



February 8, 2020

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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 for the proposed \$20+ billion investment, we urge a major rethinking. 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. 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.

We believe 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.

TRAC expects 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.

In addition, we see the potential for the involvement of the private sector in operating the San Diego - Los Angeles - Ventura Corridor. The investment of public funds for speed improvements (see below) would massively increase ridership on an integrated Pacific Surfliner/Metrolink service.

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 higher cost/benefit ratio than the HSR Valley project, and still be very attractive to auto commuters. This would not be an abandonment of HSR, but rather the local service for the cities of the Valley. It would seamlessly tie into a new north-south HSR trunkline and the 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 infrastructure 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.

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