

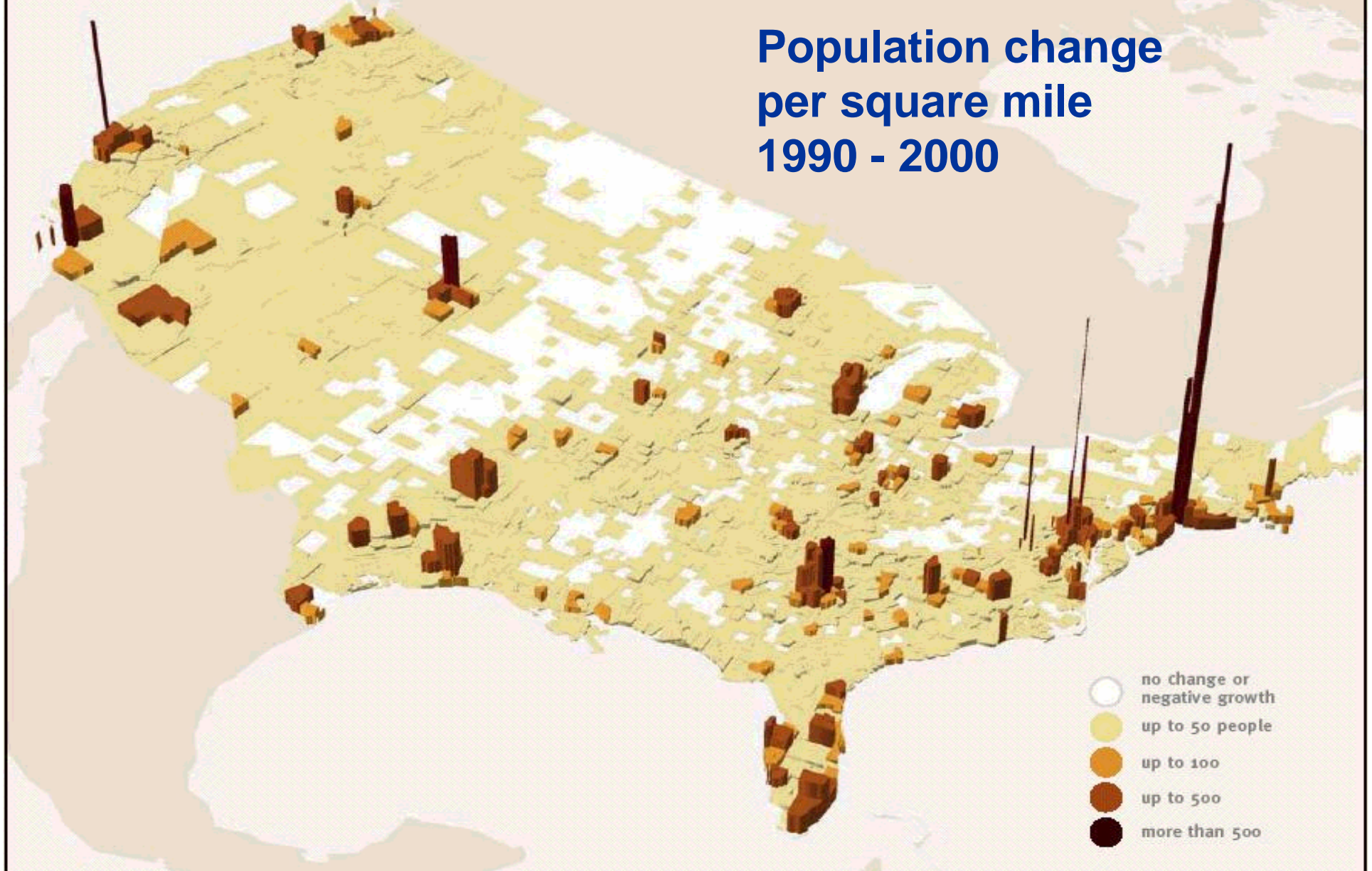


The Southwest Mega Region

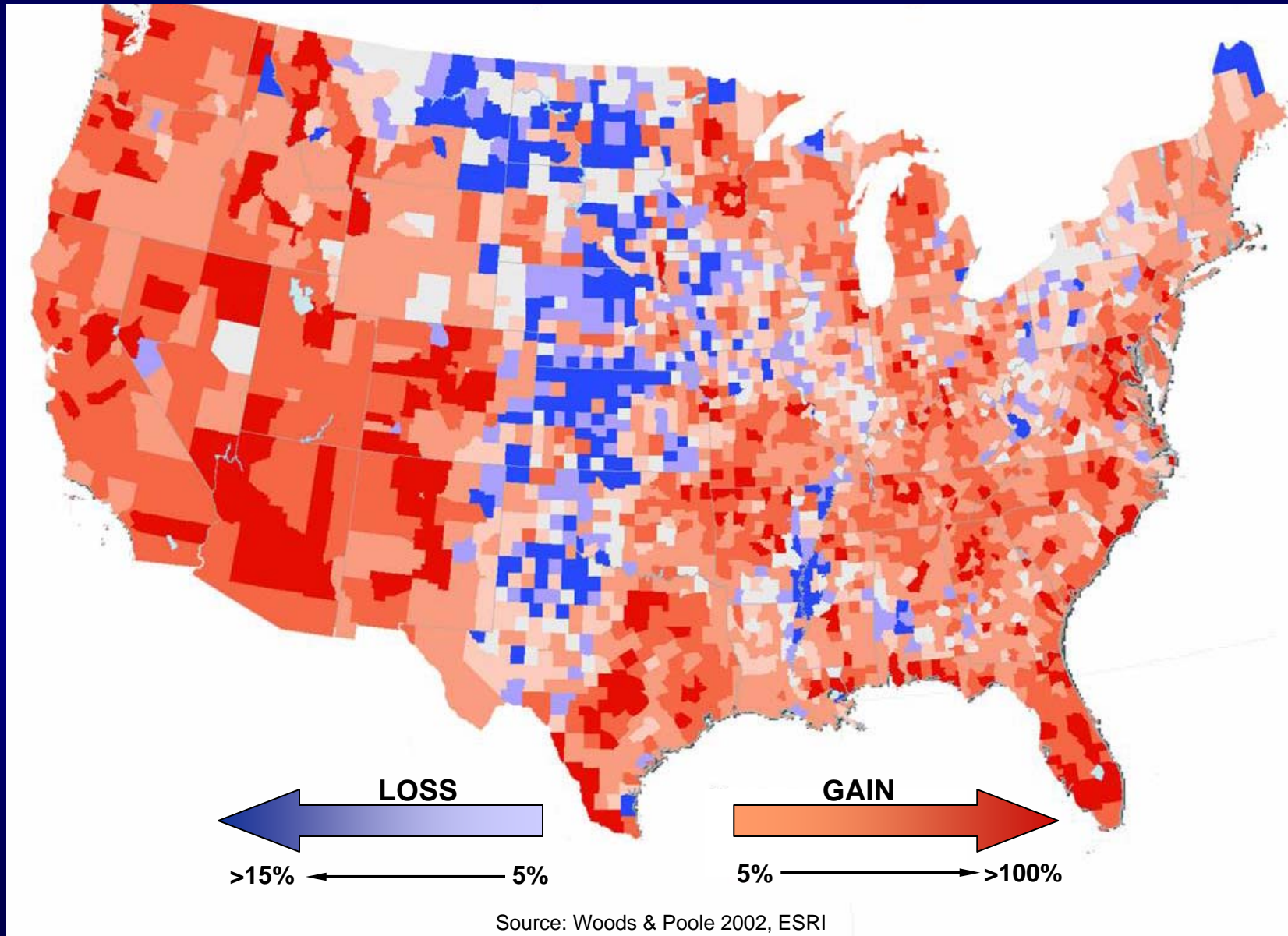
Mark Pisano
SCAG Executive Director

Uneven and Inequitable Growth Patterns

Population change
per square mile
