

54-MILE STARTER HAS MORE VIADUCT THAN 1000 MILES OF TGV

\$3 BILLION ELEVATED SEGMENTS BALLOON COST OF VALLEY LINE

California's High Speed Rail Authority board voted on December 2 to apply for Federal funding for a highly politicized project through the Central Valley. The line includes abnormal amounts of elevated structure never seen in European systems on level ground.

Revealed in a press release before Thanksgiving, the 54-mile California line sparked controversy from the moment it was proposed. Valley congressmen Devin Nunes (R-Wasco) and Dennis Cardoza (D-Merced) both called the proposed starter line a political backroom deal.

"If they proceed along this path, they'll have a very strenuous opposition from me," Cardoza, whose district is north of the proposed route, said the same day. "We'll look at every crack and crevice in how they can justify this proposal that ... was done in a secretive and deceptive way."

Cardoza asserted the proposed route violates federal and state requirements that a segment must be useable, and called for an investigation. "For them to pick this hybrid route at the 11th hour and 55th minute before the holiday is misleading to the public and highly offensive."

The majority of miles and all major cost items are within the district of Jim Costa (D-Fresno), who barely kept his congressional seat despite the October 25 announcement of the grant by the Federal Railroad Administration.

The \$4.15 billion price tag for the initial segment includes obtaining right-of-way, viaduct construction, grading, site work, two stations, rail bridge construction, road realignments and relocation costs. It does not include costs of signalling, electrification, power substations, vehicles, or maintenance facilities. Even without these basics, the cost is \$78 million per mile, more than double the cost per mile of fully-equipped Florida HSR, due to excessive elevated structure near Fresno, Hanford and Corcoran.

"The Authority seems to be proving exactly what conservative critics feared, that political design will make the project cost several times the \$42 billion price voters were told," said Jim Mills of the California Rail Foundation. "The reason advanced for starting in the Valley was supposed to be lower costs, but you don't achieve those if you put the line on stilts for more than a third of the route," said Mills.

The other reason offered for building in the Central Valley first was the supposed unanimity and support among Valley interests. However, except for a regimented Fresno contingent, there was widespread dissent at the December 2 board meeting, some of it spawned by the Authority's lack of transparency in airing alternatives.

The High Speed Rail Authority board sat through two hours of testimony before rubber stamping the staff proposal. Agricultural interests hurt by potential division of properties on new rights of way through Kings County were vocal in their opposition to the routing and the lack of environmental review of the alternatives.

North Valley representatives ranging from Sacramento to Madera raised concerns that the adopted alternative had never been disclosed to the public and had not been environmentally reviewed. With defections from the congressional delegation and officials raising concerns about the secretive process, the press had a field day as shown by these extracts of coverage:

Plan Shows Signs of Pork Barrel

Dan Walters, Fresno Bee, 11/29/2010

A few days before this month's election, the federal government announced that California would receive an additional \$715 million for its high-speed rail project, contingent on the money being spent quickly on a segment in the San Joaquin Valley.

Why? You'd have to be terminally naive not to believe that the splashy announcement, made personally by an Obama administration official in Fresno, was to help an embattled local congressman, Democrat Jim Costa, stave off a very stiff Republican challenge.

Costa, a longtime bullet train advocate, did, in fact, eke out a narrow re-election win. And last week, the California High-Speed Rail Authority (HSRA) announced plans to spend that money and some other federal and state funds, \$4.3 billion in all, to build a 54-mile segment from Madera to Corcoran.

High Speed Rail Route	Length of Line (mi.)	Elevated Structure (mi.)	(Percent)	Longest Structure on Route	(mi.)
LGV Sudest	264	2.0	0.8%	Viaduc de la Digoine	0.3
LGV Atlantique	140	1.8	1.3%	Viaduc de la Loire	0.3
LGV Nord	207	3.5	1.7%	Viaduc de la Haute Colme	1.2
LGV Paris/Lyon Detours	85	1.5	1.8%	Viaduc de Chalifert	0.7
LGV Mediterranée	151	6.8	4.5%	Viaduc de Ventabren	0.3
LGV Est Européen I	184	3.6	2.0%	Viaduc de la Moselle	0.9
Total	1031	19.2	1.9%		
HSRA Fresno-Corcoran (as documented by Page 19 of HSRA Backup Maps and Data)	54	23.0	42.6%	Fresno Viaduct	16.0

It was instructive on two fronts. It illustrated the pork barrel aspects of the scheme, with financing, routes and station sites dependent more on political pull than objective criteria. It also underscored the eagerness of bullet train boosters to turn dirt, thereby creating a moral commitment to complete the project despite its deficiencies.

