

# California Rail News

Volume 23 Number 3

Sacramento, CA

August 2011

## Viaducts Blow HSRA Budget



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Train Riders Association of California

Proposed 220 mph train through Bakersfield on 60-foot viaduct.

## VAN ARK ADMITS MULTI-BILLION COST OVERRUN

### Opinion by Richard F. Tolmach

Latest plans published by the California High Speed Rail Authority show nearly 150 miles of its proposed San Francisco - Anaheim line using aerial structures, many as high as 60 feet in the air. Given the many drawbacks of viaducts, HSRA's plan to put 30% of the high-speed route on them appears entirely unrealistic.

Viaducts were HSRA's preferred answer to almost any alignment problem, despite known seismic and safety vulnerabilities, and their propensity to broadcast train noise. In pushing aerial lines, HSRA was ignoring modern European practice, which severely limits the extent of high-speed structures on safety grounds. For example, France's TGV has less than 2% of track on viaduct, including all river crossings.

Rail engineers cite unacceptable risks as a reason to avoid extended 220 mph operations on viaducts. Each mile of speed increase diminishes the ability to keep trains from launching off the viaduct in an accident. Perching crash walls atop a 60 foot structure would add so much mass as to require more frequent piers and greatly increase the construction cost.

Construction of rail lines on viaducts is something that European cities rarely allow anymore. Berlin's last major elevated railways were built by the 1920's. Decades of scholarship, much of it done in the U.S., has proven that elevated railways produce urban blight. The spectacle of a railway management ignoring public input and trying to blast its way through residential neighborhoods with an elevated rail line is unthinkable today in Europe.

HSRA actively fanned public outrage in a dozen neighborhoods on the Peninsula by proposing elevated trains most of the way from San Francisco to Gilroy. HSRA's intransigence motivated dozens of local professionals to oppose the rail project and elicited three major lawsuits.

Once Bay Area plans were blocked, the Authority did not change its approach and proposed even bigger elevated structures through five Central Valley cities, as well as poorly thought-out elevated lines through rural areas, spurring citizen activism against the project in a region that was previously solidly pro high-speed.

In addition to 60 miles of viaducts in the Bay Area, the Authority proposed

another 15 miles on Gilroy-Chowchilla, over 42 miles on its two Central Valley starter segments, and at least 30 miles  
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# VIADUCTS: DESIGN FOR FAILURE

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between Bakersfield and Los Angeles.

Viaducts were not originally planned for these segments, but were laddled onto the project scope, driving up capital costs by up to \$3.8 billion just in the Central Valley. More viaducts also inflated other segment costs, clearly busting the \$45 billion first stage network budget. From 2009 onward, HSRA wasted thousands of engineering hours and many millions of dollars on viaduct designs which were never affordable, and now are likely to be discarded.

Reliance on viaducts to allow 220 mph speeds has put costs and even route feasibility into doubt. With even the Central Valley segment \$3 billion to \$6 billion over budget, all HSRA CEO Roelof van Ark has to show for hundreds of millions of dollars spent is a financially unrealistic plan.

Either **A)** HSRA staff sincerely didn't realize its viaducts and other lavish uses of capital were a waste or **B)** its agenda always was to abort the project once \$1.5 billion of design and engineering funds are sucked dry. Hypothesis **B** is beginning to look like the only reasonable explanation.

On the Bakersfield-Los Angeles segment, HSRA has made a belated effort to address cost and safety issues produced by overdesign, but it has been ineffective in controlling engineering costs or keeping politics out of its route selection.

Four months ago, a HSRA review of the Tehachapi route already had concluded

that the required lengths of viaducts and tunnels on its winding 140 mile preferred line between Bakersfield, Palmdale and the L.A. Basin were unaffordable and that the only way to obtain savings was a shorter route with more track at grade. Authority engineers also found "unexpected and significant construction challenges" between Palmdale and Sylmar, involving tunnels and the California Aqueduct.

Instead of handling these issues earlier with a realistic program EIR, HSRA has launched yet another round of alternative analyses and more litigation, as the City of Palmdale filed suit to stop the Authority from reconsidering the Grapevine route as part of its final environmental documents.

In far too many cases HSRA selected routings and structures no competent operator of high-speed rail would ever consider. How much of this work was productive and how much of it was simply an abuse of the public trust? California has the experience of prior fraudulent transportation projects which selected unbuildable bridge types, aimed tunnel boring machines at the La Brea tar pits, and routed light rail through known serpentine deposits.

California's last chance to avoid a scam project may be to eject the charlatans and assign design to competent international high-speed rail operators whose interests are in attracting private capital and making money from operating trains, not from charging taxpayers for unbuildable plans.