1990 - 2000



POPULATION CHANGE, 2000-2050

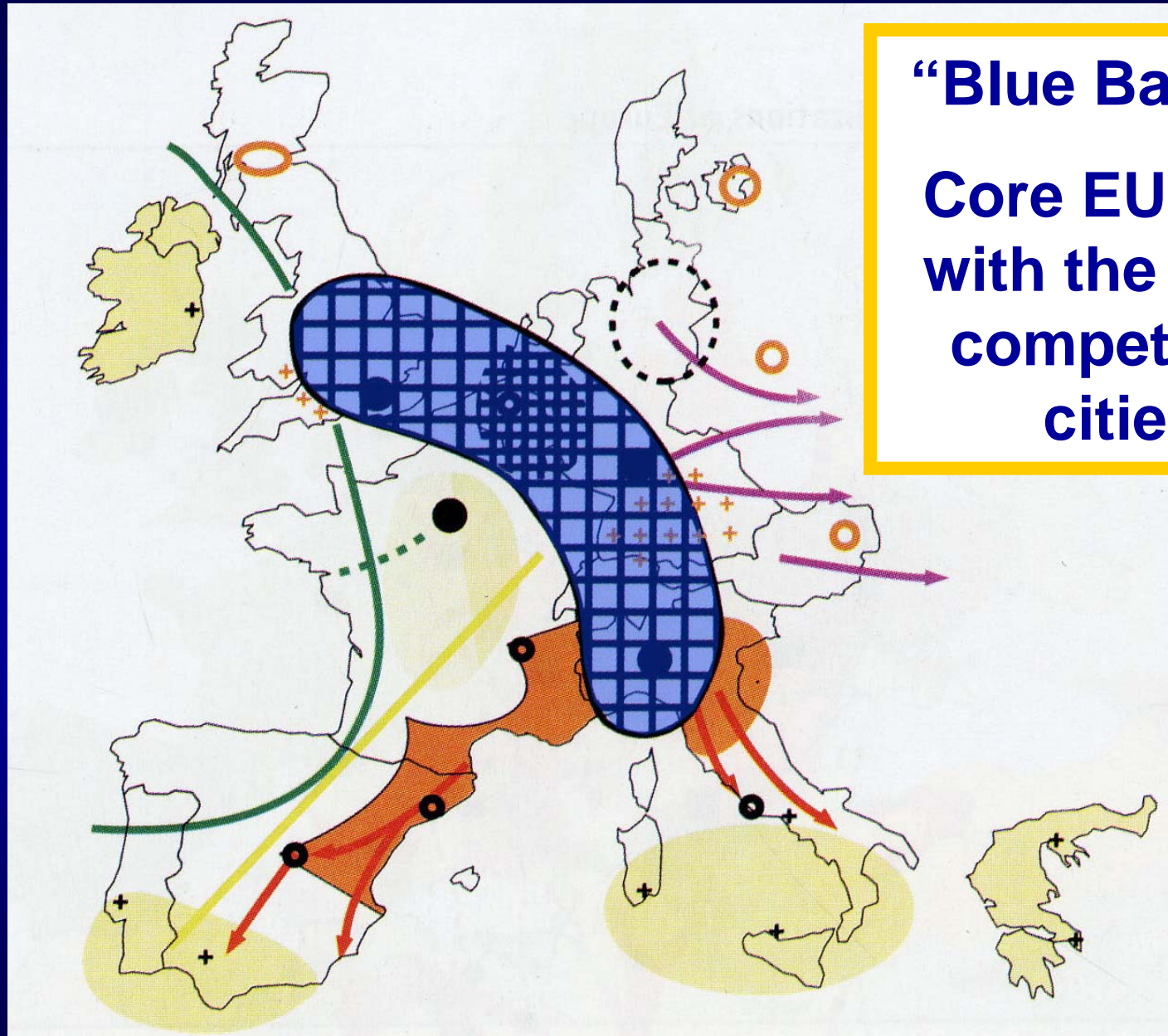


GLOBAL TRENDS



“Blue Banana”

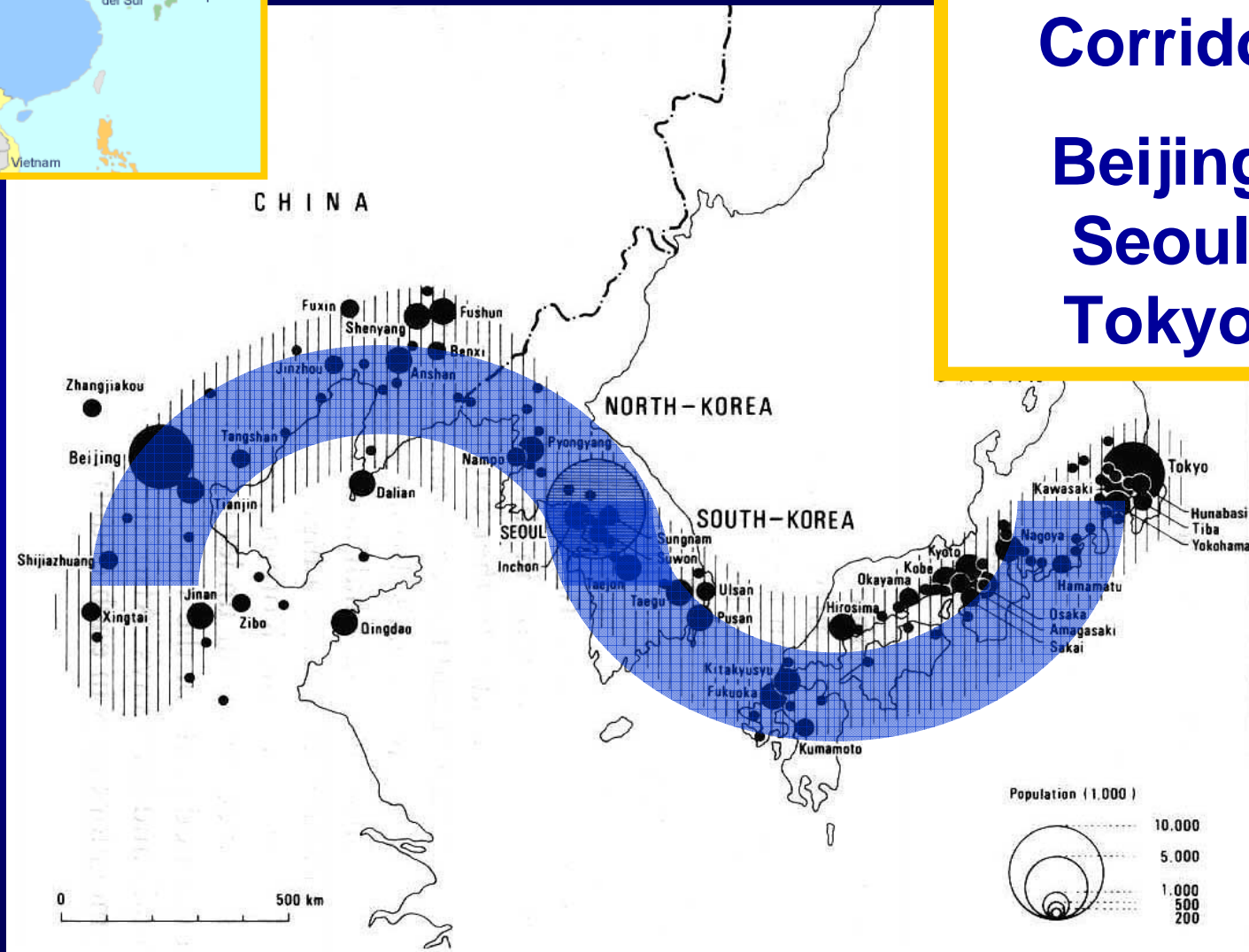
**Core EU Area
with the most
competitive
cities**



