



Recognizing its own responsibility for California's transportation crisis and knowing that commute-harried workers don't function at optimum levels - the state's business community is working with government to confront a massive transportation crisis that threatens to overwhelm the state in a maze of clogged freeways, aging roads and inadequate public transit.

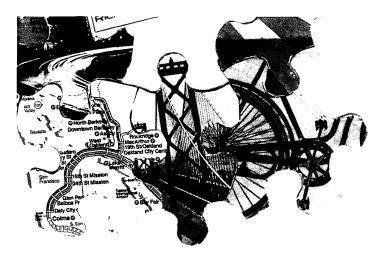
> erhaps nowhere in California has the daily commuting nightmare become more horrific than on the dreaded Interstate 580-680 corridor carrying workers from the burgeoning San Joaquin Valley's still-affordable bedroom com-

munities across the Altamont Pass to the state's powerful high-tech companies in the Silicon Valley of Santa Clara County. A three-hour one-way commute from Stockton to San Jose is not unusual.

And perhaps nowhere has the sometimes adversarial alliance between government and business moved the bureaucratic transportation mountain more quickly. Backed

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by the highly influential Silicon Valley Manufacturing Group, which represents 130 of the area's largest high-tech employers, the San Joaquin Regional Rail Commission is launching two daily trains between Stockton and San Jose. Equipped with laptop computer hookups and an Espresso bar, the Altamont Commuter Express — or the ACE Train as it is known — leaves Stockton in the morning, its first of nine stops, returning from San Jose in the evening. The commute is reduced by one-third, and workers can work, or even sleep, while they ride. The trains are equipped with work tables and bike racks, with plans for a refreshment-lounge and exercise car.

"We think they'll be sold out the first day," Mike Evanhoe, director of the Congestion Management Program for the Santa Clara Valley Transportation Authority, said in an interview — by cellular phone as he plied the 680 in his car. "I expect it will look like trains in India, with people hanging off the roof — anything to avoid that I-680 corridor."

"We call it cow chips to computer chips," says Carl Guardino, president and CEO of the Silicon Valley business group, of the train's route from the Central Valley to its Silicon Valley destination.

Originally conceived eight years ago, the \$73 million project picked up steam about three years ago and involves a three-county partnership (San Joaquin, Santa Clara and Alameda). A third train may be added as early as next year. Additional funding provides for more carpool lanes between Pleasanton and Milpitas, as well as a shuttle service for workers debarking the trains in San Jose and Santa Clara. "I've been in transportation planning for 30 years, and this went like lightning," says Evanhoe, who was the first

executive director of the California Transportation Commission in 1978 and is no stranger to the glacial pace of transportation planning. "I was just flabbergasted at how well this came together."

He gives much of the credit for the speed of the project to the Rail Commission and area business leaders. The Silicon Valley business group was instrumental in obtaining passage in Santa Clara County of tax measures to fund transportation projects ranging from bicycle and carpool lanes to light rail in 1984, 1992 and 1996.

"We've done transportation policy for two decades and care about it a lot," says Guardino, a former Hewlett-Packard manager who runs the business group founded two decades ago by David Packard. "Our CEOs see it as an investment, not a tax." Whether the extensive highway and mass transit improvements keep pace with the area's explosive growth remains to be seen. And, clearly, any improvements in the transportation messes of the state's major metropolitan areas must address an underlying cause of the commuter nightmare: the lack of affordable housing closer to work. The Silicon Valley business group is also actively involved in efforts to build more affordable housing, including establishing a housing trust fund to raise \$20 million in the next two years for first-time home buyers' assistance, homeless shelters and other housing needs.

At the state level, business leaders and regional planners around the state say major changes in California transportation policy are needed, including recognition by the Legislature and the new governor that coherent statewide planning is sorely lacking. "There is no plan," William Hauck, president of the influential California Business Roundtable, says flatly. "At least with a bad plan, you can change it." Hauck, who also chairs the California State University Board of Trustees, which must address its own set of aginginfrastructure problems, bemoans the lack of planning for the state's future needs, whether they be transportation or education. "We haven't been making the kind of investment we used to make, partly because times were tough, partly because we didn't need to," says Hauck, who also sits on the board of directors of State Net, parent company of the California Journal. "But you can't turn an aircraft carrier on a dime. It takes some time. If we're not careful, we're going to lose facilities because we're not taking care of them, and we're not restoring them and building new ones."

Evanhoe says state officials "abdicated [their] transportation responsibilities. That meant if the locals were going to have a viable system, it had to be taken over by the locals," with many counties joining the half-cent sales-tax movement to fund transportation maintenance and improvement. "Thank God for the federal funding," he says. "State funding has been so erratic."

"It's not just an issue of how we slice the pie," says Guardino, "but that we need more pie. All we have to do is look at the numbers." The Silicon Valley group, which does not endorse political figures — "we will dance with whoever is in charge" — nonetheless strongly urges the new governor, whoever he is, to make transportation planning and funding a priority. "We're sorry they haven't spoken a lot about transportation," said Guardino of the governor's race, "and we trust that is not indicative of what they will do in the future. Perhaps they have thought about it when they are caught in traffic and late for a meeting."

