

# The Green Freight Initiative: A CASE FOR REGIONAL BUSINESS LEADERSHIP

Presented by

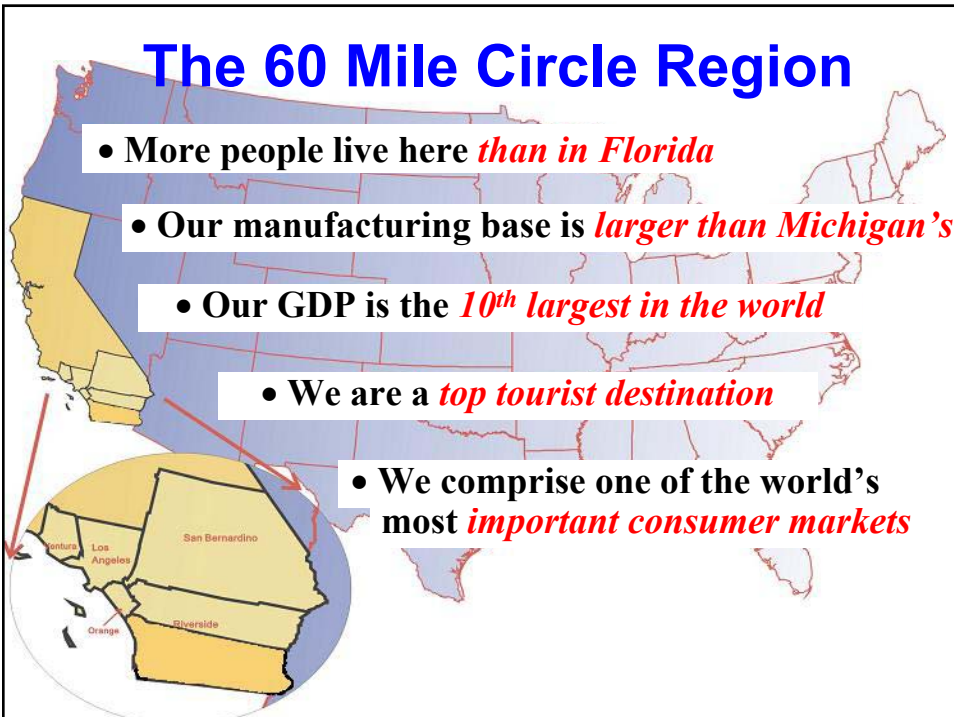
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Senior Vice President

Los Angeles Economic Development  
Corporation

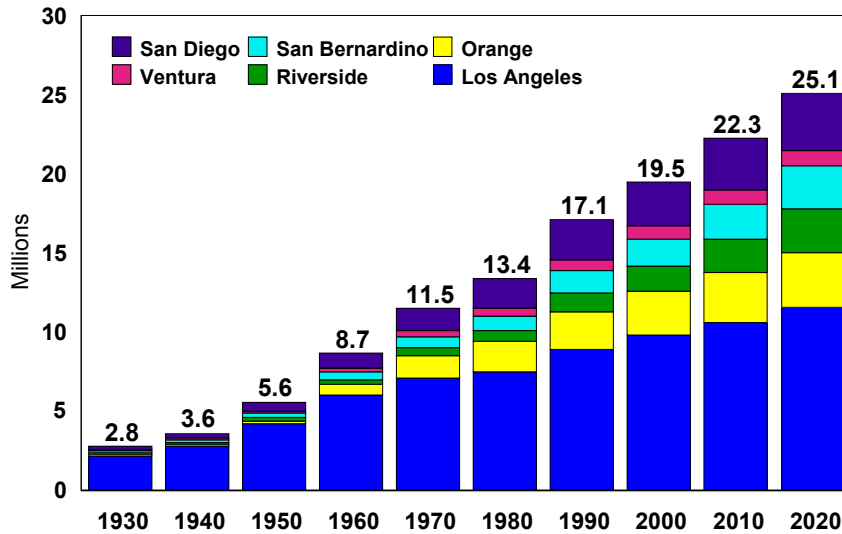
February 1, 2006

## The 60 Mile Circle Region

- More people live here *than in Florida*
- Our manufacturing base is *larger than Michigan's*
- Our GDP is the *10<sup>th</sup> largest in the world*
- We are a *top tourist destination*
- We comprise one of the world's most *important consumer markets*



