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The governor's chief legislative aide, Richard Costigan, predicted in an interview Wednesday that in the end, the governor would have enough Republican votes to see the plan enacted.

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Gov. Gets Earful From GOP

Republican legislators want Schwarzenegger to slash borrowing for his \$222-billion public works plan and ease environmental rules.

By PETER NICHOLAS
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SACRAMENTO — Republican lawmakers on Wednesday laid out conditions that Gov. Arnold Schwarzenegger must meet to get their crucial votes for his \$222-billion public works program.

The legislators gave Schwarzenegger a list of demands in a private meeting in the Capitol, where the governor had hoped to assuage their concerns that he may be saddling the state with too much debt without enough to show for it.

At the top of the list was a request that the governor pare the \$68 billion in state borrowing his plan envisions and relax environmental protections as a means to speedily shore up roads, levees and other infrastructure.

Schwarzenegger needs a two-thirds majority of the Legislature to send his sweeping proposal to the ballot, giving the Republicans special leverage. Even if he gets every Democratic vote, he would need at least six Republican votes in the Assembly, and two in the Senate.

The meeting was attended by Assembly Republicans. "A two-thirds vote is required to put this on the ballot, and they need Republican votes," said one participant, Assemblyman Roger Niello (R-Fair Oaks). "If we have certain principles that are extremely important to us . . . then those principles will have to be included." Schwarzenegger laid

out his proposal in his annual State of the State speech last week. It calls for 550 miles of new carpool lanes, 750 new highway miles, 600 miles of new commuter rail lines and the repair of 9,000 miles of existing freeways.

The \$222-billion cost would be over 10 years, paid through a mix of borrowing, federal and local money, new tolls, fees and contributions from private industry.

Some Republican legislators foresee weeks of difficult negotiations in which Democrats will press for a plan that could inflate costs, cause delays and plow money into wasteful ventures.

Assemblyman Keith Richman, a moderate Republican from Northridge, said: "There is a risk that, once again, a dysfunctional Legislature will not be able to come to agreement on an infrastructure investment plan. The concern is that the Legislature will continue to be beholden to various interest groups that common-sense compromises will not be made."

The governor comes to the negotiations weakened. Schwarzenegger's public approval rating is 32%, according to recent opinion polls. He is trying to recover from the painful November special election, in which voters rejected his plans for changing state government. And he is entering a reelection campaign in which he is eager to point to concrete accomplish-

"The Republicans have always been there, and the Republicans are also interested in getting this taken care of," Costigan said. Republicans worry that Democrats will insist the rebuilding be done by union labor. That would prove unpalatable to Republicans, who say the exclu-

sive use of union labor could delay construction and inflate costs.

Republicans, for their part, are insisting on conditions that Democrats could find equally untenable.

In their meeting with the governor, the Republican Assembly members said they wanted to ease some aspects of the state's signature environmental protection law, which requires environmental reviews before the state issues building permits. That law, called the California Environmental Quality Control Act, was enacted more than 35 years ago.

"We want significant reform measures connected to the bond," Senate Republican leader Dick Ackerman (R-Irvine) said in a recent interview.

Republicans also want a "pay as you go" approach, in which parts of the project would be paid directly from state coffers. That way, the state would not rely so much on borrowed

Conservatives across the state said they are watching the negotiations closely.

After Schwarzenegger appointed Democratic activist Susan Kennedy as his chief of staff, some disappointed Republicans said the governor could not count on their unblinking support, and would have to prove that he still embraced Republican ideals.

"I think you'll find most conservatives are inclined to oppose it," Shawn Steel, who serves on the board of directors of the California Republican Party, said of the governor's plan. "They know that it has to be twice the cost advertised by the time you're done paying the interest."

"... Will there be so many environmental controls and so many personnel costs that we're not going to see a lot of roads built, but rather a bureaucracy funded?" Steel said.

"There are other big considerations: Will there be feather-bedding and paying the top prevailing wage to satisfy the unions, so that we pay Tiffany prices for freeways?"

Democrats are entering the negotiations emboldened.

They insist that the final plan will not necessarily look like the one the governor rolled out in his speech. What will emerge, rather, is a compromise that also reflects Democratic goals, the party's legislative leaders said.

"This is his vision of the world," Assembly Speaker Fabian Nuñez (D-Los Angeles) said of Schwarzenegger's proposal. "Ours is different. . . . There's no question the political atmospheric conditions are very well placed [for] a compromise that is very good for Democrats."

For starters, Nuñez said, he wants to see more money earmarked for urban mass transit, along with fees assessed on developers to help repay the bonds. Setting up a potential regional faceoff, Nuñez said Los Angeles should emerge a victor in the competition for the money.

"I'm going to insist that L.A. be treated not just fairly but well in this process," Nuñez said.

Senate President Pro Tem Don Perata (D-Oakland) said the Democrats have a strong incentive to reach a deal.

Both parties would be smart to recognize that they have to pass something, lest the public conclude that the Capitol is paralyzed, Perata said.

"We're in a burning house," Perata said. "And if we don't get out, we all die. . . . The public is getting really tired of trying to figure out why we're up here."