



March 29, 2018

Mr. Brian Kelly
California High-Speed Rail Authority
770 L Street, Suite 620
Sacramento, CA 95814

Dear Mr. Kelly:

The Southern California Association of Governments (SCAG) appreciates the opportunity to comment on the Draft California High-Speed Rail Authority (CHSRA) 2018 Business Plan (Plan). SCAG supports the completion of the California High-Speed Rail (HSR) project and has shared a strong partnership with CHSRA over the past several years.

SCAG views the Plan as a well-written and comprehensive document that builds on the 2016 Business Plan and shows forward construction progress toward bringing true HSR service to California as well as delivering near-term improvements to our current rail system with investments in Southern California regional rail projects.

SCAG has the following initial comments on the Draft Plan:

- SCAG appreciates the Plan's straightforward, conservative approach and strong emphasis on transparency in estimating project costs, timelines, risks and available and potential funding sources. The inclusion of project costs with low and high ranges further solidifies this approach.
- The total Phase 1 cost from San Francisco to Anaheim is now forecast to cost \$77.3 billion, up from \$64 billion in the 2016 Business Plan with completion in 2033, four years later than the 2029 scheduled date in the 2016 plan. Furthermore, the draft 2018 Plan rightfully expands the Initial Operating Segment (IOS) from Shafter to San Jose in the 2016 Plan, to Bakersfield to San Francisco in this Plan. While this in part accounts for the cost increase, it will no doubt deliver a more robust and effective IOS from a passenger and revenue perspective. This strategy will also deliver HSR benefits to Central and Northern California first, considerably before Southern California realizes the same benefits, thus making commitment to early collateral investments in Southern California an imperative.
- The Plan expresses that both private sector and federal grant funding and financing are possible for future revenue streams, under the right conditions. As in previous business plans, CHSRA expects the IOS to generate significant revenues and positive cash flows thereby attracting

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Private investment to help complete the system. At the same time, the Plan acknowledges the significant funding gap for the Phase 1 project.

- Through the 2012 Southern California High-Speed Rail Memorandum of Understanding (MOU) with SCAG and its transportation partners, including the City of Anaheim, Los Angeles County Metropolitan Transportation Authority, Riverside County Transportation Commission, San Diego Association of Governments and the Southern California Regional Rail Authority, CHSRA committed \$1 billion – \$500 million in Prop 1A funding and another \$500 million from other funding sources. This will fund improvements in Southern California’s existing regional rail system for the bookend and blended system approach.
- Since the MOU was signed in 2012, CHSRA has only committed funding to two Southern California Projects: \$18 million in Cap-and-Trade funds to the Link Los Angeles Union Station project, and \$76 million in Prop 1A funds to the Rosecrans/Marquardt grade separation project in Santa Fe Springs, CA.
- SCAG is pleased that this Plan reiterates the above funding commitment, and now commits \$423 million for the top-ranked MOU project, Link Union Station. This project will construct run-through tracks from the south end of the station, thereby greatly increasing passenger train capacity and travel times while reducing air pollution and greenhouse gases.
- SCAG reemphasizes the need for CHSRA to help secure funding from non-Prop 1A sources for additional critical rail infrastructure projects to deliver the balance of CHSRA’s \$1 billion commitment to Southern California. Investment in the Southern California bookends and the eventual delivery of HSR to Southern California are crucial components in implementing SCAG’s Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the region’s 19 million residents.

SCAG looks forward to continuing to work with CHSRA along with the Southern California MOU partners to deliver short and long-term passenger rail improvements to our region and state. If you would like to discuss these comments further, please don’t hesitate to contact me at 213-236-1944.

Sincerely,



Hasan Ikhata
Executive Director