# BIKES ON METROLINK

As part of a pilot program, Metrolink introduced its first two "bicycle cars," passenger railcars outfitted with space for at least 18 bicycles, instead of two slots like Metrolink's other railcars. The agency hopes this will encourage more bicyclists to take the train to their destination.

To accommodate the additional bicycles, Metrolink crews removed 29 passenger seats on the bottom level of one of its railcars that traditionally seats up to 149 people.

"We hope to attract bicyclists whose public transportation options may be limited by available storage space," said Metrolink CEO John Fenton. "We are committed to growing our ridership; to do that, we have to modify the type of services we offer."

Metrolink used in-house resources to design and retrofit existing cars with additional storage for bicycles. The agency coordinated with bicycle advocates on the design, which was ultimately approved by the Federal Railroad Administration.

Initially, Metrolink's "bicycle cars" are used on the Inland-Empire line weekend beach trains, where demand is highest for additional bicycle storage space. Bicycle cars can be identified by yellow decals located on the outside of the rail car.

Metrolink is prepared to add up to 10 additional bicycle cars to its fleet, depending on the success of the pilot program.

## Integration of LOSSAN: Great Goal, Hard to Achieve

Service integration on the LOSSAN corridor, long a goal of TRAC, looks every bit as problematical as it did ten years ago, prior to several major efforts by Southern California counties to meld service by multiple carriers, the latest of which is in progress under the advice of Gene Skoropowski, former Capitol Corridor manager, now working for HNTB, a consulting firm.

The blockage seems to be largely financial and institutional.

Caltrans and the CA Dept. of Finance are worried about the skyrocketing subsidy of their *Pacific Surfliner* service, which has been financially harmed by Metrolink competition, lax management, and a fare scheme that the state Department of Finance characterizes as a gift of state funds. Farebox ratio of the *Pacific Surfliner* service declined from 103% to 44% over the past 18 years, while annual public subsidy grew from zero to \$50 million.

Caltrans has been working with Amtrak to try to recoup lost connections and lost traffic, particularly with San Joaquin trains. Revival of reliable daily train connections across California would apparently improve revenue by over \$1 million annually, even with a slightly lower frequency of service.

Fiscal conservatives wonder why state taxpayers should continue to underwrite local Amtrak California service between Los Angeles and San Diego when local agencies seem ready to provide competing services without subsidy. One reason the state subsidy should continue is that counties seem not to understand the needs of intercity travelers, and may impair long-distance connections, further restraining mobility.

Local agencies are now actively encroaching on Amtrak markets, which has reduced State and Amtrak willingness to cooperate. Metrolink and Coaster have begun new

through service authorized under Section 209 of the PRIIA bill that undercuts Amtrak both on price and convenience. They plan to interline more of their trains. That is great for passengers who will save up to 50%, but bad for taxpayers who are expected to fund a fares war and increased subsidies.

One solution would be for California to negotiate with locals to take over state service at a lower monthly rate than Amtrak's current billings. Unfortunately, Caltrans never before had the political moxie to carry out a reform, but a proactive stance now would avert a fiscal collapse on the *Surfliners* later.

Section 209 gives states rights to obtain Amtrak equipment for such service and has the Surface Transportation Board referee any disputes. However, taking advantage of such benefits would require open and friendly communications between state and local agencies, a stance that is now more difficult.

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# Corruption, Crash, Cover-up

On the evening of July 23, two of China's heralded new high-speed trains were traveling south along China's eastern coastline, both headed to the capital of Fujian Province.

According to local media reports, one train lost power due to a lightning strike and came to a halt on the outskirts of Wenzhou. About 20 minutes later, the second train plowed into the back of the stalled train, derailing two of that train's rear cars and pushing four cars of its own over the edge of the 60-foot high viaduct, killing 40 and injuring 210. The last car of the stalled train was completely destroyed, making it difficult to ascertain total fatalities.

Official response was secretive, made no sense, and fueled public fears of a cover-up. Early Railway Ministry statements blaming a lightning strike for loss of signals were roundly ridiculed by Chinese bloggers and rail experts worldwide. Vukan Vuchic, a University of Pennsylvania expert, told the *New York Times* "This is extremely rare. I've never heard of lightning doing that, but if it did, everything else would stop too. And the signal system should keep trains at a safe distance." Human error was not immediately admitted, because blame for major casualties is punished as a capital crime in China.

In the absence of a sensible explanation, Chinese mini-blogs were filled with damning details of the crash, along with photos that appeared to show equipment being cut up and buried at the site. Public reaction was so vociferous that the railway was forced to uncover the locomotive of the second train. Some bloggers viewed the demolition activity as a rushed attempt to destroy evidence before railway investigators arrived.

