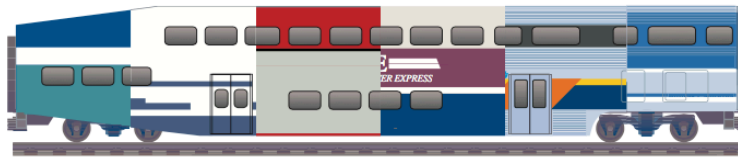


TRAC

Train Riders
Association
of California



1025 Ninth Street Suite 223
Sacramento CA 95814-3516

(916) 557-1667
www.calrailnews.org
president@calrailnews.org

Officers

David Schonbrunn
President
Marin County

Greg Thompson
Secretary
Sacramento County

Gordon Osmundson
Treasurer
Alameda County

Susan MacAdams
Washington, D.C. Rep.

Board Members

Ron Jones
Madera County

Art Brown
Orange County

Derek Casady
San Diego County

John Deeter
Sacramento County

Fred Glienna
Los Angeles County

William F. McGeehan III
Contra Contra County

Brian Kelly, CEO
California High-Speed Rail Authority
770 L Street, Suite 620 MS-1
Sacramento, CA 95814

Re: Draft 2020 Business Plan

Dear Mr. Kelly:

The Train Riders Association of California ("TRAC") is a statewide rail advocacy organization that has worked since 1984 to improve passenger rail service in California. We are long-time supporters of high-speed rail and are confident HSR would be a very successful business if implemented by competent business people. However, we find CHSRA's project to be so flawed that we cannot support it.

The private sector refuses to invest in the project, concluding an HSR line cannot make money unless it provides direct service between San Francisco and Los Angeles. Without private sector investment, the Authority has no financial ability to build **anything** beyond the proposed Central Valley Line. Because CHSRA has consistently refused to deal honestly with this critical issue, we address it in detail in these comments. The Valley-to-Valley and Phase 1 sections of this document are fantasy, because CHSRA has selected a system map that the private sector will not invest in.

In TRAC's opinion, the 2020 Draft Business Plan ("Plan") fails the fundamental test of a business plan: it offers no concrete realizable steps for how to get to the point of having a business. We offer a series of questions, observations and opinions on assertions in the document:

Project Economics

1. Explain how the HSR project "remains an exceptional value."
(p. 1.) Compared to what?

2. Do you think that after all the cost escalations, there's still anyone that believes that the cost of expanding highways and runways will continue to be twice that of HSR? (p. 1.)

June 1, 2020

Submitted to:
DraftBP2020
@hsr.ca.gov

3. If Virgin Trains USA is "the first evidence of private sector participation in the construction and operation of electrified high-speed rail in California" (p. 15), why did that distinction not go to CHSRA's project?

Proposition 1A was intended to provide bond funds to serve as seed money for investment by the private sector and by the federal government. Legislators recognized that there would never be enough resources to build a statewide HSR system **without significant private investment**. In fact, Section 2704.08(a) of the Bond Act requires that bond funds for construction be matched by other funds, implying either federal or private investment funds.

The Legislature had never intended the State to be the sole funder, via a match with Cap and Trade funds, as the Plan currently calls for. Because the absence of any investment participation in the project at this time threatens the very feasibility of the project, it is critical to determine why the private sector has not been interested in participating.

While this issue is discussed in comment #4 below, for greater historical depth, we recommend reviewing our ally's webpage, which concludes:

By rejecting the SNCF proposal, keeping it secret, and then mounting an all-hands-on-deck damage control effort to snuff out the story when it finally became public, CHSRA clearly told the world that its commitment to its army of consultants outweighed its commitment to delivering an HSR project to the people of California. <https://transdef.org/whats-wrong-with-the-hsr-project/>

4. CHSRA's financial strategy requires "creating a commercially viable high-speed rail system that will generate significant revenues and support private investment. ... The values above would be captured (monetized) by financing and private sector investment." (p. 122.) "To illustrate this, if the Silicon Valley to Central Valley Line were fully operational by late 2031, we estimate \$9.8 billion could be available in 2034 **after farebox revenue and net operating cash flows have been demonstrated**." (p. 123, emphasis added.)

