

## POLICY WATCH – October 2015

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Happy Halloween! What a treat it would be to have a well-functioning transportation infrastructure in the North Bay! We discuss the potential for an innovative solution to one our region's major gridlocks – Highway 37. And the need for more investment in our local roads by our local, regional, state and federal governments. Read below for more on the "man-made sclerosis" that is clogging our highways and destroying our roadways.

We also learn from technology experts when they expect the future to arrive. Check out the chart – is it sooner than you think? And are we already in the Fourth Industrial Revolution? These experts think that "the fourth industrial revolution will transform everything from how we learn, work, live and socialize, to the way we see the world and our role in it. What distinguishes this revolution from those of the past is its scale and speed. With previous industrial revolutions, change came slowly, sometimes leaving entire countries and continents unaffected. Not this time."

Please remember to vote if you have an election this fall. Voter turnout in off year elections is always too low. Take the time to elect your candidates and pass ballot measures that matter. Your vote counts!

Best,

Cynthia

### Fixing Highway 37 - There's a New Bridge in Our Future

Steve Page, President and General Manager of Sonoma Raceway, and board member of North Bay Leadership Council (NBLC), knows firsthand how bad traffic on Highway 37 is impacting his business and our region. He has penned an opinion piece that lays out a potential solution. Here it is:

"In its editorial Sunday ("What to do with 'Blood Alley'"), The Press Democrat pondered the conversion of Highway 37 between Sears Point and Vallejo to a four-lane toll road, a concept largely foreign to Bay Area motorists. However, substitute the word "road" with "bridge" and the notion becomes far more conventional.



Hundreds of thousands of local commuters cross one or more of seven toll bridges on a daily basis, traversing routes that include critical arteries of our regional transportation network.

Highway 37 spans one of those vital corridors, connecting the North Bay with Solano County and the Sacramento Valley for commute, freight and leisure travel. And, as anyone who drives it on a regular basis can testify, it's a mess.

Daily commuters lose hundreds of hours a year that could be spent with their families or in other productive pursuits. And, as their stalled vehicles spew carbon into the atmosphere, they contribute to the very factors — global warming and sea level rise — that will ultimately doom the existing roadway. For the wineries, hotels and other visitor-serving businesses in the Sonoma and Napa valleys that contribute so much to our economic vitality, this wall of congestion is an ongoing deterrent to trade. In the event of an earthquake or other disaster, the delivery of critical emergency services in this region is reliant on a largely dysfunctional roadway.

So where's the solution? Our government at all levels has made it clear that the cupboard is bare. Improvements to Highway 37 do not even show up in Caltrans' 50-year plans.

Enter a group called United Bridge Partners, an investor-backed consortium that includes the Figg Bridge Group, one of the world's leading transportation engineering firms. (Anyone who has driven around Grandfather Mountain on North Carolina's Blue Ridge Parkway has experienced an example of Figg Bridge's commitment to aesthetics and environmentally sensitive construction design.) They propose to construct two additional lanes from Sears Point to Vallejo, replacing a sea of brake lights with a free-flowing four-lane highway.

The new road segment is proposed as a combination of elevated parkway and bridge over environmentally sensitive tidal marshes. Commuters would pay a one-way toll, with a contractual commitment that the fee would never exceed those of the other Bay Area bridges. Over time, as the existing roadway becomes unsustainable, a second two-lane segment would be added to replace it. All construction and ongoing maintenance would be the responsibility of United Bridge Partners, and a portion of all toll proceeds would be dedicated to a trust fund established to support wetland restoration initiatives. Figg would serve as construction manager, but the actual work would be done by local contractors and local labor.

United Bridge Partners has indicated that from the time government approval is finalized, the project could move from design to completion in 30 months. Their South Norfolk Jordan Bridge in Virginia was built in two years with no government funding. Free-flowing traffic on Highway 37 by the end of the decade? What a delightful prospect to consider.

Should this proposal be rubber-stamped without careful consideration and study? Of course not. Before turning over a public asset to a private entity, this process needs to play out in a very public and transparent manner. Our elected officials will need to engage in tough-minded negotiations to forge a deal that builds in iron-clad accountability and protects the public interest for decades into the future.

Can that deal be made? We won't know until we try. But this is a real opportunity on the table today to address a critical public need, and it may not be there tomorrow. Let's get busy."

We hope that there is a new bridge in our future and that our elected representatives see the benefits of this worthy solution to fix Highway 37 in our lifetime.

## Failure to Fund Road Repairs Creating “Man-made Sclerosis” in California Economy



Joel Fox writes in “Legislators propose differing plans to fund state-wide highway repair,” (CalWatchdog, October 20, 2105), that “There is consensus that California’s roads and highways must be fixed. There is no consensus how the fix should be paid for.” This is true at the federal, state and local level. We are still waiting for action by any governmental agency to fund critical road repairs.

