

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MONTHLY MEETING

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TRANSCRIPT OF PROCEEDINGS

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MILTON MARKS CONFERENCE CENTER

AUDITORIUM

455 GOLDEN GATE AVENUE

SAN FRANCISCO, CALIFORNIA

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THURSDAY, APRIL 12, 2012

10:00 a.m.

Pages 1-136

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A P P E A R A N C E S

BOARD MEMBERS:

Mr. Dan Richard, Chairperson

Ms. Lynn Schenk, Vice-Chair

Mr. Tom Richards, Vice-Chair

Mr. Michael Rossi

Mr. Bob Balgenorth

Mr. Jim Hartnett

STAFF:

Ms. Carey Moore, Board Secretary

ALSO PRESENT

Mr. Thomas Fellenz, Esq., Legal Counsel

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1 SAN FRANCISCO, CALIFORNIA

10:00 a.m.

2 P R O C E E D I N G S

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4 (Call to Order)

5 CHAIRMAN RICHARD: Thank you. Good morning,  
6 ladies and gentlemen. The meeting of the California  
7 High-Speed Rail Authority will come to order.

8 Will you please call the roll.

9 MS. MOORE: Vice-Chair Schenk.

10 VICE-CHAIR SCHENK: Here.

11 MS. MOORE: Vice-Chair Richards.

12 VICE-CHAIR RICHARDS: Here.

13 MS. MOORE: Mr. Umberg.

14 Mr. Hartnett.

15 MR. HARTNETT: Here.

16 MS. MOORE: Mr. Balgenorth.

17 MR. BALGENORTH: Here.

18 MS. MOORE: Mr. Rossi.

19 MR. ROSSI: Here.

20 MS. MOORE: Chairman Richard.

21 CHAIRMAN RICHARD: Here.

22 Ms. Moore, will you lead us in the Pledge of  
23 Allegiance.

24 (The Pledge of Allegiance was recited)

25 CHAIRMAN RICHARD: Thank you.

1           Our first item will be public comment.

2           I understand a number of speakers have filled out  
3 multiple cards. We do ask for all the public comment up  
4 front, and, so, we're going to ask you to combine your  
5 comments. We have an interlocking set of decisions today  
6 on the M.O.U.s and the business plan, so I think all the  
7 comments will be pertinent to that.

8           But, before we start, we will take all the public  
9 comments in the order we receive them. But we always  
10 start by recognizing dignitaries and elected officials  
11 and the elected representatives of the people. And I  
12 have to say that we're very pleased, as the Authority, to  
13 be meeting here in San Francisco in this facility named  
14 after a distinguished member of the California Senate for  
15 many, many years, Milton Marks.

16           And it is our great honor this morning that the  
17 Mayor of San Francisco, Mayor Ed Lee, is here to address  
18 us.

19           Mr. Mayor, thank you so much for taking time from  
20 your busy day, and thank you. We are honored by your  
21 presence, sir.

22           MAYOR LEE: Thank you, Chairman Richard,  
23 Members of the High-Speed Rail Authority. Good morning,  
24 and welcome to San Francisco. Thank you for meeting  
25 here.

1           You know the Northern California M.O.U. that you  
2 have before you charts a course for electrification of  
3 our whole CalTrain corridor between San Jose and San  
4 Francisco and extending that corridor all the way to our  
5 new TransBay terminal that we're building right now. And  
6 I just want to give a nod to the MTC for putting this  
7 M.O.U. together. They worked really hard on this, and I  
8 believe it is a very very good answer.

9           Here in San Francisco we consider CalTrain to be  
10 the transit spine that connects the cities of San Jose  
11 and San Francisco, the Silicon Valley and through all of  
12 our partner cities throughout the Peninsula. The  
13 CalTrain electrification has had a broad regional support  
14 for many years, and CalTrain, as a transit, is just  
15 the -- I think the most important thing we can do for  
16 generations to come.

17           Here in San Francisco I'm working really hard to  
18 make sure that we continue to be the innovation capital  
19 of the world. Cities all across this country and other  
20 nations are looking at cities like ours for solutions to  
21 every-day problems. Transit is our number one concern  
22 because we are a growing economy, the whole Bay Area. We  
23 can't increase roadways and airport runways any longer.  
24 That is not going to be really part of our solutions for  
25 our future. I think you've got not only a very good

1 solution, it is going to be affordable. It will be  
2 faster, and it will be better. And, so, I just want to  
3 welcome you here.

4           As I came here this morning, I ran into a lot of  
5 great people from our labor community. I want to thank  
6 them because I know they represent a lot of generations  
7 of people that hope that our economy can be lifted with  
8 this electrification of CalTrain and High-Speed Rail.  
9 And so I'm excited to have you here. I welcome you here  
10 to meet. And I hope, as I think many of you do, that I  
11 hope to see in our lifetime the trains pull through all  
12 the way from Los Angeles, through our Valley, through the  
13 Silicon Valley, through our Peninsula all the way into  
14 the TransBay Terminal, which I believe to be the Grand  
15 Central Station of the West.

16           Thank you for being here.

17           CHAIRMAN RICHARD: Thank you, Mayor.

18           Mayor, I also want to recognize in addition to  
19 your broad scale support of High Speed Rail, I  
20 appreciated the way that you and your staff reached out  
21 to our business plan that we're working on today fully  
22 incorporates the service all the way to the TransBay  
23 Terminal and does not push that to the back of the line.  
24 I think we have tried to embrace that.

25           But you certainly have represented the people of

1 this community very well in expressing those views, and  
2 we tried to listen to that so thank you again, sir.

3           MAYOR LEE: Thank you. And we will continue  
4 being a collaborative city as well. I don't regard  
5 myself as simply the Mayor of San Francisco, I want to be  
6 a mayor that works. With Palo Alto's council, with San  
7 Mateo's, with all of the cities that are also concerned  
8 about the way we do this, and that we will exhibit our  
9 collaboration with them all along with the High-Speed  
10 Rail Authority.

11           Thank you very much.

12           CHAIRMAN RICHARD: Thank you, Mayor. Thank  
13 you again.

14           Okay. Well, now we'll move through public  
15 comment. I don't believe that I have cards from any  
16 other elected officials --

17           Oh, I'm sorry. Supervisor Tissier. And then  
18 Mark Cummings.

19           I'm sorry. So excuse me, of course. Supervisor,  
20 I apologize for that.

21           SUPERVISOR TISSIER: Thank you Board members  
22 and good morning.

23           This is an historic day for the High-Speed Rail  
24 in the State of California providing a first long-term  
25 step in the long plan and long-needed improvements to

1 modernize the rail in Bay Area Peninsula. As chair of  
2 MTC, I am pleased that the commission can play a role of  
3 mutual convener of our Bay Area Transportation partners.  
4 The High-Speed Rail request to MTC to coordinate the  
5 development of the Bay Area Memorandum of Understanding  
6 with the High-Speed Rail for early investment of the Bay  
7 Area's Prop 1A funds to include local rail service and  
8 facilitate the future development of High-Speed Rail made  
9 a significant step in pulling our communities together.

10 I certainly appreciate the High-Speed Rails, how  
11 they've responded and embraced the proposal of the  
12 blended system that the elected officials like  
13 Congresswoman Anna Eshoo, Senator Joe Simitian and  
14 Assemblyman Gordon put together a year ago as this  
15 proposal that they'd put together will reduce  
16 construction costs, but, more importantly, will minimize  
17 impacts to communities on the Peninsula and in the  
18 corridor.

19 This M.O.U. before you includes a significant  
20 contribution of the region's federal, state, and local  
21 funds and the cooperation of many, many, many agencies  
22 including MTC, BART, VTA, CalTrain, SMCTA, San Francisco  
23 CTA, City of San Jose, City of San Francisco, San Mateo  
24 County, City and Association of Governments, and that's  
25 just to name a few. So this shows you what a

1 collaborative effort this has been throughout our  
2 Peninsula. The draft business plan has proposed a major  
3 shift for deploying the system and that will coordinate  
4 the development and operation of the high speed trains  
5 with the existing passenger rail trains such as CalTrain  
6 on our Peninsula.

7           This approval today will allow the Bay Area to  
8 receive some relatively early benefits without having to  
9 wait the ten or twenty years to see the reality of this  
10 great system. The future of High-Speed Rail really rests  
11 in your hands today, and I really appreciate the fact,  
12 one, that you're here in San Francisco -- I am a native  
13 San Francisco, even although I'm president of the San  
14 Mateo County Board of Supervisors, but I'm always happy  
15 to come up and visit my native San Francisco. The Mayor  
16 was terrific. He brought a whole group of us together  
17 early on, including those from San Jose, from San Mateo  
18 County, from San Francisco, and around the region to make  
19 sure that we worked closely together to get our arms  
20 around High-Speed Rail, look at the blended system and  
21 look at the TransBay Terminal and make sure that the  
22 communities in and around our relative counties were  
23 happy with what was happening, and I really believe that  
24 you have a win-win situation here.

25           So I thank you today, and I hope you accomplish

1 your M.O.U. here today.

2                   CHAIRMAN RICHARD: Thank you, supervisor.  
3 Thank you in both of your roles, both with San Mateo  
4 County and MTC. We appreciate all the work you do down  
5 there.

