

SB 1856 (Costa) – The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century

Improving Transportation in California

- **SB 1856 is a balanced transportation improvement package offering statewide benefits.** The measure authorizes \$9.95 billion in general obligation bonds, subject to voter approval in November 2004. \$9 billion of the bond proceeds would be used to pay for construction of the first leg of a high-speed train linking the San Francisco Bay Area to Los Angeles via the Central Valley. \$950 million of the funds are designated for improving transit systems, commuter and intercity rail lines throughout California.
- **According to State Treasurer Angelides, “the bonds proposed by this measure may be prudently authorized, while still maintaining moderate debt ratios and cost effective borrowing rates.”** In short, the Treasurer’s analysis shows the state can afford this measure.
- **Passengers on the high-speed train will travel from downtown San Francisco to downtown Los Angeles in about 2 ½ hours.** The trains will travel over 200 miles per hour and will have limited stops along the 440-mile route. The system could be in partial operation by 2014.
- **Federal matching funds and private resources will complete the financing package for the first leg of the high-speed train.** Once the first leg is built, operating revenues above maintenance and operating costs shall be used to pay for completion of the statewide system. The entire 700-mile system, as proposed by the California High-Speed Rail Authority (HSRA), will serve all of the state’s major population centers including Los Angeles, the Inland Empire, Orange County, San Diego, Sacramento, the Central Valley and the Bay Area.
- **Ridership estimates indicate that the statewide high-speed train system will carry 42 million to 68 million passengers per year.** This will dramatically ease congestion at overcrowded airports and on the highways.
- **Building a high-speed train will create jobs and stimulate economic growth.** Construction of the entire high-speed system will create 300,000 jobs, and the funding for transit, commuter and intercity rail improvements will create additional jobs statewide. Further, development around train stations will help revitalize downtown areas and promote the construction of shopping, housing and office space in the vicinity. The HSRA estimates that every dollar spent will create a two dollar return, an impressive cost/benefit ratio for any public works project.
- **SB 1856 will help to improve the environment and our quality of life.** Funding for transit, commuter and intercity rail systems will help pay for immediate improvements in service that will ease congestion and help to get cars off the road. Once these clean, electrified high-speed trains are in operation, it will greatly help improve the state’s air quality by getting over 13 million passengers per year on trains and out of cars.
- **SB 1856 will provide for safe, reliable and convenient travel options to meet the needs of our growing population.** In the next 20 years, California’s intercity travel is projected to grow by nearly 30 percent and the state’s population will grow to 45 million people. SB 1856 will help to meet the transportation needs of our state for generations to come.