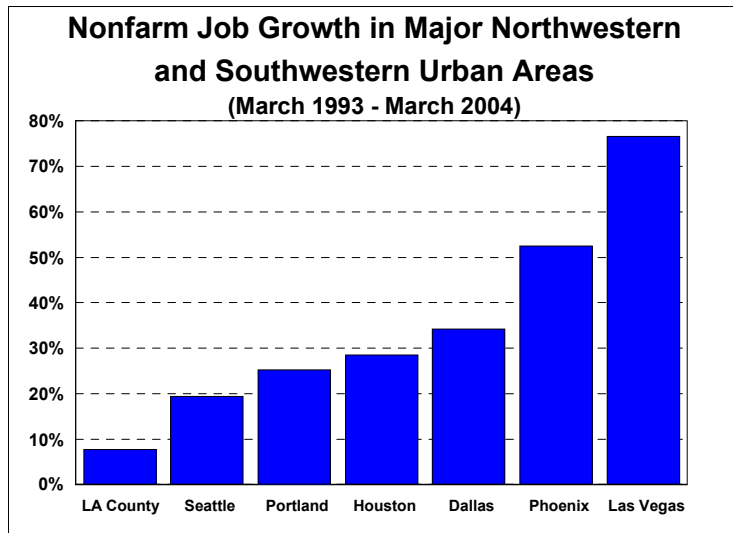
## Growth Forecasts: Population “Grow by OVER Two Chicago’s”



Source: California Department of Finance

**LA Internal Growth 80% Last year**

## Where are the Jobs?

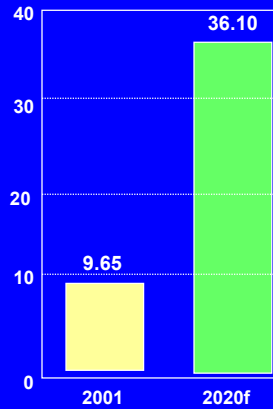


# Greatest Challenge -- International Trade Forecast (LA Customs District)



Source: LAEDC

### Container Traffic Forecast for POLA/POLB



# Greatest Opportunity -- International Trade Related Jobs



Source: LAEDC





## Quality of Life Implications:

### GRIDLOCK

- 2.7 million more cars will make getting around on the freeways even more difficult.
- Millions more truck trips will also add to the congestion.
- Gridlock = Economic, Environmental and Equity Meltdown

Photo: Los Angeles World Airport

## Congestion Solutions Modernized Goods Movement System

### Southern California

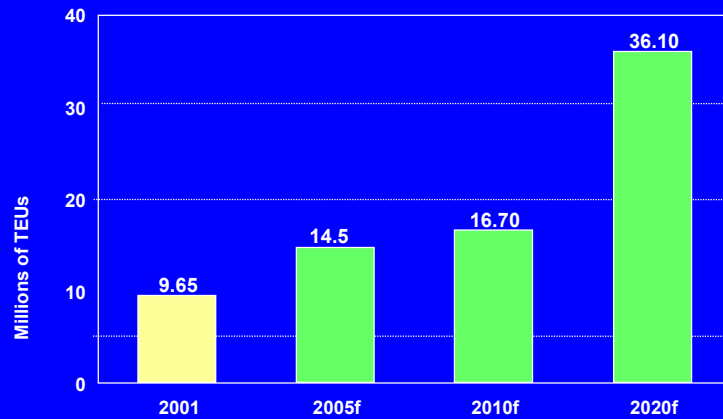


1 Container Train = (280) Trucks = +756 Car Spaces

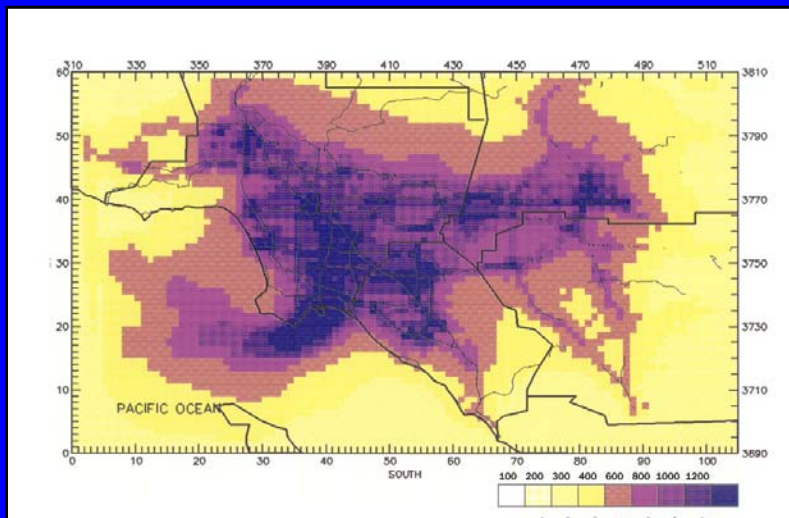
- ▶ On Dock/  
Near Dock  
Rail Yard
- ▶ Inland  
Ports/Hubs
- ▶ Third  
Corridor Out
- ▶ At Grade  
Conflicts
- ▶ Short Haul  
Rail Service