6                   I understand Supervisor Wiener is here from San  
7 Francisco.

8                   SUPERVISOR WIENER: Welcome to San  
9 Francisco.

10                   CHAIRMAN RICHARD: Thank you.

11                   SUPERVISOR WIENER: I'm Scott Wiener, member  
12 of San Francisco Board of Supervisors and also the Vice  
13 Chair of our County Transportation Authority, and I am  
14 one of the San Francisco representatives on the MTC.

15                   And I just want to thank you for a business plan  
16 and for acknowledging the need for a comprehensive system  
17 in the Bay Area and statewide. I think we can all agree  
18 that High-Speed Rail is key to the future of California's  
19 economy and transportation system.

20                   And, what we did here, starting a number of  
21 months ago in the Bay Area, when it looked like the  
22 system was a little wobbly statewide -- and I know we're  
23 now shoring that up, and we're going to make that happen  
24 -- we decided that we needed to work together regionally  
25 to build consensus to make clear that in the Bay Area we

1 are going to do our part to make sure that High-Speed  
2 Rail from Diridon to TransBay Terminal happens and that  
3 we ultimately will connect with the entire statewide  
4 system. And so we did convene the meeting, as Supervisor  
5 Tessier referred, at San Francisco City Hall to make sure  
6 that, with the three counties of Santa Clara, San Mateo  
7 and San Francisco, that we had buy-in.

8           And I think one thing that we have found is that  
9 we have broad support for that complete system. I know  
10 that we in San Francisco are extremely supportive of  
11 making sure that we go to Diridon in San Jose, and our  
12 colleagues in San Jose I know are supportive of going to  
13 the TransBay Terminal. And we are all supportive of the  
14 spine of the system of electrifying CalTrain and making  
15 sure that we have that we have that system through the  
16 Peninsula.

17           This is truly a win-win for the entire region.  
18 The M.O.U. that we negotiated and adopted at the MTC is a  
19 very important step, and I thank you for considering it  
20 today, and I look forward to working together to make  
21 this entire system reality.

22           Thank you very much.

23                   CHAIRMAN RICHARD: Supervisor, thank you  
24 very much, we appreciate your support.

25           We have next from Fresno County Supervisor Henry

1 Perea.

2           And, Supervisor Perea, I want you to know that  
3 last meeting we did declare you were here in spirit  
4 maintaining your unbroken string of appearances before  
5 this body, sir.

6           SUPERVISOR PEREA: Thank you, Mr. Chairman.  
7 I appreciate that.

8           You know we were present about a week ago talking  
9 about the business plan and the message of the governor  
10 several months ago when he said better, faster, cheaper.  
11 He gave clear clear direction, and we want to thank you  
12 from the Central Valley as a Board for heeding that  
13 direction and following through on a newly-revised  
14 business plan that will certainly bring High-Speed Rail  
15 much faster to this state. I mean just the acceleration  
16 to a ten-year plan to connect Merced to Los Angeles is  
17 amazing, and we're excited about that in the Central  
18 Valley.

19           Very briefly, I know there's a lot of  
20 decision-making to be made today, and we obviously  
21 support the new business plan. But we also ask that as  
22 you move forward in the next few months that you make the  
23 critical decision of selecting the high speed maintenance  
24 facility for this system very critical. We did pass out  
25 a brochure that we had in our Transportation Authority

1 Meeting just yesterday which I and the Mayor sit on.  
2 And, just to illustrate, on the tabbed page it shows the  
3 commitment from Fresno to High-Speed Rail and the \$25  
4 million investment that we are making in that facility  
5 from our tax measure. So it's just to say obviously we  
6 would like to it soon in our area we make another  
7 positive concrete step that you make in this state to  
8 tell people that High-Speed Rail is coming.

9           So thank you. And I do have a newsletter from  
10 Fresno this Sunday regarding local hire did not make it  
11 in time to make it your agenda today, so I'd just ask  
12 that it be put on next month's agenda. Thank you very  
13 much.

14                   CHAIRMAN RICHARD: Thank you, Supervisor.  
15 It's always good to see you. We appreciate it.

16           Next we have Council Member Kris Murray from City  
17 of Anaheim. Council Member. Good morning.

18                   COUNCIL MEMBER MURRAY: Good morning,  
19 Chairman Richard and Members of the Authority Board and  
20 everyone who is here today that has worked so hard on  
21 this business plan.

22           I want to congratulate you on a business plan  
23 that not only will deliver the first High-Speed Rail  
24 project in our nation, but does so by reducing billions  
25 of dollars off the cost and also including operations to

1 our core centers across the state as part of the initial  
2 construction segment now, and is an absolute wonderful  
3 step forward. And we're thrilled in Anaheim to support  
4 the project and have enjoyed such a wonderful  
5 collaborative working relationship with the Authority  
6 throughout the planning stages of the project.

7           Anaheim and Orange County are home to more than  
8 three million residents, to more than 20 million visitors  
9 every year in our tourism sports and entertainment  
10 systems and some of the most significant employment,  
11 employment centers and universities in the state. We  
12 want to continue to make sure this project becomes a  
13 reality, and we're thrilled to be supportive. We would  
14 ask simply as part of this business plan respectfully ask  
15 that there be a development of one-seat ride into Anaheim  
16 as part of your planning process to ensure that that  
17 southern terminus as designated by voters is honored as a  
18 business plan. And we have tremendous local commitment  
19 in the development of our ARTIC station, our Anaheim  
20 Regional Intermodal Transportation Center which will be  
21 the center piece for the corridor rail improvements for  
22 the next generation of Travelers and communicators and we  
23 are going to break ground on that later this year and  
24 that will serve as that southern terminus ultimately when  
25 we do have full build out for the project, it will be one

1 of the original southern terminus for the project, and we  
2 are excited to have the whole commitment for that project  
3 and again this collaboration with you. And, as I've been  
4 meeting with presidents across our city and with  
5 businesses, I want to say thank you. You listened to us  
6 and heard our concerns. The business plan that you're  
7 proposing today not only shaves significant funding off  
8 the costs, but it still ensures connectivity,  
9 reliability, the service, designated service to our  
10 residents and business travelers, and you know impacts to  
11 our cities and our communities by taking this blended  
12 approach, this shared use strategy that limits any  
13 expansion footprint, so I couldn't be more appreciative,  
14 wanted to share that with you. Your staff has been  
15 tremendous and, as you work with our Orange County  
16 transportation and cities in between just want to thank  
17 you as a representative of Anaheim, and thank you for  
18 your time today.

19                   CHAIRMAN RICHARD: Thank you, Council  
20 Member. And we have been in communication with other  
21 civic leaders in Orange County as well as the Orange  
22 County business council, and this matter will be  
23 discussed as we review the business plan today, but I  
24 appreciate you making a trip up here. I hope before too  
25 long that can be done by High-Speed Rail from Anaheim.

1 COUNCIL MEMBER MURRAY: We've enjoyed  
2 working with you on the project.

3 CHAIRMAN RICHARD: I have also Mayor Grotte  
4 from City of San Mateo.

5 Did I pronounce that correctly? Good morning,  
6 Mayor.

7 Mayor. Good morning, Mayor Grotte.

8 MAYOR GROTTTE: Thank you very much for  
9 hearing me.

10 My name is Brandt Grotte, I'm current mayor of  
11 San Mateo, and I'm here mainly to talk about the M.O.U.  
12 and MTC. The San Mateo City Council unanimously voted  
13 that we appreciate the early investment in the CalTrain  
14 corridor, and we support the electrification and the Mass  
15 Transit Control and important improvements, not only for  
16 CalTrain, but also for High-Speed Rails' future.

17 The city of San Mateo does ask that the  
18 recommended projects be expanded to permit early  
19 investment in the local grade separation within San Mateo  
20 County and, particularly, that the 25th Avenue grade  
21 separations and the rail realignment project be added to  
22 the list of projects eligible for funding as part of  
23 early investment. An important consideration we think  
24 that you need to be aware of is that the San Mateo County  
25 Transportation Authority can provide matching funds under

1 their grade separation funds within the half percent sale  
2 sales tax measure. We think that that's a measure  
3 supporting the issue on this. The inclusion of this  
4 grade separation within San Mateo County for early  
5 investment will generate the first opportunity also, we  
6 believe, for private investment in the program. We have  
7 traffic mitigation fees that are available from Bay  
8 Meadows Land Company for the grade separations at 28th  
9 and 31st, and so we think that's a ground breaker for you  
10 and for all of us.

11 We also ask that High-Speed Rails work include  
12 San Mateo grade separation funding within the M.O.U. and  
13 request that the High-Speed Rail Authority identify  
14 additional Proposition 1A funding that can be made  
15 available to fund grade separations in our county as part  
16 of this early investment strategy.

17 And I'll just close by saying that one of our  
18 concerns is that for Bay Meadows, if we don't have the  
19 grade separations, that will limit our ability to  
20 actually build that out and that has environmental  
21 impacts. It affects the density of the project, and,  
22 overall, we think would be a negative.

23 So thank you very much for hearing me.

24 CHAIRMAN RICHARD: Mayor, thank you. And I  
25 apologize for mispronouncing your last name.

1                   MAYOR GROTT: Not a problem. With that  
2 name you don't get sensitive.

3                   CHAIRMAN RICHARD: Well, between Tom  
4 Richards and Dan Richard we try to be somewhat precise  
5 about that.