TRAC believes this to be a wholly disingenuous strategy because no funds are available to build the Valley-to-Valley line. The strategy seems to exist solely to avoid the unwelcome question "Where is the private sector participation?"

These two HSR projects are moving forward with different financial strategies. Investment capital was made available to the Virgin Train project without the requirement of first demonstrating operating cash flow. Why does the private sector demand a higher level of reassurance from CHSRA's project than it did for Virgin Train's project?

TRAC sees the answer as obvious: Virgin Train's revenue and ridership projections were accepted as investment grade, while industry has no confidence in the Authority's revenue and ridership projections. TRAC believes that the problem is that the CHSRA's

project has been universally seen as a money-loser: too long a route, too slow to be competitive with air travel, and too expensive to build. See Attachment 2, the May 2011 centerfold of our newspaper, *California Rail News* entitled "10 Ways to Straighten Out the Crooked HSR Proposal."

5. Because there is no prospect of funding sufficient to build a full HSR system, Exhibit 1.5 (p. 22) does not belong in this Plan. TRAC does not believe there ever will be funding for CHSRA's full high-speed rail system.

6. The economic analysis of the Valley-to-Valley and Phase 1 system cited on p. 26 is not credible, as there is no realistic path forward to build any of that.

7. "Because of California's importance to the national economy, it is reasonable and appropriate for the federal government to be a full partner with the state." (p. 120.) While that may be reasonable and appropriate, that's not how national politics work. As a result, this planning assumption is unrealistic.

8. In the interests of greater transparency, the cost numbers for the Central Valley project should accompany the funding numbers on p. 113.

9. "The key element to closing the gap to the Bay Area is funding." (p. 85.) It's clear from reading the Costs and Funding to Deliver the Phase 1 System chapter (p. 99) that the Authority's only strategy going forward is to hope for a Democratic win in November. Without a serious fallback plan, CHSRA cannot claim to offer a realistic way forward for this project.

10. While not mentioned in the Plan, TRAC is aware of planning underway for a HSR station in Madera. Not only does the siting of a station there violate CHSRA design standards as to building in a greenfield location, it violates station spacing standards, being only 16 miles away from Fresno. It also may exceed the statutory total number of permissible stations, enacted to prevent precisely this kind of local boosterism.

11. The privately funded 240-mile Texas Central HSR project has signed a \$6 billion contract to design, build and run the United States' first ever high-speed rail line. The reported design cost is \$311 million. How do you explain how the unit costs of the CHSRA Central Valley Line project can be 4.7 times those of the Texas project?

<http://www.rfi.fr/en/wires/20200220-renfe-inks-6-bn-deal-build-first-high-speed-train-us>

Incorrect Statements

1. It is either misleading or factually incorrect to state that "This achievement [environmental clearance] will enable the Authority to advance design and conduct important pre-construction activities, such as right-of-way acquisition and utility relocation." (p.3) There is no budget for such activities. Also, by the time there is funding for further phases, it is likely the environmental documents will be stale and unusable.

2. The claim that the Central Valley line would "enhanc[e] connectivity to other rail systems" (p. 4) is factually untrue. As of the time of the Draft Business Plan, there are no plans and no funding for projects that would enable 18 HSR trains a day to be met

by a train to the Bay Area. A mere 4 trips per day for ACE and 5 trips by the San Joaquins will not provide "enhance[d] connectivity." The transfer-at-Merced concept is inherently inferior to through-trains because the transfer penalty will discourage ridership and negate the advantages of a faster train. It also imposes additional burdens on the handicapped community.

3. It is factually incorrect that "electrified high-speed rail is advancing in all three regions of California..." (p. 3). The electrification of Caltrain is not high-speed rail. The Authority has admitted that it will cost billions of dollars (which are unfunded) to make the Caltrain ROW suitable and ready for HSR.

4. We do not believe claims of an under 3-hour travel time LA-SF (p. 1). The Authority chose a circuitous route that adds 70+ miles to the straight-line route between San Francisco and Los Angeles. That route will require lowered speeds when running through Central Valley cities to reduce noise. Because that estimate is only for non-stop trains (p. 19), which will be infrequent, TRAC does not believe the project will meet the commercial requirement of travel times that are competitive with air travel.

