

STATE CAPITOL
ROOM 4082 SACRAMENTO,
CA 95814 TEL (916)
651-4005
FAX (916) 323-2277

STOCKTON DISTRICT OFFICE 311
EAST CHANNEL STREET
SUITE 440
STOCKTON, CA 95202
TEL (209) 948-7930
FAX (209) 948-7993

MODESTO DISTRICT OFFICE
1010 10TH STREET
SUITE 5800
MODESTO, CA 95354
TEL (209) 576-6273
FAX (209) 576-6277

California State Senate

SENATOR
CATHLEEN GALGIANI
FIFTH SENATE DISTRICT



STANDING COMMITTEES

AGRICULTURE
CHAIR

BUSINESS, PROFESSIONS &
ECONOMIC DEVELOPMENT

GOVERNMENTAL
ORGANIZATION

TRANSPORTATION &
HOUSING

October 31, 2019

Lenny Mendonca, Chair
California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento CA 95814

RE: Support for Merced-Fresno-Bakersfield Interim Operating Segment

Dear Honorable Chair Mendonca,

I strongly support the Governor's Plan and CHSRA's policy recommendations (2019 Project Update Report released May 1) to pursue a Merced-Fresno-Bakersfield interim operating segment with stops at Kings/Tulare and Madera to provide high-speed rail service to Californians at the earliest possible time. The Merced-Fresno-Bakersfield interim operating segment will leverage the maximum degree of connectivity to other improving rail services, while important project development work also continues in other parts of the state.

I authored AB3034 which placed the HSR Bond on the ballot in 2008. I also led the Legislative effort, working closely with the Authority, and the Administration, when they sought Federal funding in 2009/2010 under the American Recovery and Reinvestment Act, ARRA, and the Fiscal Year 2010 Transportation Appropriations Act.

The Merced-Fresno-Bakersfield operating segment was determined by the Federal Railroad Administration, under President Barack Obama, to be the "logical place to begin building the core line to connect the San Francisco Bay Area with the Los Angeles Basin." It is critical to note that the federal definition of "high speed rail" ("nonhighway ground transportation... which is reasonably expected to reach sustained speeds of more than 125 miles per hour" (49USC Sec. 261051)). The Merced-Fresno-Bakersfield segments were the only segments in the entire United States, capable of meeting sustained speeds of more than 125 miles per hour, and therefore the California High Speed Rail Authority (HSRA) was awarded \$3.7 billion dollars to advance the development of the nation's first high-speed rail system as follows:

- In January 2010, the US Department of Transportation announced that the California High Speed Rail Authority (HSRA) would receive up to \$1.656 billion dollars in federal ARRA funding. The federal government directed an additional \$400 million in ARRA funds toward construction of the Trans Bay Terminal.

- In October 2010, California received an additional \$715 million in federal funding from the Federal Railroad Administration (FRA) under the High-Speed Intercity Passenger Rail Program (HSIPR).
- In December 2010, California was awarded \$616 million in federal ARRA re-allocation funding from the states of Wisconsin and Ohio.
- In May 2011, California was awarded \$300 million in federal HSIPR re-allocation funding from the state of Florida.

The original plan for the combined State and Federal funding was to build the 171 mile backbone of the system in the San Joaquin Valley from Bakersfield to Merced. On November 3, 2010, the Authority was informed by the FRA that all allocated funding, namely the fiscal Year 2010 funding and the remaining unobligated Fiscal Year 2009 ARRA funds, had to be applied to final design and construction of one of the two Central Valley sections (Fresno to Bakersfield or Merced to Fresno.)

On November 4, 2010, the HSRA approved the selection criteria to determine the section and corridor to which the ARRA and HSIPR FY 2010 funds would be applied. In particular, the "Independent Utility"/"Operational Independence" requirement associated with ARRA and the FY 2010 HSIPR funding had to be met. The FRA allowed for permutations and combinations of best possible alignments in the Fresno to Bakersfield section, and the Merced to Fresno segment.

In the Spring of 2011, some members of the Legislature contemplated redirecting federal funds to other segments within the Bay Area and Southern California. In May of 2011, Roy Kienitz, Under Secretary for Policy, US Department of Transportation, personally visited California for the express purpose of meeting with HSRA officials, and Legislative Leadership in both the Senate and Assembly. The attached letter memorializes discussions which took place between Under Secretary Kienitz and Legislative Leadership, explaining why the Central Valley Operating segment had been chosen, and why funds could not be redirected outside of the Central Valley. He states:

"We believe the decision to begin there (Central Valley) was and remains a wise one. This selection was based on careful consideration of the options put forward by California through a competitive application process. First and foremost, construction can begin and be completed in the Central Valley more quickly than in other places. With this central piece built, more complex construction can extend north, south or simultaneously in both directions as additional sections of the project are ready to be built The Central Valley line is the essential core of any viable high-speed rail plan for California. It will support top speeds of 220 mph and will deliver jobs and future access to a part of the state that could use a serious economic boost. Once major construction is underway and approvals to complete other sections of the line have been obtained, the private sector will have compelling reasons to invest in further construction."

The 171-mile line Interim Operating Segment extending north to Merced and south to Bakersfield coordinated with improvements aligned with the State Rail Plan north of Merced to Sacramento and the Bay Area and bus connections south of Bakersfield to Southern California create benefits including:

- A track for early testing of high-speed operations and passenger use (100 miles minimum required for high speeds);
- Faster, more frequent and more reliable passenger rail service than is currently available;
- Reduced travel times for rail passengers between Sacramento and the Bay Area to Bakersfield by up to 90 to 100 minutes;

- Enhanced connectivity and accessibility to other passenger rail services;
- The highest ridership and revenue potential of any Central Valley option;
- Improved air quality in the Central Valley by shifting from diesel to clean, electrically powered trains and reducing traffic on Hwy. 99 and I-5; and
- Infrastructure offering significant benefits to both passenger and freight movement.

Rail passengers in California will greatly benefit from slashing 90 to 100 minutes off train travel between Southern California and the Sacramento and Bay Area regions in the north. Direct connections in Merced to ACE and the San Joaquins will also translate into faster connections to the Capitols, Caltrain, BART, SacRT, Valley Link and VTA systems, which will also experience higher ridership. The success of this early interim service is essential towards implementing the ultimate high-speed rail system between the Bay Area, Sacramento, San Joaquin Valley and Southern California.

For all of the reasons above, I strongly support the Governor's Plan and CHSRA's policy recommendations (2019 Project Update Report released May 1) to pursue a Merced-Fresno-Bakersfield interim operating segment. I am pleased to respond to any questions that the Board may have regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "Cathleen Galgiani". The signature is written in a cursive, flowing style.

Cathleen Galgiani
Senator, 5th District

Attachment: US DOT FRA Letter and Grant Agreement- 5/25/2011

Cc: Brian Kelly, CEO; Brian Annis, CFO; Secretary David Kim, CalSTA; Chad Edison, CalSTA