6                   But, thank you, Mayor.

7                   Did we have another elected official this  
8 morning? Okay. With that, we'll proceed through public  
9 comment from the rest of the public.

10                  Do we have a timer here?

11                  MS. MOORE: Yes, we do. Mine.

12                  CHAIRMAN RICHARD: I wasn't sure.

13                  First is Stuart Flashman.

14                  Two minutes because I think we have quite a  
15 number of people, so everybody has a full opportunity to  
16 be heard. So we know who you are, Mr. Jordon, you're  
17 going to sit there and stare at us from the front row.

18                  Good morning, Mr. Flashman.

19                  MR. FLASHMAN: Stuart Flashman. I'm an  
20 attorney, and I represent the plaintiffs in both of the  
21 lawsuits *Town of Atherton versus California Rail*  
22 *Authority*, 2008 case, and also the *Town of Atherton*  
23 *versus California High-Speed Rail Authority*, 2010 case,  
24 both of which the Authority has lost.

25                  And I am here on two counts. One is something is

1 not on the agenda but is on next week's agenda which is  
2 considering the approval of the certification of the  
3 rerevised EIR and making another decision on Altamont  
4 versus Pacheco, and, as in the other two times I've been  
5 before you before a lawsuit, I have sent you a letter, I  
6 will be sending you a letter in this case too that would  
7 identify the problems that my clients have with that  
8 re-revised EIR. I would urge you to take that letter  
9 seriously the last few times I've come before you and  
10 said you're not doing the right thing here, you went  
11 ahead and did it anyhow and you got sued and you lost.  
12 This time I think you should think about do you want to  
13 do that again? The hallmark of insanity is doing the  
14 same thing over and over and expecting different results.  
15 However, the main thing I want to talk about today is the  
16 business plan. And I want to start by saying that we  
17 appreciate some of the things that the Authority has done  
18 recently.

19           We appreciate the fact that Chair Richard has  
20 acknowledged that the Authority has in the past made some  
21 mistakes, and particularly the mistake of choosing the  
22 Pacheco alignment on basically political grounds. We  
23 think that the decision on which alignment to take needs  
24 to be made based on the real how does the system work not  
25 who supports it. Another issue that I think we want to

1 compliment the Authority on is the interaction of the  
2 blended system approach. We think that it's very  
3 encouraging, however, we are discouraged by the fact that  
4 that analysis has not been included in the re-revised  
5 EIR. And we would ask you to look at whether that system  
6 satisfies the requirements of AB 3034 and of Proposition  
7 1A. Because, if it doesn't, you can't be doing that, and  
8 I would cite the cases *O'Farrell v. County of Sonoma*,  
9 1922 case, 189 Cal. 343 which says if you promise the  
10 voters something, you have to do what you promise.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you.

13 Next up is Jo-Linda Thompson followed by -- I'm  
14 very sorry. Alan -- looks like "Talansky". Close?  
15 Okay.

16 Good morning.

17 MS. THOMPSON: Jo-Linda Thompson. Good  
18 morning, I'm Jo-Linda Thompson, I'm executive director  
19 for Association for California High-Speed Trains, and  
20 we're here today to enthusiastically support the work of  
21 your commission and staff and endorse the businesses plan  
22 that's in front of you today.

23 I would like to share very quickly with you some  
24 census numbers that underline the importance of your work  
25 that came out about two weeks ago, and I have left copies

1 with Ms. Sue if you care to look at them.

2           The Census Bureau headline is counterintuitive.  
3 It says California is the most urbanized state, and  
4 California contains the four most densely-populated urban  
5 areas in the United States. Number one, as you might  
6 guess, has Anaheim, Long Beach, and Los Angeles, with  
7 nearly 7,000 people per square mile. It's followed by  
8 San Francisco-Oakland, 6,266 people per square mile; and  
9 San Jose at 5,820 people per square mile. That stacks up  
10 against New York-Newark with 5,519 people per square mile  
11 so we don't think of ourselves as so urbanized, but we  
12 clearly clearly are and the plan you have before you  
13 today will assist all of these urbanized areas moving  
14 people around.

15           We're expecting 20 million more people in  
16 California in the next 40 years. I would submit that I-5  
17 and 99 are not going to handle that, and so you can see  
18 that your work is so important as making High-Speed Rail  
19 a strategic investment for a very urbanized state.

20           Thank you so much.

21                   CHAIRMAN RICHARD: Thank you very much.

22           Alan Talansky. Sir, I'm sorry, I mispronounced  
23 your name, but you'll be followed by Mark Leach and David  
24 Schwegel.

25                   MR. TALANSKY: Chairman Richard,

1 Commissioners, I'm speaking as a citizen and as the  
2 public policy chair of the San Mateo Area Chamber of  
3 Commerce.

4           The concept of the blended system is brilliant.  
5 It's a perfect compromise. The blended solution will  
6 generate 700 million dollars of private investment, and  
7 it will create thousands of jobs and millions of dollars  
8 in tax revenues as well as the thousands of additional  
9 riders for transit. The plan should also consider  
10 leveraging the millions of dollars available from private  
11 and public sources to build out the grading crosses in  
12 the City of San Mateo.

13           I thank you for your time.

14           CHAIRMAN RICHARD: Thank you very much, sir.  
15           Mark Leach, David Schwegel, and then Mark Kyle.

16           MR. LEACH: Good morning. Thank you, Chair,  
17 Board members. My name Mark Leach. I'm with the San  
18 Mateo County Building Trades County. I also represent  
19 thousands of men and women in construction. We come in  
20 support of the blended system, the revised business plan,  
21 the M.O.U. with MTC and certainly early investment in  
22 electrification and advanced train controls.

23           We also recognize the potential development and  
24 approved construction projects for all waiting for  
25 Peninsula rail port and improvements, several key grade

1 separations have the ability to act as economic  
2 catalysts, particularly ones previously mentioned 28th,  
3 31st Avenue in San Mateo are really good examples. We  
4 believe we are on the verge of an economic recovery, and  
5 we can -- we will be proud to be the workers working on  
6 Metrolink rail and public transit in the Bay Area.

7 Thank you.

8 CHAIRMAN RICHARD: Thank you very much, sir.

9 Mr. Schwegel, followed by Mark Kyle, followed by  
10 Ted Crocker.

11 MR. SCHWEGEL: Good morning. David Schwegel  
12 of Californians for High-Speed Rail.

13 Mr. Chairman, you kept your word that the price  
14 will come down. Thank you.

15 When HTSA publishes the statistics on annual  
16 coalitions, they show California at 2715 as we sell this  
17 concept to the state legislature. I would emphasize how  
18 do we build a system for 20 million dollars back in 1980,  
19 we would be down to say 900? Because meeting, reading,  
20 working, better done on Board than behind the wheel. UIC  
21 International Union of Railways and US Representative  
22 Earl Bloom now remind us of the importance of selling  
23 quality productive time with vehicles -- car driving --  
24 coming in at zero percent, planes coming in at 35 percent  
25 and High-Speed Rail coming in at a whopping 100 percent.

1 In other words, reading derailed while driving derails  
2 many.

3           Third, Californians for High-Speed Rail is  
4 streamlining the public support via a separation as a  
5 bill. Signers welcome.

6           Finally, the US High-Speed Rail Association  
7 reminds us that there are parties throughout the world  
8 that have a vested interest in the debut system in the  
9 world's largest untapped High-Speed Rail market. So I  
10 encourage you to partner with our folks coming from all  
11 over the world at the US High-Speed Rail Association  
12 conference here in San Francisco starting on May 22nd.

13           Thank you.

14           CHAIRMAN RICHARD: Thank you very much, sir.  
15           Mark Kyle and Ted Crocker and Don Sepulveda.

16           MR. KYLE: Good morning, Chair, Board  
17 members. My name is Mark Kyle. I'm with Operating  
18 Engineers Local 3. Russ Burns could not be here because  
19 he's in Washington, D.C., but, on behalf of Local 3, I  
20 would just like to say that we have 24,000 union  
21 households here in Northern California. Many of those  
22 folks are unemployed throughout Northern California here  
23 in the Bay Area as well as central -- the Central Valley  
24 where, as you know, construction employment is in close  
25 to 30 percent.

1           The folks that are working here in the Bay Area  
2 are working in places like TransBay Terminal which is  
3 funded in part by High-Speed Rail money. So that's in  
4 reality. We have members working, and I want to thank  
5 that reality on behalf of our members.

6           I also want to address the revised business plan.  
7 It's not just faster, better, and cheaper. I also want  
8 to say that it's smarter and more responsive. And I have  
9 to give a lot of credit to the members of the Board and  
10 the staff of High-Speed Rail Authority for the work that  
11 they've done in going out and talking to the interested  
12 parties up and down the state and intelligently  
13 addressing the concerns, most of those legitimate  
14 concerns, up and down the state to make this a better  
15 plan. It's a functional plan. We need to move forward.  
16 We need to move forward immediately with it, and I urge  
17 your adoption of the plan today and adopt the staff's  
18 recommendation.

19           Thank you for the good work and please adopt it  
20 today.

21                           CHAIRMAN RICHARD: Thank you.

22           Mr. Crocker. Don Sepulveda, followed by Paul  
23 Guerrero.

24                           MR. CROCKER: Ted Crocker, I'm co-founder of  
25 High Speed Boondoggle. We are still waiting for AG to

1 come out with their ruling, and I preface this statement  
2 with that.