Tone-Deaf High Speed Rail Authority Must Tinker with Plan

SJ Mercury News Editorial 12/02/2010

California's High Speed Rail Authority is at least consistent. Given any opportunity to score a success, the tone-deaf management finds a way to make people mad.

The latest example is the choice of the first segment of the line to be built: 65 miles of track linking, um, two small Central Valley towns you've never heard of, instead of going to major population centers such as Merced or Bakersfield. This has infuriated some of the project's strongest supporters, including Merced's U.S. Rep. Dennis Cardoza. It could derail federal funding. [...]

Board member Rod Diridon of San Jose hopes to stem the bleeding from the Authority's self-inflicted wound at today's meeting. He wants to clarify the next segments to be built, reassure Merced of an early connection and make sure the "Chowchilla Y," the start of the branch toward San Jose, is a priority.

We hope that's enough to get critical allies back on board. If the project can't go smoothly in the Central Valley, where it's immensely popular, it will never be completed.

\$4.3 Billion for Isolated Track

By C. Kenneth Orski, Editor/Publisher [Orski was the UMTA Administrator under Presidents Nixon and Ford.]
Innovation News Briefs 12/04/2010

On December 2, the California High Speed Rail Authority approved a staff recommendation to begin construction of California's 500-mile high-speed line with a 65-mile segment of track in Central Valley, from Borden in Madera County (pop. 57,000) [Ed. Note: Borden itself is too small for US census estimate it but is less than 500 residents], through Fresno to Corcoran (pop. 14,500) north of Bakersfield. Roelof van Ark, the Authority's CEO said this segment would make "the best use of the \$4.3 billion currently available construction funds." But the Board's decision unleashed a storm of criticism and controversy.

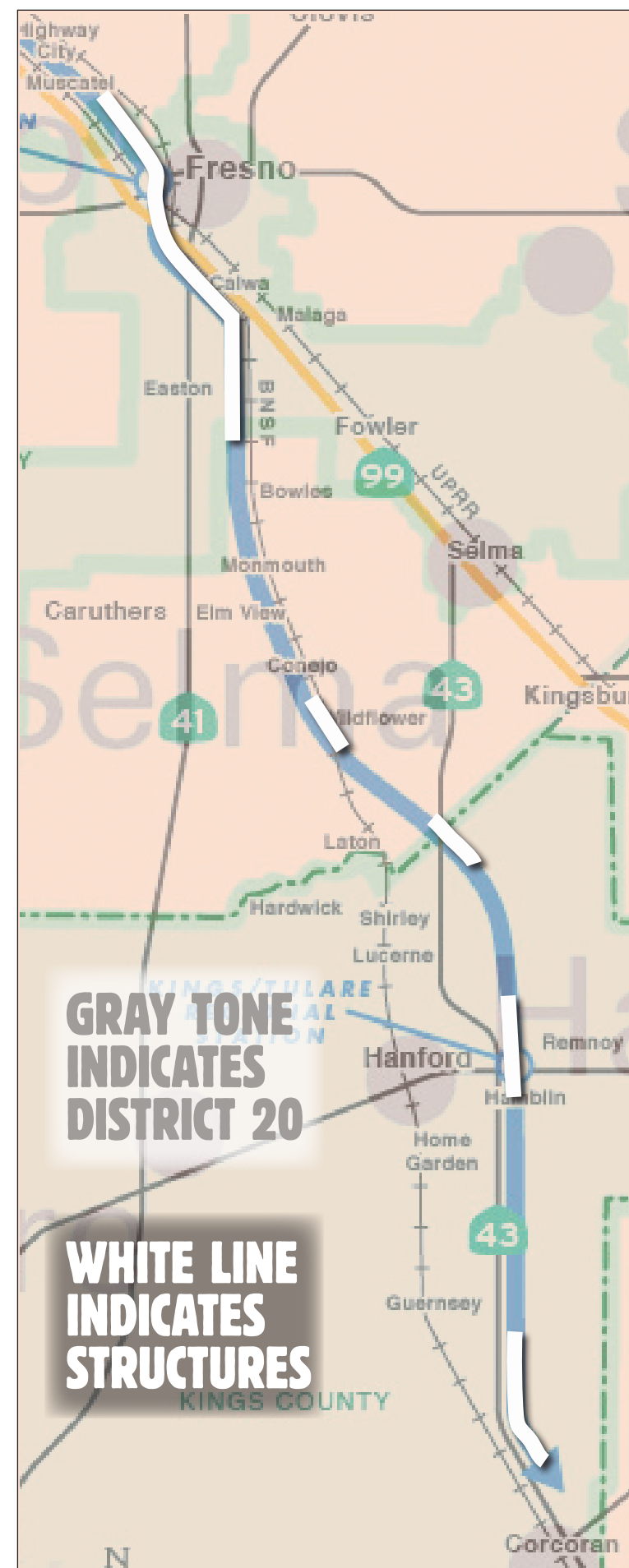
Congressman Dennis Cardoza, representing the congressional district in which the project is to be located, strongly condemned the decision as wasteful and seriously flawed. "It defies logic and common sense to have the train start and stop in remote areas that have no hope of attaining the ridership needed to justify the cost of the project," he stated in a letter to U.S. Transportation Secretary Ray LaHood and Federal Railroad Administrator Joseph Szabo.