In addition, the note to Exhibit 1.3 states that: "Run times do not take into account integration with other operators' services in blended sections." (p. 19.) That disclaimer proves that the San Francisco to Los Angeles travel time will be longer than the claimed 2 hours 40 minutes, because of using blended sections. (If that claimed travel time could be achieved, the disclaimer would not be necessary.)

5. The Authority has frequently made assertions like: "Fast, electrified high-speed rail will enable people to work at high-tech jobs while having access to more affordable housing options." (p. 23.) What the Authority omits here is the high cost of travel by high-speed rail. Table 2.2 in the 2020 Revenue and Ridership Forecasting appendix, the round-trip fare cited for Fresno to San Jose is \$142 as part of a Valley-to-Valley or Phase 1 system. (Note that the Central Valley Side-by-Side study assumed current Amtrak San Joaquin fares. That choice suggests that there is no market demand for premium HSR service in the Central Valley.) No matter what kind of discount is arranged, HSR commuting will simply be unaffordable to people that have to move to the Central Valley because they can't afford to live in the Bay Area.

6. The boxed quotation from Mr. Hamilton (p. 21) is outrageous in that, while it might have been accurate about trains a decade ago and is still accurate about heavy trucks, advances in diesel technology have completely changed the emissions profile for new diesel locomotives. We suspect this is an out-of-date quote, dragged out of the past to mislead. We do not trust that this statement was offered in the context of new diesel locomotives.

7. The claim that "We increased transparency..." (p. 29) is clearly untrue, as the Authority over the past year has taken down much of the information that had previously been posted on its website, and made that information inaccessible by requiring tedious Public Records Act requests, with months of processing time.

8. "Together, these two studies [Business Case Assessment Study and ETO Side-by-

Side Report] along with their recommendations affirm our proposal to invest the projected \$4.8 billion in the Merced to Bakersfield line." (pp. 52 & 63.) The unreasonableness of their recommendations makes it clear that two otherwise-credible expert organizations have delivered the conclusions that their client paid for. TRAC has zero confidence in that affirmation. Ridership for such a line would be limited by its continued reliance on bus travelers from Southern California, preventing the development of sufficient ridership to justify the expenditure.

9. The Litigation Risks section fails to capture the gravity of the *John Tos* litigation. If the Court determines that AB 1889 is unconstitutional, the Legislature could potentially be ordered to replace the Prop. 1A bond funds that were expended on construction under the authority of that law with transfers from the General Fund. That would place the future of the HSR project in serious jeopardy.

GHG Emissions

1. It is factually incorrect that: "The high-speed rail system is key to [an 80% reduction in GHG emissions by 2050] that transformation." (p. 11.) The high-speed rail project, truncated to only serve the Central Valley, will provide only a tiny fraction of what had been projected to be a very minor contribution to the State's GHG reductions. Using the high ridership estimates for 2030 and 2040 respectively, the Central Valley line would produce only 4% of the projected GHG reductions of the Phase 1 project. (p. 145.) It is equally untrue that: "California high-speed rail ... is central to the State's climate policies." (p. 11.)

2. While construction GHG emissions may be being offset (p. 20), the Authority has persisted ever since 2013 in pretending that its use of concrete and steel have no lifecycle GHG emissions that need to be counted against the project.

3. The GHG emissions comparison between Tier 4 diesels and electric high-speed trains (p. 20) is grossly misleading. The negative number for the HSTs is only possible if it includes the diversion of drivers away from fuel-burning modes, while the diesel is obviously just engine emissions. Also, this comparison does not include a confirmation that the electricity that would power the HSTs was not generated from fossil fuels.

4. For reasons cited above, we believe it is unsupportable to claim that we are "building the transportation system that will significantly reduce greenhouse gas emissions for decades to come..." (p. 26.) In addition, truncating the system to serve only the Central Valley eliminates most of the claimed emissions reductions.

5. The value statement for the CHSRA project can be summed up in these quotes: "At the heart of that effort [to reduce the State's largest source of GHG emissions, transportation] is a commitment to move the transportation sector from one wholly reliant on fossil fuels to one that is increasingly moving towards electrification... Electrified high-speed rail connecting the Bay Area, the Central Valley and Southern California is at the very heart of this effort." (p. 27.) This quote captures both a fundamental misunderstanding of state climate policy and a misunderstanding of the math involved.

