

Memorandum

To: Chair and Commissioners

Date: December 10-11, 2008

From: John F. Barna, Jr., Executive Director

File No: Item 4.12
ACTION

Ref: High Speed Rail Bond Implementation

The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A on November 4, 2008, authorized \$9.95 billion in bond funds to initiate construction of a high-speed passenger rail system. Proposition 1A authorized \$950 million of these funds, available upon appropriation by the Legislature and allocation by the Commission, for capital improvements to intercity rail lines, commuter rail lines, and urban rail systems that provide direct connectivity to the high-speed train system, or that provide capacity enhancements and safety improvements. Proposition 1A requires the Commission to develop guidelines to implement this \$950 million portion of the bond act. This item provides an overview of Proposition 1A, as it relates to the Commission, and outlines some of the issues to be resolved in development of the guidelines.

Intercity Rail Program

Proposition 1A specifies that \$190 million (twenty percent of the \$950 million) shall be allocated by the Commission to Caltrans for the three state-supported intercity rail lines according to guidelines that are to be developed in consultation with the High Speed Rail Authority. Each of the state's three intercity rail corridors (Capitol, Pacific Surfliner, and San Joaquin) must be allocated a minimum of 25% of the \$190 million (\$47.5 million).

Commuter and Urban Rail Formula Program

Proposition 1A specifies that \$760 million (eighty percent of the \$950 million) shall be allocated to eligible passenger rail agencies consistent with a statutory formula based on the recipient's share of three factors: 1) 1/3 based on the share of statewide total track miles, 2) 1/3 based on the share of statewide annual vehicle miles, and 3) 1/3 based on the share of statewide annual passenger trips. The attached table shows the estimated distribution of these funds based on 2007 data from the Federal Transit Administration's National Transit Database

Funds allocated for this portion of the program can be used to pay or reimburse the costs of projects to provide or improve connectivity with the high-speed train system, or for the rehabilitation or modernization of, or safety improvements to, track utilized for passenger rail service, signals, structures, facilities, and rolling stock. Recipients of these funds must provide a dollar-for-dollar match, and the bond funds cannot be used to supplant existing funds.

Issues for Consideration in Developing Program Guidelines

While Proposition 1A provides guidance for this implementing the bond program, the guidelines that the Commission will ultimately adopt must consider numerous other issues, including the following:

Intercity Rail Program

- What criteria should be used in allocating funds to projects? What criteria should be used to determine priority for the flexible 25%? What weight should be given to:
 - projects that are part of the high-speed train system,
 - connectivity to the high-speed train system,
 - capacity improvements, including facilities, or
 - safety improvements.
- Should early project delivery be prioritized?
- Should allocation be limited to construction?

Commuter and Urban Rail Formula Program:

- Should the formula be applied once for the entire \$760 million or applied one year or appropriation at a time?
- What constitutes an eligible match? Should additional weight be given to projects with a greater than one-to-one match?
- How should projects be prioritized, other than first come - first served, if appropriations are insufficient to fund all eligible projects?
- Should early project delivery be prioritized?
- Should allocation be limited to construction?

This is an action item. The Commission may provide direction on these issues now, or address issues as the guidelines are developed and presented.

