention to market forces and market incentives to solve transportation projects; we're talking about things like peak commuter pricing on bridges and bridge tolls. That would be revenue-neutral; that was an idea floated in the legislature that was defeated, we need to give voice and life to that. As long as we're in a revenue-neutral situation, we ought to not have people second-guess

whether they make the trip across the bridge at certain times, and give people that choice. It could even be brief at certain times—on weekends or something. You could figure out a model and could make it very attractive to the public itself.

We're also talking about the options in Southern California, like revenue funds tied to toll roads, or toll lanes, where a private company is given 30 years to pay off the bonds and make a profit through the toll, and then the road is actually turned over to the state and becomes a state asset at that point. The legislation that authorized that experiment also envisioned two toll roads in Northern California, but local opposition to toll roads makes it unlikely that this sort of public/private partnership can be used in our area. But clearly, any major injuries in transportation infrastructure should not overlook involvement from the private sector.

The third way that I'm talking about is technology authorization; Gary wrote a little bit about that recently, but the examples I'm talking about are things like GPS technology—global positioning systems.

Pioneering Trimble Navigation tapped into on-board computer screens that warn motorists of traffic slowdowns and operating detours, and it has other uses as well, for instance tracking data by sensors embedded in the roadway so we can view transportation issues in a more spatial way.

Then, there are other uses and opportunities that use those data. For instance, when an ambulance leaves a hospital, should they be making the judgment on roadways based on their speed limit or on traffic conditions?

Those are the kinds of things that technology can do to make our roadways more efficient: electronic toll booths along the bridges and the smart corridor demonstration project on 880 that will warn commuters of pending slowdowns and divert them to expressways that would be synchronized to assure the better flow and the maximization of our highways and expressways as well.

Also, there is an overlooked area that I'll call infrastructure technology; there is a new consortium called NICUS that has developed a new technology that lowers the cost of repairing highways and also shortens the time it takes to repair highways to make them more efficient for transportation needs. One example of this type of technology is the development of a trench opening robot called Raptor that acts as a high-speed concrete cutter, significantly reducing the time it takes to prepare for, and the cost of, road repair.

So there's all sorts of applications of technology that we probably aren't giving enough voice and light to. My point is that the third-way initiatives are often ignored, and arguably ignored as a collective initiative in and of itself. So

instead of perpetuating the old debate of deciding between mass-transit or highway funding, focusing on that third-way can complement the traditional approaches.

But we need more money and more attention to third-way initiatives, and finally, you really can't ignore new funding sources. So I just wanted to spend one second, and then I'll conclude, on at least floating a couple of ideas and taking that risk in having done so—because I don't think that we can ignore it.

A good economic concept, I think the state should rely as much as possible on, is “pay-as-you-go-financing.” It might have the best marketability to the public, because the public really doesn't trust us much—they don't want to embrace us increasing their taxes.

Carl told his story; I'll tell mine in a different way.

My story really demonstrates how people view the government's ability to spend your money responsibly. It's a story of a little boy who wanted \$100 very badly to help his poor and struggling family to make ends meet, so he went to his mother and asked how he might get \$100 to help the family. And the mother, knowing that the little boy was too young to work, said rather quickly, “Why don't you just pray to God for it?”

So the little boy prayed and prayed and for two weeks nothing happened, so he decided he would write a letter to God and explain the situation.

Now when the postal authorities received that letter, they were very touched and moved—so touched and moved that they sent that letter to the President of the United States.

Now the President of the United States actually read this letter, and he was very touched and moved as well—so touched and moved, that he decided to instruct his secretary to write that little boy a five dollar check, thinking that five dollars would seem like a lot of money to that little boy.

Well, the little boy received the five dollar check. He was delighted—beside himself with joy—so grateful in fact, that he asked his father to help him write his thank you letter to God, and this is what the little boy wrote:

“Dear God,

Thank you so much for the five dollars that you sent. However, I noticed that you had to send it through the federal government—as usual, those bastards kept 95 percent of it!”

And I think that pretty much epitomizes the people's view of how government spends their money. But we can't ignore it, and so, if you look at pay-as-you-

go-financing—merely dedicating a quarter percent of the existing state sales tax doesn't even increase it. Just a quarter of a cent of the existing state sales tax for infrastructure could generate \$12 billion over the next ten years according to the Business Roundtable report recently issued. That's a significant sum of money. If you dedicate a quarter percent of existing funds and it makes you increase it just a quarter-cent, you'd be looking at double the amount currently being generated—so significant kinds of revenue could be generated with very, very small incremental kinds of tax initiatives.

And then for the long run, and I'll float this out—and it's more of a market based approach, which certainly I would deny in another public forum—but for the long term, I think that we have to have an honest conversation about replacing the gas tax with a more equitable vehicle-miles-traveled tax.

As the gas tax becomes more and more unreliable in the era of more fuel-efficient cars and zero-emission vehicles, its ability to raise that kind of revenue is going to be increasingly compromised. It's a reality that we'd better begin to talk about now, instead of wallowing in all of these depressing statistics that lead to a sort of inertia where nothing really gets done, and nothing really happens because there are just too many facts swirling around our heads.

I think we ought to have an honest conversation about a user fee, even though there are lots of problems. The VMT, I think, would be considered even superior because it directly taxes road usage and treats all drivers the same, regardless of fuel consumption. Some are going to be consuming zero, and paying nothing into the state highway account as a result. Now, there are a lot of implementation hurdles to overcome in implementing a VMT, such as how is the fee assessed and how is it collected? I can just imagine the rise of the odometer police in our society—overreaching and being overzealous. But I think that's just one idea.

However, if we are all so timid that we're afraid to even throw out alternatives and look at it a new way, we'll never really make any progress.

I'll just conclude with maybe a little inspiration and a call to action inspired by my favorite former president, and the founder of my political party, Abraham Lincoln.

When Abraham Lincoln was first thinking of running for president, frankly his friends and his advisors told him not to run—they urged him not to run—they said “Mr. Lincoln, my gosh, you've lost so many elections, this isn't your time. Why don't you just wait for awhile?”

And Mr. Lincoln said, “Well, good things may come to those who wait, but only those things left by those who hustle.”

And there is a great life lesson in that advice for those of us who care about a high quality of life in Silicon Valley and in the Bay Area as a region. These are not problems that we can continue to just talk about. We need to begin to create a culture that embraces change, a culture where we can float ideas that are controversial. When you have an environment like that, truly the best ideas emerge, and the debate has been engaged. I hope for the best, and I want to thank you for allowing me to be a part of this unique forum.

GARY RICHARDS:

I think I have about 100 questions for Mr. Cunneen—I have a 100 questions for you!

Paul Toliver will be our final speaker; Carl Guardino had to be somewhere—personal housekeeping.

After Paul finishes we’re going to take a break for lunch. So be filling out your questions; we’ll come back and do the questions and answers after lunch.

And now, I’m really looking forward to this. Paul is the Director of Transportation for King County in the state of Washington. He handles all forms of transportation, from pedestrians, to bicycles, to van pools, to roads, and to buses. He’s also Seattle Metro’s Director of Transit; but what really interests me is that he’s been very involved in the intelligent transportation community. He served as chair to the Advanced Public Transit Systems Community of ITS—and we are seeing advanced, intelligent transportation starting to make a dent here.

You heard Jim refer to the Smart-Corridor, that’s the Highway 17/880 Corridor where all the cities around Caltrans and the county are hooking into a plan to coordinate traffic incidents. Half of all congestions are due to a stall on the freeway or a fender bender. The idea is, let’s all be on the same page—if we get a problem on 17 and Lark, get people off that road—get them onto San Tomas, the county expressway, get them onto a safe street like Bascom Avenue—and then get them back on the freeway as quickly as possible.

Paul, you’re up.

PAUL TOLIVER:

Thank you, Gary—Mr. Roadshow.

I too am very pleased and privileged to be here—a lot of faces I know and recognize. And I appreciate all of your leadership in the great state of California. You are a good inspiration to a lot of us north of here in Oregon and Washington.