3           I want to point to the blended approach as a  
4 prime example of false economy and therefore the reason  
5 why the Authority should not approve the business plan  
6 and why the legislatures should perpetuate the project as  
7 it stands, the blended approach is not a money saver.  
8 It's a generally-accepted notion that when you do  
9 something half-assed to save money or because you have no  
10 money, it always costs more in the end. Yet, here you  
11 are jumping on the blended approach bandwagon not because  
12 it will result in the best system for the taxpayers  
13 because it spreads the money around in order to keep  
14 support.

15           CalTrain and the High Speed Rail Authority still  
16 cannot agree on the common sense sharing of the positive  
17 train control and platform heights. Now the question of  
18 the number of trains versus the down time and grade  
19 separation is being discussed is being ignored. As long  
20 as the High Speed Rail Authority and CalTrain are  
21 attached at the hip for track elevated build-out out is  
22 still a goal in the High Speed Authority's EIR. How many  
23 times is the blended approach going to be torn out and  
24 rebuilt and at what additional cost to the taxpayers and  
25 court -- additional court for the contractors before the

1 ultimate goal is achieved?

2                   CHAIRMAN RICHARD:     Thank you, sir.

3                   Don Sepulveda followed by Paul Guerrero followed  
4 by Diana LaCome.

5                   MR. SEPULVEDA:     Thank you very much.

6                   Don Sepulveda, executive officer, Regional Rail  
7 Los Angeles County Metro Transportation Authority. Thank  
8 you for allowing me to speak with you today. And, also,  
9 we wanted to thank the efforts of the Board and the staff  
10 in moving forward, for what you have done with the last  
11 several months. I wrote down that I went to speak on the  
12 Southern California M.O.U., but, frankly, I want to speak  
13 on three different items at the same time because they  
14 are all interrelated.

15                  We are in support of the M.O.U.s that you have in  
16 front of you, both the Northern and Southern California  
17 M.O.U.s. We believe that this statute provides the local  
18 investment to the bookends as-needed to make this a  
19 project that the taxpayers get some value from, and I  
20 think that's important as we move forward and look at  
21 Proposition 1A.

22                  We also are in support of this plan. We have  
23 sent you a letter earlier this week -- and I'm sure even  
24 if you haven't, you will receive one shortly supporting  
25 your business plan and supporting the efforts of the

1 business plan. We have been working very closely with  
2 you and your staff in providing you comments and  
3 resolving comments, and we believe that you have now got  
4 a business plan that actually builds a strategic rail  
5 approach to solving the transportation problems of  
6 California, and, most importantly, providing a single  
7 statewide rail system that is so important until we start  
8 moving forward. This is especially true when we start  
9 talking now very seriously about bridging the gap between  
10 Northern and Southern California. It's very interesting  
11 to start thinking about now what we can do in 10 years  
12 with moving people throughout the state.

13           Thank you very much for all that you have done on  
14 this. We believe that this is a very very positive move  
15 forward. This is a -- we do have a project here that is  
16 going to solve the transportation problems of California  
17 and work to support the transportation -- or solve the  
18 problems specifically at the bookends of Northern and  
19 Southern California with these M.O.U.s.

20           Thank you very much.

21                   CHAIRMAN RICHARD: Thank you.

22           Paul Guerrero.

23           Then Diana LaCome followed by David Cameron.

24                   MR. GUERRERO: Good morning.

25                   CHAIRMAN RICHARD: Good morning.

1 MR. GUERRERO: Paul Guerrero representing La  
2 Raza Roundtable.

3 A while back, FR recommended two things, and we  
4 would you don't have a CEO so we're two things we  
5 conducted a disparity study and another is establish a  
6 small business council. Neither of these has happened  
7 yet, and we urge you to take the leadership to assist CO  
8 get disparity studies. Let's use Californians, let's  
9 keep the money here in the state.

10 And, counsel establish a meeting date, you know,  
11 we can come and start bothering them instead of bothering  
12 you.

13 I know that would get you. Thank you very much.

14 CHAIRMAN RICHARD: I hate to say this,  
15 Mr. Guerrero, but somehow I don't quite believe you on  
16 that one. We welcome your input. So.

17 MS. LaCOME: Good morning, Chairman Richard  
18 and Board members.

19 My name is Diana LaCome; I'm the president and  
20 CEO of the Associated Professional Contractors, also  
21 known as APAC.

22 And, first of all, before I come to my  
23 recommendation, I just wanted to state that we sure have  
24 come a long way from two years ago. It seems that we're  
25 finally moving in the right directions as is really being

1 displayed here today, and I really hand a lot of that to  
2 Chairman Richard. Since you came on, a lot of positive  
3 things are taking place, and we really appreciate that.

4           Today I only have one recommendation for the  
5 Board, and it's regarding contracts. My recommendation  
6 or APAC recommendation is that before you modify, extend  
7 and sign any of the existing contracts, the Board should  
8 request a breakdown of ethnicity and gender by all your  
9 contractors, subcontractors, consultants, and  
10 subconsultants and any other, you know, at whatever level  
11 or whatever tier of contracts there are. I think that --  
12 that the Board can make a statement towards, you know,  
13 that equal opportunity by asking that of its own  
14 contractors first and foremost.

15           Thank you very much.

16           CHAIRMAN RICHARD: Just to clarify, Ms.  
17 LaCome, I'm not sure my colleagues are focused on what  
18 you're talking about. Originally on the agenda for this  
19 meeting was the extension of some of our engineering  
20 support contracts. That's been moved to the next  
21 meeting, and I am understanding your comments as being  
22 related to those items; is that correct?

23           MS. LaCOME: Yes. It's related to those  
24 items, but this way you have a little bit of leeway. I  
25 know it's not that much time, but, if the Board can at

1 least request it, we can start moving in that  
2 direction.

3                   CHAIRMAN RICHARD: I just wanted to make  
4 sure people understood that context. Your statements are  
5 not inappropriate.

6                   MS. LaCOME: No, I understand.

7                   Thank you.

8                   CHAIRMAN RICHARD: Thank you.

9                   Dave Cameron, looks like Brian Moura, San Carlos  
10 and Larry Patterson.

11                   MR. CAMERON: Hi, I'm David Cameron; I'm  
12 with Teamsters Rail Conference, and we represent 70,000  
13 locomotive engineers on the rail lines. Very briefly,  
14 we're just here to support the revised business plan and  
15 blended approach, and we thank you very much and hope  
16 you'll move forward with approval.

17                   CHAIRMAN RICHARD: Thank you, sir.

18                   Is it Mr. Moura?

19                   I really apologize if I mispronounced that.

20 Followed by Larry Patterson, and then Dave Terheyden.

21                   MR. MOURA: Thank you. You're pretty close.

22 It's Moura.

23                   CHAIRMAN RICHARD: And it's your

24 handwriting, sir, not mine...

25                   MR. MOURA: Appreciate it.

1 I'm assistant city manager in San Carlos, and I'm  
2 appearing on behalf of San Carlos City Council. In  
3 February this City Council took this item up as part of  
4 their study session on High-Speed Rail and  
5 electrification and enthusiastically endorsed the MTC  
6 M.O.U., CalTrain, San Francisco, San Jose, and the  
7 transportation partner agencies in the Bay Area have come  
8 up with, and we agree to endorse that and urge your  
9 support and staff recommendation.

10 San Carlos feels that this proposal is a great  
11 way to get this project moving forward. It's an  
12 opportunity to reduce noise, to reduce the carbon  
13 footprint, to increase services and to electrify and  
14 prepare the Peninsula segment for future High-Speed Rail  
15 systems. So, for all of those reasons, we urge you to  
16 move forward on High-Speed Rail.

17 CHAIRMAN RICHARD: Thank you. The public  
18 comment was agendized for 10:00 a.m. We're still getting  
19 some. I'm going to ask right now that anybody else who  
20 wishes to speak immediately give their card to the Board  
21 secretary there. Otherwise, we're going to ask that that  
22 be closed.

23 Good morning, Mr. Patterson.

24 MR. PATTERSON: Good morning, sir, Richard,  
25 members of the Board. I am Larry Patterson, Public Works

1 director for the City of San Mateo. I must say some of  
2 the comments from our mayor today, we are strongly in  
3 support of the electrification of CalTrain and the  
4 advanced train controls that are included in that M.O.U.

5           We want to thank the Metropolitan Transportation  
6 Commission for taking on the task of forging the  
7 agreement between the state holders that will advance  
8 these early investment projects. We think they did a  
9 very good job. We think you have the ability to make it  
10 a great job by adding in the funding for grade  
11 separations within San Mateo County. Specifically, the  
12 20th Avenue Grade separation and railroad alignment  
13 project in San Mateo which is a project that has had a  
14 about 10 years of community planning. It is unique in  
15 that it has only one alignment option within the  
16 alternatives analysis so there's no rail alignment  
17 decision needs to be made on that project. And, prior to  
18 the introduction of High-Speed Rail within the corridor,  
19 this was at the project that was at the 65 percent design  
20 stage. So it's a project very well understood, ready to  
21 be advanced and with the single alignment option could be  
22 advanced without major decisions in terms of either our  
23 adjacent neighbors or in the city of San Mateo.

