

California High Speed Rail Where are we at?

The Business Plan. State law requires the Hi-Speed Rail Authority (HSRA) to submit business plans to the legislature every two years beginning in January 2012. Business plans were submitted in 2008 and 2009, then again in November 2011 (2012 Plan).

The 2012 Plan was advertised to be the most complete and realistic of all the plans. It included revised forecasts in both ridership and revenue, forecasting ridership to be 10 percent lower than previously forecasted and revenue to be 21 percent lower than previously forecasted (partially due to lower fares). The plan also forecasts that Phase 1 (San Francisco Transbay terminal to Los Angeles Union Station and Anaheim) will cost more than twice as much (\$99-\$118 billion versus \$43 billion) and delayed 14 years (2034 compared to 2020). The 2012 Plan proposed that construction be completed in segments, rather than as a whole. It also proposed “blended operations” that integrates HSR into existing commuter rail services rather than a stand-alone system.

Like the previous business plans, the 2012 Plan has as many critics as it has fans. The Governor has indicated that he would release his own plan for the construction of the first segment, but it has not yet been released.

Federal Funds. The President’s administration has shown significant support in California’s HSR program, both in the press and financially. To date, the federal government has committed \$3.3 billion in federal funding. However, this commitment has not come without controversy. As part of the federal transportation bill, Congressman Denham proposed an amendment that prohibited any of the funding from the bill be spent on the CA HSR project.

The Governor’s 2012-13 Budget. The Governor’s January budget proposal included \$15.9 million for support of the HSRA, but indicated that it would be revised in early 2012 (a logical assumption is that it will be revised in the May Revision). In addition, the Governor has indicated that this project is a top priority for him. His vision for HSR was a significant part of his 2012 State of the State, and it frequently comes up in other speeches and general press availability.

In addition, the Governor’s budget proposed a reorganization of the Business, Transportation, and Housing Agency in which a Transportation Agency would be formed and would oversee the High Speed Rail Authority. Specific details on this proposal have not been released.

The Initiatives. There are multiple initiatives cleared for circulation:

- TBD. (12-0010): “Stop the \$100 Billion Bullet Train to Nowhere Act”. Prohibits the sale of remaining high-speed rail bonds. Submitted for Title and Summary on March 20, 2012; Circulation Date not yet set.
- 1558. (11-0084): Eliminates High Speed Rail Authority. Bars the State of California from paying for high speed rail unless the people pass a new constitutional amendment specifically altering this prohibition. Circulation Deadline: June 21, 2012
- 1576. (12-0004): Prevents the issuance and sale of the remaining amount of high-speed rail bonds previously approved by the voters to initiate construction of a high-speed train

system. Allows the Legislature to redirect any unspent high-speed rail bond proceeds from high-speed rail purposes to repay those outstanding bonds. Circulation Deadline: August 13, 2012

Legislation. As usual, the legislature has introduced multiple pieces of legislation related to HSR. Some of these purport to move the project forward, while others attempt to bring it to a complete halt. A list of the relevant legislation and the current status is below.

High-Speed Rail Legislation

Measure Author	Topic	Digest <i>Status</i>
AB 16 Perea	High-Speed Rail Authority	Would require the HSRA to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws. <i>Senate Inactive File</i>
AB 41 Hill	High-Speed Rail Authority: conflicts of interest: disqualification: ex parte communications	This bill (1) adds members of the High-Speed Rail Authority (HSRA) to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly, under the Political Reform Act, (2) prohibits a member of the HSRA board and any interested person, as defined, conducting an ex parte communication, unless the board member discloses and makes public the communication, and (3) requires the agency overseeing the HSRA to enforce these provisions under certain conditions. <i>Senate Third Reading</i>
AB 292 Galgiani	High-speed rail: agricultural lands	Requires the High-Speed Rail Authority to appoint a nine-member agricultural advisory committee to consult with prior to adopting any policy relevant to agriculture. <i>Senate Inactive File</i>
AB 492 Galgiani	High-Speed Rail Authority	Requires the authority to consider the creation of jobs and participation by small business enterprises in California when awarding major contracts or purchasing high-speed trains. The bill would require the authority to appoint a small business enterprise advisory committee. <i>In Senate Rules Committee</i>

AB 1455 Harkey	High-speed rail	<p>Reduces the amount of general obligation debt authorized for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the amount contracted as of January 1, 2013.</p> <p><i>In Assembly Transportation Committee – Scheduled 4/16/12</i></p>
AB 1523 Perea	Preapprenticeship training program: high-speed rail	<p>appropriate \$2,000,000 from the High-Speed Passenger Train Bond Fund to the authority for the purposes of funding a 3-year pilot project in the Central Valley to train unemployed workers for high-speed rail construction jobs. The bill would require the authority to work with various labor organizations to train a total of 400 clients in preapprenticeship programs that will lead to direct referrals to building trades unions, as specified.</p> <p><i>In Assembly Transportation Committee</i></p>
AB 1574 Galgiani	High-speed rail	<p>Repeals all of the provisions of the California High-Speed Rail Act and enacts a new California High-Speed Rail Act. The bill would continue the High-Speed Rail Authority in existence with limited responsibilities and would place the authority within the Business, Transportation and Housing Agency. The 5 members of the authority appointed by the Governor would be subject to Senate confirmation, but existing members could continue to serve the remainder of their terms. The bill would authorize the authority to appoint an executive director, and would provide for the Governor to appoint up to 6 additional individuals exempt from civil service as authority staff. The bill would require the authority to adopt policies directing the development and implementation of high-speed rail, prepare and adopt a business plan and high-speed train capital program, establish a peer review group, select alignments for the routes of the high-speed train system established by law, adopt criteria for the award of franchises, and set fares or establish guidelines for the setting of fares.</p> <p><i>In Assembly Transportation Committee</i></p>
SB 1189 Hancock	The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century: project funding	<p>Appropriates \$190 million of the Prop 1A bonds for the three state-supported intercity rail lines known as the Capitol Corridor line, the San Joaquin line, and the Pacific Surfliner line (Intercity Rail Program). Also appropriates \$760 million for other commuter and urban rail line operators based on a formula outlined in the bond act (Commuter and Urban Rail Program).</p> <p><i>In Senate Rules</i></p>