I heard a lot of similar themes, and a lot of us are going through the same or similar issues—some of us are a little ahead or a little bit behind, but we’re still facing the same problems in providing transportation to the citizens of our communities.

One of the things I would like to do today—I don’t have too many new things to say in addition to what you heard from all the great speakers—but what I would like to do is kind of put it together and use a handout that I have as kind of a talking piece; it’s called “From No to Yes: the regional election for the central Puget Sound region.”

This is an election evaluation, and I’m going to give a quick summary of that, and kind of use it like a textbook in a class where I refer to certain points.

Somebody reads a document and really wants to make sure you read paragraph two on page 36, that type of thing, because it really meant something to them—I’ll refer to some of these key points. When you look at it and read it, you can really have a better feel for what I am trying to discuss as I give you a bit of the history of this evolution—from losing a major tax campaign, what was done to turn it around to come up with a very positive yes vote on November 5, 1996.

One of the things that I’m going to talk about is the Regional Transit Authority—that was a new entity that was created in legislation passed in 1992. On page three, it talks a little bit about this:

“In 1996 a public vote entrusted a multibillion dollar project to a new unique political entity in Washington. A state law successfully promoted by urban rail transit activists in 1992, first established the potential for creating a multi-county Regional Transit Authority to implement high capacity transit. Such an entity was created the following year in 1993 with votes by three counties, King County, Pierce County, and Snohomish County.”

In this document, there are a number of different maps showing the three different counties: Snohomish County is to the north, King County is at the center of those maps, and Pierce County is to the south. I will continue to refer to these counties, and you can see where they are.

This agency has an 18-member federated board designed to ensure a one-person, one-vote representation—that’s a crucial point. I am a former member

of something called Seattle Metro, which was a legislative entity in the state of Washington, in Seattle. That body was deemed unconstitutional because it did not provide a one-person, one-vote paradigm for the citizens of that region.

We were found unconstitutional and given by the federal courts a time to make ourselves right. The choice was made to merge us into county government. So I am now a county employee. But this new agency is an 18 member, federated board that was designed to ensure one-person, one-vote representation. Its membership includes the state secretary of transportation and 17 locally-elected officials, nominated by the three county executives, and confirmed by the county councils. One board position is allocated for each 145,000 persons in a county; one half of the RTA's board members also must be of local public transit agency boards—just to give you a little history of this entity called the Regional Transit Authority.

Talking a little bit about the election, in 1995 and 1996, I'm going to talk about planned process of product—a little bit about money, energy, and enthusiasm, and some of the timing issues concerning the two different campaigns.

As I mentioned earlier, and back to page one and before, I think this is a crucial map in your handout, where it says,

“On November 5, 1996, voters in the central Puget Sound region of Washington state approved local financing for a regional high-capacity public transit system, including rail for the urban parts of King, Pierce and Snohomish County.”

The new transit agency district included about half of the state's population, and has experienced real growth over the past two decades. The state of Washington's population is approximately 5 million people. It's not a majorly populous state, but half of the state's population was in this one transit district's jurisdiction.

This political victory, this entity, this RTA, followed the voters' rejection of a larger regional transit ballot measure the previous year and a history of three decades of failed attempts to bring rail transit to the Seattle metropolitan area. However, this Puget Sound Regional Transit Authority succeeded in generating widespread support for its revised plan by listening closely to communities within the RTA districts and allowing them a greater voice in how dollars generated in the areas were spent. I'll spend a little bit more time on those two points later.

The result was a short implementation time-frame—less rail, more suburban express bus service with high occupancy vehicle freeway improvements, some regional financial equity policies, a provision in the plan for an independent

systems oversight panel, and a commitment to return to the voters with a second ballot measure in about 10 years to continue local funding for future system phases. So that was what was passed and what was in that original program that was passed in 1996.

So today, I will summarize quickly the fact that we went from a program that was passed because we felt we listened accurately to both sides—and for the record, my role was one of many hands, not necessarily a leadership role in this particular election, because I was a public employee. I'll talk a little bit later about how the business community and the independent community took the primary leadership role in getting this passed.

This program was passed primarily because there was a lot of active listening on both sides, including the opposition from the first election, the one that was defeated.

We came up with a plan that addressed criticisms that the earlier plan was too big. The first election failed—it was \$6.7 billion. Our plan, the second plan that went on the street for a vote, was \$3.9 billion.

The first plan had a 16-year implementation time frame; a lot of folks felt that was too long to implement this program.

The second plan that was passed came back with a 10-year implementation time-frame; a one-size-fits-all strategy was tailored in the second time around, instead of a one-rail system then went from north to south, east to west—the second plan was tailored with less rail, more bus, HOV expressways, and community connections.

The second time around there was less reliance on state funding—as a matter of fact, there was no state funding projected in the second time around—and total funding was reduced as well.

The Seattle-centric orientation of the first plan, where all worlds began and ended in Seattle, was changed the second time around to where we had more insistence on the suburban, and hence a formula, a sub-equity basis formula that did a lot to help sell this program.

Some of the strategies in our marketing approach had to do with making sure we dealt with the critics—some of their concerns, even to the point of helping to expose their concerns. We made sure people knew that the critics the first time around really had no secret plan to solve the problem; they had no secret plan to end the war so to speak. We made sure that people knew that had they had asked the legislature for a gas tax authority to add roads, and that it had

been killed by the state legislature. We wanted to make sure people knew that they had their own agenda as well.

The second time around it passed because it was basically built from the bottom up. We asked communities and the sub-areas for their best projects that met the needs of their communities, and made sure that those fit within a revenue budget. Those individual communities in those sub-areas, did indeed come together in a regional plan that ultimately was put before the voters the second time around, in November of 1996.

The support had been tepid for the 1995 plan. The opposition was strong—money raised was about the same in terms of the campaign—opposition as well as the pro-RTA plan in the first election was about the same. There was little, apparently little, grass-roots support in that first effort in 1995.

In the 1996 effort, however, we turned it around with a lot of good strong support—even converted some opponents to the plan the second time around. The monies raised were about four to five times more than the opposition raised for their campaign, and we had very visible grass-roots efforts in the campaign period.

Some of the differences were in timing—there's going to be a lot about some of this, and I hope I don't offend too many people. The economy in 1995 hit Boeing very hard, and they began laying off people—we had corporate downsizing, we had unemployment rising, we had high job uncertainty. But then, just the opposite happened about 18 months later; we had Boeing rehiring people, we had Microsoft booming, all sectors of our economy in Puget Sound were really growing—and our unemployment was falling, coming down. So the differences in the economy were strong: weak versus strong.

We focused on the political arena; that was crucial in our part of the world. On the national scene, we had a speaker of the house, who was rather tied-up with his contract with America, Mr. Newt Gingrich. We had Republican-control, not only in Washington D.C., but also in Olympia, our state capitol—not to say that that's bad or good, but just to tell you what was actually there. And government bashing was very popular in the state of Washington at the time.

Now, compare that to 1996. At that time, we had President Clinton making a strong comeback in the polls, we had a very popular person running for governor, named Gary Locke, we had the first Asian-American to win the governor's seat, and he won by a huge majority. The pendulum was swinging back toward more confidence in government, so that helped us out somewhat from 1995 to 1996 with our electorate.

We went with a special election in spring of 1995, which was not a good choice, obviously. The election had a low turnout, a lot of low turnout and older voters, who were the tax-averse; few ballot issues on that ballot at the time, and the RTA, the Regional Transit Authority, stood out like a sore thumb with its \$7 billion program. The debate got mired in the details. And if I don't get to it today, you'll see a lot of discussion about that in the report—about how getting mired in the details really helped defeat the program, versus 1996 when we went to the poll the second time.

