



Los Angeles Area  
Chamber of Commerce

WEDNESDAY | January 25, 2006

THE BUSINESS PERSPECTIVE:

# California Dreaming



## Coming up at the Chamber

[View all upcoming events on our web calendar.](#)

**THU | Jan. 26**  
Environmental Quality  
Committee Meeting  
[more info](#)

**THU | Jan. 26**  
117th Inaugural Dinner  
[more info](#)

**MON - WED | Jan. 30 - Feb. 1**  
Faster Freight, Cleaner Air  
2006  
[more info](#)

**FRI | Feb. 10**  
Health Care Committee  
Meeting  
[more info](#)

**TUE | Feb. 14**  
Referral Network  
A Growing Companies program  
sponsored by Wells Fargo  
[more info](#)

**WED | Feb. 15**  
Technology Industry Council  
[more info](#)

**THU | Feb. 16**  
Land Use, Construction and  
Housing Committee Meeting  
[more info](#)

**FRI | Feb. 17**  
Accenture Pancakes and  
Politics  
with L.A. City Council President  
Eric Garcetti  
[more info](#)

**WED | Feb. 22**  
Transportation & Goods  
Movement Committee  
Meeting  
[more info](#)

**THU | Feb. 23**  
California Identity Theft  
Summit  
[more info](#)

The Los Angeles Area Chamber of Commerce is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit [www.lachamber.org](http://www.lachamber.org)

350 S. Bixel St.  
Los Angeles, CA 90017  
213.580.7500 tel  
213.580.7511 fax  
[info@lachamber.org](mailto:info@lachamber.org)

In [last week's Business Perspective](#), I wrote about my visions for the future of Los Angeles.

In light of the efforts in the State Capitol to place a series of infrastructure bonds on the state ballot beginning this June, I want to focus this week on my vision for the state.

**Fiscal Stability:** Although government is not a business, the state must be run with business owners' acumen and techniques so that expenditures do not exceed revenues. That situation is only allowable in the short-term, with clear recovery plans—and we must not dig holes so deep that recovery is impossible. Like a business, the state should invest capital in the future, as lawmakers are proposing to do now with our infrastructure. Meanwhile, we must curb spending until reliable streams of revenue are generated; preferably through economic development, as opposed to a package of new taxes.

**Competitiveness:** Recognizing that the cost of living—and expectations of government services—in California is among the highest in the nation, policymakers must take into account how new proposals and legislation impact our ability to recruit employers and new taxpayers to our state and retain existing businesses. One of our neighbors has no sales tax (Oregon) and another has no personal income tax (Nevada), but California has some of the most “taxing” employer mandates. Workers' compensation costs are again stable, but still considerably higher than other states. Health care and legal costs continue to rise. California must do more to rein in the costs of doing business and regain our image as the place business can thrive.

**Education:** Nothing is more critical to restoring our competitiveness than dramatic improvement to public education. We need to prepare our children to better function in our dynamic economy and participate in our democracy. Our education system was once the pride of our state—and our nation; it is shameful that we have let our achievement levels drop this far. From developing small schools and small learning communities to reforming the control unions have on our schools to involving parents in their children's education, we must resolve to once again place California's educational system at the top, and do everything we can to produce the workers our industries need for the 21st century.

**Fair Share:** There is no excuse for the fact that California gets only 79 cents back on each tax dollar we send to Washington, D.C.—a \$50 billion loss last year. There are recent signs of improvement, but our Congressional delegation must work more closely to secure L.A.'s fair share and develop consensus on where such allocations should be invested. And state and local officials must do more in Washington, too. Just think how much \$50 billion a year impacts our economy in terms of education, health care, public safety and transportation.

**International Trade:** With the world's most diverse economy and our proximity to strategic trading partners in Asia and Central America, our region's future is directly tied to international trade opportunities. We need our local officials to spend more time abroad with our local businesses to open doors. Other countries want our airplanes and our produce, and we want their electronics and apparel. We cannot let this opportunity pass us by.

**Housing:** As our state's population is the highest in the country—with more growth to come—we need to rethink the California Dream. Real estate is too costly for everyone to afford a single family home with two cars in the garage. In urban areas, many working families are turning to multi-family units in the city centers. We need to encourage city planners to make it easier to build affordable homes near major job centers, which will relieve traffic congestion, improve air quality and give us more time to spend with our families. Two ways to encourage these developments are reforms to the California Environmental Quality Act (CEQA) and legal protections for infill housing projects.

**Transportation:** Lawmakers need to make bold decisions that may upset some communities but ultimately serve the greater good of the region. It is imperative that we move containers as safely and as efficiently as possible from our ports to distribution centers throughout Southern California—just as it is imperative that we change our own driving habits. A commitment from legislators to develop public transportation corridors is also critical.

**Political Reform:** I conclude with political reform because we need stronger leadership at every level of government to prepare us for the changing economy and expected population growth. The influence of money in the legislative system is nothing short of alarming, as is the fact that political moderates—historically the consensus builders—are an endangered species. But nothing compares to the impact term limits have had on government's ability (or inability?) to prepare our state for the long term.

*The Business Perspective* is an award-winning weekly opinion column by Rusty Hammer, President & CEO, L.A. Area Chamber

## L.A. Business THIS WEEK

View the latest issue of the Chamber's [weekly email newsletter](#). [Contact us to subscribe.](#)

Next week, I'll begin to address pending legislation to fix—and to build—our infrastructure.

And that's *The Business Perspective*.



Russell J. Hammer  
President & CEO  
Los Angeles Area Chamber of Commerce

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213.580.7500 | fax: 213.580.7511 | [info@lachamber.org](mailto:info@lachamber.org) | [www.lachamber.org](http://www.lachamber.org)

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