



Los Angeles Area Chamber of Commerce

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California High Speed Rail

Project status and bond measure AB 3034

Summary: California High Speed Rail (HSR) will connect Southern and Northern California by a continuous rail line that can handle trains at speeds above 200 miles per hour. The system would be built and operated by the High Speed Rail Authority (HSRA). The project is currently undergoing environmental review and studies of alignment. The project will be built as a public private partnership, with approximately one third of the money coming from private sources.

Background: The first phase of the project will include two major segments connecting Los Angeles to Anaheim and San Francisco. This phase of the project is expected to be completed by approximately 2017. Travel times would be comparable to air travel, with 2½ hours between Los Angeles and San Francisco and 20 minutes Los Angeles and Anaheim. The passenger base for the San Francisco to Los Angeles and Anaheim route would be pulled from air travelers, where shorter routes could be made up of commuters. This initial phase would have an anticipated 71 million annual riders.

Benefits: There is a projected \$44.2 billion from the project completion date through 2050, benefits include reduction in congestions for air travelers, intercity rail and auto commuters, reductions in air pollution generated by auto trips and reductions in losses from auto accidents. The Authority would work with existing commuter rail services to integrate systems and share routes. Once the rail is complete, potentially in the next 6 years, commuter trains would be able to use high speed rail track; even before high speed trains are running. Sharing infrastructure benefits auto commuters by sparing them wait times near at-grade crossings. Freight rail would also benefit freight capacity where commuter rail services can use HSR tracks instead of freight tracks.

Cost: The total capital cost for the first phase is estimated to be \$31 billion. Capital and O&M costs would be \$6 billion between completion in 2017 and 2050. The system would generate \$9.7 billion in passenger fares over the same period. The HSRA has eminent domain authority and will purchase private property along existing rail corridors to create routes. In some cases the HSRA will have to reach agreements to share right of way with freight carriers.

Financing: HSRA hopes to generate \$9 from a statewide bond (currently AB 3034) in November and would seek approximately ⅓ of its funding from federal sources. The rest would be raised from private sources as part of a public private partnership. With an expected profit margin of \$1 billion, HSRA has not had trouble attracting interest from private investors world wide. HSRA is exploring the configuration of its private partnership. Better clarification should be reached next month.

Status: Undergoing environmental review and studies for final alignments. HSRA has also issued solicitations for private capital. AB 3034 has been referred to the Assembly Committee on Transportation.

Proponents: Senator Diane Feinstein, Governor Arnold Schwarzenegger, LA County Board of Supervisors Metro, OCTA, San Francisco Chamber of Commerce

Opponents: None registered