In that election, we had a general election, with a presidential election in November of 1996, and we had one of the highest turnouts ever. A lot of younger voters hit the streets, came out and voted, we had a higher propensity to spend; folks with money came outside who didn't mind making the decision to spend. We also had a lot of ballot issues in 1996 that helped to make our issue get lost in the clutter a little bit, and we focused the debate away from details about costs and cost overruns and whether this would indeed solve the issue of congestion, as it affected the quality of life. So that was the strategy, how we moved the vote from “no” to “yes,” as well as some of the timing.

So in November of 1996, we indeed did pass an election with a 57 percent positive margin in a three-county area. And today that program is strong—it is definitely strongly underway in terms of three major components.

One, definitely, is a light-rail that runs, in the first phase, from the Seatac Airport when you come into Seattle, all the way to the University of Washington District to the north, and maybe a little further to the Northgate community, which has a much smaller rail program. The rail was first proposed to run from the city of Tacoma all the way to the city of Everett in the northern part of the northernmost county of Washington. So this plan drastically reduced the size of that rail program, as well as the first proposal for a major rail line running from Seattle, east to Bellevue—Bellevue being the heart of the whole eastern side, the whole high-tech side of our county.

That program's second time around—no more rail was going from west to east, that was replaced by regional express on a high-capacity bus system. Many more folks were in favor of that as opposed to a rail system, so there were a lot of changes the second time around.

In that program, that was successful. In the document, just looking at some of the sectors as you go through it, you'll see the involvement on page seven starting the private sector campaign in 1995. You'll see the differences in what was organized in 1995 versus what was ultimately organized in 1996.

You can see that the board approved to put forth a \$6.7 billion plan, which ultimately we thought was much too much. Now, that \$6.7 billion plan actually came from a very early plan that was a \$15 billion plan, and that really upset a lot of people earlier on. A lot of people who put forth a \$6.7 or \$7 billion plan were still connected or associated with that \$15 billion plan from a few years earlier. So that was a bad tag that these folks had hanging with them.

And you'll see earlier when we made some changes for the next \$4 billion plan, we actually had to change the leadership of the Regional Transit Authority to a county executive who had no connection to that first \$15 billion program. So he was this clean, very positive executive of Snohomish County, who actually campaigned on a pro-RTA platform. He won his seat by a large margin, and he was made the chairman of the new RTA which took the second vote across as well.

So you'll see all of that in the document as well, and you'll see the plan as well.

In this first page, like on page eight, you'll see them talking about fairness. People perceive fairness; the plan was not fair—the \$7 billion plan—they saw Seattle getting a major downtown toll-subway system, and they saw themselves paying for that system for suburbs of another county, and they weren't going to get any benefit out of it. That was a major piece of the defeat of that first plan.

So you also see at the bottom of page eight how the opposition organized early—went out and locked up the funding so that by the time the RTA got its act together and came up looking for funding, not only had the opposition been there to lock up funding, but they had been there to obscure the facts and had already poisoned the water about RTA's plan. So because the RTA did not get out in time, the opposition was out—they'd already spread the word that this was a terrible plan, and the RTA really had a difficult time trying to come back.

Page nine is a map of the actual plan that came out on the streets, and that was showing the rail system going from the south to the north, from the east to the west. As you go through, you'll see other good points that were crucial in terms of the success or the non-success of the plan.

On page 12 we talk about economic factors. As you can see, the work-force issue became a low-end issue, but the issue that had to do with a central street in downtown Seattle—I didn't think it was the best issue in the world, but it became a high-end issue—and we even joked about citizens having to vote whether to open up the downtown street or not.

This was a street that was closed in the late 1980s when we were constructing the downtown tunnel in Seattle—we have a bus terminal in Seattle, for those of

you who haven't been there it actually is a subway system for buses that runs underground in downtown Seattle; five stations of one of the most beautiful tunnels and stations in the world, but buses use it, not trains—so we were constructing that tunnel through the 80s, closing a number of downtown streets. One of the major streets, High Street in downtown Seattle, was closed during construction with the intent of it reopening for bus and automobile traffic when the tunnel was completed. That tunnel was completed in 1990, and we on the transit-side always thought that the street would be opened, but there was a strong move from environmentalists and park folks who wanted to keep this downtown street closed and make an urban park.

The mayor, then, was convinced that was a good move, and that mayor was Norm Rice—he's the brother of a young lady who ran for mayor of Oakland—but Norm decided to keep that downtown street closed to keep this urban park, and that, we think, interfered with a lot of our business downtown...those buses could not run through the city like they used to—they had to do a lot of circumventing.

Well, what happened when Nordstrom wanted to relocate its downtown flagship store? There were several choices—some of which were outside of downtown Seattle—and a lot of the city leaders said, “No, we cannot have that.” There was a larger vacant building that Nordstrom's could indeed have rebuilt or renovated, but Nordstrom's voiced some concerns and put some pressure on the city leadership to re-open that street. “If you re-open that street, we will build in downtown Seattle,” they said.

So, then there was a lot of opposition, and some people decided to put that to a vote of the people—whether to open the street or not. We are probably one of the few cities that puts on the ballot whether to open up the downtown streets or not, but we did it. And people thought that issue would confuse some of the issues around the RTA, and it did somewhat—but the point was that people looked at that in a confused way, and they saw this pressure from Nordstrom's.

There was also a controversial parking garage that was semi-paid for with public funds, and some people felt that was not kosher. I think it hurt Norm Rice's chance to get a traffic position, but that is neither here nor there because he was the mayor at the time that he cut that deal. But all of that played into this election; if I'm an opponent, then I'll want to bring this all in to try to stop this election.

So, that was in March of 1995, and that was about a month before the election. That had a deep impact on the vote as well, so you'll see that on page 12. I just wanted to explain a little about all the stuff that was going on in downtown Seattle.

As you go through and look at some of the other issues in the evaluation, I think it is good for you to just look at how, when the election failed, the RTA had to, indeed, reduce its staff; there were no funds—there were also movements made in the state legislature to reduce or actually do away with the RTA, to end this legislation. But people fought to keep it, and there was some legislation offered that the governor himself had to veto—they were short of funds just to keep a small planning staff.

Over at the county, I loaned them about \$1 million-plus, with the intent that they would pay it back—when indeed, the second election passed. Thank goodness it passed, because we did get paid back.

So all that was going on, the downsizing of the current staff, the leadership there at the staff level was downsized seriously—a major move, as you can see, that we jumped to, for some of you, with the staff. Some of you might know the move was made with the executive director, Tom Maddock. At the time, he was executive director, formerly of Sacramento—he moved to Seattle and began with the RTA.

Tom was the executive director when the first election went down, he resigned shortly after that, he felt that we needed new leadership, and a gentleman by the name of Bob White took over the lead of the RTA.

White was heading the commuter rail piece of this project, and moved into the leadership at that time—so a lot of different changes took place, not only on the board, but in the senior executive leadership as well.

And all of that, of course, goes into the new form, the new program, informing ultimately the success of the second ballot. So all of that came together with efforts to get the two counties outside of King County— King County is where Seattle resides. First time around, it passed in King County, but it failed in the counties north and to the south.

We knew that we had to deal with those two counties to the north and to the south. Some people thought we should reduce the RTA's boundary to those communities where the ballot was doing quite well or close to doing well, but that was rejected with the intent that we should do a lot more aggressive outreach, a lot more aggressive to try to involve the community, trying to involve the business community and really listen to what they had to say. That strategy was put into place. We rejected the idea of reducing the size of the boundary of the RTA.

So we restructured the leadership, and that leadership went out and involved the business community; and with this new head of the Seattle Chamber of Commerce, the business community took the lead in terms of community

outreach, talking to the communities to find out what it would take for them to vote for this program. That was a serious outreach effort that ultimately came up with this new plan that said, “Less rail, more bus; less reliance on capital funding, we want state funding.”

Unfortunately, we didn’t get that, so we came up with this new plan that was ultimately put forward on the ballot in November 1996. In that one, the leadership was the business community—people who were not associated with the Regional Transit Authority, and public officials like myself actually did not actively participate because it was against the law for us to do that doing our day jobs.