The speed with which the fallen trains were demolished also led to fears that more victims or even live passengers might have been aboard. The search for survivors was called off after 12 hours, versus 72 in the German ICE wreck. It did not help Railway Ministry public relations that 21 hours after the crash, Xiang Weiyi, a 4 year old girl whose parents had apparently perished, was found unconscious, but without serious injuries by a police captain who had resisted attempts to move the car before a last search.

Five days after the accident, Chinese Premier Wen Jiabao finally arrived at the site. He told reporters that he had not been able to visit the scene earlier. "I was ill and spent 11 days in bed in hospital. Today [July 28] the doctor reluctantly allowed me to travel." Bloggers disputed his version of events by posting pictures of Wen meeting with a

Japanese trade delegation after the crash.

Government censors tried their best to manage the coverage, telling reporters: "Do not investigate the causes of the accident; use information released from authorities," according to *China Digital Times*, a website that publishes leaked directives by censors. Another directive was that "reporting of the accident is to use 'in the face of great tragedy, there's great love' as the major theme. Do not question. Do not elaborate."

Not all publications strictly conformed to these rules, but following an unprecedented week-long outpouring of criticism of China's Railway Ministry by China's media, Chinese censors halted further coverage.

Dismissal of three local railway officials at the Shanghai bureau did not diminish the public anger about the accident, which closely followed repeated power failures on the new high-speed link between Beijing and Shanghai. The 820-mile line opened June 30 on the Communist Party's 90th anniversary.

High-speed rail already was under fire for cost overruns, contract corruption, lapses in safety and suspect concrete in structures. Earlier this year, prior Rail Minister Liu Zhijun was jailed and removed from his post for \$122 million of kickbacks he allegedly received, and handing construction contracts to his brother-in-law. At the same time, Zhang Shuguang, deputy chief engineer of the department was sacked.

Contractors are alleged to have skimmed on expensive hardening agents for concrete crossties. The ties, essential to high-speed, are predicted to fail within a few years. There also is concern that shortage of strengthening ingredients in the concrete used to build bridges and their supporting columns may have compromised their safety.

In April, one high-speed line under construction between Qinhuangdao and Tianjin and a second already running between Qingdao and Jinan were shut down because of "environmental law violations." Most observers believe the real issue was safety.

China's *Economic Observer*, in a story translated by Laura Lin, claimed the Minister ignored safety stipulations in the Siemens contract for prototype vehicles which clearly stated that "maximum speed is 300 kilometers [187 miles] per hour," in order to create the world's fastest train, according to Zhou Yimin, another former Deputy Chief Engineer. In June, two weeks before the launch of the new Beijing-Shanghai run, planned top speed dropped from 220 mph to about 180 mph.

The Wenzhou accident has only increased the controversy over China's high-speed rail plans. Much of the problem is financial, as the Railway Ministry racked up \$400 billion of debt on dubious projects. Many Chinese complain that the new services effectively curtail availability of rail travel by cutting the 80 mph trains most of the public can afford.

## Coast Observations

**A PLAN FOR 800 NEW BART CARS is being promoted by the transit agency, which says it needs \$3.4 billion for the complete fleet replacement that would take up to 20 years to accomplish. Drawings by BMW Group Designworks look remarkably similar to existing cars, except that there would be a third door on each side... NAT FORD, General Manager of MUNI, has left after receiving a \$384,000 golden parachute and is reportedly a candidate for the top job at BART, where manager Dorothy Dugger was recently forced out. San Francisco is avoiding the typical national search for a new GM and is expected to elevate a local candidate... LEE GOLDENBERG of Caltrans' Rail Division heralded the achievement of 1 million annual *San Joaquin* riders in May, a goal which had eluded the service for an entire decade during which it increased train frequency on the corridor by 50%... RIDERSHIP ON TRAINS statewide hit new records as wholesale oil prices stayed above \$100 a barrel all the way through spring, after peaking in response to the loss of Libyan production in February... THE "CARMAGEDDON" PREDICTED from a 2 day closure of Interstate 405 July 16th and 17th to replace a narrow bridge crossing Interstate 405 was barely noticed by most residents but provided a platform for marketing by competing transportation interests... MARKETERS AT JETBLUE jumped on the event to offer 30-mile short hop flights that Saturday from Long Beach to Burbank at just \$4 each way, taxes and fees included. The 600 seats available on the four flights — two each direction — sold out within three hours, the airline said. Bicycle advocates meanwhile challenged JetBlue to a race from front of terminal to front of terminal. A bicyclist won... METROLINK ALSO AUGMENTED Ventura and Antelope train routes during Carmageddon, and promoted its new \$10 pass valid for unlimited travel from 7 pm each Friday until midnight Sunday. Metrolink, notified only 4 days in advance, carried 11,000 U2 concertgoers to Anaheim June 17 & 18... A LITTLE-KNOWN Capitol Corridor promotion offers seniors 50% off regular fares on its trains and buses Tuesdays, Wednesdays, and Saturdays. In view of the Capitol Corridor's light traffic on week-ends, perhaps it should emulate the Metrolink offer with a well promoted \$25 unlimited travel pass...**

