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February 10, 2020

Honorable Gavin Newsom, Governor
The State Capitol
Sacramento, CA 95814

Re: Alternatives to Continued Funding of the CHSRA Project

Dear Governor Newsom:

The Train Riders Association of California (TRAC) is a statewide rail advocacy organization that has worked for over three decades to improve passenger rail service. TRAC was a sponsor of 1990's Proposition 116, which was critical to the development of the State-funded intercity services. We were advocates for high-speed rail before it was first proposed for California in 1981.

Because TRAC expects the ridership from a completed Central Valley Line to be disappointing compared to the proposed \$20+ billion cost, we urge a major rethinking, focused on delivering value to Californians. We will address the policy and political considerations after the economic considerations.

Economic Considerations

We know that HSR would be a viable business in California. TRAC proposes that you invite experienced HSR operators to contact you about their interest in building rail projects in California. 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 expects it likely that the private sector would propose a north-south non-stop HSR route along the I-5. It meets all the criteria for a good HSR route: it is the shortest distance, is very straight and has few obstacles.

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 PPP like this might only require public funds for derisking the environmental clearance.

The investment of public funds in speed improvements for existing intercity corridors would massively increase ridership on an integrated Pacific Surfliner/Metrolink service and 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 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, but rather would seamlessly tie into a new north-south HSR trunk line and the fast Altamont Corridor connection to the Bay Area.

A funding package attractive to all the larger regions of the State could include:

- A tunnel to connect Caltrain in San Francisco to the new Salesforce Transit Center.
- A tunnel under Rose Canyon, to speed up the Surfliner near San Diego.
- a replacement rail route in response to the crumbling of the Del Mar Bluffs from climate change-related storm damage.

This package could be readily funded if the Legislature shifted the continuing appropriation of cap and trade funds from HSR to intercity rail. TRAC proposes the HSR project be terminated after completing CP 1.

Policy and 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. Affordability is essential for good ridership.
- 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.

We believe the time is right for an entirely new approach to rail infrastructure. We would like to come in and present to you what we believe to be a coherent and feasible plan to turn the HSR project into a success. By opening the door to the private sector, you can overcome the current constraints on financial resources available for HSR.

Sincerely,

/s/ DAVID SCHONBRUNN

David Schonbrunn,
Vice-President for Policy

CC: Lenny Mendonca, Chair, CHSRA
Brian Kelly, CEO, CHSRA
Anthony Rendon, Assembly Speaker
Toni Atkins, Senate President pro tem
Jim Beall, Senate Transportation Committee Chair
Jim Frasier, Assembly Transportation Committee Chair
Laura Friedman, Assemblymember
Tom Daly, Assemblymember
Dan Walters, CalMatters
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