Also, we wanted to make sure that the leadership, the building leadership, was looked at as people who did not have a great stake professionally, like the employees, but we also wanted to make sure it was the business community who was up front—and yet have a strong grass roots support from the neighborhoods as well. So, not only did we have the Boeings and the Microsofts who wrote big checks, we also had enough of the small grass-roots folks as well who helped this go in terms of a lot of individual people writing small checks. So the second time around that serious outreach effort was a major plus in its passing.

So as we went forward with the final plan, which was voted on and approved in May of 1996; this plan was put on the ballot in November 1996, and as I read to you this last paragraph on the very last page, I think it really captures the whole intent of what really happened. It says, “in the public forum, including the region’s most read newspaper, editorial writers concluded that the RTA had indeed listened to its recent critics, had made changes, could be trusted to do the job that is planned.” The price was right—another decade was the right amount of time to trust the RTA to implement the project.

So after television ads were broadcast regionally in the weeks before the election and carried the pro-RTA campaign carefully developed messages, almost 57 percent of the regional voters agreed with the new plan, and it was passed November 5, 1996.

So that pretty much is kind of a quick summary of this evaluation document, and a summary of how we turned the vote around from “no” to “yes.”

I’d like to say there are a lot of similarities in a lot of stuff that folks—you folks in California—have gone through, and I think that listening to some of the other discussion about where we all need to be heading in terms of statewide agendas, in terms of looking at some of the new issues of third-ways

and technology, I think we all have a lot to share, and all have a lot to benefit from each other as well.

Thank you for listening. I look forward to your questions.

GARY RICHARDS:

Okay, we're going to take a break.

Two of our speakers are under tight schedule demands, so we'll come back here and eat at the tables, and we can start asking some questions.

QUESTION AND ANSWER SESSION

GARY RICHARDS

On behalf of the board members and myself, I want to first let you know that we saw government in action here just a few minutes ago, as Paul was on the telephone listening to a board of supervisors meeting discussing budget proposals that he had proposed

The first question is. I believe, from Jane—if I mispronounce your name, please scold me later—I believe it’s Jane Colando on this card. It’s addressed to Charlotte; the question is, “When will the voters of Santa Clara County see their tax dollars from 1996 being used? What project will be first?”

CHARLOTTE POWERS

Well, some of them are being used at this moment as we begin the planning efforts for all of the measures that are there. Last Thursday, at our board meeting, we approved contracts with several consulting agencies and engineering firms to get several of the projects that we have underway. Until we are able to come to an agreement with the county as to how we’re going to implement those plans, and as to how the dollars are going to flow from the county to the VTA, there won’t be any actual construction. But we should be breaking ground hopefully by spring of next year on some of the major projects. Highway 87 is underway right now.

GARY RICHARDS

And I think what you’re doing is seeing the money for the pavement rehabilitation for county expressways next summer, right Dan? And the high-end projects are widening Interstate 880—and of course, work is starting on the 237/880 interchange, right now—part of that is funded through the sales tax.

CHARLOTTE POWERS:

But that’s not major—Highway 880. There are a lot of other projects too, you know, Gary, that are not so close to the Mercury News, that are high priority.

GARY RICHARDS

For Paul Toliver: “Was the 10-year regional transit system plan that was adopted in May of 1996 part of a ballot measure? Who adopted it? How detailed was the plan provided to the voters in November of 1996?”

To be honest with you, I'm not quite sure there was a sales tax that was adopted in 1996. A regional transportation plan was just recently adopted by the MTC. That was a 20 year plan.

You understand how the MTC operates; it receives proposals from the various counties of the nine Bay Area counties and those counties go through a process. This county, for example, when it went through its process, put Highway 87 as its number one road project and the light-rail to Mountain View, I believe, is the number one transit project.

And so, if it starts as a grass-roots type of thing, it's proposed locally, it goes to MTC, and they fight it out for federal dollars.

CHARLOTTE POWERS

Excuse me, Gary, but when our second Measure A was denied by the courts, we, as a board, sat together, and said, "Now what is our priority going to be?" and our priority at that time was to finish the Tasman line to Mountain View and do the Highway 237 interchange project in Milpitas. Each of the cities that are a part of that contributed dollars large enough—that's millions of dollars—to help us completely fund those two areas. And so, those are the two that are underway.

The other projects that are listed that are in our master plan are a part of Measure A/B at this moment, and there is a master plan also for the other transportation corridors that will come along eventually—and I hate to say it, but it takes forever.

PAUL TOLIVER

Just a real quick specific answer to that one question. The board of the RTA adopted the plan in May of 1996; that plan was called the "Sound Move," and the ballot was really short since we were only asking people to vote for two taxes.

One was an increase in sales tax— $\frac{4}{10}$ of 1 percent—and a $\frac{3}{10}$ of 1 percent increase on a motor vehicle excise tax; people are currently paying 2.3 percent of the price of their automobiles, according to a formula, and those taxes go to the general fund and to transportation. So we have two major sources for the RTA—a sales tax and a motor vehicle excise tax.

The language for that measure was, "Do you vote for the establishment of the Regional Transit Authority that shall have the right to plan, finance, construct, and operate the systems"—something like that—but the details were actually in a voter pamphlet document that was sent out to a million-plus voters in the

region. The election language was really simple—two tax sources: a sales tax, a motor vehicle excise tax—and the plan was approved by the board of the Regional Transit Authority.

GARY RICHARDS

The next question is from Ken Yeager: “Here and elsewhere, commuters are revolting over traffic congestion. Throughout the country, voters supported pro-environment and anti-growth initiatives. Many of the solutions we’ve heard today might ease the current transportation crisis, but job growth remains static. As Mr. Cunneen said, we can expect 42 percent job growth; at what point will voters say no to job growth because of its enormous impact in transportation and quality of life issues, despite the effect it might have on the economy?”

JIM CUNNEEN

I guess I can take another crack at it too, and then comment from the board.

Essentially, that’s the point I was trying to make. We can’t just look at the existing funding revenues and say, “Somehow if only those were increased we would solve the problem.” I think that we have to do the due diligence of looking at the way we fund transportation—what are the revenue sources—and rethink whether those really are the proper nexus that will take care of these huge needs.

Then we need to offer some alternatives to meet the \$50 to \$60 billion projection of the California Business Roundtable; we have to chip away at that. We have 30 billion in place right now, assuming nothing happens, and that’s why I have to get along with these floated ideas using the existing quarter-cent of the existing sales tax.

Then, just whether in the long-term, the old bulwark of gas tax, of whether that really will be sustainable as the major funding source. I have my doubts. We need to rethink how we have alternatives to that in this new era of more fuel-efficient cars, and in longer vehicle trips.

So the whole basis of what my remarks are trying to do is to say that we’ve got to start focusing on more of the third-way stuff—how do we maximize technology to make the current infrastructure work better and more efficiently, and increase its capacity without necessarily increasing its infrastructure? That’s the technology piece of it.

The market-pricing piece of it—and having a debate about that and how we apply it—and then the demand-side and the land-use issues. There is no easy solution or silver bullet.

We can't be utopian about it. I think we just have to be realistic about it, and the best approach is start to think about it in a new way.

PAUL TOLIVER

Just briefly, about people saying, "We've got enough," and to stop—I think we're seeing that now. I know we're seeing it in the Puget Sound area, and I know even when I was here in the Bay Area that some people were starting to say, "Enough growth is enough." So I think one of the challenges for all of us is to figure out how we can grow smartly.

I think that's a new term a lot of folks are talking about, "smart growth," so that we don't end up in the kind of massive sprawl we have experienced in the past. We can have a number of different choices for those who want to live in the high-density communities—they can do that—and there are also choices for people who choose not to. But there are some prices to pay for different choices you make, so we need to make sure that we work together with growth, with land use, with transportation and with the environment, so that we don't have people rising up saying, "Enough growth! Enough growth!" because I personally don't believe that.