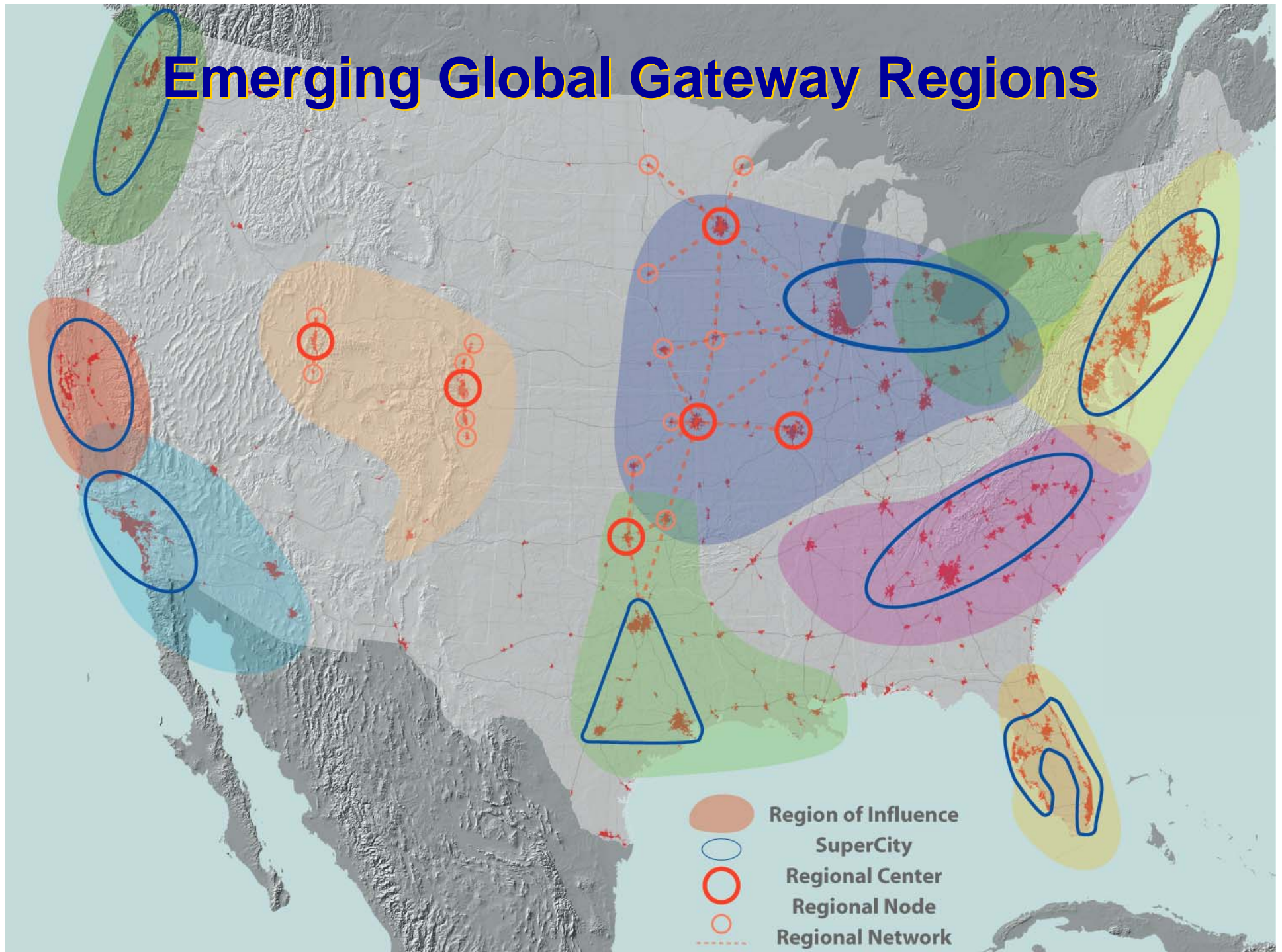


“BESETO” Corridor

Beijing
Seoul
Tokyo



Emerging Global Gateway Regions



Southwest



THE SOUTHWEST GLOBAL GATEWAY



Southwest





Southwest





Southwest





Southwest





Southwest





Southwest







Southwest



Southern
California



SOUTHWEST GLOBAL GATEWAY TRENDS

POPULATION GROWTH

Population is
expected to grow to

27,700,000

by 2030

35%

Increase
from 2000

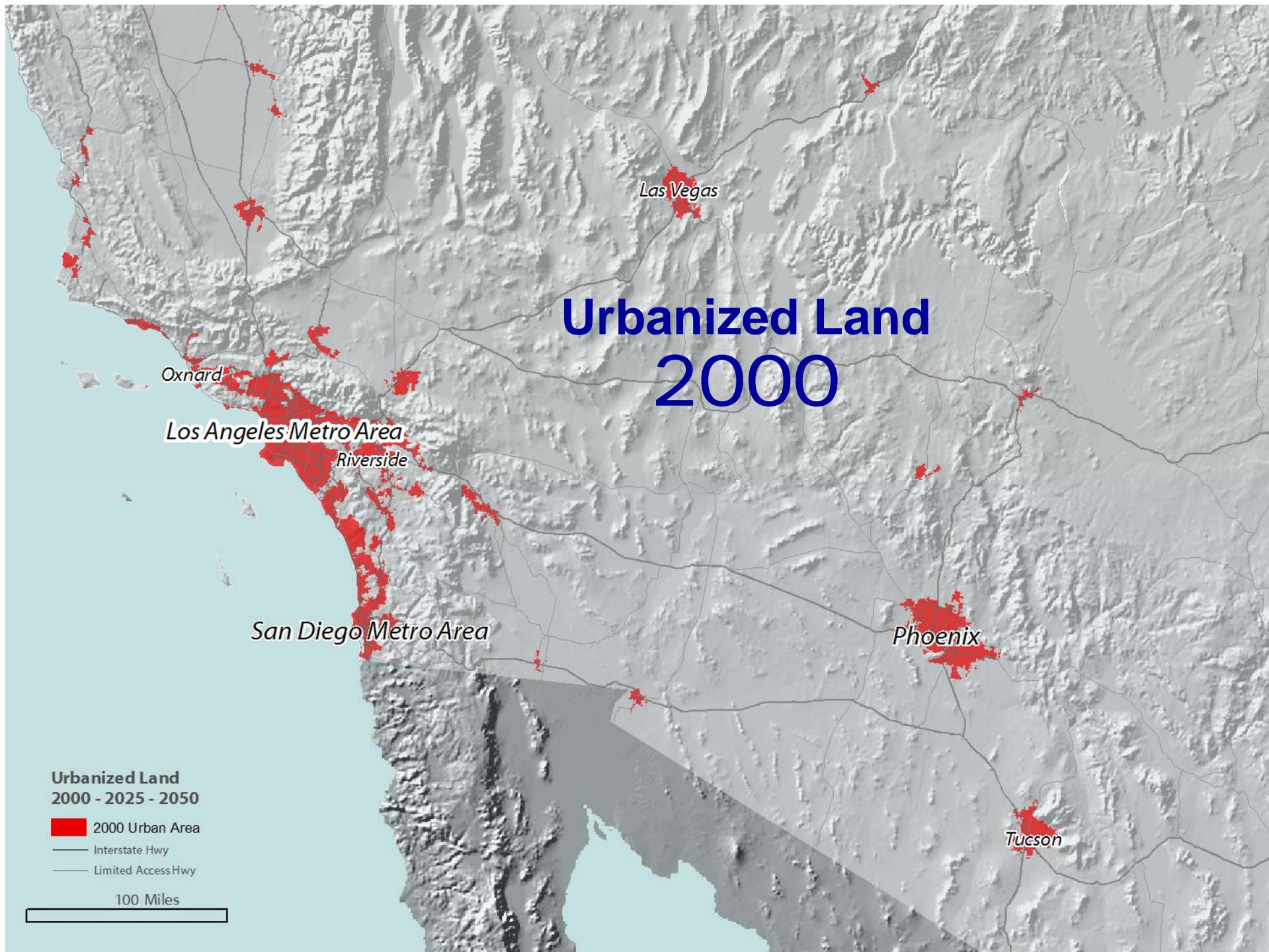


Urbanized Land 2000

Urbanized Land 2000 - 2025 - 2050

- 2000 Urban Area
- Interstate Hwy
- Limited Access Hwy

100 Miles

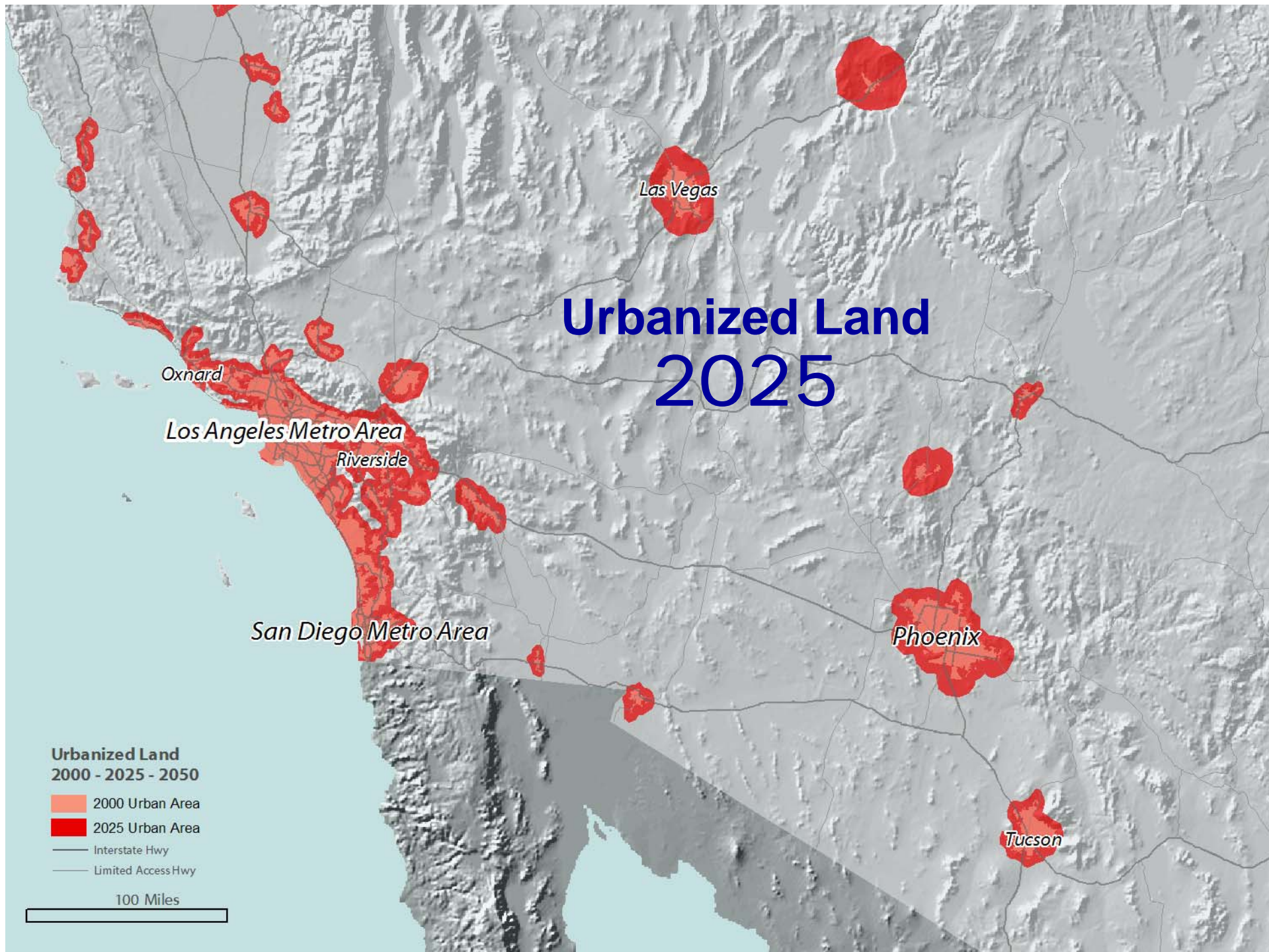


Urbanized Land 2025

Urbanized Land 2000 - 2025 - 2050