It's true that reducing vehicle emissions by electrification is one element of the State's three-legged stool. Another is the low-carbon fuel standard. The third, however, is the reduction in Vehicle Miles Travelled (VMT). CARB has determined that a 15% reduction in VMT below current plans is needed for the State to meet its climate targets. In 2019, ARB admitted that VMT was rising, and was taking transportation GHG emissions ever higher.

The State is now pushing back on VMT growth, making VMT the CEQA metric for transportation projects. HSR's principal environmental benefit (if it were ever to operate) would be to divert travellers who would have otherwise driven or flown, thus reducing the growth in VMT. Because HSR trips could only ever be a small percentage of the overall trips in the State, HSR will play a numerically tiny role in the State's effort to shift drivers to transit.

This policy distinction resolves the ongoing debate in the State Assembly as to whether to proceed with electrification of the Central Valley line now. Key lawmakers wish to maximize the number of passengers that can be diverted from driving by concentrating funding in the more populous parts of the State. They assert that demonstrating electrified high-speed rail in the Central Valley will be less beneficial.

As long-time climate advocates, TRAC stresses that in allocating funding for the purpose of reducing GHG emissions, what's most important is maximizing the number of train passengers diverted from driving. The motive power for the train is irrelevant, because the emissions of modern diesel locomotives are insignificant in the context of the vast number of motor vehicles in the state. For that reason, maximal climate benefits will come from enhancing transit and intercity rail ridership in metropolitan areas. Using higher-speed Tier 4 diesel locomotives in the Central Valley and avoiding transfers at Merced is far superior to the CHSRA's Plan.

Conclusion

For years now, the primary rationale for CHSRA's project has been economic development. It was obvious from the list of supporting organizations testifying at the recent Assembly Transportation Committee hearing that these groups are not focused on the transportation benefits of the project. The discussion of GHG benefits above should make it clear that the State cannot legitimately claim to be pursuing both economic development and GHG emissions reduction. In the fiscal crisis caused by the COVID-19 pandemic, the State will need to make a choice as to which goal it will prioritize.

TRAC fails to find anything in this faux Business Plan more substantive than pretty pictures and clever public relations. We have attached our newspaper, *California Rail News*, to offer you our explanation for the problems faced by the Authority, and the solutions we propose to achieve better rail service for a much larger number of Californians, with substantially larger GHG benefits.

Thank you for considering these comments.

Sincerely yours,

/s/ DAVID SCHONBRUNN

David Schonbrunn, President, TRAC

Attachment: *California Rail News*, "Let's Spend HSR Money Where the People Are,"
December 2019
California Rail News centerfold, "10 Ways to Straighten Out the
Crooked HSR Proposal," May 2011

CC: Governor Newsom
Senate President Pro Tem Atkins
Assembly Speaker Rendon
Assembly Transportation Committee Chair Frazier and Members
Senate Transportation Committee Chair Beall and Members
Joint Legislative Budget Committee Chair Mitchell and Members