24           So we urge you to include additional Prop 1A  
25 funds for grade separations within the early investment

1 strategy.

2 Thank you.

3 CHAIRMAN RICHARD: Thank you very much.

4 Dave Terheyden -- I hope I got that one  
5 correct -- followed by Patrick Collins and David  
6 Schonbrunn.

7 MR. TERHEYDEN: Thank you, Mr. Chair,  
8 members of the Board.

9 I'm Dave Terheyden, business representative for  
10 the Union of Operating Engineers. I represent the  
11 membership of the Union who many are out of work right  
12 now. Currently we are pleased to see that our members  
13 are working on the TransBay Terminal, which is a -- which  
14 incorporates the High-Speed Rail. We advocate jobs not  
15 only to our members but in construction to bring people  
16 back to work in the State of California. At least in  
17 Northern California, which includes the Central Valley.  
18 In short, we appreciate the effort in creating a plan  
19 that works well with the issues of the past and the  
20 intelligent minds that have listened to reasonable  
21 concerns. That's always the important factor. I support  
22 the approval of your revised business plan. Thank you.

23 CHAIRMAN RICHARD: Thank you.

24 Patrick Collins, David Schonbrunn, followed by  
25 David Schonbrunn, followed by David Schonbrunn.

1 Mr. Schonbrunn we're going to -- one time.

2 MR. COLLINS: Good morning. I'm Patrick  
3 Collins. I'm with the operating engineers. Can you hear  
4 me okay?

5 We're -- we are operating engineers. We run the  
6 heavy equipment that you see out there in the field and  
7 on the roadways. We operate the bulldozers, the  
8 backhoes, excavators, the cranes, and we work these  
9 machines with exact precision, very good at what we do,  
10 but currently there's a lot of us that are not working,  
11 and we really want to be working, you know. This project  
12 would mean a lot of jobs to a lot of our members. We  
13 have scores of members sitting at home waiting for the  
14 phone to ring, and we're just really anxious for that  
15 phone to start working so people go to work. We live  
16 here in a beautiful state in a beautiful area in one of  
17 the most expensive areas of the world and we want to keep  
18 living here. It's hard, you know, working, working  
19 paycheck to paycheck, but we're happy to do it, but we  
20 can't be working, not be working and not be getting that  
21 paycheck working, you know, unemployment check to  
22 unemployment check. That's not going to cut it for us.  
23 We need to be working.

24 So we urge you to go forward with this project.  
25 We endorse the business plan, and we endorse anything

1 that is going to bring us jobs. Get us out to work.

2 Thanks, folks.

3 CHAIRMAN RICHARD: Thank you, sir. David  
4 Schonbrunn followed by Jim Bigelow followed by Emily  
5 Rusch.

6 MR. SCHONBRUNN: Good morning, David  
7 Schonbrunn, president of Transdef. We're one of the  
8 litigants.

9 The business plan is based on the assertion that  
10 private industry will not invest in High-Speed Rail until  
11 a positive cash flow is demonstrated. I know for a fact  
12 that this is untrue. I know that SNCF America made  
13 presentations to the Board Chair and to at least three  
14 other directors, including Director Umberg, in which we  
15 offered to undertake the Phase I project without a  
16 ridership guarantee. All they asked was that the project  
17 be put out to bid. The public is entitled to an  
18 explanation of why the Authority buried this offer. Why  
19 it instead seeks to move forward with a phased  
20 implementation plan in blatant disregard to Prop 1A's  
21 requirement that the project be completed by 2020.

22 Transdef believes that the adoption of the MTC  
23 memo to be premature for the following three reasons.  
24 One, you are ordered by the Court to rescind your  
25 problematic decisions pertaining to this corridor,

1 therefore, there is no legal foundation to agreeing to  
2 electrify the CalTrain corridor at this time. Number  
3 two, there is no agreement in place with the Union  
4 Pacific Railroad to permit High-Speed Rail trains on the  
5 corridor. This makes the Authority's participation in  
6 electrification of that corridor questionable in terms of  
7 value to High-Speed Rail. Also, Union Pacific has  
8 insisted on a nonstandard height for the catenary wire,  
9 and that has not been resolved either.

10           Third, CalTrain has insisted beyond all  
11 reasonableness to proceed with the independent  
12 development of positive train control using a different  
13 vendor than is used by High-Speed Rail installations  
14 around the world.

15           CHAIRMAN RICHARD: Can I ask you to finish  
16 up?

17           MR. SCHONBRUNN: You should not use Prop 1A  
18 funds to support this insistence on incompatibility.

19           Thank you, sir.

20           CHAIRMAN RICHARD: Thank you, sir.

21           MR. SCHONBRUNN: And, by the way, I should  
22 say that I believe that it should have been possible to  
23 provide at least a two-minute comment on each of these  
24 agenda items.

25           CHAIRMAN RICHARD: Thank you, sir.

1 MR. SCHONBRUNN: Thank you. I think you're  
2 shortchanging yourself and that has hurt you in the past.

3 CHAIRMAN RICHARD: Okay.

4 Mr. Bigelow. Good morning.

5 MR. BIGELOW: Good morning. Jim Bigelow,  
6 and I'm speaking to you this morning on behalf of Silicon  
7 Valley Leadership Group, The San Mateo County Economic  
8 Development Association, Redwood City-San Mateo-Menlo  
9 Park Chamber of Commerce, and we represent employers of  
10 over 300,000 employees in this area. And this -- the  
11 High-Speed Rail business plan, prior to its revision that  
12 is currently being considered was -- did not have the  
13 excitement that the current plan has. It is more far  
14 reaching. It is more participatory in the Regents of the  
15 state. It shows how you're going to connect up the  
16 state, which is quite important, and get the project  
17 moving.

18 In the case of the bookends and the blended  
19 system, that is essential to the areas and has gained a  
20 lot of support, and there are technical studies that have  
21 gone on to show that this will work, and it's feasible,  
22 and we had been here earlier and requested early  
23 consideration of getting these areas up to acceptability  
24 for High-Speed Rail operations, and so this is a very  
25 welcomed step.

1           Also, it's really important that we have the  
2 mobility and California meet our future transportation  
3 needs, and there were over 100 -- and I think over 120  
4 flights canceled at San Francisco Airport due to the  
5 storm that we had a couple of days ago. If we had  
6 High-Speed Rail, we would be having the short-haul  
7 aircraft replaced by high speed trips on the ground, and  
8 we wouldn't have to have a lot of these cancellations.  
9 And that goes into a lot of these areas of our system  
10 down south.

11           So we encourage you to act today and approve the  
12 business plan as revised, and also the M.O.U.s, both for  
13 the bookends, and I will say the Menlo Park Chambers does  
14 support the M.O.U. here in the area.

15           Thank you.

16                   CHAIRMAN RICHARD: Thank you. Emily Rusch,  
17 followed by Jim Lazarus followed by Kathy Hamilton.

18                   MS. RUSCH: My name is Emily Rusch, I'm the  
19 state director of the California Public Interest Research  
20 Group or CALPIRG. We're a statewide nonprofit  
21 nonpartisan public interest group, and we have been  
22 active supporters of High-Speed Rail for many years now,  
23 including throughout the passage of Prop 1A and our  
24 support has always rested on the premise that --  
25 basically that -- first of all, that California will need

1 more transportation capacities than we have growing  
2 needs. As you know, we are going to have 60 million  
3 people living here by 2050, so we will have to invest in  
4 transportation capacity. And that High-Speed Rail is not  
5 only more -- less polluting, it can be more efficient,  
6 more convenient for travelers than congested highways and  
7 airports. It can therefore be cheaper for Californians  
8 than it would be without it.

9           As I looked at the first business plan, I  
10 actually spent time on the phone with some of your  
11 consultants, kind of careful to say here's what the  
12 alternative capacity would cost, but, then, even thinking  
13 down, okay, with the amount of riders that would be  
14 riding this train in 2040, would this actually be a cost  
15 effective project for California? And I came away from  
16 those conversations and those analyses feeling I'm fairly  
17 confident that it would be. I'm even more confident now  
18 with the revised business plan.

19           So I came today just to speak my support for the  
20 revised business plan and urge you to pass it and make  
21 one point of emphasis which I do think there's a lot of  
22 talk in the revised business plan about making sure that  
23 the plan does meet up with local transit connections, and  
24 I want to continue to urge the Authority to make sure  
25 that those local transit connections are happening

1 because I think that will -- having those local transit  
2 connections will ensure the success of the project  
3 overall.

4                   CHAIRMAN RICHARD: Thank you, Ms. Rusch.  
5                   Jim Lazarus. Followed by Kathy Hamilton,  
6 followed by Rita Wespi.

7                   Good morning.

8                   MR. LAZARUS: Good morning. Jim Lazarus,  
9 San Francisco Chamber of Commerce, also representing the  
10 Alliance for Jobs, a partnership of San Francisco  
11 business, labor and civic organizations. As you know, we  
12 have been a longtime supporter of this project along with  
13 business organizations up and down the state of  
14 California, many of which we've heard from this morning.