- 2000 Urban Area
- 2025 Urban Area
- Interstate Hwy
- Limited Access Hwy

100 Miles

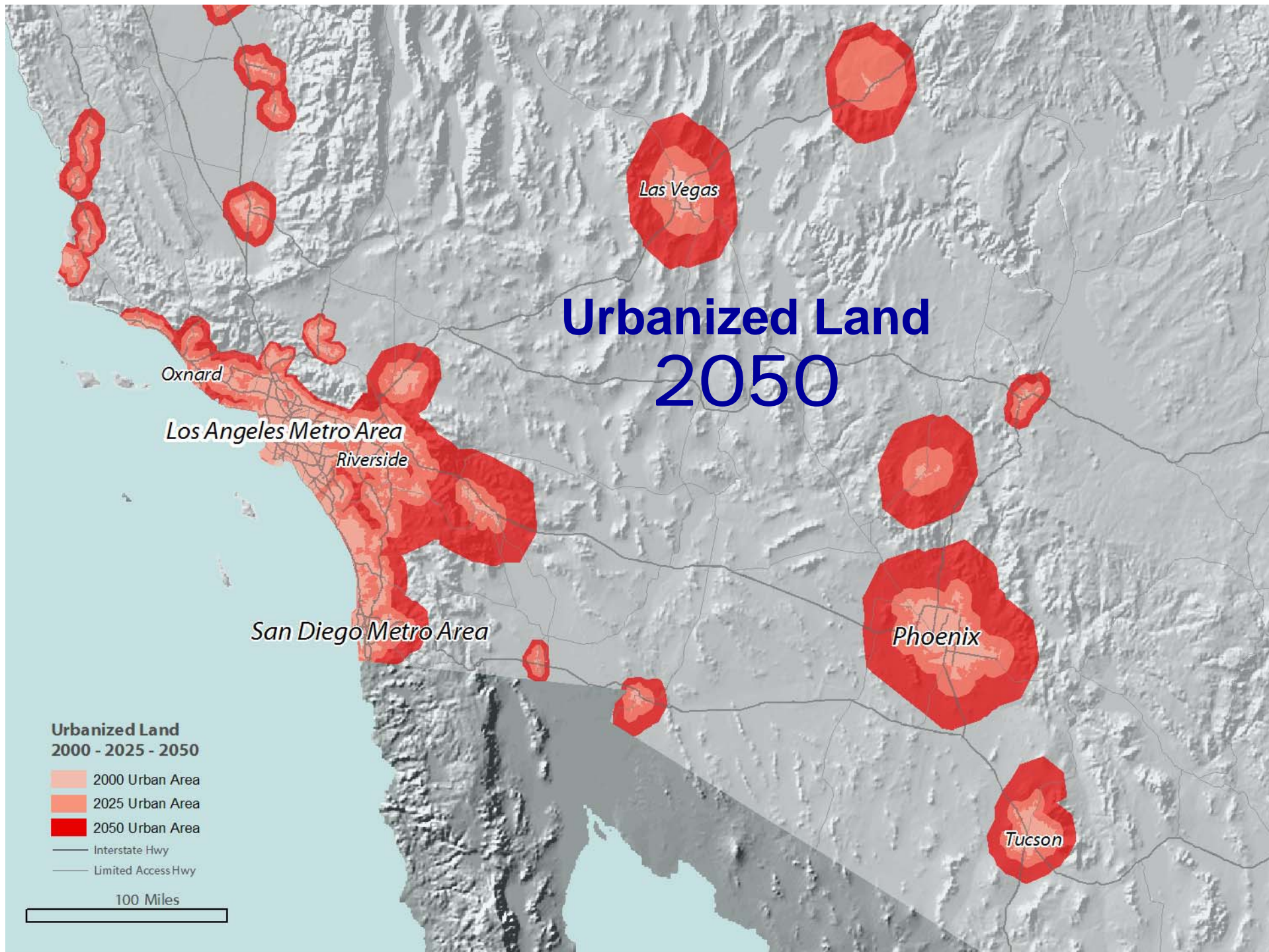


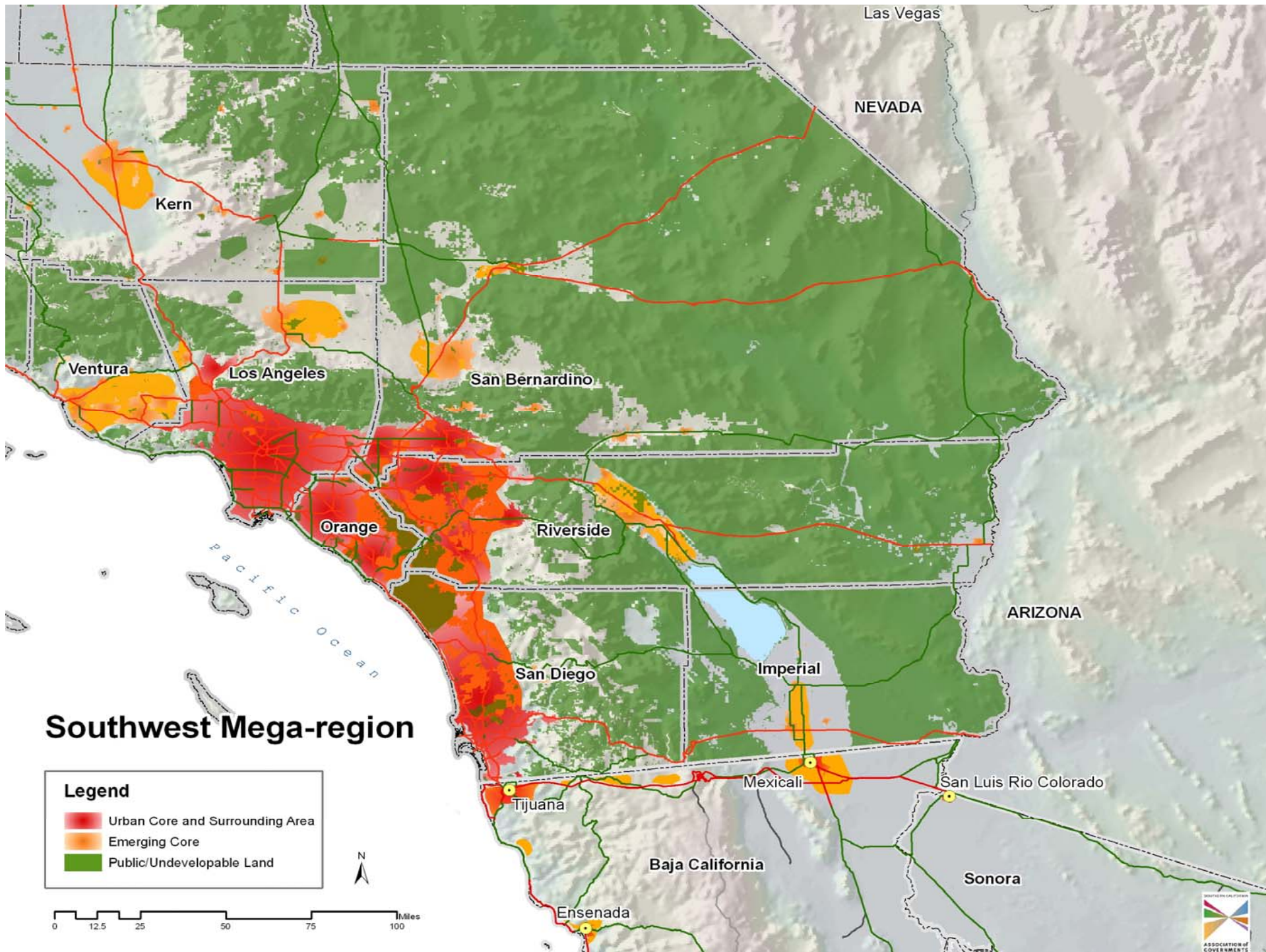
Urbanized Land 2050

Urbanized Land 2000 - 2025 - 2050

- 2000 Urban Area
- 2025 Urban Area
- 2050 Urban Area
- Interstate Hwy
- Limited Access Hwy

100 Miles





TRADE GROWTH



Los Angeles/Long Beach port complex 5th largest in world
44 million 20 ft. containers by 2030 - reaching capacity

TRADE GROWTH WITH MEXICO



The Mexico-California commercial relationship in 2002 was worth approximately \$36 billion, 7 percent, of the total bilateral commercial activity between U.S. and Mexico