California Rail News

Volume 29 Number 2

December 2019 - May 2020

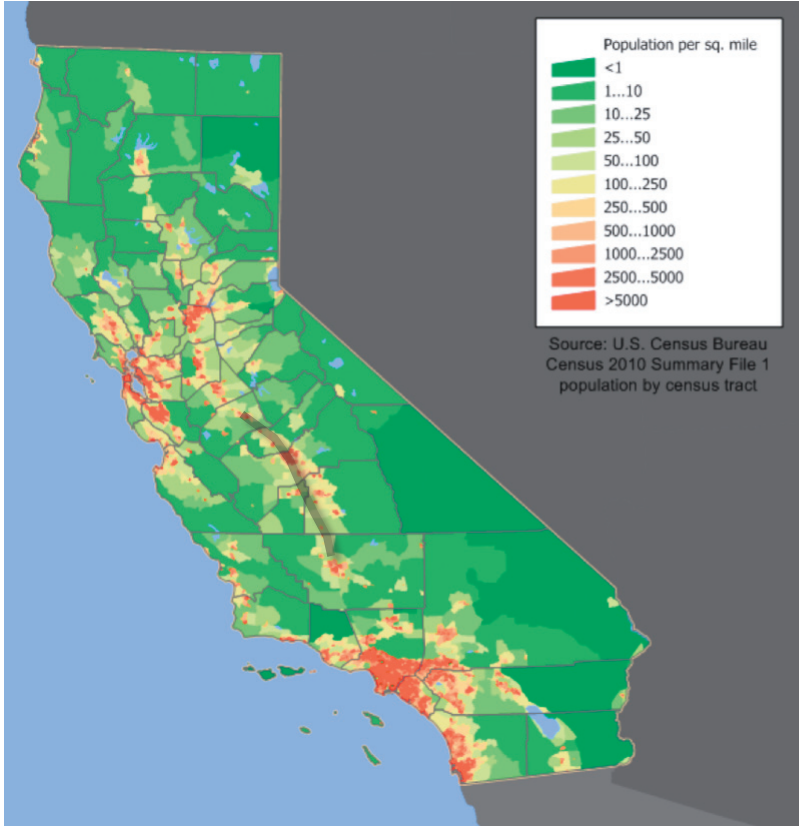
Assembly: Let's Spend High-Speed Rail Money Where the People Are!

By David Schonbrunn
TRAC President

Los Angeles and Orange counties have nearly 14 times the amount of driving per square mile as the counties of the Central Valley. That vast difference in traffic made the decision contentious to build the first segment of the High-Speed Rail project in the Central Valley. That controversy, smoldering for at least a decade, has now burst into open flames. After spending \$6 billion in the Central Valley with nothing much to show for it, state legislators are signaling their unwillingness to sink another \$11 billion there. Legislators want that money spent where there are many more potential passengers and voters.

Assembly Democrats from Southern California are vocal about their increasing skepticism over spending \$20+ billion on a Central Valley HSR line. Opinion pieces by Assembly Speaker Anthony Rendon (D-Lakewood) and Assemblymembers Laura Friedman (D-Burbank) and Tom Daly (D-Anaheim) call for holding off electrification of the Central Valley line until there is a larger completed project. "Greater investment in trains running from Burbank to Anaheim will help millions of riders get where they need to go quickly," they wrote.

This should sound familiar: As reported in 2012, "The objections spawn from the construction starting point being in the Central Valley. Several key Democrats — including State Senator Mark DeSaulnier of Concord, who is the chairman of the Senate transportation committee, and state Sen. Alan Lowenthal of Long Beach, who chairs a special committee about



Historical Population		
Census	State Pop.	CV%
1850	92,597	—
1860	379,994	310.4%
1870	560,247	47.4%
1880	864,694	54.3%
1890	1,213,398	40.3%
1900	1,485,053	22.4%
1910	2,377,549	60.1%
1920	3,426,861	44.1%
1930	5,677,251	65.7%
1940	6,907,387	21.7%
1950	10,586,223	53.3%
1960	15,717,204	48.5%
1970	19,953,134	27.0%
1980	23,667,902	18.6%
1990	29,760,021	25.7%
2000	33,871,648	13.8%
2010	37,253,956	10.0%
Est. 2017	39,536,653	6.1%

Only 10% of Californians live in Central Valley counties near HSR. (Source: 2010 U.S. Census)

the high-speed rail project – want to move the funds away from the Central Valley and toward the northern and southern terminuses, which they say will have higher ridership out of the gate." Governor Jerry Brown was able to rally just enough Senate support to overpower these Chairmen. While he managed to keep a lid on this controversy for the rest of his terms, that period of enforced quiet is over.

The High-Speed Rail Authority (CHSRA) is pushing back hard against the growing dissent: It is now soliciting bidders for a contract to install track, signals and electrification systems on its Central Valley project. It is seeking to tie the State to a 30-year contract for maintenance of these systems.