## California Rail News

Published August 17, 2011  
Published 4 times annually by the  
California Rail Foundation  
in cooperation with the  
Train Riders Association of California

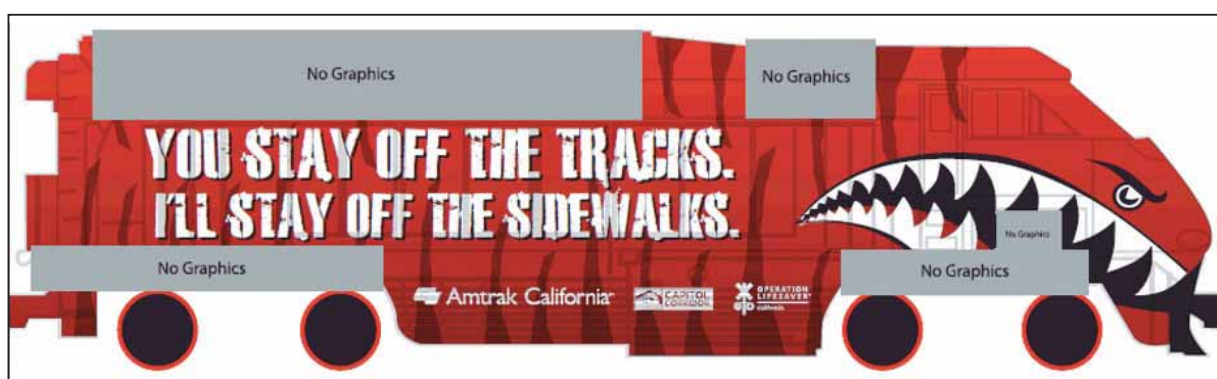
Robert Reynolds, TRAC President

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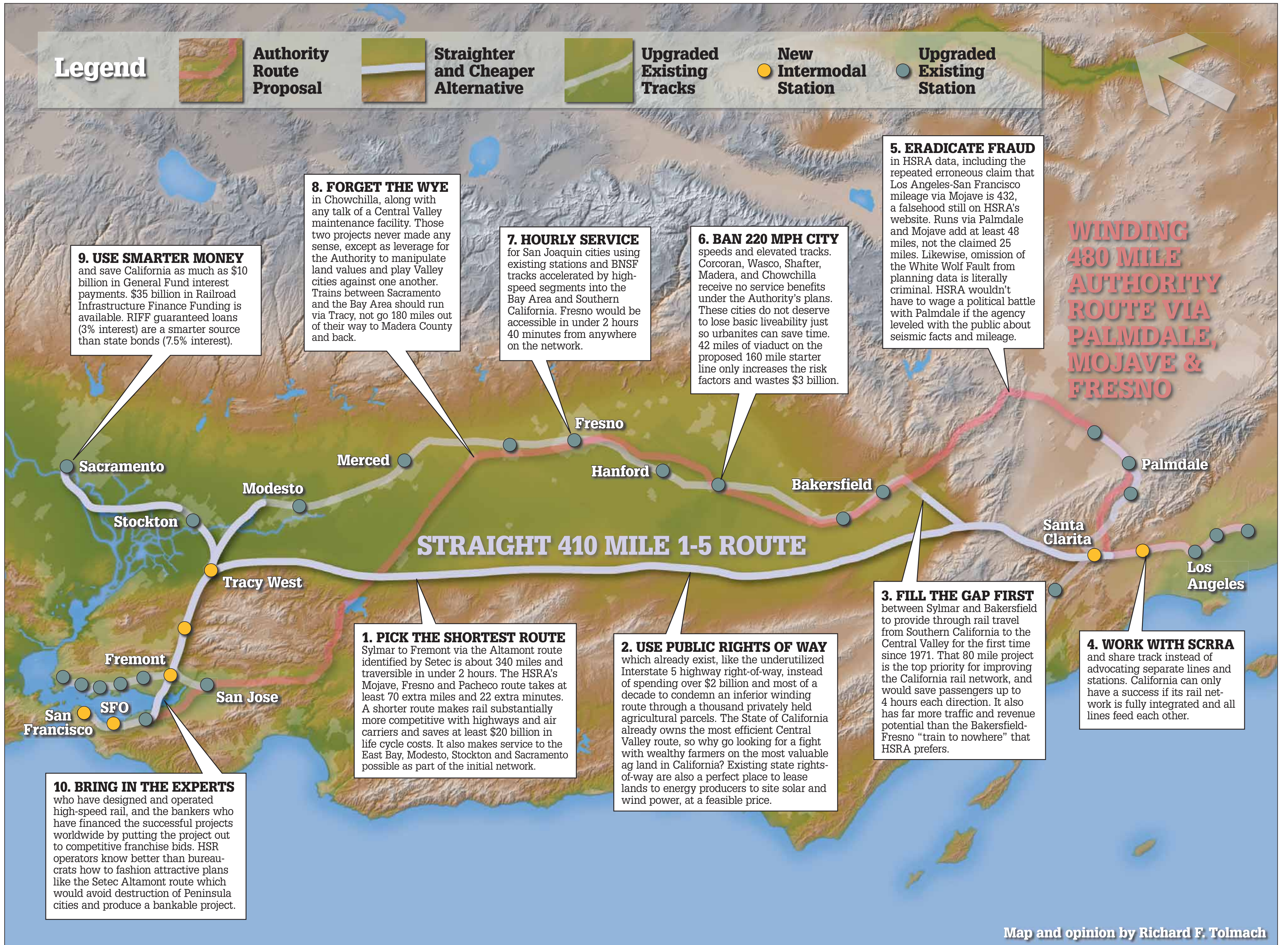
California Rail News encourages letters, comments, and reports on local issues. Please submit your material to California Rail News at the above address. Sorry, we do not guarantee return of photos or articles submitted. Deadline for material to be included in the next issue of CRN is September 15, 2011.