**FORMULA SHARES FOR COMMUTER AND URBAN RAIL AGENCIES
High-Speed Rail Passenger Train Bond Act**

Commuter and Urban Rail Formula Program	Distribution Factors			Percentages			Share Distribution	
	Track Miles	Train Miles	Pass Trips	Track Miles	Train Miles	Pass Trips	Percentage	Amount
Altamont Commuter Express	90.0	173.8	706,858	5.2%	0.6%	0.2%	2.0%	\$14,770
Los Angeles County Metropolitan Transportation Authority	150.4	5,272.9	82,228,672	8.6%	16.9%	25.3%	17.0%	126,400
North County Transit District	97.7	265.2	1,560,729	5.6%	0.9%	0.5%	2.3%	17,251
Peninsula Corridor Joint Powers Board	136.7	1,405.6	10,264,225	7.9%	4.5%	3.2%	5.2%	38,565
Sacramento Regional Transit District	73.1	1,651.5	14,489,691	4.2%	5.3%	4.5%	4.7%	34,681
San Diego Trolley, Inc.	102.6	3,297.5	35,114,385	5.9%	10.6%	10.8%	9.1%	67,790
San Francisco Bay Area Rapid Transit District	267.6	8,881.6	109,019,696	15.4%	28.5%	33.6%	25.8%	192,387
San Francisco Municipal Railway	88.6	5,549.1	48,858,450	5.1%	17.8%	15.1%	12.7%	94,255
Santa Clara Valley Transportation Authority	79.6	2,219.1	10,278,460	4.6%	7.1%	3.2%	5.0%	36,912
Southern California Regional Rail Authority	653.4	2,427.4	12,018,859	37.6%	7.8%	3.7%	16.4%	121,789
Total, Eligible Rail Agencies	1,739.7	31,143.7	324,540,025	100.0%	100.0%	100.0%	100.0%	744,800
Bond Administration (2%)								15,200
Total Bond Authorization								\$760,000

Data source: National Transit Database, Federal Transit Administration, 2007 Data Tables
 Train miles are annual miles in thousands.
 Dollars in thousands.

**FORMULA SHARES FOR COMMUTER AND URBAN RAIL AGENCIES
High-Speed Rail Passenger Train Bond Act**

Commuter and Urban Rail Formula Program	Distribution Factors			Percentages			Share Distribution	
	Track Miles	Vehicle Miles	Pass Trips	Track Miles	Vehicle Miles	Pass Trips	Percentage	Amount
Altamont Commuter Express	90.0	781.3	706,858	5.2%	0.6%	0.2%	2.0%	\$14,974
Los Angeles County Metropolitan Transportation Authority	150.4	14,996.6	82,228,672	8.6%	12.3%	25.3%	15.4%	114,874
North County Transit District	97.7	1,325.5	1,560,729	5.6%	1.1%	0.5%	2.4%	17,833
Peninsula Corridor Joint Powers Board	136.7	6,717.9	10,264,225	7.9%	5.5%	3.2%	5.5%	41,026
Sacramento Regional Transit District	73.1	4,251.3	14,489,691	4.2%	3.5%	4.5%	4.1%	30,165
San Diego Trolley, Inc.	102.6	8,038.0	35,114,385	5.9%	6.6%	10.8%	7.8%	57,855
San Francisco Bay Area Rapid Transit District	267.6	66,387.3	109,019,696	15.4%	54.4%	33.6%	34.5%	256,639
San Francisco Municipal Railway	88.6	5,549.1	48,858,450	5.1%	4.5%	15.1%	8.2%	61,308
Santa Clara Valley Transportation Authority	79.6	3,537.7	10,278,460	4.6%	2.9%	3.2%	3.5%	26,419
Southern California Regional Rail Authority	653.4	10,454.9	12,018,859	37.6%	8.6%	3.7%	16.6%	123,707
Total, Eligible Rail Agencies	1,739.7	122,039.6	324,540,025	100.0%	100.0%	100.0%	100.0%	744,800
Bond Administration (2%)								15,200
Total Bond Authorization								\$760,000

Data source: National Transit Database, Federal Transit Administration, 2007 Data Tables
 Vehicle miles are annual miles in thousands.
 Dollars in thousands.

Transportation Solutions Defense and Education Fund
Environmental Defense Fund

December 9, 2008

John Chalker, Chair
California Transportation Commission
1120 N Street, Room 2221
Sacramento, CA 95814

Re: Tab 21--High Speed Rail Bond Implementation

Dear Chairman Chalker,

The Transportation Solutions Defense and Education Fund, TRANSDEF, and the Environmental Defense Fund are writing to you today about powers recently granted to the Commission by the Legislature's enactment of AB 3034. The new Streets and Highways Code Section 2704.095 empowers the Commission to allocate \$950 million

for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system ..., or that provide capacity enhancements and safety improvements.

