

Inland Empire economy may gain from Obama proposal

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The Obama administration's \$302 billion national transportation funding proposal, if implemented, would be an economic boost for Southern California, industry and economic experts say.

Transportation bills are being formulated in both the House of Representatives and the Senate. Southern California transportation officials hope lawmakers consider Obama's proposal, officials said.

Southern California, with its freeways, rail network, the ports of Los Angeles and Long Beach, and Inland Empire warehouses, is the major gateway for shipping goods in and out of the country. Officials are also hoping residents take to mass-transit systems as a way to help the environment and relieve freeway congestion.

Redlands-based economist John Husing, who focuses on the Inland Empire, said the funds would benefit the region, which is increasingly dependent on the goods movement sector.

"It would have a buoying effect on the economy," Husing said, "because any time a dollar flows into the local market from the outside world, it would support people, in this case heavy construction, but also as the money leaves that sector, people buy cement and hire workers. The money increasingly buoys the economy. It's a multiplier effect."

The \$302 billion would be provided over four years, using a combination of highway trust fund revenues and corporate tax reform proceeds.

Officials with the Southern California Association of Governments said implementing the president's proposal could help speed up the start of projects in SCAG's regional transportation plan, which looks ahead to the area's transportation needs for the next 30 years.

According to SCAG, implementing the region's transportation improvement projects would:

- Generate an average of 174,500 jobs a year from construction and operations expenditures.
- Generate an additional 354,000 annual jobs through congestion relief, increased labor mobility, and efficient movement of goods.
- Improve air quality and public health by reducing air pollution.

- Reduce household transportation costs by \$3,400 per year.

The president's proposal also provides \$10 billion for a new freight program to strengthen exports and trade, according to the Washington, D.C.-based Coalition for America's Gateways and Trade Corridors, or CAGTC.

Officials at the Irwindale-based Alameda Corridor-East (ACE) Construction Authority, which oversees rail transport east of Los Angeles into the Inland Empire, applauded the funding proposal.

"That program would obviously be of tremendous benefit to Southern California and ACE Construction Authority enthusiastically applauds the freight grant proposal and we look forward to congressional consideration of this exciting program," said Paul Hubler, director of government and community relations for the ACE Construction Authority. "Southern California is the nation's leading trade gateway, and the Inland Counties accommodate all of the trade — some 60 percent of the trade that arrives in Southern California, leaves Southern California for the rest of the nation."

Sharon Neely, CAGTC chairwoman and deputy executive director of SCAG, said the region has one of the highest employment levels for logistics and manufacturing. Neely said the money would help create jobs, and provide for safer and more efficient transportation systems.

"Accelerating ways to reduce truck traffic and ensure goods to market both locally and nationally would result in eliminating lost productivity time and wasted fuel," Neely said in a statement. "A multi-modal, freight-specific grant program does not just invest in our transportation infrastructure, it invests in American businesses, creates jobs and facilitates global trade."

Ray Wolfe, executive director of San Bernardino Associated Governments, the transportation planning agency for San Bernardino County, said highway and transit construction projects are proven shots in the arm for local economies, and investing in transportation infrastructure allows the region to remain competitive.

"An investment like that outlined by the administration improves the climate for businesses due to increased mobility for supplies, products, customers, and employees," Wolfe said in a statement.

San Bernardino County voters, he said, illustrated the importance of transportation to the region by approving Measure I, a half-cent sales tax for transportation improvements.

"It is critical that we continue to explore other resources to maximize that local investment," Wolfe said.

Rep. Gloria Negrete McLeod, D-Montclair, whose 35th Congressional District stretches across the 10 Freeway and freight rail tracks in San Bernardino County's West End, supports the Obama initiative.

“I welcome the president’s initiative to improve our nation’s highways and railways at a time when we need to invest more in transportation infrastructure while not raising the gas tax that would further burden drivers,” McLeod said. “The largest amount of goods bound for the rest of the United States travel on freight and trucks through San Bernardino and Los Angeles counties. This funding will create more local jobs to improve our roadways at a time when our local economy demands it.”

San Bernardino County transportation projects include expansion of Metrolink rail service, a rail line connecting San Bernardino and Redlands, and an extension of the freight corridor from the ports of Los Angeles and Long Beach through the Inland Empire.