## SAFETY MARKETERS ADOPT HOSTILE AMTRAK IDENTITY



Safety aid? Or does it express feelings towards new LOSSAN competition?

# 10 WAYS TO STRAIGHTEN OUT THE CROOKED HSR PROPOSAL



# PARTICIPATE IN RAILROADING

Want to work on a railroad – as a hobby? Throughout California, railroad museums are kept alive through volunteer work by members; you could be the next Station Agent, Conductor, or Locomotive Mechanic at a (small) railroad near you.

Railroad museums are an excellent way for the public to have fun while learning both the rich history of our railroads and to the potential for using railroads to solve transportation problems. Simply by being active in keeping the doors open to visitors expresses the commitment of volunteers to the vision of railroads as the future as much as in the past. The big trains draw the visitors in, of course. However, many of California's railroad historic sites also have a large display of current rail transportation timetables and maps, along with literature from both historical and advocacy groups like TRAC.

Sometimes a "museum" is a restored station; here a docent can welcome visitors and explain the exhibits. You can be a Station Agent for a day, telling people how they can (could) buy tickets to far away places, ship parcels or freight cars, and send telegrams.

Larger museums have crews who restore, operate, and maintain locomotives, cars, buildings, and track. After training you could become an engineer or conductor, a mechanic or track worker, or a carpenter or painter. It is all for fun, and it is always done with a group that



stresses safety and friendship. About the pay: We're talking "volunteer" here, so it is just for fun and personal satisfaction.

TRAC Board Member Mike McGinley has done modest amounts of volunteer work for two organizations: the Santa Susanna Station in Simi Valley and the Cumbres & Toltec Scenic Railway in New Mexico. At Santa Susanna he is a docent a few Sundays a year, explaining some of the history of the Southern Pacific and the current Amtrak and Metrolink operations (always watching for the trains passing outside the front door). At the Cumbres & Toltec he has been a "Bridge & Building" carpenter, working on stations, freight cars, water towers, and bridge handrails. These work sessions are a week long, but

work pauses every time a steam engine passes by. He says: "It is always great to work with others who share our interest in railroading and to bring our vision of railroading to young people who visit... and to live the continuing 150 year history of railroading."

California has large operating railroad museums at Portola, Rio Vista, Perris, Campo, Jamestown, and in Niles Canyon (near Fremont), and dozens of smaller exhibits throughout the state. They all welcome new members. If you look them up on line, drive by and pick up a flyer, or check the phone book, you may find one near where you live or work. It is a quiet, low-key way to express our vision of railroad travel, past and future.

## HOUSE RIPS AMTRAK'S \$117 BILLION NEC PLAN

The announced Amtrak "Vision Plan" for a 30-year project to build a \$220 million per mile Boston-Washington high-speed line has spawned a ripost from the House Transportation Committee proposing an alternative plan that seeks to involve private capital in the project.