Board member Lynn Schenk confessed she was concerned that the project "does not make common sense." And State Sen. Alan Lowenthal who chairs the Senate committee that oversees the high-speed rail project, accused the Authority's board of acting prematurely, "in a panic mode," to meet a federal deadline.

And indeed, the Authority was under a deadline to pick a route and enter into a funding agreement with the Federal Railroad Administration (FRA) by the end of the year. FRA further specified that all federal funding awarded to the project must be dedicated to a single operable line segment in the Central Valley.

By choosing a relatively isolated area for the first stretch of track, FRA hoped the project could avoid the kind of community resistance and delay that the project

EUROPEANS TYPICALLY HAVE BUILT LESS THAN 4 PERCENT OF HIGH-SPEED TRACKS ON STRUCTURE; FRESNO-CORCORAN IS TO HAVE OVER 40 PERCENT



had encountered in the more densely settled San Francisco Bay and Los Angeles areas.

But the decision to spend \$4.3 billion on an isolated 65-mile stretch of track in the sparsely populated Central Valley, far removed from any large population concentration, could instead become a huge embarrassment both for the State of California and to the Obama Administration.

If Congress fails to authorize further funds to extend the line—a highly likely possibility in a Republican-controlled House of Representatives—the project will end up truly as “a high-speed Train to Nowhere.” What is more, the initial section will not even carry trains—there is not enough money in the initial funding to erect the catenary nor to purchase rolling stock or build maintenance facilities.

Like Alaska's “Bridge to Nowhere,” the Central Valley rail line will become an object of derision, a target of jokes and ridicule and a symbol of wasteful government spending. It will strengthen the congressional critics' contention that the U.S. DOT cannot be trusted with wisely managing its discretionary spending authority and does not deserve to retain its power to make “executive earmarks.” And the Obama Administration, by enabling “the Train to Nowhere” with a \$715 million grant, will have cast doubt on the soundness of the entire federal high-speed rail program and its decision-making process.

Subsidy Trains to Nowhere

Wall Street Journal Editorial 12/02/2010

The Authority has presented plenty of forecasts, one shakier than the next. It now projects that ridership will reach 39 million passengers a year by its 10th year, down from that projection two years ago of 94 million. The experience of other high-speed rail systems suggests they'll be lucky if they get a quarter of that, and five million riders is more likely...

The Authority also predicted 450,000 permanent jobs; that's twice the size of the state government's active work force. Did they hire Joe Biden as their stimulus consultant?

Stanford economist Alain Enthoven, former World Bank analyst William Grindley and financial consultant William Warren document all of this in a study that's been reviewed and endorsed by more than 70 business leaders.

Their conclusion: Unless the federal government provides \$19 billion in seed money, the railway will never achieve a positive cash flow. State taxpayers will end up subsidizing a fantastic boondoggle, even though the authorizing legislation prohibits subsidies.

A realistic concern is that the state will have to terminate the project after completing the first segment because the feds and private investors won't pay to finish it.

Build Rail Line In Logical Area — Or Not At All

Modesto Bee Editorial 12/02/2010

The proposal to build the first segment of California's high-speed rail line between two small valley communities — in or near one place that doesn't even want it — leads us to say this: Stop the madness.