Fox said, “Governor Jerry Brown has proposed a yearly funding package for the roads of \$3.6 billion. The package includes a 6-cent gasoline tax increase, an 11-cent diesel tax increase — both tied to inflation — a \$65 car fee and cap-and-trade funds. His proposal is little more than half what legislative Democrats and a coalition of business, labor and construction groups have called for (including NBLC). The Democrats see tax increases as part of the mix; Republicans want to prioritize the use of existing dollars for the roads.”

“The governor,” said Fox, “wants the funding package to move through the Legislature quickly for strategic reasons. For one thing, the plunging cost of gasoline may undermine the argument that the gas tax increase will hurt low-income drivers. Even a tax increase on gas would leave the cost of a gallon of gasoline well below recent price levels. If a package of gasoline taxes and car fees should end up on the ballot it would likely get a cold stare from the voters. Likely there will be a number of tax increases on the November ballot. An extension of Proposition 30, a cigarette tax, perhaps a property tax, maybe others could be on that ballot. A roads funding package will not look so good in the context of all these tax increase proposals.”

Fox comes to an unfortunate conclusion. He says, “The roads and highways are the veins and arteries that pump life into our economic system. They must be cared for to prevent the economic system from getting a form of man-made sclerosis. The governor and legislators during the Special Session are walking a tightrope to balance the need to improve the roads and highways with voters being turned-off by a slew of tax proposals.”

NBLC is also concerned about the funding of local roads, especially in Sonoma County. The rains are expected to begin soon, and if the predicted El Nino occurs, we are in for some heavy storms this winter. Getting more water is great news, but what the water will do to our already crumbling roads will be bad news. NBLC is very concerned about how our transportation infrastructure will withstand these storms when the roads are barely passable now. When the water is able to penetrate beneath the road surface, as it can with the roads in their current condition, the costs of repairs will skyrocket because it will go from a deferred maintenance issue to a reconstruction issue. Without timely repairs, we are likely to lose whole sections of critical roadways at great expense to repair.

The Sonoma County Supervisors are aware of these factors, and have made statements that more funding will be allocated into fixing our local roads. NBLC asks that road funding be elevated as a priority by the Supervisors to prevent increased costs, stop public safety hazards, and remove a barrier to Sonoma

County's economic competitiveness. Without an adequate infrastructure, businesses will not be attracted to locate or stay in Sonoma County. Failing roadways will hinder moving goods and people, providing services, and keeping employees safe. For many companies, this red flag will be a major deterrent and lead to a negative impact on the local economy, again creating a man-made sclerosis.

NBLC urges the County to step up the funding for road repairs, which have been deferred for decades. It is time to pay the Piper and take responsibility for this asset. It is time to make a robust investment in our future by dedicating more money to road repairs to stem the rising costs, increase economic vitality and protect public safety.

## For Many, California's Economy Not a Pretty Picture

Concerns about keeping California's competitive edge are growing. Dan Walters reports on new data that shows that California's economy is not nearly as robust as has been portrayed. In "California economic portrait not pretty," (Sacramento Bee, September 25, 2015), Walters drills down on economic data to find, "California fares even worse by a truer measure of underemployment, called U-6, which counts not only workers who are officially unemployed, but those "marginally attached" to the labor force and those involuntarily working part-time. Our U-6 rate is 14 percent, down a bit from the recession but still the nation's second-highest, topped only by Nevada's 15.2 percent."



He adds, "Finally, the true employment picture is affected by the "labor force participation rate," the percentage of those in the prime working age group (16-64) working or seeking work. Ours is 62.3 percent, the lowest level in 40 years. When more than a third of potential workers sit on the sidelines, the official unemployment rate, or even U-6, look much better than they truly are. The true underemployment rate may be closer to 20 percent."

In speaking of the state's poverty rate, Walters says, "It's not only higher than the national rate, but as the California Budget and Policy Center points out, the data indicate that 22.7 percent of the state's children are living in poverty, and they are nearly a third of all officially impoverished Californians. As dark as that situation may sound, it's actually worse. By the Census Bureau's supplemental poverty measure, which uses broader factors including the cost of living – especially housing – 23.4 percent of Californians are impoverished. Those data are bolstered by two other factoids. Nearly a third of California's 39 million residents are enrolled in Medi-Cal, the federal-state health care program for the poor, and nearly 60 percent of K-12 students qualify for reduced-price or free lunches due to low family incomes."

What to make of this? Walters concludes, "This is not a pretty picture." True, and all the more reason to ensure that the economic infrastructure, like our transportation system is fully functioning so California can grow its economic vitality for all parts of the state.