In its sweeping report on California's failing infrastruc-

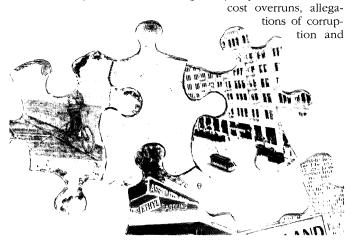
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ture — agins, schools, roads, universities and other public facilities -- the Business Roundtable in August recommended major changes in the funding of capital improvements. Using 1997 state Department of Finance figures, the roundtable v/arned that the \$80 billion estimated as the pricetag for the state's "infrastructure needs" from 1997-2007, was understated by about \$10 billion. Even after tapping "all existing funcing sources," the state finance experts concluded, the state would be \$29 billion. The Roundtable proposes a constitutional amendment to provide a 1/4-cent sales tax allot nent — to be used exclusively for infrastructure projects — from existing sales tax revenues, as well as more public-private toll roads, funding for the state's Infrastructure and Economic Development Bank and more "entrepreneurial partnerships for the development of public capital facilities, particularly in transportation."

The report concluded "conservatively" that the costs of necessary capital improvements for transportation "exceed those projected by the Department of Finance by \$15 billion to \$25 billion over the 10 years." Highway improvements alone comprise a major chunk of the cost. "California's highway capacity has increased by only 7 percent — only 3,250 lane miles — over the past 20 years," the Roundtable said, while the state's population has increased by 50 percent. And, fueled in part by longer commutes, the average annual number of miles driven has also increased, the number of hours "spent in congestion on urban highways" rising by 70 percent between 1987 and 1995, to over 300,000 hours per day.

Like other regional transportation planners, Steve Heminger, minager of legislation and public affairs for the Metropolitan Transportation Commission, the financing agency for nine San Francisco Bay Area counties, sees "some causes for hope, some for worry" on the future transportation scene. "It depends on the resources we can bring to bear," he says. "There is this myth in California of perpetual youth, yet California's highway system is pretty mature, with a 30-40-year design life. What's coming due now is a major rehabilitation effort."

Even parts of California's woefully inadequate mass transit system are in various stages of disrepair. The Bay Area Rapid Transit (BART) system is more than a quarter-century old, with a. \$1 billion renovation program in the works for new cars and station upgrades. The failings of Los Angeles' Metropolitan Transportation Authority's (MTA) foray into subway construction are legendary, replete with massive



inequities for bus riders who feel shortchanged in the rush toward expensive rail and subway systems.

Yet there are some bright spots. Sacramento's Regional Transit system has successfully extended a popular and heavily used light-rail system into the region's growing suburbs. BART expects to complete a long-debated and much-needed line to the San Francisco airport by late 2001. Light-rail expansions in San Jose are under way. And carpooling is improving in some heavily impacted urban regions.

William Fulton, editor of the influential *California Planning and Development Report*, is cautious in assessing business commitment to easing California's transportation crisis. "I think they [employers] are concerned about it," he says, "but they don't do anything unless forced to by regulation. They were forced by air-quality regulations to encourage car-pooling, and many met [the requirements] by going to four-day workweeks, moving start times out of the peak hour. But when the recession came there was a real rebellion by employers, especially in L.A."

Instead of significant improvements in mass transit, Fulton says, "jobs are decentralizing....Jobs are all over the place, and the whole commute pattern is based on the car."

Fulton says freeways in L.A. and the San Francisco Bay Area are "permanently congested, and they will never get any better." In smaller communities like Sacramento, he adds, "you see people thinking and biting their nails," with little substantive planning. "You can still drive from Stanford Ranch (a suburban community about 25 miles out) to Sacramento. By the time it is too much trouble, it will be too late."

Suburban business centers have become so entrenched in many communities that transportation planners must increasingly deal with a "reverse commute" to the suburbs. In the greater Bay Area, Highway 24 and I-680, originally designed to take commuters from Contra Costa County into San Francisco, are now being "re-designed" at huge expense for the reverse. In the suburbs of Sacramento and Placer counties, major high-tech companies locating in outlying areas are spurring a new round of roadway upgrades to accommodate business, such as the sweeping new Highway 50 on- and off-ramps built in Folsom to help Intel's 5,000-employee workforce get to and from the company plant.

When Hewlett-Packard opened a major manufacturing and engineering complex in Roseville in 1979 some 20 miles from Sacramento, it did so in part because of access to transportation systems and proximity to two airports, Sacramento International and Lincoln Airport. The company operates an internal mini-airline, shuttling employees between Roseville and San Jose every workday.

In Southern California, particularly in Orange County, long commutes from throughout the region are common-place.

"Orange County is a city," says Fulton. "It's gone from suburban to urban. The way this pattern occurs is first there are houses and shopping, then jobs." Then, of course, congestion follows — as do the transportation challenges for businesses.

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