Mexico ranks as California's largest trade partner

GROWTH IN AIRPORT DEMAND

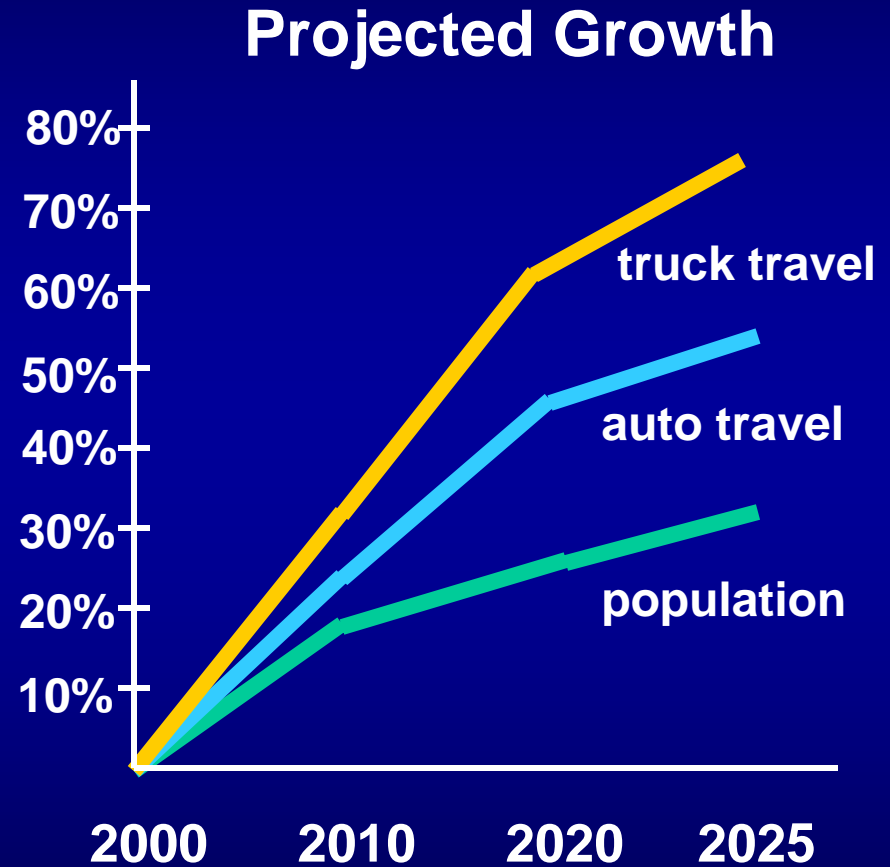


- Mega-region's airports make So. Cal the busiest of all regions in the country
- 94 million passengers served in 2003
- Demand forecast to double before 2030
- Cargo expected to triple

HIGHWAY CONGESTION



Worst in nation since 1982



AIR POLLUTION



- Progress has stalled and diesel emissions from ships, locomotives and port complex are projected to increase
- Mega-region continues to have the worst air quality in the U.S.

THREATENED ENVIRONMENT & QUALITY OF LIFE

ENERGY

Demands on the capacity and distribution of energy will remain a major challenge

WATER

Per capita demand not projected to decline as the population increases

HABITAT & OPEN SPACE

Suburban-style sprawl continues to consume native habitat

GLOBAL GATEWAY THINKING

- Promotes relationships between existing metropolitan areas
- Supports sustainability and long-term vitality
- Streamlines transportation and land use patterns
- Fosters better economies
- Encourages cost-saving measures through cooperation