(continued on Page Two)

INSIDE

PAGE 3
COAST OBSERVATIONS
PAGE 6
METROLINK SCORES
CAPITAL PROGRAM
PAGE 7
L.A. METRO: ROUTE
COLORS TO LETTERS
PAGE 8
CLIMATE CHANGE
CONCERNS BOOST
EUROPEAN RAILWAYS

MEMBERS, PLEASE CHECK
THE RENEWAL DATE ABOVE
YOUR NAME AND RENEW YOUR
MEMBERSHIP IF THE DATE IS
APPROACHING OR PAST

Return Service Requested
1025 Ninth Street #223
Sacramento, CA 95814-3516

of California
Association
Train Riders
TRAC

HSR's Time Runs Out
(continued from Page One)

This looks to TRAC like the Authority is daring the Assembly to stop electrification. It remains to be seen whether the Assembly will move to block it. Adding to the drama, the Federal Railroad Administration sent a letter disapproving the release of the bid package, and asserting that its permission to do so is required under the \$2.6 billion grant agreement. CHSRA moved forward anyway, in defiance of the FRA.

CHSRA is now attempting to sell the project as an "Everyone will want to ride it" phenomenon, but leaders like Assemblymember Friedman aren't buying it. She asked hard questions at a Fresno hearing: "Why does it matter that it goes fast, if not all that many people ride it?" The only response from Brian Kelly, CHSRA's Chief, was that the voters of the State had directed the Authority to build electrified High-Speed Rail.

"I don't think you change culture by demonstrating that you can run a fast train," Friedman added. "I think you change culture by giving people who need to get somewhere a way

to get there quickly and that's more convenient than driving. ... Assuming that our goal is to build from San Diego to San Francisco ... the way we get there is by increasing ridership anywhere on the line where you have a large population saying, 'OK, we're now in on the train ... and we demand that you give us that whole system,'" she said.

The New Business Plan

While one would expect the agency to be providing some kind of service by now, all it is currently delivering is promotional pieces. CHSRA's 2020 Draft Business Plan is primarily a sales document. TRAC is unaware of any transportation project in the world that has spent so much money and so much time without entering into revenue operations.

CHSRA has made much about Virgin Train's HSR project to connect Victorville to Las Vegas. The Business Plan touts "350 miles of electrified high-speed rail under development." It turns out that the reality behind that surprising claim is that 130 miles of that total are being undertaken by Virgin Trains, and so, have nothing whatsoever to do with CHSRA's efforts.

Another 51 miles, Caltrain tracks on the San Francisco Peninsula, cannot be used for HSR without additional construction, and that is unfunded. Like all big projects, Caltrain's electrification project will probably have huge cost overruns.

To justify its decisions, the Authority typically has consultants prepare reports. The latest one, the Early Train Operator's Side-by-Side Study Quantitative Report, claims that investing in the Central Valley will yield greater benefits in ridership, congestion relief and GHG reductions than similar investments in Southern California or the Caltrain Corridor. These findings violate all common sense. It seems clear that Assemblymembers don't believe them.

HSR: No Business Case

TRAC applauds the Assembly for its leadership in breaking a decade-long taboo on questioning whether or how the CHSRA's project should go forward. However, we suspect they don't recog-

nize that California's HSR project has no future. Even though it keeps moving forward, spending billions, it is already dead.

The project died when CHSRA insisted on sticking with its route decision despite the refusal of rail operators to invest. There is no way the current project can be expanded into a statewide HSR system without private sector investment. There is no business case for the private sector to invest in a route that is more expensive to build and too slow, because of its two major detours.

TRAC dismisses out of hand CHSRA's assertion that all it needs to do for the pipeline of private funding to flow is demonstrate the profitability of HSR between Bakersfield and San Jose. First, that approach unacceptably puts \$34 billion of entrepreneurial risk on California taxpayers. Second, it fails to explain why it is possible for Virgin Train's HSR project to go forward now with only private sector equity funding, when CHSRA can't get to first base.

The private sector will invest in routes that are the most direct, the straightest and unburdened by obstacles. The fact that Virgin Trains is breaking ground indicates that sophisticated finance people have confidence that the ridership and revenue projections for a completed line will enable them to be repaid and earn a sizeable return on investment. The fact that there is no private investment in the CHSRA project is definitive proof that no one in the rail business believes CHSRA's ridership and revenue projections.

CHSRA presently doesn't have the funds to build its project connecting San Jose to Merced. Neither can it proceed to connect Northern California to Southern California. It is highly unlikely that the State will cough up an additional \$60 billion. Without private investment, TRAC sees no realistic way forward for a statewide HSR project.