I tell people in Seattle, "You want to stop growth? You think you're going to return to the Seattle of the 50s?" No, you can't do that. And if you don't grow, you're going to die. So a lot of people who hold up a picture of Seattle in the 1950s and say, "This is what I want to go back to," I tell them—I hope there's nobody in here who'll hate me—I say, "No, when you stop growth, you're going to go to this," and I hold up a picture of Detroit during the days when every window was shut, and every downtown store was closed. You just don't go back to the 50s—you've got to do something different. I just try to convince them that you just don't return to the good old days—those good old days are gone. And you've got to do something different—so you better figure out how to grow smart, and to take care of those who say, "Enough growth is enough."

CHARLOTTE POWERS

There is no such thing as a status quo. You can either move forward or fall back, and that's in essence what you've been saying.

Growth is going to occur. It may not occur because of jobs or businesses, but it's going to occur because the population is increasing in this area, and I think

all over the country. It's estimated that we need a new elementary school every day for the increasing number of children that we have entering our schools. There are a lot of issues that we have on our plate, in the state as well as locally, as far as growth goes. How we manage that growth, the smart growth as we've mentioned, is what we have to look at.

We also have to realize that it costs money to do any one of those things, and I think it's the commitment on the part of the people to get the highest quality of life that they can, within the constraints in which we have to operate.

GARY RICHARDS

Next question is from Michael Lechner to Charlotte and Jim, but I also would like Paul to deal with this: "What has been, and will be, the long-term impacts of term-limits on transportation funding, and planning, and project execution?"

I'd like to hear Paul first, because you have to deal with elected officials who are getting turned out of office faster than they used to be.

PAUL TOLIVER

Certainly. Just from a standpoint of your senior staff, you can usually find a good-to-adequate person who has beautiful diction and knows what to do to put things in place. But our projects are so long—and I heard Charlotte complain about this—but they are so long in coming to be, that it would be nice to have that person around to help you deliver. Usually when a project finally gets going though, they're not around anymore. That's a major problem with me and some of my new leaders.

You can see in the book—people who are term-limited, people who resign, people who go on—that impacts through the negative and the positive, the direction you're going in. Also, and because people have to deal in the real world of say, elected officials, you've got to at least bring something home and show them what you have done. So that at least kind of impacts the regional plan that might meet their needs and be good.

But you still have to have something for the individual districts that might not meet that top criteria, so that impacts it as well. The fact that people have to have something now might take some of the impetus and resources from the major direction—but in the real world, you still have to have individual district projects as well, which tend to maybe slow you down in moving toward the altar we call the "magical regional transportation system"—if that's where you're going.

So two things: one—your advocates that you have, have to deliver something quicker than you want them to; two—you have to divert some resources so that people can continue to show that they are there doing something, hopefully.

CHARLOTTE POWERS

By the time you learn all of the acronyms—ISTEA, TEA-21, RTP, what all those things mean—then you're gone. And so it's a constant learning curve, and they don't have the opportunity to really develop expertise in an area where they can really be effective in helping to acquire funds or to move programs through as Paul just mentioned.

Just about the time you get to a position where you can be in a leadership position in say, the transportation authority or with other kinds of groups, you're out of office. So it really needs some of us in the smaller communities, without term limits, because larger communities seem to have term limits, to take on some of those leadership roles.

JIM TOLIVER

I'll be counterintuitive and make the argument for why it's good, at least at the state level. At the state level, term-limits are actually bringing in more locally elected officials to the state legislature. We have more locally-elected officials now in new classes—people who have had a grounding in local government and understand the terminology, and the incentive in term limits. We're a group of men and women in Sacramento now, who have six years to do as much good as we can, and all of us want to leave some legacy and have some impact and bend the universe just a little bit. So there is much more of a sense of urgency about tackling the issues, frankly, than there was in the period before term-limits.

Now, certain other people take issue with that—and I see that—but with term-limits, you get people with new ideas, new entities, new commitment, new ways of looking at old issues—and sometimes you can get breakthrough thinking as a result of that.

I remember on Proposition 140, I would go around and be a circuit speaker on behalf of that campaign, and the people would always argue, "But you're going to lose all this experience." And the fact was, back then, we were coming out of a recession. So my response would always get a pretty good laugh when I would look over at the guy and say, "Well, if the present condition we're in right now is a result of all this 'experience,' then it's time for the inexperienced to have their day." And back then, that statement had a huge impact, because of

the more recessionary time, it was more believable because of the economic issues.

So I would think there are a lot of very positive things with term-limits, but I would improve them somewhat. Yes, I think probably it would have been more logical to have a flushing-out of the legislature every decade instead of every half decade—I think there’s an argument for that—and still maintain that Jeffersonian principle of real people in a real community serving for a time and getting out and living under the laws. So there might be some room for compromise of the length of the term, but term limits itself, I think, has brought a very, very improved atmosphere at the state level.

GARY RICHARDS

The next question is from Shelby Williams, and it’s addressed to me: “Why do you and our leaders say we have built the last freeway in Santa Clara County? Why do we not consider bringing our nine expressways that crisscross the Valley into full-point freeways?”

I’ve not only said that this Highway 85 is the last freeway in Santa Clara County, I say it’s the last freeway in the state of California. The only thing on the maps are toll roads, mainly in Orange County in Southern California. There’s no political, very little political will.

There’s a realization that we can’t pave over the Valley and build our way out of this—and the example I’m going to use is Highway 85. If you thought the city of Saratoga fought over Highway 85, you should see what would happen in Sunnyvale, Santa Clara, the West San Jose area, if they suddenly came under the realization that Central and Lawrence Expressways were going to be turned into freeways. They would fight it tooth and nail!

There’s another factor—there’s been talk of converting Montague Expressway into a freeway, and Montague Expressway is five miles long. The price tag is at least \$300 million—which is about \$100 million more than last time I looked into it—and it’s just not going to happen.

It’s the realization that our freeways will fill up—you build a lane, you fill a lane—Caltrans told me that seven years ago, and I finally have come to believe it.

This is for Charlotte and it’s from Bobby Sappa: “Constituents have called asking why with a county of a million people, we are not our own MTC?”

CHARLOTTE POWERS

There are arguments for the MTC. Arguments against it include, I think, that we need to still think regionally. I think we cannot say we're in the area all unto ourselves. We really need to look at the whole region; how we can interact and create a transportation systems that will serve everybody, not just us.

JIM TOLIVER

Real quick. Gary, on the previous question, I think there is some legitimacy, though, to the question about turning expressways into freeways. I understand the reality that it won't happen, but we can certainly make the expressways more freeway-like—make them much more like Central Expressway as opposed to Foothill Expressway—in fact, that's really what the Smart Corridor Project is all about.

I mean, there is some legitimacy to that point of view—how do we make expressways more freeway-like? The answer is being demonstrated in the Smart Corridor, with synchronized signals or overcrossing/undercrossings to make them more efficient to move traffic. That's the reason, on this question, the state legislature frankly has begun debate on that.

Senator Kopp would have gone much further pushing down some of the decisions—in fact, bypassing regional bodies entirely in terms of making funding decision and allowing counties and cities themselves to do that. And that's because in some areas, and I don't mean to take a shot at MTC in particular, but there is the perception in some corridors that they've become dominated, maybe by the wrong partner.

Two suburbs of San Jose—San Francisco and Oakland—have largely held onto BART, and they shouldn't. We are the major economic engine now. We are the largest population center now, and the regional priority ought to reflect that more aggressively. So I think it's really up to a regional body like MTC to take steps to change that perception and be more responsible to what is the dominant city and the dominant county and the economic engine of the nine Bay Area counties—and that's us.

GARY RICHARDS

The next question is from Dan Colum, from Santa Clara County. The question concerns the Montague Expressway, which is the crucial arterial service center of North San Jose, and the redevelopment area and adjacent areas of Santa Clara and Milpitas. His question is single congestion traffic: “Traffic delays and the long lines here are some of the worst in the congestion management

program regional system. The Measure A advisory project list does not include any funding for improvements. Now, if the VTA is proposing some Measure B funds for light-rail, yet you take your car to work, how does the fund justify making periodic improvements to transit while not investing in functional and infrastructure needs?”