Chair John Mica (R-FL) and Rep. Bill Shuster (R-PA) say their alternative would take only 10 years for all construction, would allow for competitive bidding for the Northeast Corridor franchise, and attract private sector participants such as Virgin Trains, SNCF, JR-East, Renfe, and Deutsche Bahn.

The Mica/Schuster legislation, intro-

duced in July, would:

- Transfer ownership of the Northeast Corridor to a new public sector entity.
- Set objective performance criteria for NEC high-speed rail programs.
- Introduce competitive bidding for NEC high-speed rail operations.
- Involve private sector railroads currently operating high-speed trains.
- Cut in half the time and cost of bringing true high-speed rail to the NEC.
- Preserve rail labor union protection.

Amtrak and the state of New Jersey predictably attacked the proposal. The big danger for Amtrak is that it would

lose its monopoly in the heaviest traffic corridor in the U.S. It also would lose the ability to conceal heavy NEC subsidies which inflate the costs of all other trains nationwide.

For New Jersey, the plan would be a disaster, because over a hundred million dollars of New Jersey Transit subsidies are hidden in the Amtrak NEC program, too big to hide anywhere else.

The biggest tragedy is that Amtrak has apparently lost the ability to conceive of a cost-effective set of Northeast Corridor improvements that could have bested weakly supported high-speed rail proposals elsewhere in the U.S.

## SUPPORTING RAIL REFORM IS TAX-DEDUCTIBLE

The California Rail Foundation was founded in 1987 to promote modern rail and bus technology, including high-speed rail. Since that time we have produced *California Rail News* and cosponsored an annual conference that educates on rail, Cal Rail 2020.

We never believed it would be easy to build California high-speed rail, but we underestimated just how much fraud megaprojects apparently attract. The project now has a broken budget because of tens of billions of pork including 200 miles of wasted route and dozens of miles of unneeded viaducts planned in the Central Valley.

It appears to be the same model used on Peninsula and Los Angeles County segments. Taxpayers are being offered only overly expensive choices by HSRA that wreck cities the same way that elevated highways would.

It does no good to just complain about fraud; we have to organize and fight it in court.

In July 2008, CRF filed suit in Sacramento Superior Court, along with the Planning and Conservation League, TRANSDEF, the Town of Atherton and the City of Menlo Park to overturn adoption of the Pacheco Alternative which would have destroyed many Peninsula cities.

We won the case in October 2009. Last December, HSRA was forced to rescind its selection of Pacheco and redo its environmental work. A brief opportunity in 2010 allowed us to submit new comments into the record. We retained a leading model expert, Norm Marshall of Smart Mobility, who found major flaws in HSRA's ridership figures, confirmed by other experts.

We also retained the leading European HSR route design firm, Setec Ferroviaire, to help us define and present a faster and better way for trains to link S.F., Sacramento and Los Angeles, through the East Bay. Initial court findings have been favorable, and we are hoping for a clear

victory. You can see Setec's work at the CRF site:

**[calrailfoundation.org](http://calrailfoundation.org)**

Setec's route saves so much time that it would allow Caltrain segments to run at current speeds. Setec also examined Highway 101 between Redwood City and SFO, a route Setec believes is a feasible alternative.

CRF is actively providing leadership on reforming the project, and promoting cost savings available by involving private capital. Your generous contribution today to CRF will help us stop the bad plan and launch an environmentally superior alternative.

We are a tax-deductible 501(c)(3) nonprofit, and operate without paid officers or permanent employees, so all financial resources are directed to our mission of cost-effective modern rail service. Take a tax deduction by using the form below to send a check to CRF or by using the PayPal link on our web page.

# LET HSR OPERATOR DO DESIGN

## PEER REVIEW PANEL SAYS HSRA IS UNQUALIFIED

**The following comments regarding competence of the High Speed Rail Authority are from the July 2011 Peer Review Group review of the LAO's May 10 report to legislators.**

The [Peer Review] Group has consistently taken the position that the current organization of the HSRA does not lend itself to meeting the challenge posed by the HSR project. We agree with the LAO Report that a change is critical. Our conclusion has been based on the clear disjunction between the needs of the project for a very large increase in the range and level of managerial skills in the near term, on the one hand, and the often significant limitations posed by the State bureaucratic requirements, on the other. Transferring the project to Caltrans would do little to remove these crippling restrictions.

Unfortunately, without an agreed upon business model to work with, it is not possible to develop a better organization with any confidence. The HSR project is not a simple (albeit very large) highway construction project. If it were, it might be appropriate to shift responsibility for planning and implementation to Caltrans as suggested by the LAO Report. Indeed, certain aspects of the LAO's proposal clearly do deserve consideration. Caltrans may well be the best State agency to complete the environmental studies and requirements along with basic ROW alignment and acquisition. It has long been suggested that this responsibility be sub-contracted from HSRA to Caltrans.