Southwest



SOUTHWEST GLOBAL GATEWAY STRATEGIES

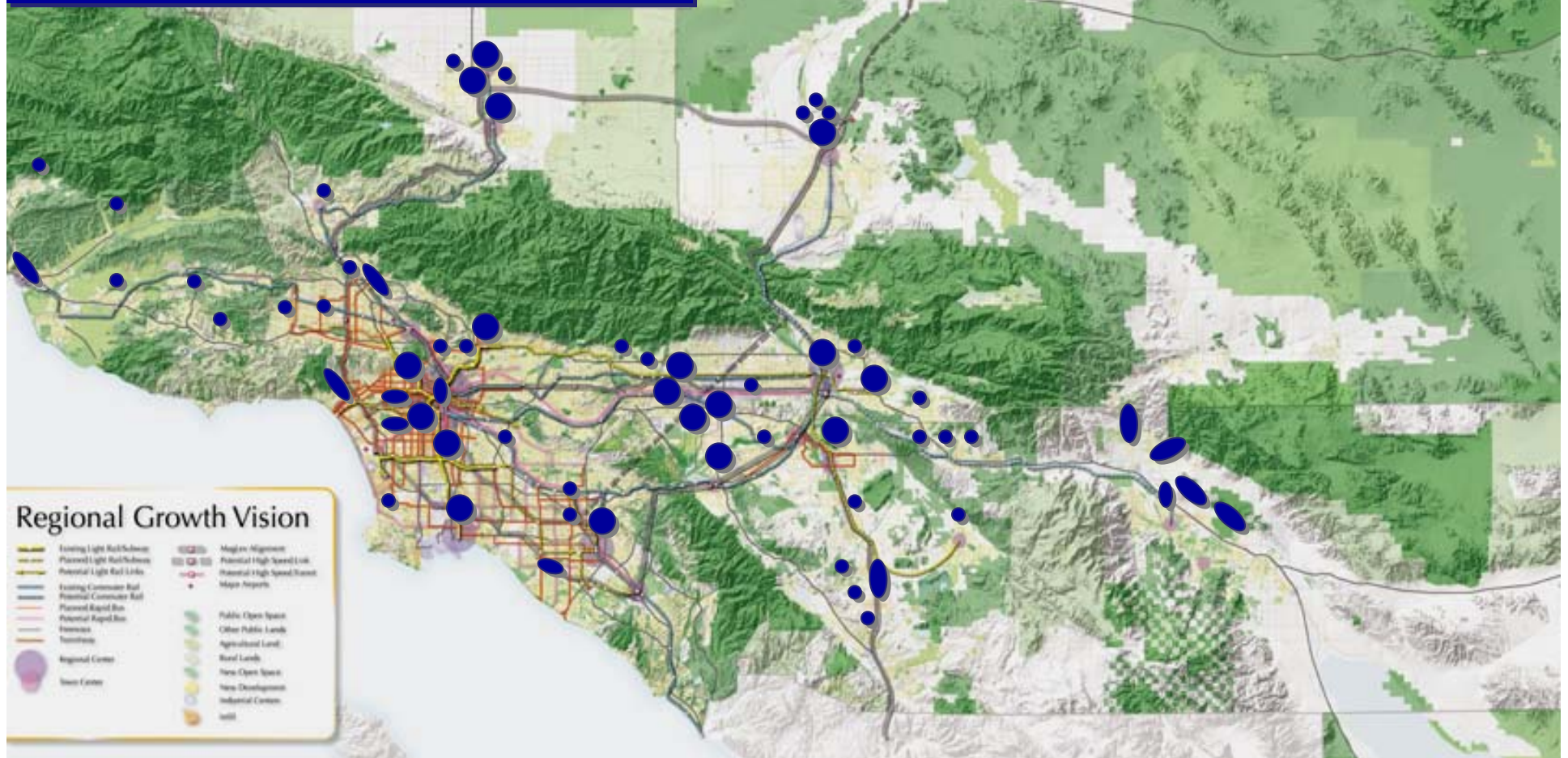
1. Vision for Growth



2. Infrastructure Investment

3. Economic Development Strategy

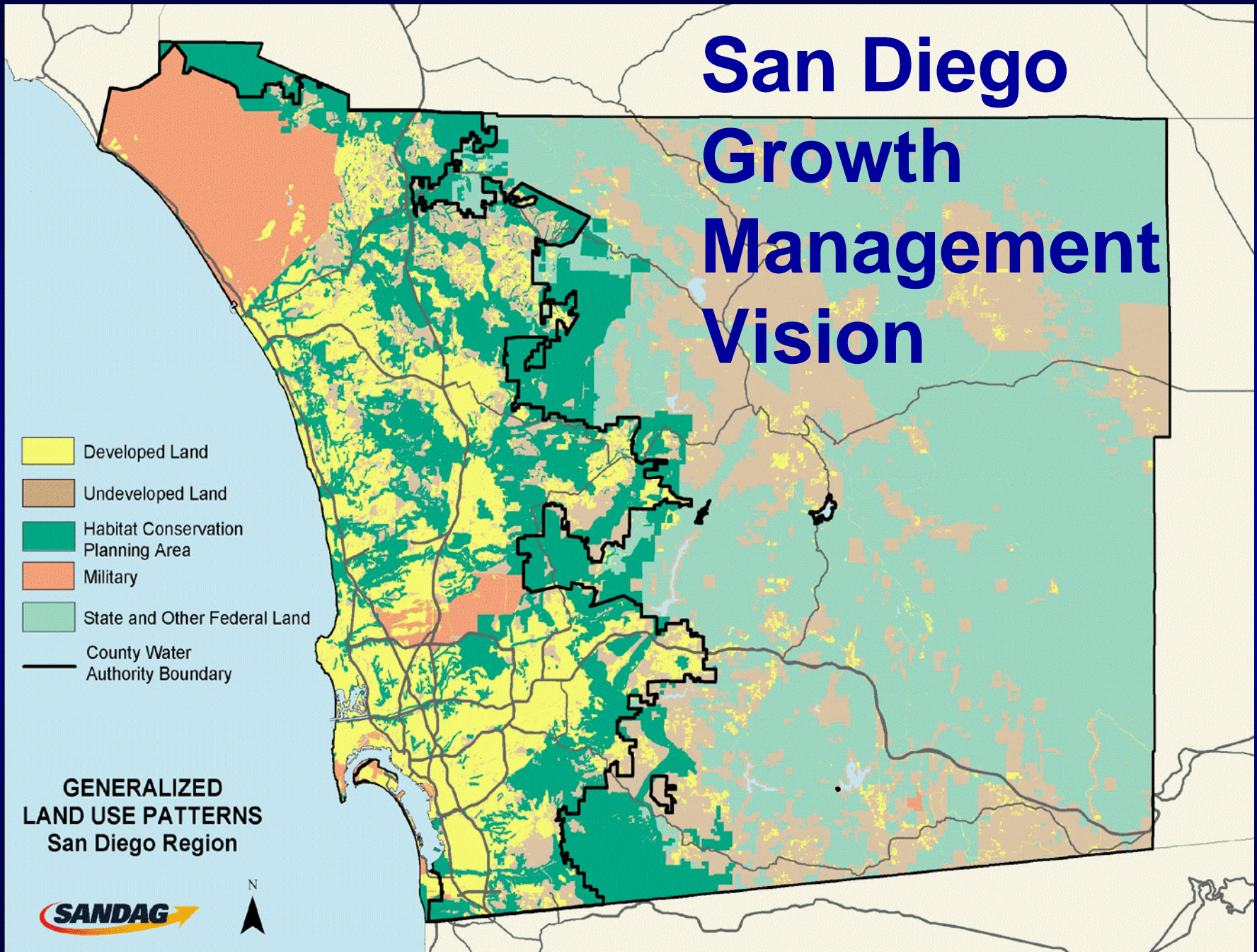
Changes will
affect only 2% of
regional land
mass



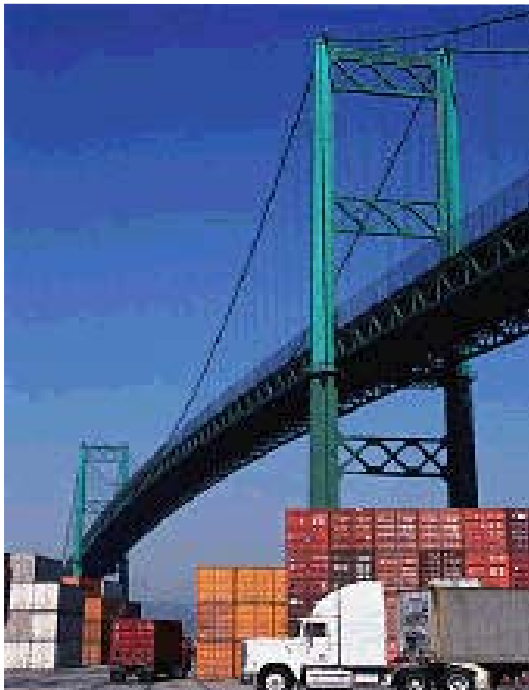
San Diego Growth Management Vision

- Developed Land
- Undeveloped Land
- Habitat Conservation Planning Area
- Military
- State and Other Federal Land
- County Water Authority Boundary

GENERALIZED
LAND USE PATTERNS
San Diego Region



Infrastructure Investment



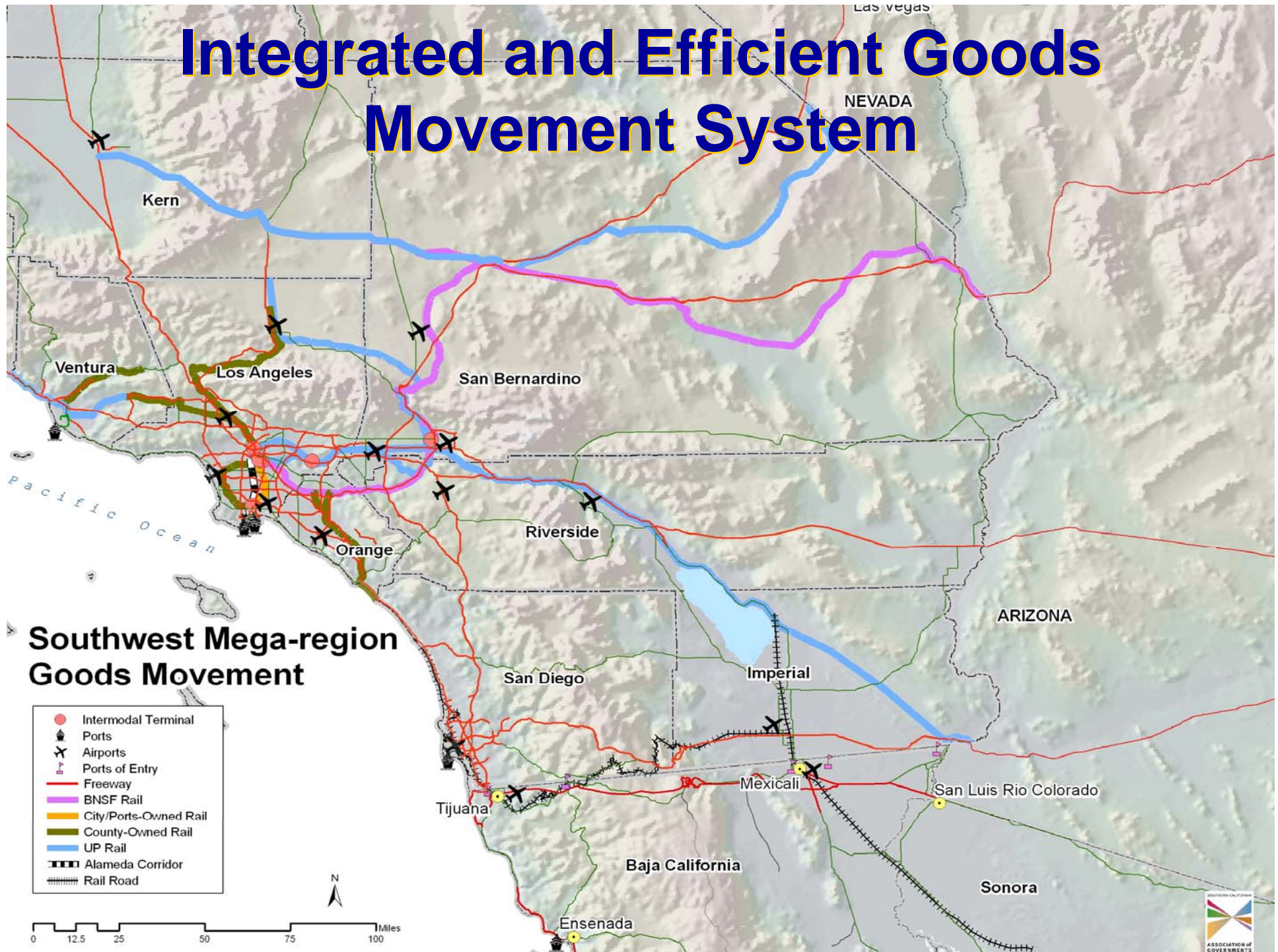
Decentralized Airport System with High-Speed Rail System