CHARLOTTE POWERS

Expressways are county roads, and the county has money that they are investing in Montague—I believe they just approved some plans not long ago. It seems to me they just approved some contracts and construction work for some improvements on Montague Expressway. We’re working on some partnerships with the city on some of that.

GARY RICHARDS

Next question is from Laura Texler: “How can we expect commuters to make choices that benefit the community’s quality of life if they don’t get the financial signals to do this, i.e., if people are not paying a user-fee through a gas tax, what incentive is there to choose commuter vehicles and public transit?”

JIM CUNNEEN

Again, I would just look at the level of the gas tax—it really has kept pace with population. But again, that’s a false way of looking at it because of the change in cultures, society, and the nature of inter-regional travel. My guess is that the counter-argument for that is it has at least kept pace, if you look and take out the spike of the shortage period, which is a very short up-and-down, it really has kept pace with population growth and inflation. So you can advocate that, but I’m not sure that people are willing to pay that dramatically higher price at the pump.

And I mean, when we make the mistake of forcing MTBE into the gasoline mixture for instance—and it ought to be removed—just minor price fights as a result of all the re-engineering involved in producing the gasoline has a way of making it happen in the public, not only the effective impulsive price, but the price of gas itself.

So you can see there is not that kind of broad support for a massive quick spike, and that’s why we’ve got to look at it in a new way and make sure the plan reflects the new economy and that the funding structure through the long-term can sustain itself. And that’s going to require some new thinking and maybe even some market-based pricing.

GARY RICHARDS

One thing that is interesting, even though California ranks 50th in the nation in the money we spend on transportation gas-tax wise, I think we're the seventh most expensive, so we add 18 cents federal, 18 cents state, plus we pay a sales-tax on gasoline; it's a cost of doing business here, that really hurts.

This question is from Robert Coviano: "The majority who favor transportation improvement and are willing to finance the cost through a tax measure—a proposition—what will it take to change the passage mechanism, that is, the percentage of a super-majority to a simple-majority, or somewhere in between?"

We had all the candidates for governor in the *Mercury News*, and I sat in on most of their conversations. Most all of them favored lowering the threshold. It wasn't anything that they were jumping up and saying, "Well, let's move it down to a simple-majority"—and with the schools being a forefront issue of the past campaign, they weren't overly eager to talk about it—but it may be worth a try.

JIM CUNNEEN

I think that there is a good argument for the super-majority, again, in cases where it's tied to one particular taxpayer group paying the bill. The example I used was when property owners end up having to pay a property tax, when we all get to vote to impose that tax on them. And it's not true that renters automatically assist them in that, because the rent is based on market conditions, and in rent-control cities, certainly that can't be true at all. There are many other determinants that go into the price of rent, including the number of vacancies in market conditions, so it's tough to say there's a clean pass-off there.

So I've been an advocate of the super-majority, as to the specific tax piece of it, even if it's a general tax that we all generally pay into it, like a sales tax. There's a better argument for at least lowering it—maybe not the simple-majority, but maybe 60 percent.

We all pay, we all benefit, but again, there is a good specific rationale as to why a specific tax dedicated to one particular interest ought to have an overwhelming consensus—not just a simple-majority consensus, but an overwhelming consensus—in the body politic, before you proceed in using taxes for one particular purpose; there is good rationale for that that can't be ignored.

I think maybe the best objective would not be to continue to claim for the simple-majority—which is what I hear a lot from local government or government people—but I don't hear that from real citizens who vote and live in the area.

Look, we tried changing to a simple-majority in 1993 through an initiative, and it got clobbered: it only won in two assembly districts out of the 80 around the state; the political will was not there.

And so, again, we've got to start looking at this in a new way and not continue to persist in efforts that I think are futile.

GARY RICHARDS

The next question, I think should go to Paul first: “While we've heard talk about capital improvements in transportation, what is the future of operating cost subsidies in state and federal, to help at the local level?”

And I assume they're talking about transit?

PAUL TOLIVER

Let me take a shot at answering that—most federal subsidies are slowly disappearing where you now have a choice to use whatever dollars you have to operate for capital. I think most major urban communities are using those monies for capital, and the need for operating subsidies are being generated locally through either local taxes or through the fare box. So I think the operating commitment for operations is going to be a local commitment, not a federal commitment, and probably not even a state commitment in most states.

In California it might be different, so it would be county, local community, as well as fare box. I have a colleague who comes out of academia and argues that maybe we shouldn't even call it “subsidies;” it's just a support. The community chooses to charge whatever it wants to charge to the actual user, and the rest is made up with tax funds just like we use tax funds to pay for our other public services. It is a public service, and public commitment, so he says the word “subsidy” is really an inappropriate term, because we don't use subsidies for other public tax-supported activities.

So, back to your question, the operating subsidies are operating for a debt that's going to be a local issue, and not even a state issue in most states in this country—definitely no longer a federal issue.

CHARLOTTE POWERS

You know, it's not only the transportation areas that you have that problem. It's really easy to build capital projects—you can usually get the money for that—it's just the operations and maintenance that is the toughest piece of that puzzle to fulfill.

I think that in Santa Clara County, we have the one-half cent sales tax for operations, which has been continually approved and re-approved by the voters on a regular basis. So I think they understand the need for it, and know what it goes for—again, it goes strictly towards the operations of the Valley Transportation Authority annual support fund.

GARY RICHARDS

The next question is from Sherman Bright of the American Lung Association. “What role do you see environmental organizations playing, seeing that we're at a crucial crossroads of transportation planning?”

The American Lung Association has been an advocate of clean air for decades in support of transportation measures in Santa Clara County, especially mass-transit.

JIM CUNNEEN

Well, I think one way they can help is by helping us put more focus on ensuring our infrastructure, and accommodating alternatives to cars themselves, for instance, there are moves in the legislature to dedicate some money—it's very significant money because it doesn't cost a whole lot to improve the infrastructure to accommodate bicycles, but it's an effort that largely gets ignored. But I think that is a more and more logical option.

Also, by helping us promote the idea of telecommuting—the concept of where you do not have to even leave your home except for short trips, but can continue to contribute to your company.

Those are areas that can help, and then also by just continuing to feed the fire in terms of lower emission vehicles. And the next great battle of course, is nowadays, you can't drive and stop at a stoplight in downtown San Jose and not see four Jeeps and three Explorers—making sure that they have some of the smaller car standards in terms of emissions can make great strides in terms of cleaning up the environment.

GARY RICHARDS

The next question says, “I like the user-fee approach—if all forms of transportation charge user-fees to match the demand of cost—then that seems to really develop the proper transportation split between road, transit, bicycling etc. What do you think the transportation split would be between roads, transit, and pedestrian. If we all had to pay user fees—what would they be?”

PAUL TOLIVER

I think this is an interesting question. It would double the split for HOV versus SOV. Now, what is the split already? I think that in 1996, the statistics showed that one out of eight trips made in this country were with HOV, seven out of eight SOV. So my goal is not only to see that somehow through not only mass-transit, but carpools, van pools, whatever way possible to get more people into that HOV-mode.

And I saw some research that showed that even if in our community—even if we made the fare free and even paid people—we still would only increase our trips by just about 50 percent. And so, it’s going to be a challenge. These are not necessarily the answers, of making a free area or charging, we’d still have a major SOV movement throughout this community.

So my goal is to reduce it enough so that you’re not damaging the environment, but you are reducing congestion. You’re still going to have so many people using SOVs, but the issue is, “How much do we need to go—how much do we need to increase that split in order for some of the positives to reduce the negative impacts of massive SOV trucks?”

I think we’ve doubled from that 1996, one out of eight figure, to two out of eight, or 25 percent HOV usage these days.