# Retailer Perspective: More Containers = More PROFIT!

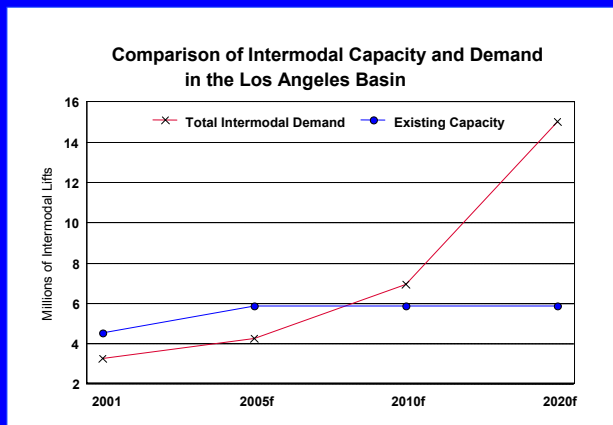
Container Traffic Forecast for POLA/POLB



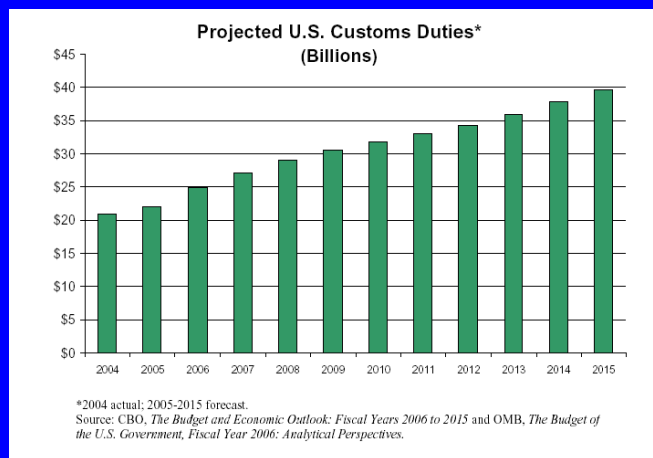
# Environmental Perspective More Pollution = More CANCER Risk



## Transportation Perspective: More Containers = More Bottlenecks Crunch Time is 2008 - 2010



## Congressional Perspective: More Duties = More General Funds



## **ASIAN Perspective: More Delay = More Costs**

**Imports Arriving at Ports of LA/LB  
Estimated Annual Cost to Asian Manufacturers  
(Millions)**

**Average Delay**

	<b>1 Day</b>	<b>5 Days</b>	<b>10 Days</b>
All Trade Partners	\$37.1	\$185.4	\$370.7

*Source: LAEDC*

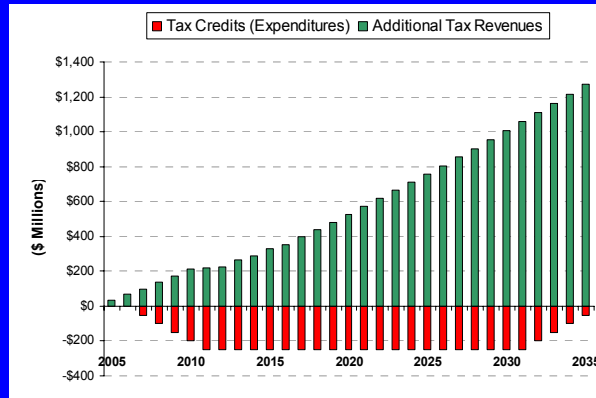
## **Green Freight Finance Plan**

### **How It Could Work – Best Thinking So Far**

- **Private Investment Must Pay For Private Benefits (33%)**
- **Public Investment Pays For Public Benefits – State (33%) and Federal (33%)**
- **Expanding California's Goods Movement Capacity Will Be Felt:**
  - **Statewide**
  - **Nationwide**
  - **Worldwide**
- **Public/Private/Partnership Shares Cost-Benefit**

## Green Freight Initiative

# California's Employment and Bond Revenue Potential



Present Value of New Revenues = \$6.7 B

Present Value of Tax Expenditures = \$3.2 B

## Why Green Freight Initiative?

### Criteria Selection:

1. Regional, State National Significance
2. Critical to Job Growth
3. Near Term Solutions Possible
4. Business Leadership to Educate/Support Public
5. Funding is Available
6. There is Political Will



## **Green Freight Near Term Goals**

- 1. Support Completion of Governor's Goods Movement Action Plan**
- 2. Support State Plans Led By Governor/ Legislature including Funding Mechanism Legislation**
- 3. Identification of Economic/Environmentally Sound Projects to Increase Capacity & Reduce Pollution**
- 4. Create Media Partnership and Community Outreach Efforts**
- 5. Create National Coalition for Trade Infrastructure Financing**

## **Backyard Coalition**

***Protect our great lifestyle!***

February 24<sup>th</sup> @ 1:00 PM  
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Downtown Los Angeles  
[wally@laedc.org](mailto:wally@laedc.org)



**INVEST IN OUR BACKYARD**