

**Opening Remarks of Senator Alan Lowenthal, Chair
Senate Transportation and Housing Committee**

**Informational Hearing on the
California High-Speed Rail Program**

March 17, 2009

Sacramento, CA

- Today's hearing is the fourth oversight hearing that the Senate Transportation and Housing Committee has held on the high-speed rail program.
- The focus of this hearing is the High-Speed Rail Authority's budget request for next fiscal year, and the high-speed rail component of the Recovery and Reinvestment Act of 2009 in February and California's response to that law.
- Since our last hearing, the voters of California, wisely in my opinion, approved Proposition 1A, which authorizes \$9 billion in general obligations for high-speed rail development and \$950 million to conventional rail services that will feed riders to the high-speed rail line.
- Clearly, California's high-speed rail development program is ahead of all other states and we are the only state with a voter approved \$9 billion commitment to high-speed rail. We should all be proud of this.
- The earliest the High-Speed Rail Authority will have a project ready for construction is next July. Nevertheless,

there are several eligible projects that are read-to-go from San Francisco to Anaheim that complement and enhance the high speed rail program and have been developed by Caltrans, the freight railroads, commuter operators, and local agencies. Several of these projects are environmentally cleared, the engineering documents are completed, and it's only a matter of time before construction starts. These projects in my opinion should be considered for inclusion in the state's application.

- I am pleased that Director Kempton convened a meeting yesterday of all the agencies that have an interest in the preparation of the state's application for rail stimulus funding. Mr. Kempton's openness and willingness to consult broadly with all the stakeholders is welcomed by me, and, I'm sure, the other members of the committee. I hope that his efforts will result in a single state application for rail stimulus funding from California.
- I should note that I recently introduced SB 455 which establishes criteria for making high-speed rail investments that ensure that bond funds will be useful to conventional rail services until a high-speed rail system is actually ready to proceed.
- My colleagues and I are also looking forward to the testimony from the Legislative Analyst's Office regarding the High-Speed Rail Authority's budget request for next year and its critique of the Authority's business plan.
- We need to look carefully at the Authority's request for \$123 million. Would the state be better served if some of the requested funds were shifted to employing permanent

staff to provide project management services? Should the Authority contract with Caltrans for these services? In the 2008 Business Plan submitted by the Authority, it included a patronage estimate of 55 million at build out, now the Authority is requesting an additional \$2 million for a new patronage forecast, the third in ten years. Why is this needed? Finally, the Authority is requesting \$2 million for a financial plan yet the Legislative Analyst stated that the business plan recently submitted is inadequate. Senator Simitian and I serve on the budget subcommittee that will hear the Authority's budget and I'm sure we will continue to pursue these questions in that venue.

- Finally, I'm pleased to have a representative of the Transbay Terminal project in San Francisco present an overview of the much need facility. The Transbay Terminal is identified in Proposition 1A as the northern California terminus of the high-speed rail service. I met with the staff last October and found the project to be remarkable. It integrates housing and commercial activities with a major regional and statewide transportation facility. It is consistent with the principles of SB 375 and other legislation intended to better integrate transportation and land use decision.
- Now, I would like to call Dana Curry and Eric Thronson from the LAO's office.