Southwest



Integrated and Efficient Goods Movement System

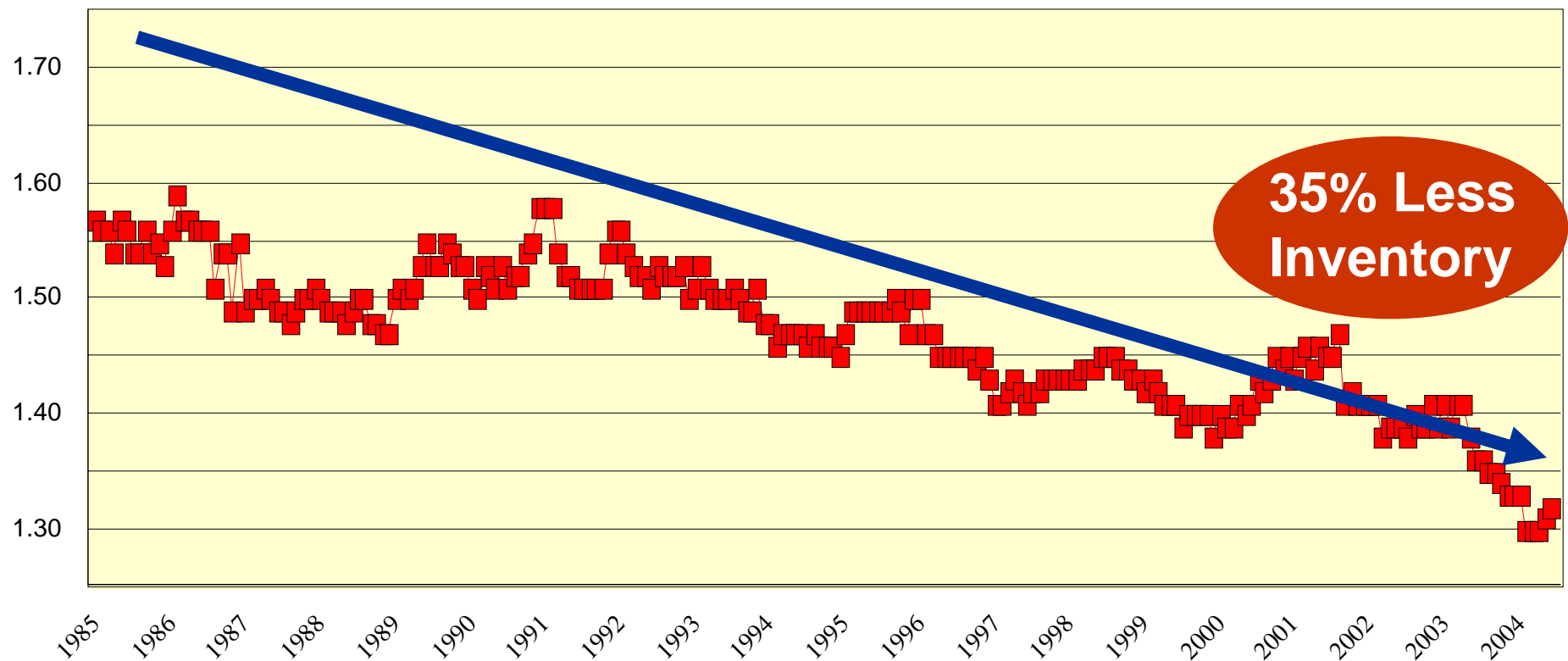


Economic Development Strategy

Logistics

“Just In Time” Inventory Trend

U.S. Inventory to Sales Ratio, 1985-2004



Source: U.S. Census Bureau

**At So-Cal Ports
Consolidation &
Trans-Loading Produce
Both Cost and Time
Savings, Making
“Just-In-Time”
Strategies Achievable**

Non-Consolidated Shipping

Nation-wide
order placed
with Asian
Factory

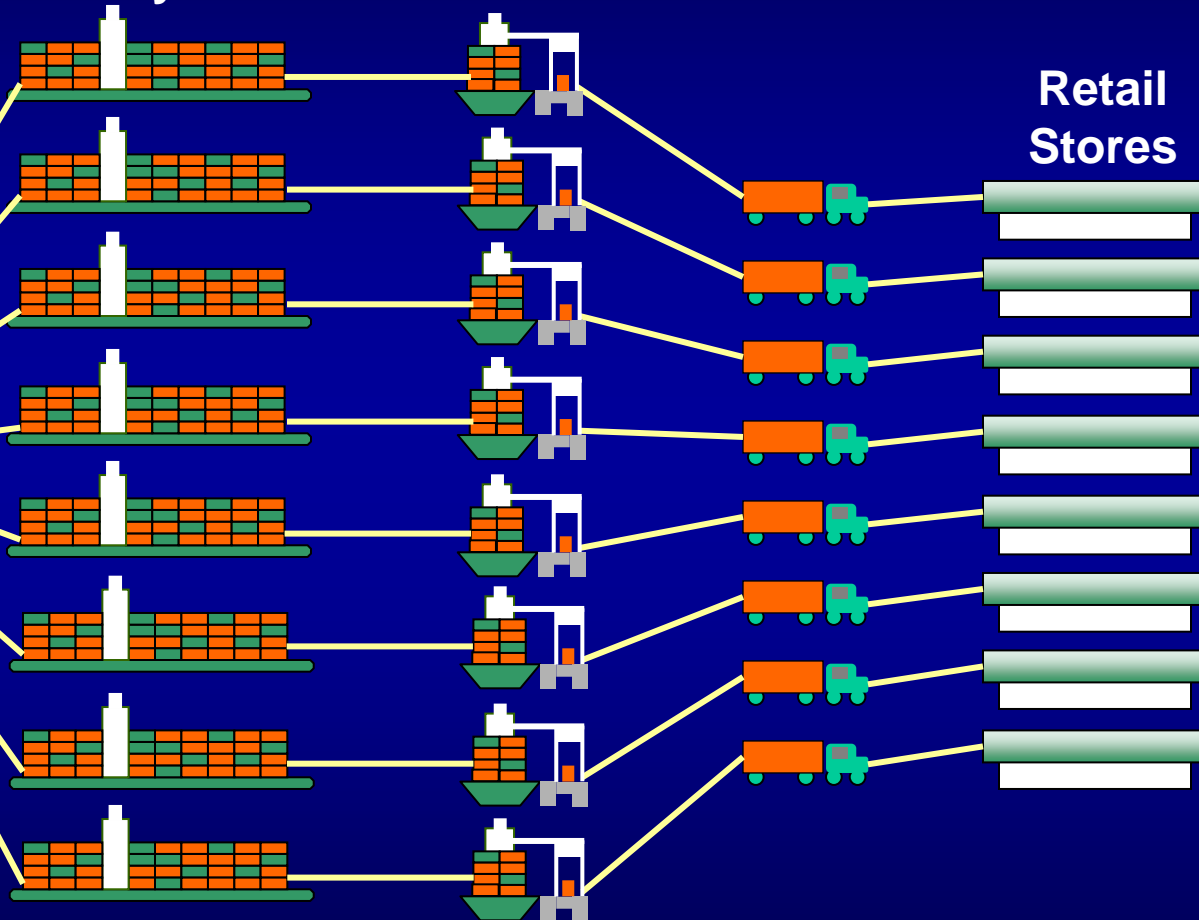
Many Ships to
Many Ports

Depart Ports

Arrive at
Destinations

Retail
Stores

ORDER



DAYS OUT:

75 - 100

25 - 40

1 - 5

1 - 10

Committed 27 - 55 Days Out

Consolidated & Trans-Loaded

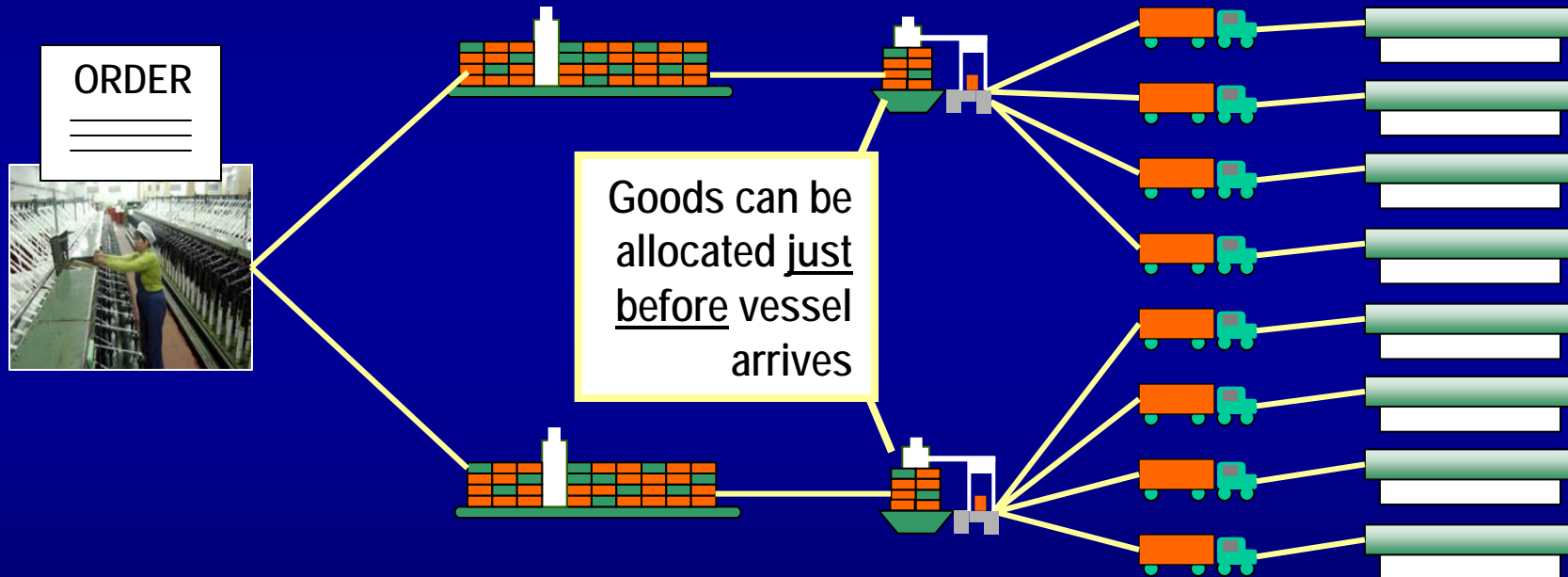
Nation-wide
order placed
with Asian
Factory

Fewer ships to
select
Trans-Loading
Ports

Depart
Destination
Ports

Arrive at
Destinations

Retail
Stores



DAYS OUT:

75 - 100 ———— | ———— 25 - 37 ———— | ———— 5 - 9 ———— | ———— 1 - 9 ———— |

└─ Committed Only ─┐
6 - 18 Days Out

Average of
one month
advantage

The Benefit to Shippers

The trans-loading of weekly shipments affords large, nation-wide retailers an 18-20% reduction in their total pipeline plus safety stock inventory compared to direct shipping.