CHARLOTTE POWERS

I think we have to look at alternative ways to encourage people to use alternative modes of transportation, or to encourage businesses to allow more telecommuting, or some alternatives that we haven’t really put on the table yet. We may have to create something very brand new.

I know that in some respects, people who are riding our light-rail are paying somewhat more—they pay for it through their taxes and they’re also paying for it at the fare box—and that is the usage that they have taken off. And our ridership is increasing, so people seem to be willing to do that.

GARY RICHARDS

Next question is from Joe Thompson: “Why do you give tax credits to employers who give their employees transit passes, but give no tax credits to those employers who move their traffic by intermodal rail?”

CHARLOTTE POWERS

Are they talking about the Altamont?

GARY RICHARDS

They were doing the juxtaposition on the federal level, and certainly at the state level, to provide some sort of incentive for employers to offer transit passes to workers and not have them taxed on it. It’s an incentive for the employees in terms of being taxed on an incremental part of their income, and they have a cheaper way and incentive to do it.

But if we do that, why don’t we offer tax incentives to companies to use intermodal rail to move goods? I guess that’s an idea we could consider; I don’t know what the revenue impact would be, I would certainly be open to the idea.

CHARLOTTE POWERS

The way the Ecopass system works in San Jose or in Santa Clara—which is the pass that everybody has that an employer buys—is that they buy one for every employee within the company, whether they use it or not, and they buy it at a discounted rate. So in many respects, some employees will take advantage of that, and others will not. That was why there has been a bill which Jim has worked on to give a tax credit to the employers, because they have really made the initial output—the employee has done nothing for that—so the Ecopass system is one type of system that works well and has really been one of the major factors in increasing a lot of our ridership.

It is also being explored—I hope that by next year we’ll have that working on Caltrain as well.

And we’re looking at ways to put that on the Altamont Commuter Express, a.k.a. - ACE train, as well so that when you use that sort of intermodal transit; it actually works, because you can have your ticket from your Altamont ride, and that will take you anywhere in Santa Clara Valley.

GARY RICHARDS

We should ask about Ecopass.

You've answered part of his question, but the other part is that "I've heard that Caltrain posts an Ecopass. Why isn't the Ecopass available for Caltrain and BART use?"

CHARLOTTE POWERS

It's being negotiated. There has been some opposition from Caltrain.

GARY RICHARDS

Has there been any concessions at BART?

CHARLOTTE POWERS

Not yet. And we've really been focusing more on Caltrain, because that's the way most of our people go to work, and we don't have that connection to BART. But as soon as we get a light-rail connection to BART, or some kind of a connection to BART in South County, then we'll certainly be working with them on a single solution.

GARY RICHARDS

Part of the question is, "Why is there opposition? Opposition to getting an Ecopass on Caltrain?"

CHARLOTTE POWERS

I think it's a control factor, in how to split the revenues and things like that. It seems like everybody gets pretty parochial when their dollars are on the table, but it's not unresolvable.

JIM CUNNEEN

It's been an idea that's been kicked around for a long, long time, and it makes perfect sense to have some sort of intermodal transportation working, because right now, it's pretty much an inefficient alternative for a lot of people.

GARY RICHARDS

This next question is from Jane Cohen, and it's for Jim: "What is being done in the legislature to address the contracting-out issue with Caltrans?"

JIM CUNNEEN

Well, I in 1995/1996, I chaired the Subcommittee on Transportation—or vice-chaired, as we swapped in that era of close partisan divide—and we made a series of motions to increase Caltrans’ budget for contracting-out; however, most of it was symbolic because it was still a question before the courts. And the courts have essentially hampered our ability to contract-out certain services from Caltrans. In the court decision it was, if there is an equally qualified government employee—as if qualifications or cost is the sole reason for contracting-out.

I use the model of Silicon Valley, when they had to change themselves to be more competitive in a global arena. They went through a process of identifying what their core functions were as a company, and then based their decision to contract-out, not solely on price, but on whether it was central to the core function, or peripheral—and it was the peripheral things that they began to have initiatives for themselves to contract-out.

So certainly there are areas, and I’ve been a big advocate of seeing an increase in it, but we’ve been hampered by the court. Certainly, we should try to make initiatives, and it looks like it would take a constitutional wording change to actually make that a reality.

Then, what we ought to do, is just drive the dollars locally. There’s a general trend again in all the bills that I’ve been reviewing, and that is that it enhances the power of county regions shoving the money there for the decisions to be made there—because we’ve been hampered more and more at the state level with the court decisions that are counter to, what is I think the best interest of the taxpayer.

GARY RICHARDS

The next question is: “Will the next tax increase for transportation be an open discussion that includes community concerns, asks questions, and listens to people’s questions and concerns about which projects should be funded in the future?”

CHARLOTTE POWERS

I would hope so. I think that is probably the only way that we can ensure that you’ll have a successful measure; I think you need to go to the people and ask them. There is an oversight policy committee now that is watching the accountability of Measure A/B as it moves forward through implementation, and if we live up to what we told the voters we were going to do the first time,

then I'm sure we'd be in an even better position to share it with them and continue to be successful.

GARY RICHARDS

The next question is: "The state of New Jersey has recently voted to repeal some carpool lanes—to remove the carpool lanes on two interstates. Do you see that spreading to California?"

JIM CUNNEEN

Actually removing carpool lanes? Maybe, I don't know. There's a lot of frustration because carpool lanes have never been designed to work, because they've never been fully integrated. I mean, even those who advocate HOV lanes will at least admit that they never really work unless they're fully integrated with other freeways and expressways, and we've never really had that—all we've had is slightly down from the HOV lane itself.

And so, when they vote on things like to expand from three to four lanes, and not necessarily anticipating this HOV lane when they cast that vote, then that's what they get, and there is some frustration over the capacity of the HOV lane.

So we can't make sense yet, but we haven't really given it a try to make sense—probably, we've been unable to make that happen. So probably the judgment is out on whether they're going to be sustainable or not, as we move forward.

GARY RICHARDS

You're going to see two new implementations in Santa Clara County over the next decade—direct HOV-to-HOV connectors. The first such ramp will be built on the 237 and 880 interchange, and one is being planned for the 85/101 interchange in Mountain View.

I'm trying to go through questions that have been passed by different people.

This is to Paul: "Of how much impact were the large increase in campaign funds as compared to the other changes between the first and second campaigns?"

PAUL TOLIVER

A major impact. I'll be up front about it—we out-raised the opposition, the second time around, by about four to five times.

What that did for us was that it allowed us to target where we needed to go, as well as to finance a broad-based TV advertising campaign to hit the audience with. But it was based on good research that not only came from good sampling research, but also from focus groups.

So coupling the increased amount of contribution to a very good, focused, strategic plan actually made the difference—not just raising money and spending it with no rhyme or reason.

It was a real challenge—you got the money, you knew that you'd have to raise four to five times more than the opposition in order to carry out the plan that you needed to carry out in order to win. So raising money was a major part of the strategy. But then again, where you spent it, and how you spent it, and what you spend, was just as important, to achieve the goal.

GARY RICHARDS

We're going to take two more questions here. One question says: "How many more lanes of freeway would we need in the San Jose area to alleviate congestion?" Mr. Roadshow can answer that—funny you should ask.

The Texas Transportation Institute came out with a report last week, and they estimated that the San Jose area, I mean, basically Silicon Valley, will need eighty-four more miles of freeway every year to keep pace with the congestion—not to beat it—that's three lanes of Highway 85 every single year to keep pace with the congestion.

But in Atlanta, Georgia, it's 271 miles, and Atlanta, Georgia has no plans to add any freeway lanes because of air quality issues.

And the last question you guys get to answer, is this one: "How come the traffic light—the first traffic light I hit every single day—is always red?" Remind me not to travel with you...

CHARLOTTE POWERS

That's funny—I have that same question—it seems like I always hit the red lights. But after you hit the first red one, the rest of them are green, because the signals are synchronized.