Because there is no prospect of grants from the Trump Administration, the Authority has given up on realistic planning. It instead is betting on the come. CHSRA will run out of major funding unless the Democrats win big

(continued on Page Three)

Join TRAC and Help Fight for Improved Trains

Clip & mail with your check or money order payable to:
Train Riders Association of California (TRAC)
1025 Ninth St. #223 Sacramento, CA 95814-3516 (916) 557-1667
Please fill out the following, or attach address label:
Name
Street 1 (or company)
Street 2
City State Zip
Telephone E-mail
Regular member \$50-79
Contributing member \$80-499
Benefactor \$500+
Limited income \$25-49
Renewal Membership Number (if known)
New Member
Online Renewals or New Memberships
You may also join TRAC or renew an existing membership online at the TRAC website: www.calrailnews.org
Click on the Donate tab on the upper left corner of the TRAC homepage window.
Paypal and almost any credit or debit card accepted.



HSR’s Time Runs Out

(continued from Page Two)

in November, capturing the Presidency and both Houses of Congress. The question would then become, which Democrats would control the funding? Those willing to give CHSRA a blank check, or those that demand value for the money?

TRAC’s Alternative

Ridership from an isolated Central Valley Line would be disappointing after spending \$20+ billion. That much money could support a huge increase in intercity rail ridership in California. TRAC urges a major rethinking, focused on delivering value to Californians.

TRAC has recommended that the Governor invite experienced HSR operators to contact him about their interest in building rail projects in California. We know that HSR would be a viable business here. Because of its population size, HSR in California should be more successful than projects in Florida or Texas. Private sector equity participation--starting from the commencement of a new project--would open for the first time a *feasible path to a statewide HSR system*.

TRAC is aware of private sector operators that are interested right now in building a fast route from Sacramento to San Jose in the Altamont Corridor. While such a line could be eventually upgraded to high-speed, it would probably be built initially for 110-150 mph service. A Public-Private Partnership like this might only require public funds for the environmental review process, to eliminate that risk for a venture partner.

The investment of public funds in speed improvements for existing intercity corridors would provide fast local service for the cities of the Central Valley. For a fraction of the HSR project’s cost estimate, the current San Joaquin Corridor would be upgraded to run 110 - 125 mph. A negotiated arrangement with BNSF could result in fast passenger-only tracks either in the railroad right-of-way, or adjacent to it.

The investment of public funds in speed improvements for existing intercity corridors would provide fast local service for the cities of the Central Valley. For a fraction of the HSR project’s cost estimate, the current San Joaquin Corridor would be upgraded to run 110 - 125 mph. A negotiated arrangement with BNSF could result in fast passenger-only tracks either in the railroad right-of-way, or adjacent to it.

A faster, more frequent San Joaquin would yield a dramatically better cost/benefit ratio than the HSR Valley project, while being very attractive and much more affordable for current auto commuters. This would not be an abandonment of HSR. Rather, along with a fast Altamont Corridor connection to the Bay Area, it could stimulate a new privately built north-south HSR trunk line, possibly along the I-5, offering seamless connections between Los Angeles, the Central

Valley, Sacramento, San Francisco and San Jose.

Speed improvements would massively increase ridership on an integrated Pacific Surfliner/Metrolink service between Ventura and San Diego. A funding package attractive to all the larger regions of the State could include:

- Convert LA Union Station from a stub-end terminal to an online station by adding run-through tracks.
- A tunnel under Rose Canyon, to speed up the Surfliner near San Diego by eliminating a lengthy slow-speed bypass.
- A tunnel to connect Caltrain in San Francisco to the new Salesforce Transit Center.
- A replacement rail route in response to the crumbling of the Del Mar bluffs. (See article on page 4.)

This package could be readily funded if the Legislature shifted the continuing appropriation of cap and trade funds from HSR to inter-city rail. TRAC proposes the HSR project be terminated after completing Construction Package 1, from Madera to Fresno. In preparation for such a major change in direction, TRAC suggests the Assembly pass a resolution signaling CHSRA that it does not support the track electrification contract going forward.

