High Speed Rail is an Unprecedented Opportunity for California

With California growing to 50 million people over the coming decades we will absolutely need new transportation capacity, the question is what types of capacity will we invest in? Building high speed rail faces real uncertainties and risks, but it also has the potential reinforce cities as the hubs of our economy, relieve congested roads, provide over 100,000 job years soon, when we need it most, and help California meet clean air and greenhouse gas reduction goals.

The New Plan for High Speed Rail is Strong and Improved in Key Ways

The 2011 Draft Business Plan for high speed rail received widespread, deserved criticism and indeed was not supported by TransForm. But the new Revised 2012 Business Plan scales back components of the project, reduces community impacts by narrowing the width of the corridor required in most urban areas, and brings the projected cost down to $68.4 billion.

Most importantly, the project is now designed to serve as the backbone of a statewide rail network, rather than an isolated system. It supports early upgrades to Caltrain and Metrolink as well as lines now used by Amtrak and ACE, allowing those systems go faster and attract more riders. Millions of Californians will benefit from these first investments by 2018. These upgrades will also serve to ready those corridors for full high-speed rail. It is a strong plan and sound blueprint for moving forward.

Project is at a Make-or-Break Moment; TransForm Urges Appropriating Funds Immediately for the First Stage

The future of California high-speed rail hangs in the balance. $3.3 billion in federal funds must be spent on the first segment by September 30, 2017. That would require starting almost immediately. The federal government has recently announced that the California legislature needs to confirm California’s commitment to the project in this budget cycle or risk the loss of most or all previously committed federal funding.

In November 2008 voters passed Proposition 1A, which authorized $9 billion of state bond funds toward the project. A vote to move forward with the first construction segment of high speed rail is now part of the budget negotiation in the legislature. Importantly, debt financing costs for the $2.7 billion of bonds that would fund the Central Valley portion would be repaid via truck-weight fees, a source that can only be used on road or “fixed guideway transit” and is currently undersubscribed.

Risks Remain, But Can Be Managed

With any project of this scale there are risks. These are outlined in TransForm’s report, in the HSR Peer Review Group’s May 18 letter, and in the Revised Business Plan. Most importantly, the Revised Plan will put all of the new construction segments into commuter service immediately, without waiting for the “full high speed rail”. There will no longer be the potential for major stranded assets: Additional ways to mitigate risk are on the following page.
Setting milestones as a part of the appropriation
The Authority should produce a risk-analysis and risk management plan and a construction schedule, as well as obtaining adequate management resources to effectively conduct a program of this magnitude as recommended by the Peer Review Group. The legislature can set milestones for staying on schedule and a high level of transparency in the planning process for the project.

Ensuring the HSRA authority has appropriate staff levels to oversee a project of this magnitude.
For over a decade the Authority has been dramatically understaffed for a project of this scope. It is critical for the Authority be fully staffed.

Moving forward, the legislature should also work to limit financial and legal liabilities by:

Limiting Cap and Trade allocations for HSR made before 2015 to early upgrades to the urban bookends
While challenges to AB 32 Cap and Trade make their way through the courts, the legislature should limit the use of this funding to upgrades on existing transit services in the San Francisco Bay and Los Angeles areas. Investing in the urban bookends (the places the project will ultimately stand and end in, San Francisco and the Los Angeles region) will bring significant mobility and clean air benefits to the millions of existing residents in these areas, and they will do it before 2020.

Prioritize early dispersals of local Cap and Trade revenue to Central Valley cities that are projected to receive early phase stations.
Specifically focus on upgrading existing multimodal infrastructure especially local transit, bicycle and pedestrian infrastructure that will support both economic development and the future HSR stations e.g. with Bus Rapid Transit as proposed in Fresno.

Enable new forms of value-capture of development around HSR stations.
Revenues raised could fund high-quality station designs and public improvements associated with TOD around stations.

Read the Complete Paper for the Full Analysis of the Plan
TransForm’s paper, Moving Ahead with High Speed Rail, has more detailed recommendations, including for the High Speed Rail Authority. It can be downloaded at http://transformca.org/resource/moving-ahead-high-speed-rail.

About TransForm
Since 1997, TransForm has worked to create more affordable, wonderful places where everyone – especially low-income people – can safely and easily get where they need to go on public transportation, foot and bicycle. TransForm unites diverse coalitions at the local, regional and state level to develop solutions that advance environmental, public health, social equity and economic benefits. Learn more at www.transformca.org.

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Components of the Proposed System in Revised Business Plan

The map below, provided by the Legislative Analyst’s Office, most clearly identifies the first construction segment between Fresno and Bakersfield, as well as the three lines of the anticipated Northern California Unified Service, which would begin in Bakersfield and serve three lines to the north. The outline on the next page is organized by the four major phases of service that will be provided. We hope that providing it in the form is useful to understand the phases of the plan.

Figure 1-1.  
Map of Revised Business Plan routes by the Legislative Analyst’s Office  
(http://www.lao.ca.gov/analysis/2012/transportation/high-speed-rail-041712.aspx)
I. Early Investments with Statewide Benefits

A) Northern California Unified Service (including the first construction segment of the Initial Operating Segment)
Completion: 2017, service in 2018
Total Cost: $6+ billion
• $6 billion for the first segment of the Initial Operating Section, or “IOS” (i.e. up to a 130 miles of new HSR track in the Central Valley). This is what the first bond appropriation would support.
• Undetermined amount for improvements to existing intercity track from Fresno to Sacramento and Bay Area destinations.
Service: Interim intercity services from Sacramento and Bay Area destinations to Bakersfield that utilizes both new HSR track and upgraded existing track.
Speed: 90 mph max on improved right-of-ways from Fresno to Sacramento and Bay Area destinations.
125 mph max on first construction segment.
Total time savings at least 45 minutes over existing service and possibly more than an hour.

B) Improvements in the Urban Bookends
Completion: Varies depending on improvement project (there will be several individual projects).
Total Cost: $1.1 billion in HSR funds (will be matched by additional local commuter rail funds)
Service: Improved commuter rail services in the Bay Area (primarily Caltrain) and in Southern California (Metrolink/Amtrak)
Improvements will also be utilized by HSR in the future.
Speed: Will vary.

2. Full HSR from Merced to San Fernando Valley, aka, “Initial Operating Segment (IOS)”
Completion: 2021, service in 2022.
Total Cost: $25.3 billion ($31.3 billion when including $6 billion for first construction segment described above)
Service: Extend IOS from Fresno to Merced and from Bakersfield to LA Basin/San Fernando Valley by 2021, and initiate 300-mile, full-speed HSR service from Merced to San Fernando Valley by 2022.
Speed: 220 mph max.

3. Full HSR from San Jose to LA Basin, aka, “Bay to Basin”
Completion: 2026, service in 2027.
Total Cost: $19.9 billion
Service: Extend dedicated HSR track from Central Valley to San Jose by 2026, and extend full HSR service from “Bay to Basin” by 2027.
Speed: 220 mph max.

4. Full HSR from San Francisco to Anaheim, aka, “Phase I Blended System”
Completion: 2028, service in 2029.
Total Cost: $16.1 billion ($17.2 billion when including $1.1 billion of early investments in bookends, described above; does not include budget for Los Angeles to Anaheim, which was added back in at last Authority meeting)
Service: Upgrade existing tracks from San Fernando Valley to Los Angeles and San Jose to San Francisco by 2028, and initiate HSR service on upgraded track by 2029 (allowing for one-seat high-speed service from San Francisco to Anaheim).
Speed: 220 mph max., most urban areas will be 125 mph max.