This legislation gives great discretion to the Commission in allocating bond proceeds. The undersigned representatives of environmental organizations offer the following suggestions for the development of guidelines for the allocation process:

1. The Commission endorsed SB 53, which was signed into law as a study of "how to improve the efficiency, performance and stability of rail activities funded in part or in whole with state funds." We hope the Commission's participation in this study will result in the creation of an institutional home for a comprehensive planning process for investment in the state's rail assets, including High-Speed Rail. We urge the Commission to fashion its allocation guidelines in concert with the study.
2. Announce that these allocations will be made on the basis of criteria developed by the Commission, to maximize the effectiveness of the available funding.

3. The criteria should be consistent with the state's adopted goals in regards to criteria pollutants and the reduction of greenhouse gas emissions. We urge the Commission to target these bond proceeds to maximize the reduction of greenhouse gas emissions.
4. Conduct an open, public planning process at the Commission to identify the maintenance, safety, and capacity expansion needs and the potential extension plans of the eligible recipients. Develop a strategic plan that allocates a percentage of the overall bond proceeds to each of these categories.
5. Recipients should be invited to propose projects that will offer demonstrable benefits to the statewide rail network, consistent with the strategic plan. Submissions for allocations should be required to justify the benefits of the proposed project from a statewide perspective. Prominent among the benefits should be the reduction of adverse environmental impacts resulting from the transport sector, including greenhouse gas emissions.

We believe an approach consistent with these recommendations will result in rail operators starting to think of themselves as parts of a statewide rail system. This can only result in a more cost-effective and better-connected rail network. We appreciate the opportunity to provide these recommendations to the Commission. We offer our assistance in the development of the Bond program allocations guidelines.

Sincerely,



David Schonbrunn,
President of TRANSDEF

Transportation Solutions Defense and Education Fund
Planning and Conservation League
Local Government Commission
Environmental Defense Fund
EndOil

December 9, 2008

John Chalker, Chair
California Transportation Commission
1120 N Street, Room 2221
Sacramento, CA 95814

Re: Request for future meeting agenda item

Dear Chairman Chalker,

The nation's largest environmental groups have put together a comprehensive consensus document for President-elect Obama's transition team called *Transition to Green*. Representatives of the Environmental Defense Fund, the Planning and Conservation League, the Local Government Commission and EndOil join with TRANSDEF in suggesting that this report is directly relevant to the future work of the Commission.

As the top transportation policy body of the largest state in the United States, the Commission's response to climate change will have national and global consequences. We request you agendaize for a future meeting a presentation of the transportation section of *Transition to Green*, along with time for a Commission discussion and response to its proposals.

The transportation section of *Transition to Green* begins with 3 top recommendations for USDOT (on page 297 of the report). The two recommendations that are relevant to the Commission are:

SURFACE TRANSPORTATION POLICY REFORM

For decades, growth in miles driven has spurred steady growth in climate emissions from the transportation sector. Fundamental reform is needed to create a balanced system that provides a diverse and environmentally responsible mix of mobility choices with smarter system management, pricing, and incentives.

CLIMATE: CROSS-DEPARTMENTAL PRIORITY

The transportation sector is a top source of climate emissions and the dominant driver of America's oil dependence. DOT needs to establish climate emissions reduction as an urgent priority and integrate it throughout the Department. This includes setting goals, establishing accountability mechanisms and restructuring the Department to meet the climate challenge.

The report is largely compatible with the National Commission report, but provides a lot more detail, especially as regards climate change. It is also entirely compatible with the recent CTC RTP Guidelines. It is available at:

http://gristmill.grist.org/images/user/6337/transition_to_green_full_report.pdf

We look forward to the Commission's active involvement in programs to reduce greenhouse gas emissions, and hope that the requested agenda item will provide a useful set of ideas for how to proceed. We stand ready to provide assistance in the development of a staff presentation, or could provide an independent presentation, should that be preferable. Please contact us at the number below.

Sincerely,



David Schonbrunn,
President, TRANSDEF