15                   We believe the revised business plan goes in the  
16 right direction because it deals with the realities of  
17 funding that is available, it deals with the realities of  
18 extending early service to upper Peninsula and through  
19 the San Fernando Valley to Los Angeles, it deals with the  
20 issues of giving value to the people of California as  
21 soon as possible. We believe that this plan in  
22 partnership with MTC and the Northern and Southern  
23 California transit partners in the south will deliver  
24 service that's reasonable and cost effective and service  
25 that we can be proud to be supportive of.

1           The San Francisco Chamber of Commerce of course  
2 has been in champion for the TransBay Transit Center, the  
3 extension, with CalTrain to downtown San Francisco, and  
4 we look forward to partnering with High-Speed Rail to see  
5 that those projects get done on time, on budget and move  
6 our transit systems forward to meet the growth of the  
7 state.

8           What we forget through all these debates is that  
9 we're not talking about the California of 2012 and 37  
10 million people, we're talking about the California of 10,  
11 15, and 20 years from now. And that's a California that  
12 cannot be accommodated in our freeway systems or our  
13 airports, and this transit system that you're developing  
14 will meet those needs, and we urge you to approve all of  
15 the staff recommendations on these subjects that are  
16 before you this morning.

17           Thank you.

18           CHAIRMAN RICHARD: Thank you, Mr. Lazarus.

19           Kathy Hamilton, and then the Rita Wespi followed  
20 by Martha Whetstone.

21           MS. HAMILTON: Hi, I'm Kathy Hamilton. I  
22 have turned in a letter from Community Coalition on  
23 High-Speed Rail objecting to the approval of the business  
24 plan at this point. I wanted to tell you a tiny story  
25 since I have two minutes that there was once a little

1 league team in Nevada, and they needed \$1200 for  
2 equipment in order to move forward with their season. A  
3 local brothel -- they are legal in Nevada -- came up with  
4 the check. Well, they refused it even though they needed  
5 the money really badly.

6           California High-Speed Rail project has  
7 illegalities in their program execution, their business  
8 plan, even the new one is incomplete and incorrect.  
9 There were five independent agencies have reported gross  
10 inadequacies and simultaneous federal investigations by  
11 the General Accounting Office and the House Committee on  
12 Oversight and Government Reform in Washington, D.C., the  
13 question is do you want to back this team?

14           The people who get up and speak, if you listen,  
15 are people who are asking for something. Sleeping with  
16 the enemy has been stated many times by Sepi Richardson  
17 in Brisbane. She's accused CalTrain of that,  
18 electrification at any cost. So whether you want grade  
19 separations, maintenance facilities, consulting jobs,  
20 campaign contributions, taking the money from a  
21 questionable source defines who you are. I support  
22 improvements to local transit, but value the rule of law  
23 more.

24           Thank you.

25                           CHAIRMAN RICHARD: Thank you, Ms. Hamilton.

1 Rita Wespi followed by Martha Whetstone and then  
2 Jerry Brozell.

3 MS. WESPI: Good morning. Rita Wespi from  
4 CARRD, Californians Advocating Responsible Rail Design.  
5 And I'm speaking today as to Action Item 2, your vote on  
6 the business plan.

7 You've had less than 24 hours to look through  
8 this supporting data prepared for the state by Parsons  
9 Brinckerhoff. We've had less than 24 hours to look at  
10 the data also. Without this data, it's impossible to  
11 accurately evaluate the business plan. You do not have  
12 the staff to adequately interpret Parsons Brinckerhoff's  
13 reports and confirm the recommendations and certainly no  
14 time to interpret the reports and supporting information  
15 yourselves. It's difficult to have confidence in your  
16 vote under these conditions. There is also the obvious  
17 transparency problem of not making these materials  
18 available to the public in a timely manner.

19 CARRD has repeatedly made this request to the  
20 Authority and cc'd our state reps. It's troublesome that  
21 we find ourselves continuously in this role asking a  
22 minimal level of transparency which should need no  
23 prodding. I've given you and distributed here initial  
24 issues CARRD has identified from those supplemental  
25 documents. For example, the blended travel times between

1 San Francisco and LA haven't been updated. What are the  
2 ramifications for San Joaquin service and the alternative  
3 modes of transportation is still in the air. The  
4 board's rush to vote with incomplete data is disturbing  
5 and irresponsible. I'm giving this message to you and  
6 later to legislators.

7           Now, according to the Bagley-Keene please make  
8 sure that the handout that I've given and anyone else's  
9 today is available to the public. And, just speaking  
10 through somebody who spoke earlier about Bagley-Keene, it  
11 says that probably it's allowed to speak to each agenda  
12 item and not all lumped together, so I hope in future  
13 meetings you alter that. Thank you.

14           CHAIRMAN RICHARD: Thank you, Ms. Wesbi.  
15 Martha Whetstone, followed by Jerry Brozell.

16           MS. WHETSTONE: Hi, I'm Martha Whetstone of  
17 SFO Airport. I'll be reading a letter from John Martin,  
18 Airport Director.

19           "I am writing to express strong support for  
20 California's High-Speed Rail project. This  
21 critical regional approach to transportation  
22 will link people and businesses across the state  
23 and provide a much-needed alternative to air  
24 travel within the state. Passenger traffic at  
25 SFO is expected to grow to 50 million passengers

1 by 2025. Currently, the LA area is the  
2 destination of 14 percent of flights from SFO  
3 and 33 percent of flights from Oakland and San  
4 Jose. High-Speed Rail will reduce the demand  
5 for short haul commuter flights and allow SFO to  
6 focus on accommodating international and long  
7 haul domestic flights. A coordinated  
8 transportation system that incorporates  
9 improvements for CalTrain, HSR, BART, bus  
10 transit and air travel is critical to the San  
11 Francisco Bay area.

12 "I look forward to project developments along  
13 the Peninsula corridor, and I will assist in any  
14 way necessary to make the substantial statewide  
15 transportation project a reality.

16 "Sincerely, John Martin, Airport Director."

17 CHAIRMAN RICHARD: Thank you very much, Ms.  
18 Whetstone.

19 Jerry Brozell -- I hope I pronounce that  
20 correctly.

21 That's you, sir?

22 MR. BROZWELL: I'm sorry, I forgot my  
23 hearing aide, and I know the agenda says you should  
24 notify the Board one week in advance if you need assisted  
25 hearing device, but I didn't know a week ago I was going

1 to forget my hearing aide.

2           So I am speaking in reference to Item No. 7 and  
3 Item No. 7 is a result of a lawsuit by Atherton, but I do  
4 notice that the court did say that the analysis EIR that  
5 the Board went through did consider a reasonable range of  
6 alternatives, and I looked at some of the four objections  
7 there that Atherton was concerned about, and two of the  
8 four involved the Monterey Highway, and I'm thinking the  
9 people in Atherton, they must have been losing sleep at  
10 night worrying about what's going on near Gilroy, near  
11 the Monterey Highway, but most of them don't even know  
12 where the Monterey Highway is, so we do know that  
13 Atherton just brought the lawsuit to try to stop  
14 High-Speed Rail.

15           Now, I live in San Mateo 700 feet away from the  
16 right of way. I'm in favor of High-Speed Rail, and I  
17 know you're going to approve withdrawing this EIR. When  
18 you go through the next EIR, please consider the four  
19 tracks all the way through on the Peninsula, and, if you  
20 don't, Atherton will probably end up bringing another  
21 lawsuit if you don't follow through that way. So I'm  
22 speaking in favor of the four track EIR along the entire  
23 Peninsula.

24           Thank you.

25                   CHAIRMAN RICHARD: Thank you very much, sir.



1 Today I'm speaking on behalf of the City of Palo Alto.

2 One of our policymakers were able to make it.

3           I want to give a brief statement. The City of  
4 Palo Alto would like to share comments on the current  
5 CHSRA environmental review process. Specifically of  
6 major concern to our city is the inadequacy of the  
7 Authority's response to our Bay Area to Central Valley's  
8 auto revised program EIR and comment letter.

9           Palo Alto believes that the blended system is a  
10 significant step forward for this project, and we support  
11 its inclusion in the revised business plan. We, however,  
12 remain concerned that the final program EIR still  
13 contains a four-track option for the Peninsula.

14           We also may concern that the Authority has not  
15 abandoned the preparation of an EIR for a phased project  
16 of larger dimensions over a 25 year time frame.

17           Palo Alto requests that the four-track option be  
18 removed from the final program EIR to share our community  
19 that a more compatible implementation of High Speed rail  
20 will eventually occur and looks forward to working  
21 exclusively on the blended system. Further, we have  
22 three more examples of the inadequacy of the Authority's  
23 EIR response to our comment letter. First, continuing to  
24 recommend that the Pacheco Pass as their preferred access  
25 point to the Bay Area, despite new and clarified

1 information which recognizes additional impacts from that  
2 alignment, some of them significant, in the CalTrain  
3 corridor Monterey Highway is of concern.

4           Second, despite new analysis, there is still  
5 failure to adequately address the local traffic impacts  
6 resulting from the loss of one or two lanes for 1.28  
7 miles of Alma Street in Palo Alto, including increased  
8 aspects on the Regional Transportation System and other  
9 existing at greater intersections along the CalTrain  
10 corridor in our community. Finally, continued adequacy  
11 of using the FRA and FTA manuals for assessing  
12 construction noise and vibration impacts over local  
13 mitigation measures.

14           Just, in conclusion, Palo Alto reserves its legal  
15 options should a four-track system remain in the business  
16 plan and the EIR, but our preference is to establish a  
17 working relationship with the Authority.