PAUL TOLIVER

That's a good question. But I'm going to go back to Jim Cunneen. He talked about technology, and I think that's something that we are seriously looking at too, up in the Northwest—how to integrate some of the new advanced

technology into our total transportation system, so that we can, where appropriate, have advantage for our HOV system, for instance, to hold that light to green, when we need to hold it to green, so that those people who deserve to, have the option to keep going.

So I mean, that led to the whole issue of technology and separate signals, signal priority, tying signals with flows, and other issues I think area major component of any future solution that we need to look at in this country—not just the Bay Area, and the Northwest—but a major part of our whole transportation system in order to deal with.

So, thank you.

GARY RICHARDS

I just want to say thank you for coming.

I really enjoyed this. When I do this sort of thing, I really learn a lot, and I think Mr. Cunneen has given me several story ideas today.

JIM CUNNEEN

Thank you, Gary.

I just want to add our thanks to the panel for a very good discussion—thanks to Gary for moderating, to Charlotte, Carl Guardino, Assemblyman Cunneen, and Paul Toliver.

Paul Toliver is the Vice Chair of the IISTPS Board, so we had him right where we wanted him at this session today.

I want to thank you, audience, for your participation and your attendance—a lot of good questions, I think.

And finally, I just wanted to indicate that we will be publishing the proceedings of this forum—that should be available in an IISTPS publication sometime during January, so if you want to obtain a copy of that, we can make that available to you.

Why don't you join me in giving a hand to the panel.

Thank you, very much—and we are adjourned.

ABBREVIATIONS AND ACRONYMS

- 1** California State Highway 1; runs the length of California along the coast; sometimes combines with California State Highway 101 (see below)
- 17** California State Highway 17; runs north and south; Interstate Highway 880 (see below) becomes Highway 17 when it crosses Interstate 280 (see below) in San Jose; Highway 17 continues south to California State Highway 1 (see above) in Santa Cruz
- 85** California State Highway 85; runs north and south from Mountain View at U.S. Highway 101 (see below) to South San Jose at U.S. Highway 101
- 87** California State Highway 87; runs north and south, beginning at U.S. Highway 101 (see below) at the San Jose International Airport and continuing south to California State Highway 85 (see above) in South San Jose
- 101** U.S. Federal Highway 101; runs north and south the length of California, ranging from immediately along the coastline to approximately 20 to 30 miles inland; sometimes combines with California State Highway 1 (see above)
- 280** California State Highway 280; runs north and south; California State Highway 680 (see below) becomes Highway 280 when it crosses Highway 101 and continues north to San Francisco
- 680** Interstate Highway 680; runs north and south; California State Highway 280 (see above) becomes Highway 680 when it crosses Highway 101 (see above) and continues north where it intersects Interstate 80 (see above) in Cordelia
- 880** Interstate Highway 880; runs north and south; California State Highways 17 (see above) becomes Highway 880 when it crosses Highway 101 (see above) and continues north to Oakland
- 1992 Santa Clara County sales tax effort:** Sales tax effort passed by majority ballot but thrown out because these taxes now need a two-thirds majority vote to pass
- 1996 Santa Clara County sales tax initiative:** A sales tax initiative, which passed by a 51.8 percent majority; contained an Advisory Measure defining the tax as a passive sales tax for a nine-year period
- ACE Train:** Altamont Commuter Express

Advisory Measure A A measure attached to the 1996 Santa Clara County tax initiative, defining the tax as a passive sales tax for a nine year period

Albright, Madeline U.S. Secretary of State

Alquist, Al Senator California State Senator

Alquist, Elaine California State Assemblywoman; elected in 1998; represents Northern Santa Clara County

ARB Air Resources Board

Assembly Senate Transportation Committee Legislation affecting the Department of Transportation and the Department of Motor Vehicles

BART Bay Area Rapid Transit—A medium-rail system that operates throughout various locations in the Bay Area

Bay Bridge (the) The San Francisco-Oakland Bay Bridge

Bay bridges (the) All of the bridges that cross the San Francisco Bay estuary system: Golden Gate, San Francisco-Oakland Bay Bridge San Mateo, Dumbarton, San Rafael, and Carquinez

California Taxpayers Association an organization which protects taxpayers from unnecessary taxes and promotes efficient, quality government services; for more information, see <http://www.caltax.org/> on the World Wide Web

Caltrans California Department of Transportation; for further information, see <http://www.caltrans.ca.gov> on the World Wide Web

Caret, Robert President of the California State University in San José; a.k.a. “SJSU”

Chancellor’s Office California State University Chancellor’s office

East Bay Alameda and San Rafael Counties

East San Jose a.k.a. “Eastside;” the area of San Jose east of the Highway 101/680 junction

EDF Environmental Defense Fund; an organization dedicated to protecting the environmental rights including clean air, clean water, healthy, nourishing food, and a flourishing ecosystem; for more information, see <http://www.edf.org/> on the World Wide Web

Environmental Defense Fund a.k.a. EDF (see above)

Foran, Senator John Former Chair of the California Assembly’s Transportation Committee, and the Senate Transportation

“Howard Jarvis people” Members of the Howard Jarvis Taxpayers Association (originally called the California Tax Reduction Movement); for more information, see <http://www.hjta.org/about.htm> on the World Wide Web

HOV lanes High-occupancy vehicle lanes

Institute (The) Within the context of this document, The Norman Y. Mineta International Institute for Surface Transportation Policy Study; a.k.a. “IISTPS”

I.T.S. Information Technology System

Keeley, Fred California State Assemblyman; elected in November of 1996, representing the Monterey Bay area; re-elected in 1998.

Lockyer, Bill California State Attorney General; former California State Senator

Measure A California’s first successful 10 year, half-cent sales tax measure, dedicated for transportation improvements

Measure B California Measure to raise sales taxes a half-percent for eight years to raise money for widening Highway 101

Marimba Company providing internet infrastructure management solutions

MIT versus Baltimore case of the 1980s The National Institutes of Health concluded that data in a scientific paper written at MIT had been faked; former MIT researcher, Thereza Imanishi-Kari, fabricated crucial data in a paper coauthored by David Baltimore and others

MTC a.k.a. “METROCOM,” the San Francisco Bay Area Metropolitan Transportation Commission in Oakland, CA

MUNI San Francisco Municipal Railway; agency which handles all of San Francisco’s public transportation

Nine Bay Area Counties Alameda, Marin, Santa Clara, San Francisco, San Mateo, San Rafael, Sonoma, Solano and San Benito counties

Powers, Charlotte Chairperson of the Santa Clara Valley Transportation Authority

Public Utilities Commission Commission that regulates the rates of public utilities

R.T.A. Regional Transit Authority

Senate Transportation Committee California State Senate’s Committee on Transportation and Infrastructure; oversees the state’s aviation, rail and maritime transportation systems

Silicon Valley Forum of the Commonwealth Club of California A forum, which hosts speeches, debates and discussions about issues such as business, transportation, homelessness, nuclear disarmament, education, technology, campaign finance and the arts

Silicon Valley Manufacturing Group a.k.a. the “Manufacturing Group” and “SVMG;” A local business council concerned with semi-conductor and computer-related business manufacturing development in the Silicon Valley

Slater, Rodney Secretary of the U.S. Department of Transportation

S.O.V. Single-occupancy vehicle

State legislature California State Legislature, Sacramento, CA

Sunol Grade The stretch of California State Highway 680, which goes past Sunol in the East Bay

“trial on Highway 91, in Orange County and on I-15 in San Diego” A fully automated, 10-mile, four-lane toll project located within the median of an existing eight-lane freeway between State Route 55 in Orange County, CA and the Riverside County line; opened to traffic on December 27, 1995; employs variable congestion pricing. Similar toll project recently implemented on I-15 in San Diego, CA

V.M.T. Vehicle Miles Traveled

West San Jose a.k.a. “Westside;” area of San Jose west of Highway 87

Wilson, Pete Governor of California from 1991 to 1999

PRE-PUBLICATION REVIEW

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