Assuming a 6% average error in nationwide one-week-ahead sales forecasts

The Benefit to Shippers

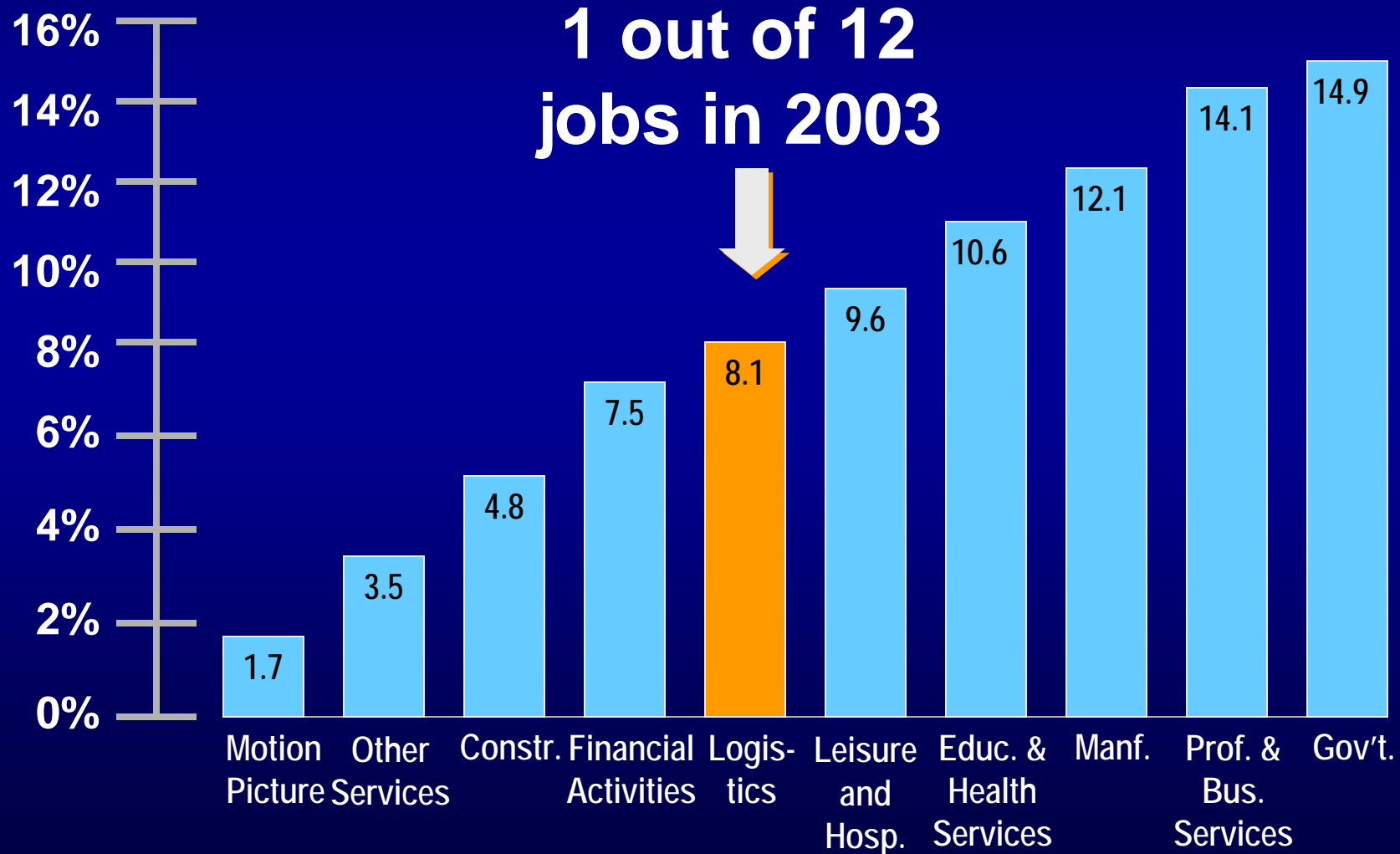
Similar improvements in cross-border, land-port logistics within the Southwest Mega-region would also provide efficiencies and benefits to shippers.

The Benefit to Global Gateways

**The sustenance and growth of the
Logistics Industry, an industry
noteworthy for the good pay and upward
mobility opportunities available to a
growing blue collar labor force**

Logistics Share of So-Cal Jobs

% SCAG Jobs

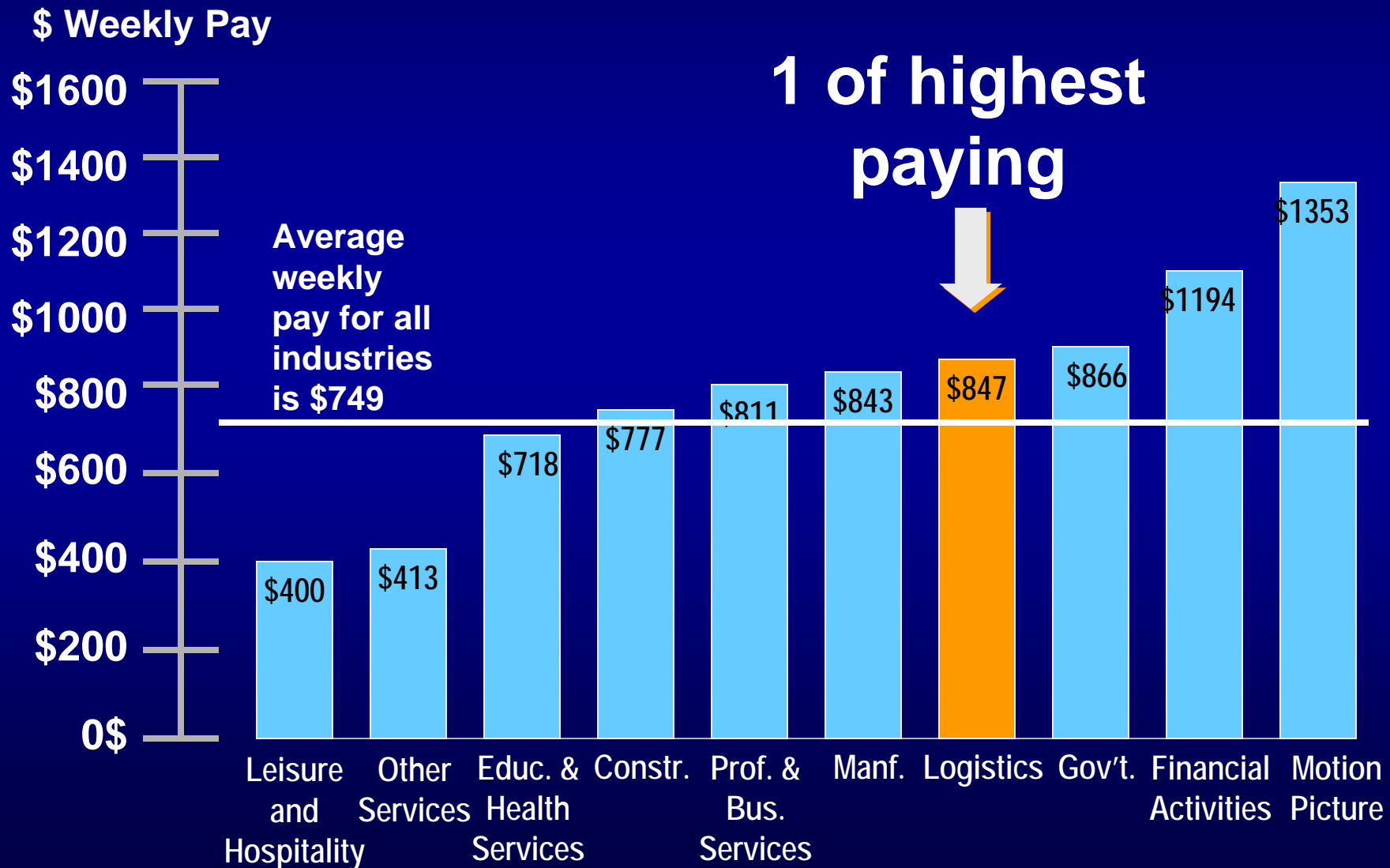


Logistics Share of So-Cal Jobs

Approximately
117,000 of all
export-supported
jobs in California
are related to
commercial
relationships with
Mexico

= 17 %

Compared to other Sectors



Governance And Financing Strategies

- 1 Support the Creation of Partnerships Between Metropolitan Areas**
- 2 Seek Federal Support to Provide Coordination and Incentives**
- 3 Create Public-Private Partnerships to Execute Strategic Investments in Infrastructure**

Mega Region Strategy Results

- 1 Growth of Logistics Industry
Builds Middle Class**
- 2 Increase in Housing Stock**
- 3 Better Quality of Life for All**
- 4 Made Possible by New Finance
Structures That Encourage Change**

Being Competitive Participants in the Global Economy





The Southwest Mega Region
Thank You