18           Thank you.

19                   CHAIRMAN RICHARD: Thank you, Mr. Hackmann.

20           John Huang, followed by Carter Collins, followed  
21 by -- okay.

22                   MR. HUANG: Good morning, chairman, Board  
23 members. Good morning, Bob.

24           My name is John Huang. I'm a business  
25 representative for International Brotherhood of

1 Electrical Workers Local 6.

2 I wish that the High-Speed Rail was built  
3 yesterday because I came back from LA and spent about six  
4 hours door to door and \$300 on the air fare. You know,  
5 this project will not only make the trip shorter, easier  
6 for us to commute from Southern and Northern California  
7 but also provide all kind of work for our members.

8 So, I'm here asking you to approve that our staff  
9 provide a business plan and order the other M.O.U.s.

10 Thank you for your time.

11 CHAIRMAN RICHARD: Thank you, Mr. Huang.

12 Carter Collins, and then -- the name I have after  
13 this from the build-outing instruction is Michael  
14 Theriault.

15 MR. COLLINS: Good morning.

16 CHAIRMAN RICHARD: Good morning, Mr.  
17 Collins.

18 MR. COLLINS: Chairman Richard and members  
19 of the Board.

20 My name's Carter Collins. I have a community  
21 called Eroads which stands for environmentally engineered  
22 roadways, railways, large scale infrastructure. In other  
23 words, I like the idea of putting our renewables on long  
24 scale infrastructure.

25 I am here today with a colleague who is going to,

1 with your permission, read a letter that I sent to  
2 Chairman Richard. It's -- it's an email, so it's fairly  
3 short, but sets forth what we would like to do, how we  
4 would like to cooperate or corroborate with High-Speed  
5 Rail and, when she finishes, that I have one more thing  
6 to say.

7           At this time now I'll step away.

8           Ms. Nyman. Ms. Martina Nyman.

9                   MS. NYMAN: Thank you.

10           Dear Mr. Richard, I invite to you consider a  
11 particular opportunity which meets potential that lies in  
12 Northern California Central Valley your proposed  
13 High-Speed Rail system. The High-Speed Rail corridor is  
14 an excellent candidate for the application for solar  
15 technology and could also serve as a comprehensive  
16 rainwater collection system. It's 800 mile path runs  
17 through counties where unemployment, energy costs and  
18 water costs are particularly alarming. A preliminary  
19 engineering study of this site confirms the feasibility  
20 of the concept, proving that adequate solar electricity  
21 could be harnessed to power the trains and moreover the  
22 community.

23           My initiative is able to measurably increase  
24 HSR's job projections as I also propose the integration  
25 of a storm water catchment system along the same 30,000

1 square acre right of way. This adds another particular  
2 resource a strategic water reserve to the list of  
3 benefits for ranchers, farmers and townspeople in  
4 securing their water and electricity future makes a  
5 unique win-win as it grants HSR two considerable income  
6 streams over the life of the rail system.

7 I thought I would write to you directly to see if  
8 these concepts for energy and water capture hold  
9 potential for your company's success in building the  
10 High-Speed Rail.

11 MR. COLLINS: Finally, I'd like to say that  
12 this new business plan that talks about the mixed use  
13 represents an extraordinary opportunity to be married  
14 with the idea of solarizing High-Speed Rail. Imagine if  
15 all three companies, all three train entities, all three  
16 rail entities, as they modernize, we'll be able to  
17 stabilize rates for California because they would be  
18 generating their own energy and they would have energy  
19 sold back to grid, if they bought Authority on that --

20 CHAIRMAN RICHARD: Mr. Collins, I'm sorry,  
21 I'm going to have to ask you to wrap up on that.

22 MR. COLLINS: If they brought bargain on  
23 that, they would represent one of the largest power buys  
24 in the state of California or in any state for renewables  
25 if all the four of those collectively decided to upgrade

1 solarize their trains.

2                   CHAIRMAN RICHARD: Thank you very much, sir.

3                   Mike Theriault -- and I am making another apology  
4 this morning for mispronouncing somebody's name --  
5 followed by Elizabeth Alexis and Rich Hedges.

6                   MR. THERIAULT: As with Mr. Grotte, no  
7 apology is necessary, I've been through this plenty of  
8 times, San Francisco Building and Construction Trades  
9 Council and also member of the San Francisco Bicycle  
10 Coalition. I would ask the trade folks, there's a lot of  
11 us in the back of the bus, not all will speak but I'd  
12 like them to be recognized.

13                   Thank you.

14                   Surely before I took my position as  
15 secretary/treasurer of San Francisco Building Trades  
16 there was a debate, in which I was not involved, very  
17 bitter debate over expansion of San Francisco  
18 International Airport. That expansion of course filling  
19 the Bay, and, therefore, the debate was deservedly bitter  
20 because no one should ever consider lightly filling the  
21 San Francisco Bay. That expansion was considered  
22 necessary because, as the Airport's entities have pointed  
23 out to you, the airport's capacity is currently strained  
24 and much of that strain -- as again was pointed out to  
25 you -- comes from Northern and Southern California.

1 High-Speed Rail is the cure to that strain and a  
2 necessary component for economic expansion for San  
3 Francisco and the San Francisco Bay Area.

4           I would like to praise here a blended approach  
5 that you're adopting in the current business plan. I, of  
6 course, am most familiar with the northern end of that,  
7 given electrification of CalTrain and a procedure that  
8 will at the same time improve an existing program,  
9 CalTrain, while providing infrastructure for a future  
10 program, High-Speed Rail. It's just plain fiscally smart  
11 and is indicative of the direction in which this is  
12 heading. And the governor has asked -- and it's  
13 something to which we're very appreciative. Of course,  
14 we're interested in the jobs it will provide both in  
15 short-term and in long-term, and, at the same time, we  
16 think we are a benefit to the state in that regard,  
17 because the state needs this system.

18           And the economic well-being of the state and the  
19 environmental being of the city of this system. So there  
20 was a mutual benefit. This is not just for us, this is  
21 for all of us, and so we ask you to approve the blended  
22 plan and the new business plan and allow this process to  
23 go forward.

24           Thank you.

25                           CHAIRMAN RICHARD: Thank you, Mr. Theriault.

1 I had Elizabeth Alexis, I don't see Ms. Alexis here.

2 Elizabeth Alexis?

3           Okay. Rich Hedges followed by Marshall Laring  
4 followed by Michael McKenna.

5           Good morning, sir.

6           MR. HEDGES: Thank you, Chair Richard and  
7 Commission members. I appreciate the chance to speak.

8           I spoke a little over a week ago at MTA. I'm one  
9 of the naysayers along with majority of Californians who  
10 are very high on High-Speed Rail. I'm especially here  
11 today to support M.O.U. for CalTrain electrification and  
12 joint agreement between the various parties. We support  
13 electrification and advanced control system, and we think  
14 it will go a long way to modernize the system. As you  
15 know, one of the major visions to connect all the  
16 airports because, as we just heard from Larry Martin and  
17 most of us who know read Wall Street Journal and other  
18 places, most airports don't want this because they  
19 doesn't want the short hauls. And so do the residents in  
20 California.

21           I ask that in addition to the M.O.U. that -- and  
22 the part of the early investment that you support, give  
23 San Mateo county a chance. And I heard comments about  
24 private investment. To get the very first private  
25 investment in High-Speed Rail, we have it through Wilson

1 Meany Sullivan, the same people who are doing Treasure  
2 Island. They have money that will go toward the  
3 underboards or the grade separation at 28th and 31st but  
4 we need leverage to do that. When you do that, that  
5 fills the requirements of SB 75 for priority development  
6 areas. We have somewhere in the neighborhood right in  
7 that area of 2000 units of housing, 15 percent below  
8 market and a little over million square feet of office  
9 space. We are in one of the largest growth areas for  
10 employment, mapped out by MTC in the whole region. But  
11 we need this leveraged money to make it happen. And this  
12 is the perfect time for you to help us get it.

13           We supported you and supported since its concept.  
14 I lived in it as a child and I live in one now. So let's  
15 reduce future costs and do this now.

16           I also am high on this project as well as the Bay  
17 Meadows project because it has a project labor agreement.  
18 I am not a member of the building trades, but I support  
19 project labor agreements because it brings the qualified  
20 people to do the work. So let's do the right thing and  
21 get this done.

22           Thank you.

23                   CHAIRMAN RICHARD: Thank you, sir. Marshall  
24 Laring followed by Michael McKenna followed by Walter  
25 Strakosch.

1 MR. LARING: Good morning, Mr. Chairman,  
2 Board members. As you heard, my name is Marshall Laring.  
3 I'm a resident in San Mateo at this point in time. My  
4 recollection is using transit in the Bay Area go back to  
5 riding the ferry boats when my parents would be taking us  
6 across the Bay in the '30s, continued in the '40s with  
7 the key system, and we were living in Alameda at the  
8 time. The buses had electrification across the bridge  
9 was marvelous. I'm a retired electrical engineer who has  
10 worked a number of years on fusion energy program with  
11 the Japanese people. Spend a lot of time in Japan, used  
12 Shinkansen quite frequently as a way of getting around in  
13 Japan and saw what that meant to the people in Japan over  
14 a period of about a decade watched the communities along  
15 the right of way develop, to see the various improvements  
16 not only in the physical and entity that's there, but  
17 what that meant in terms of the lifestyle and benefit to  
18 the citizens in that area. I would encourage you to do  
19 everything we can to bring the benefits of a High-Speed  
20 Rail to California now. Especially along the Peninsula  
21 with this blended system. That's an excellent thing.  
22 CalTrain should have been electrified long ago.