Policy & Political Considerations

- A business-friendly approach could win bipartisan support, making it possible to reach a settlement with the federal government on the looming grant issues that complicate HSR decision-making.
- This proposal would result in a 21st Century rail system for California that connects Sacramento to San Diego and San Francisco. This would be very attractive to legislators.
- With large new private sector investments as well as the same public dollars being spent around the state, this would be very attractive to unions and the construction industry.
- The dramatic increase in rail ridership resulting from these projects would provide larger and quicker GHG reductions than a Central Valley HSR project.
- These projects, with lower costs than the Central Valley HSR project, would be far more affordable for both commuters and travellers. Good ridership requires affordability.
- Controversy surrounding the CHSRA project has already tainted all rail projects in the eyes of the public. Public support for future investments in passenger rail is at-risk, threatening the State’s options for congestion relief and GHG reduction. That could also reduce the union jobs generated by new rail construction.

TRAC believes the time is right for an entirely new approach to rail infrastructure. This could finally turn the HSR project into a success. By opening the door to the private sector, the State can overcome the current constraints on financial resources available for HSR.

Coast Observations

ELON MUSK IS THE “WILLY WONKA” OF TRANSPORTATION, according to Chuck Marohn of Strong Towns, a national urban advocacy non-profit. This is because Musk offers proposals like HyperLoop, which are sugary and shiny, but have no substance. Marohn says this distracts from solutions that may lack flash, but which are realistic...A SANTA ROSA DEVELOPER SPENT \$1.7 MILLION TO KILL SMART'S 1/4 CENT SALES TAX EXTENSION MEASURE on the March Primary ballot. The \$1 million spent by Federated Indians of Graton Rancheria, who own the Graton Casino & Resort in Rohnert Park, wasn't enough to undo the public's distrust of SMART, in part caused by its management's quirky refusal to release ridership numbers...SPEAKING OF SMART, SMART IS LOOKING AT LOW INCOME FARE DISCOUNTS in response to numerous public complaints that its fares are high...BART RIDERSHIP HAS DECLINED BY MORE THAN 10 MILLION ANNUAL RIDERS SINCE 2014. At least one editorial recommends full automation of BART trains, so BART can afford to run more frequent service without skyrocketing train driver costs...BART HAS RECENTLY IMPLEMENTED A TRIAL 'AMBASSADORS' PROGRAM TO IMPROVE SECURITY AND PASSENGER COMFORT. If BART trains can be fully automated, switching drivers over to these new positions would be cost effective, and no one would necessarily lose their jobs...SPEAKING OF THINGS THAT WILL PROVOKE RESISTANCE, A NEW BILL IN SACRAMENTO WOULD MANDATE BAY AREA TRANSIT AGENCIES TO INTEGRATE FARES, SCHEDULES AND MARKETING. This is despite—or maybe because of—an interagency group of transit agency managers put together by MTC having previously voted “no” on doing a transit integration study. It has been our observation that the priorities of too many bureaucrats are: (1) get the money; (2) get the money to go to agency salaries; (3) get the money to full fund the pensions; and (4) serve the public (a poor fourth)...WHILE TRANSIT RIDERSHIP HAS BEEN DECLINING IN PARTS OF CALIFORNIA, SACRAMENTO REGIONAL TRANSIT HAS DOUBLED YOUTH AND STUDENT RIDERSHIP due to free fares. Overall RT ridership is up 6% so far in FY 2020, reversing a worrying several-year trend...PRESIDENT TRUMP’s PROPOSED FY 2020-21 BUDGET WOULD CUT \$500 MILLION FROM AMTRAK, KILLING ALL LONG-DISTANCE TRAINS. As usual, this plan is DOA in Congress, even in Trump's Republican-controlled Senate...DON'T GO JAYWALKING IN PHOENIX, EVEN IF YOU HAVE TO WALK ANOTHER ½ MILE TO A “LEGAL” CROSSING. Our Arizona neighbors are planning to INCREASE the fines for jaywalking. No reductions in carbon emissions there!...MEANWHILE, LOS ANGELES METRO OBTAINS ANOTHER \$1.3 BILLION FROM THE FEDS TO FINISH THE WILSHIRE AVENUE SUBWAY TO WEST L.A. Even L.A. is making slow, if steady progress in developing alternatives to the automobile...

10 WAYS TO STRAIGHTEN OUT THE CROOKED HSR PROPOSAL