The problem is that Caltrans has rightly not been able to accept the task without the kind of staff augmentation (positions, as well as money) that has proven difficult for HSRA to achieve. Another practical difficulty is that some aspects of HSR design, especially track, signaling, electrification and rolling stock, require skills that no existing California State agency possesses. To put this into perspective, during each of the peak four construction years of the project, the annual outlays for the HSR project would be about 20% greater than the entire Caltrans capital outlay program, and would involve a skills mix much more diverse than Caltrans has on board. Transfer of the Authority to Caltrans would not be a simple task.

A related problem is the fact that high-speed railways are **systems**, not easily separable parts. Gradients, curvature, track components, signaling, electrification and rolling stock must work together. Ideally the critical elements of all of these would be specified by the future operator of the system in order to ensure compatibility and safety of the system. Neither Caltrans nor the HSRA has the

required operating expertise. HSRA's consultants may have some of the required expertise, but cannot speak for the viewpoint of the future operator.

The importance of the operator's input into the details of the systems design cannot be overstated. The operator should have major input into the design and siting of the maintenance facility, siting of high-speed crossovers, line side signaling and the layout of stations, among other features. Consequently it is the norm to let a concession contract for the operator several years prior to the start of commercial operations and before many critical engineering decisions are made. This is particularly important if the operator will also acquire the rolling stock for the project. Moving rapidly to construction now may well be important to spending Federal money before the 2017 deadline, but it might do so at the cost of disrupting the link between designer/constructor and operator. Among other things, this means that any design decisions that cause (or can be argued to cause) safety or efficiency problems will be the responsibility of Caltrans, or HSRA, or the designer/builder, but not the future operator.

More broadly, the LAO Report identifies a concern with Caltrans' "lack of expertise in working with private partners on PPPs" which is exactly the problem that the project faces even now in the issue of the lack of operator/designer/builder feedback, and which will become much more serious when the time comes to develop, award and oversee (or regulate) the operating arrangement. The Authority does not have this expertise either, and the Group is deeply concerned that neither the Authority nor Caltrans will be able to acquire it in a timely way if the Department must stay within existing State agency limitations on positions, salaries and skills. The California Transportation Commission (CTC) is the only state agency that has developed criteria for the review and implementation of PPP [public private partnership] projects; to date, the CTC has reviewed and approved only a handful of much smaller projects which are in the early stages of development.

This is a critical issue. At a minimum, California faces a \$43 billion investment project involving passenger revenues of over \$70 billion in the first 30 years of operation. This would create a rail passenger operator with revenues about eight times the size of BART and Caltrain combined and about one-third larger than the entire Amtrak system. It would have revenues nearly three times as large as the largest U.K. rail franchise - and the experience of the U.K. Government in designing, awarding and overseeing their franchises has been anything but trouble free.

It does not encourage unbounded confidence in an agency (Caltrans or HSRA or the CTC) with limited experience in the rail PPP field and without the skills, resources and authority to do the job.

In fact, the U.K. experience with franchising has highlighted a number of issues that will need to be considered in the HSRA's 2011 Business Plan. First, how will the HSR infrastructure be owned, managed, maintained and operated? Second, if the private sector is to operate the trains on the system, what form will the relationship take? These are not abstract problems for which the answers can be delayed for the present and then allowed to emerge over the years. At least some consistent version of the entire picture is needed before the Group and the Legislature can assess whether the organizational structure, along with the related resources and skills, are appropriate.

The Group continues to believe that the HSR project management will need full flexibility to hire and pay the staff needed for the project over all its phases and will need to handle procurement rapidly and efficiently in a way that the standard public procurement rules do not facilitate. Real trouble lies immediately ahead if the current organization proceeds to awarding construction contracts without being restructured to ensure adequate accountability for taxpayer funds. The project is larger than the entire Caltrans construction program, and will need maximum flexibility in management to ensure quick decision making capability and a minimum of organizational interfaces.

As we have argued in our earlier letters, the organization needed would be more consistent with some form of State-owned corporation in which public oversight would be exercised by public appointment and confirmation of the Board of Directors but with management free to act with the flexibility of a corporation. However, we recognize that the Legislature's desire for direct public control could lead in the direction of continuing the Authority as a public agency. In this case, consideration should be given to the establishment of an organizational structure similar to Caltrans within the overall control of the Business Transportation and Housing agency. The Board of this organization could assume functions similar to the California Transportation Commission, responsible for programming and allocating funds to various segments as proposed by the HSRA staff. The new agency should retain the freedom to contract with both private and public sector entities for various services, and perhaps utilize the creation of public benefit corporations where appropriate.