## Is This The Start of a Fourth Industrial Revolution?

Stéphanie Thomson in the World Economic Forum Agenda (September 11, 2015), asks "Is this the start of a fourth industrial revolution?" and makes a compelling argument that it is. Thomson said, "In fact, at the

Annual Meeting of the New Champions, some even suggested we’re already living through it. ‘It’s not the next technological revolution – it’s already here,’ said Klaus Schwab.”

Thomson explains, “As with the three industrial revolutions that came before, this is about more than fancy new technology. The Spinning Jenny of the first industrial revolution didn’t just make it faster and easier to produce textile products – it fundamentally altered the Western world’s social landscape, from one dominated by small, rural craftsmen to one of factory workers and machine manufacture. The third industrial revolution wasn’t just about personal computers and mobile phones – research shows it increased the amount of time children spent studying and professionals spent working, breaking down the age-old barrier between public and private life. Similarly, the fourth industrial revolution will transform everything from how we learn, work, live and socialize, to the way we see the world and our role in it. What distinguishes this revolution from those of the past is its scale and speed. With previous industrial revolutions, change came slowly, sometimes leaving entire countries and continents unaffected. Not this time.”



# When will the future arrive?

800 technology executives and experts from the information and communications technology sector were surveyed as part of our *Technology Tipping Points and Societal Impact* report





Technology tipping points expected to occur by 2025	Percentage of respondents
10% of people wearing clothes connected to the internet	91.2
The first robotic pharmacist in the US	86.5
The first 3D-printed car in production	84.1
5% of consumer products printed in 3D	81.1
90% of the population with regular access to the internet	78.8
Driverless cars equalling 10% of all cars on US roads	78.2
The first transplant of a 3D-printed liver	76.4
Over 50% of internet traffic to homes for appliances and devices	69.9
The first city with more than 50,000 people and no traffic lights	63.7
The first AI machine on a corporate board of directors	45.2

Source: World Economic Forum, *Technology Tipping Points and Societal Impact* report, 2015

Thomson says, “Technologies that just yesterday were limited to the realm of science fiction are now a reality, and they’re transforming the lives of people from London to Luanda. But while history has taught us that this revolution will bring great opportunities – to boost global trade, lift people out of poverty and topple despotic regimes – it will not be without its challenges. The best way to prepare for these challenges is to seek to understand what lies ahead. A new report, *Technology Tipping Points and Societal Impact*, drew on the collective knowledge of 800 technology executives and experts to predict how this fourth industrial revolution will play out in the next 10 years through 21 tipping-points.”



# Navigating the next industrial revolution

Revolution	Year	Information
	1	1784 Steam, water, mechanical production equipment
	2	1870 Division of labour, electricity, mass production
	3	1969 Electronics, IT, automated production
	4	? Cyber-physical systems

## Members in the News

### PG&E Says Chief Financial Officer Will Retire in 2016

The chief financial officer of San Francisco-based PG&E Corp. will retire next year, the company said Wednesday.

### Skywalker Properties Gets Lease Approve for George Lucas Museum in Chicago Park District

The Chicago Park District has signed off on a 99-year lease for filmmaker George Lucas' proposed museum along Lake Michigan.

### Sunny Hills Services' Annual East Bay LGBTQ Youth Pride Hayward, CA, October 17th

Our Space, an LGBTQ youth community center in Hayward that recognizes LGBTQ youth as fierce and fabulous change-agents in our community, will host "BLAST of the RAINBOWS," the third annual East Bay LGBTQ Youth Pride celebration, on Saturday, Oct.17 from 12 p.m. – 6 p.m., in the parking lot of its building at 22245 Main Street in Hayward.

### St. Joseph Health to Offer Free Medicare Open Enrollment Seminars

St. Joseph Health is offering free Medicare seminars during Open Enrollment in Sonoma and Napa counties. The seminars are open to the public and will be offered at Petaluma Valley Hospital, Santa Rosa Memorial Hospital and Queen of the Valley Medical Center.

### Sonoma Raceway has Plenty of Charitable Fan Activities Lined up for CSRG Charity Challenge

More than 250 historic sports cars will grace the Sonoma Raceway road course during the 12th Classic Sports Racing Group (CSRG) Charity Challenge, Oct. 3-4, and fans can get in on the fun with several charitable events slated for both on and off the track.

### Kaiser Permanente Hospitals Honored by U.S. News & World Report

Twenty Kaiser Permanente hospitals are among the nation's elite specialty care providers, according to the U.S. News & World Reports' 2015-16 Best Hospitals for Specialty Care rankings, published this week.

Read more online at [www.northbayleadership.org/news](http://www.northbayleadership.org/news)



### Who We Are

Over twenty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 45 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call

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