

## California High-Speed Rail Authority Releases New Business Plan Addressing Phase 1 Construction and Initial Operation of High-Speed Trains — and Plans for Phase 2 Begin to Take Shape

The California High-Speed Rail Authority released its new Business Plan on November 1, 2011 identifying a clear path to the funding, construction and operation of the first phase of a statewide high-speed train system to benefit all Californians. The new Business Plan recognizes recent economic realities and provides a plan for success in light of potential funding constraints not anticipated in previous years. The Authority has made it clear that funding, construction and operation of Phase 1 is its top priority. So what does that mean for Phase 2 projects, including the Merced to Sacramento and Los Angeles to San Diego sections, and the Altamont Corridor Rail Project? How will those projects be financed and constructed?

The Authority has not yet developed a financing plan for the Phase 2 high-speed train sections and the Altamont Corridor Rail Project. The Authority's new Business Plan demonstrates how the system's backbone sections can be financed. The remaining sections of the high-speed train system can be implemented incrementally. Each additional section added to the system will increase ridership and ticket sales at a marginal incremental increase in cost. Based on this approach, the link to Sacramento (via Merced), the Los Angeles to San Diego link (via the Inland Empire) and the Altamont Corridor Rail Project could be funded through additional local, state, federal or private-sector financing. This could generate further revenue surpluses by reducing the amount required from the Authority for construction.

The Authority has developed strong local and regional partnerships for the development of the Phase 2 sections and the Altamont Corridor Rail Project. Regional and local governments are devoting significant resources to support them. The San Diego Association of Governments has invested several hundred thousand dollars in studies supporting the Los Angeles to San Diego section. The Authority and the San Joaquin Regional Rail Commission (SJRRRC) have developed a funding agreement and the SJRRRC has committed to be a local partner in financing the planning and environmental work for the Altamont Corridor Rail Project, as well as the Merced to Sacramento section of the high-speed train system. The SJRRRC has already allocated \$3 million in the current fiscal year towards the environmental work for the Altamont Corridor Rail Project and the Merced to Sacramento section.

The value of support for Phase 2 sections and Altamont Corridor Rail Project should not be underestimated. Local and regional agencies can and are helping to plan for the preservation and protection of potential right-of-way as well as related local land use and transit improvements. This is essential to the future ability to construct in these sections. It is extremely important that the work on these projects continues so that right-of-way can be purchased and preserved for the future. If we are unable to protect and preserve right-of-way for the Phase 2 sections and Altamont Corridor Rail Project, it may not be feasible to implement these corridors in the future. Early investments and incremental improvements to existing rail services, like upgrading the ACE train system, can provide early community benefits. This approach could also create new travel patterns and help build up ridership to feed into Phase 1 high-speed rail sections.

## How the Merced to Sacramento Section fits within the California High-Speed Train System and Plan for Phase 1 Construction

***The Merced to Sacramento section is part of Phase 2 of the statewide high-speed train system. With the new Business Plan identifying construction of Phase 1 lasting until 2030 and beyond, will the Merced to Sacramento section need to wait until after 2030 to be improved?***

The Merced to Sacramento section team is currently working on an alternatives analysis that will identify not only the ultimate high-speed configuration, but also a set of interim improvements that can be constructed to provide improved regional rail service in the corridor before 2030. Early improvements need to be built with a clear understanding of the long-term project. The current environmental process could be used to approve both short-term and long-term improvements. The interim improvements being considered include:

### Near-Term Interim Improvements

- Right-of-way preservation
- Explore interim operation on existing tracks
- Passing sidings

### Mid-Term Interim Improvements

- Right-of-way acquisition
- Passing tracks
- Dedicated track sections built to ultimate configuration
- Temporary at-grade crossings
- Grade separations—bridges and underpasses
- South-of-Sacramento Amtrak / light rail transfer station
- Next generation ACE trains run from Merced to Sacramento

## Regional Partners—Leading the Way

**In Sacramento** — The *California High-Speed Rail Authority* is working closely with the *City of Sacramento* on plans for a new downtown intermodal station. Serving the State Capitol, this modern new station could accommodate Sacramento RT light rail, Amtrak and Capitol Corridor trains, ACE, as well as future California High-Speed Trains.

**In San Joaquin Valley** — *San Joaquin Regional Rail Commission* was one of the first agencies to enter into formal partnership with the California High-Speed Rail Authority. Together they are creating a plan for interim regional rail service from Merced to Sacramento until Phase 2 of the California High-Speed Train system is built—an exciting new concept!

The *San Joaquin Council of Governments* and *Stanislaus Council of Governments* also are partners and advocates of regional rail improvements and/or high-speed train service in these Central Valley communities. The *City of Manteca* is starting a community-based design process for a new Manteca Transit Station. The *Modesto* City Council has passed a resolution in support of a Downtown Modesto High-Speed Train Station.

**State and federal dollars** can also be applied to Phase 2 segments sooner rather than later. While the Governor and California State Legislature decided to focus the majority of funds on expediting construction of Phase 1, they also committed several million dollars this fiscal year to keep planning, engineering, and environmental work going on Phase 2 segments – including the Merced to Sacramento segment. Additional federal and state support is being sought to enable critical Phase 2 environmental review work to be completed.