

## Report railroads the Valley

By Michael Fitzgerald

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State analysts gored California's high-speed rail project this week, largely because High Speed Rail Authority administrators decided to start building the system in the Central Valley.

Rational analysis? Or the Legislature's traditional Valley-last bias?

I support HSR because, if everything goes right, its trains could whisk riders at 220 mph from Stockton to L.A. in under two hours at a cost competitive with airlines.

Even a slower system promises the Valley other benefits, too: jobs, greater prosperity, lighter traffic, cleaner air, enhanced traditional rail service into the Bay Area.

But the state Legislative Analyst's Office thinks the Valley-first construction policy is symptomatic of deep problems with the project.

High Speed Rail decided to begin construction of the system with a \$5.5 billion leg running roughly from Fresno to Bakersfield.

Unlike other regions, the Valley welcomed construction (at first; subsequently farmers piped up); the feds required stimulus money be spent in the Valley.

I loved this decision. But it is a dubious gamble, state analysts argue. Why? Because the entire \$43 billion system may never be built, points out the LAO.

Voters approved only \$9 billion with 2008's Prop. 1A. The feds have kicked in only \$3 billion so far. HSR has no locked-in money like state highways enjoy with gas tax. And Uncle Sam is cutting way back.

The Authority's 2009 business plan rosily estimates up to \$17 billion will come from local agencies and private partners. It may not.

Given that, it makes sense to build the first legs between heavily populated areas, the LAO says. That way, if only a segment or two is ever constructed, the lines will not become stranded assets with ridership so low they require subsidies.

The Authority's failure to follow this reasoning raises questions about the merits of its autonomy, the LAO said.

What is the High Speed Rail Authority? Created by Prop 1A, it is an independent agency with a director, a nine-person board, 19 full-time staffers and a staff filled out with consultants equal to 604 (!) positions.

Though not under the Legislature's direction, it has authority to award billion-dollar contracts for which taxpayers are on the hook. That worries the LAO.

The analysts say the Authority should be stripped of power. The job should go to Caltrans or a new state HSR agency. Either would be more accountable to legislators.

Of course, such a change would come with the Legislature's traditional Valley-last bias. If the system is never completed, it is likely any truncated version will serve only the Bay Area or Los Angeles.

This politically driven outcome is what Prop. 1A sought to avert by creating the independent Authority, said Assemblywoman Cathleen Galgiani (D-Livingston), a passionate HSR supporter.

"I wrote Prop. 1A to insulate the high-speed rail project from political pressure," Galgiani said, "and to protect the taxpayers' dollars to ensure we actually build a high-speed train system that will be profitable and not require a subsidy."

The Federal Rail Administration spent two years vetting the Authority's plan, Galgiani said.

The feds even solicited peer review from foreign countries with profitable HSR systems - but the LAO never bothered to talk to the feds, Galgiani said. Or the Authority's overseas partners.

As for stranded assets, the feds required that first segment must be able to operate independently. Studies showed Bakersfield-Fresno can. A Bay Area segment could not, Galgiani said.

Another advantage of the Valley: The heartland is where the train can flash along at 220 mph. This dazzling speed is what makes it competitive with airlines.

That is what has sparked funding interest from 22 countries around the world, Galgiani said.

She said naysayers remind her of an earlier American project.

"The interstate highway system didn't have all the funding up front, and it wasn't built in a day," Galgiani said. "And there were many people who said it would never, ever happen."

[Bakersfield Californian Blog, Friday, May 13, 2011](#)

### **RICHARD BEENE: A blog about media, life and people**

By Richard Beene, Californian CEO & President

POLLUTION: Bakersfield came out on top of another list of dubious distinction. According to the American Lung Association, we have the worst air pollution in the nation. Following Bakersfield as the nation's worst offenders were Los Angeles, Phoenix, Visalia and Hanford.

The collection of so many Central Valley cities is further evidence of the general overall poor air quality in this fertile, agricultural area we all call home. As the report noted: "California has the warm, sunny climate that encourages pollutants to form and the geography that helps trap them."