We've had serious reservations about the high-speed rail project for years. But since voters overwhelmingly supported Proposition 1A in 2008, we have tried to get on board with the plan.

When the federal government earmarked millions for the project and said it must be spent in the San Joaquin Valley, we championed that prospect, especially given the promise of much-needed jobs.

A little-known condition of that commitment of federal funds is that whatever segment is built first has to be able to be used immediately, to improve existing rail service.

That could be accomplished with an initial Merced-to-Fresno segment — which we would prefer for obvious reasons — or with a Fresno-to-Bakersfield segment. In either case, the high-speed line would connect two cities of significant size.

Instead, however, the staff of the California High-Speed Rail Authority has recommended building the first segment between Borden and Corcoran — two places few Californians have ever heard of, let alone visited. [...]

Many people have been poking fun — and asking legitimate questions — about the viability of the high-speed rail project. If the rail authority approves this Borden-to-Corcoran segment at its meeting today, we're convinced that the high-speed rail project will forever wear the label of “boondoggle.” And it will have been well earned.

Central Valley Route Selection and Violations of AB 3034

Kathy Hamilton, Examiner.com 12/08/2010

As expected, December 3rd, the High Speed Rail Authority voted to begin the HSR project on the hybrid selection, labeled option 1, between Borden and Corcoran using federal and state matching funds amounting to \$4.33 billion dollars. It straddles two sections, Fresno to Bakersfield-labeled option 2 and Fresno to Merced was option 3. The selection certainly represents low ridership cities. Corcoran is known for one thing, the prison that holds Charles Manson and neither he nor the rest of the inmates will be riding the rail system anytime soon.

But there are clear problems with the selection especially as it pertains to the California State law Assembly Bill 3034. The board did not vote on a "corridor or usable segment thereof" as defined in the law, they had a new definition.

According to State Attorney George Spanos, who was not asked to determine the legality of the staff recommendation prior to the board meeting, he admitted “the segment being offered was not a usable segment within the meaning of Prop 1A.” He suggested it was a “subset of a usable segment,” which would later be defined when the Authority went to the legislature for funding.

During the meeting Rod Diridon said, “Let me stress then in the motion which I am going to offer that I'm using the words 'starter construction project' and not anything else. So you can use those words then into building the first usable segment as you would like to with the staff when we communicate with the legislature. This is a starter construction project. This does not relate to usable section, operable section.”

Spanos adds, “It's a subset of what will eventually be a usable section.”

Diridon: “Yes, this is just where starting construction, it doesn't relate to those legal words in the law relating to operable segments.”

But the fact is AB3034 does not allow for a smaller segment to be built, no mention of a sub-section, starter construction project or the beginning of construction. It says, “Construction of the corridor or usable segment thereof.”

Another area of state law which appears to be a violation is the section that says “the corridor or usable segment thereof would be suitable and ready for high speed train operation.”

According to Californians Advocating Responsible Rail Design (CARRD), the high speed rail legislation includes serious safeguards to make sure state money only pays for tracks that lead to self-supporting high speed rail service. “To actually run the trains, you need electrification, high speed rail system elements and a maintenance facility, none of which are included in the current proposal. The Authority's stance is that they just need to have a vision for where the additional money to pay for these items will come from, akin to the current funding plans in the business plan.”

AB 3034 is crystal clear on funding and revenue.

(C) The estimated full cost of constructing the corridor or usable segment thereof, including an estimate of cost escalation during construction and appropriate reserves for contingencies.

(E) The projected ridership and operating revenue estimate based on projected high speed passenger train operations on the corridor or usable segment.

The reference to ridership and revenue is an indication when the bill was written the lawmakers thought each segment would be able to be up and running after each one was constructed. This is not so because of the need of Positive Train Control to link all segments together in order to operate.

And as far as the parameters of the ARRA funds, the Feds definition of independent utility is, “if, upon implementation, it will provide tangible and measurable benefits, even if no additional investments in the same service are made.” It is not so clear this selection will make the cut here either.

The price tag of 4.14 billion is also up almost \$1 billion from August, without any explanation.

In the end, board voted and unanimously accepted the staff recommendation despite reservations expressed from board members Crane, Schenk and Florez. This selection is highly questionable as it pertains to California state law and very well may fail Federal tests for independent utility.