## VAN ARK PRESSES HIS LUCK WITH PROFIT CLAIM

### MR. VAN ARK OF HSRA, MEET MR. BARRÓN OF THE UIC

**"EVERY SINGLE HIGH-SPEED RAIL SYSTEM IN THE WORLD OPERATES IN BLACK, THAT MEANS IT GENERATES CASH, WHEN IT COMES TO FARE-BOX INCOME COVERING THE COST OF OPERATIONS. EVERY SINGLE ONE, AND THAT'S NOT ACCORDING TO MYSELF OR THE AUTHORITY. IT IS ACCORDING TO THE INTERNATIONAL UNION OF RAILWAYS, THE UIC..."**

**ROELOF VAN ARK AT HSRA BOARD MEETING 6/2/2011**



**"HIGH-SPEED RAIL IS GOOD FOR SOCIETY AND IT'S GOOD FOR THE ENVIRONMENT, BUT IT'S NOT A PROFITABLE BUSINESS," SAID MR. BARRÓN OF THE INTERNATIONAL UNION OF RAILWAYS. HE RECKONS THAT ONLY TWO ROUTES IN THE WORLD — BETWEEN TOKYO AND OSAKA, AND BETWEEN PARIS AND LYON, FRANCE — HAVE BROKEN EVEN.**

**IÑAKI BARRÓN DE ANGIOTI IN NEW YORK TIMES 5/29/2009**



# Cal Rail 2020 Los Angeles



Please join TRAC, the California Rail Foundation, and the Transit Coalition for our annual California Rail 2020 conference Nov. 4th to 6th, 2011, at the Metro Gateway Headquarters Board Room, adjacent to Union Station. This year's agenda will include:

**FRIDAY, November 4:** 6:30 pm-onward: Meet and Greet at the upstairs room at Philippe the Original at 1001 North Alameda Street at Ord. Come and get to know your fellow TRAC members. From 8 pm onward, those still standing will do an all-transit pub crawl.

**SATURDAY, November 5:** 9:00 am (registration), Meeting 10:00 am to 5:30 pm with the following sessions:

**Last Chance for High-Speed Rail** - Members of the HSRA Peer Review Group and MTA discuss how to save the project by giving it a workable management structure and making high-speed rail respond to regional needs.

**SoCal Railroad Renaissance** - Representatives of OCTA, Metro, Metrolink and the LOSSAN Corridor talk about next steps in integrating regional commuter and intercity service.

**Metro Rail Accelerates Coverage** - Representatives from the Expo Construction Authority, the West Side Subway Extension, the Downtown Regional Connector, and the Gold Line Construction Authority talk about successes so far and what will happen this year.

**Tight Transit Budgets and What We Can Do** - Our panel will focus on operating budget problems faced by commuter and intercity rail, and possible efficiency improvements and opportunities for legislative action to address the shortfalls.

**Saturday Conference Rates (includes continental breakfast and luncheon):** Day-of-event rates for members will be \$100, but you can save significantly by being an early bird! Mail us your check before September 18 and pay only \$79. Before October 25 the rate will be \$89. (Non-members pay a \$25 surcharge and get TRAC membership at a promotional rate). Make your checks out to **Train Riders Association of California**.

**Saturday 7 pm No-host dinner at TRAXX**, a superb restaurant right in Union Station. Talk to conference staff on Saturday to sign up.

**SUNDAY, November 6:** 9:00 am-4:00 pm We are planning an excursion on the new Expo Light Rail Line.

**Register early:** First 80 registrants get Expo excursion free with conference. Non-conference attendees pay \$25.

**Lodging:** We have worked out a special \$85 room rate (plus tax) at the Metro Plaza Hotel at 711 North Main Street (at Alameda and E. Cesar Chavez Avenue). This rate is good for Friday or Saturday night. To reserve, call (800) 223-2223 and mention the TRAC conference rate.



Sunday excursion is planned on Metro's new Expo Line

**SIGN UP TODAY** Checks to: **TRAC**, 1025 Ninth St. #223, Sacramento, CA 95814-3516

**CONFERENCE RATES**  
**CAL RAIL 2020**

Before Sep. 18  
**\$79\***

Before Oct. 25  
**\$89\***

Late Price  
**\$100\***

**REJOIN TRAC TODAY!**

\* PLUS \$25 NON-MEMBER SURCHARGE

NOTE: For TRAC membership, please use separate check and separate page 2 form!

**SIGN ME UP NOW!**

Rate x Number of Persons = Total Enclosed

x  =

I have the following special dietary needs:

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City

State

Zip

Telephone

E-mail