23 Now we've got an opportunity to do it and do it  
24 right. But I just encourage you to move forward and get  
25 this done now.

1                   CHAIRMAN RICHARD: Thank you, sir.

2                   Michael McKenna followed by Walter Strakosch  
3 followed by Daniel Krause.

4                   MR. MCKENNA: Good morning, chairman and  
5 members of the Committee.

6                   CHAIRMAN RICHARD: Good morning.

7                   MR. MCKENNA: You know, I speak -- can I  
8 speak on behalf of IDW Electrical Workers Local 6 here in  
9 San Francisco, and I encourage you to move forward with  
10 the business plan. I, like my counterpart, was in Los  
11 Angeles yesterday, and it was quite a trip to go Tuesday  
12 and take the afternoon to get down there at night, and  
13 have a meeting yesterday morning and fly back last night.  
14 And I'm sure some of you have to do this for this meeting  
15 here and the convenience that would allow the state of  
16 California, and the airports, as well as Los Angeles, all  
17 of the airports in Southern California, and the Northern  
18 California airports, to reduce some of that air traffic,  
19 the parking, the taxi services, the getting between  
20 airports, through security, all of that stuff, and  
21 develop into an easy High-Speed Rail system to join both  
22 the north and the south and much of us do business in  
23 both parts of this state. This state is one state that  
24 needs to be connected in that way. The blended system as  
25 a fabulous addition to the business plan. The extensions

1 to the TransBay Terminal and the connections to transit  
2 within the Los Angeles metropolitan area is -- is just a  
3 perfect solution for this state, and we need to move  
4 forward here and make this state the first example of  
5 High-Speed Rail within the United States, that it will  
6 work and move us in with the Europeans and the Asian  
7 markets that have -- that have adopted these plans and --  
8 and have this, you know, as -- as part of their community  
9 and we need to do that now so I urge you, I implore you  
10 to accept this business plan and move forward.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you very much, sir.

13 Mr. Strakosch, I've mispronounced it.

14 MR. STRAKOSCH: You've done very well, as a  
15 matter of fact. Unusually well.

16 CHAIRMAN RICHARD: Thank you.

17 MR. STRAKOSCH: My name is Walter Strakosch  
18 and I'm a resident of California since 1954. My working  
19 career was entirely in transportation, including eight  
20 years with the Santa Fe Railroad and eleven years with  
21 the Federal Transit Administration. I hope I have a good  
22 insight into mobility issue in the state and I believe  
23 that a High-Speed Rail system between Northern and  
24 Southern California is a winner in many ways. To put  
25 Fresno as a midpoint within one and a half hours of

1 either LA or San Francisco could dramatically mitigate  
2 traffic not only on major highways between these but cut  
3 the need for Airport expansion and SF and LA by eliminate  
4 many intra-state short haul flights.

5           I have followed the HSR 1996 and I am not  
6 surprised at the hole the present Board has to dig its  
7 way out of. In the September 1996 HSR Commission report  
8 to the legislature it recommended a system from San  
9 Francisco down the Peninsula, throughout the Altamont  
10 Pass to San Joaquin Valley connecting with a branch from  
11 Sacramento, SJV to Bakersfield over the Grapevine to LA  
12 and then via the coast to San Diego. After the special  
13 interests went to work on it the routing was changed from  
14 the AP to the Pacheco Pass via San Jose to the SJV down  
15 to Bakersfield and to Los Angeles via Palmdale and from  
16 Los Angeles via inland route to San Diego. The change  
17 between Bakersfield and Los Angeles seems to make sense  
18 as it taps into the very explosive growth in the Antelope  
19 Valley. The decision to extend the line as quickly as  
20 possible to Los Angeles via the AV also makes sense, but,  
21 if the cost doesn't pencil out, extending it from Merced  
22 to Sacramento may make better sense. It is a lot cheaper  
23 build an operational segment and the rest will come  
24 quickly. HSR is that good.

25           The change to the inland route between Los

1 Angeles and San Diego made no sense, besides the HSR  
2 project can't afford it. There is an existing railroad  
3 via the coast, and it isn't going away, and I believe the  
4 concern of the communities along the coast could have  
5 been mitigated by a rational approach. However, Los  
6 Angeles to Anaheim did remain at a cost of \$5-6 billion,  
7 but common sense prevailed and it's now out. Perhaps you  
8 should figure out how to get Los Angeles/San Diego via  
9 the coast back into the mix, satisfy Anaheim and,  
10 thereby, enable people to get to Disneyland 220 minutes  
11 sooner? Ha.

12           Less sense is the change of the routing from the  
13 Altamont Pass to the Pacheco Pass, and that is still  
14 there. Not only do you knock out Stockton and Modesto on  
15 a direct route to San Francisco and lose passengers, but  
16 you increase the cost of building the system, according  
17 to today's per mile costs, by about \$3 billion dollars.

18           As I said, I believe this to be an excellent  
19 project for California, but management of the project and  
20 costs have to be kept under control. You have just lost  
21 a man who appeared to be a capable CEO and hopefully can  
22 be replaced with one of the same caliber. Additionally,  
23 the Board has taken some positive steps toward cost  
24 controls, but doesn't the AP routing and SD via the coast  
25 also warrant further study?

1                   CHAIRMAN RICHARD: Thank you, sir.

2                   Daniel Krause, followed Kristin Kawaguchi  
3 followed by Maureen Fukuda.

4                   MR. KRAUSE: Good morning, Mr. Chairman and  
5 members. Thank you very much. My name is Daniel Krause;  
6 I'm executive director of Californians for High-Speed  
7 Rail. I just wanted to start over by saying this  
8 document is incredibly responsive, actually more than I  
9 was expecting and more I am certainly used to. Many of  
10 the concerns we have with the draft document were  
11 addressed in many ways and a lot of other concerns of  
12 other folks addressed, so I just want to comment on that  
13 particular aspect of plan, and, more specifically, the  
14 things that we're excited with in terms of what's now  
15 reflected in this plan. I'm just going to want to list a  
16 couple of things so people kind of understood under the  
17 magnitude of training some people are complaining there  
18 hasn't been substantial changes. That's not our  
19 experience. Okay. The massive planning to initiate  
20 Amtrak service is a real plan versus a back-up plan, you  
21 know, as a last resort that's a big change. Creation of  
22 an integrated three branch Northern California feeder  
23 system into Merced station is -- is a very great idea  
24 that took some vision, and I hadn't thought of all that  
25 and a lot of other people hadn't thought of that, and

1 that new idea is very significant. Reduction in scope in  
2 the urban areas saving billions of dollars of base line  
3 capital costs, in addition the acceleration of the  
4 project schedule is saving billions in capital escalation  
5 costs. Then, most significant, the identification of  
6 additional revenue stream in the form of path and trade  
7 gives us the confidence that we can move forward for a  
8 10-year construction period if federal funds don't come  
9 quickly -- as quickly as we would like. So that is a  
10 huge victory for the project in our opinion.

11 I'd like to conclude though with one  
12 recommendation in terms of the Orange County Anaheim  
13 piece. Our organization was for reducing the scope of  
14 that piece. There was no time requirements per Prop 1A,  
15 and we agreed that, you know, maybe blended approach  
16 similar to the Peninsula was warranted for that  
17 situation. We urge to you further study that and  
18 possibly look at scaling back the six million dollar  
19 project to a much more extensive project on that segment,  
20 and kind of blended system. We understand there's  
21 constraints with freight, but, if we could just study  
22 that more, we'd like to bring Orange County friends into  
23 the fold quicker.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you, sir.

1 Ms. Kawaguchi. Did I pronounce that correctly?

2 MS. KAWAGUCHI: You did a great job.

3 Good morning, Chairman Richard and Authority.

4 My name is Kristen Kawaguchi, and I am here as a  
5 supporter of representing the next generation of young  
6 professionals that will be utilizing the system in the  
7 future. You know we see articles online about High-Speed  
8 Rail System and its struggles to gain support. I'm here  
9 along with some friends today to tell you you do have  
10 support, and it's in the teenagers, young professionals  
11 and 30-somethings that will need this system in order to  
12 prosper in the future. Smart transportation, increased  
13 mobility, reduced travel time, reduced emissions and  
14 increased productivity are all things that appeal to the  
15 young professionals, and we're here to support you and to  
16 help you make sure this gets done.

17 This new business plan for the system which  
18 generates over 20,000 jobs per year eliminates 320  
19 vehicle miles traveled over the next 40 years and three  
20 million tons of carbon emissions annually is not  
21 something that we're overlooking. We appreciate the work  
22 that has been put into this new plan which offers a  
23 better, faster, cheaper approach to the system. Now we  
24 may not have as loud a voice as some of our seasoned  
25 professionals, but we do represent the next generation of

1 entrepreneurs, engineers and politicians, and there is  
2 strength in this group of voters. We are challenged to  
3 make tomorrow better than today, which is why we're here.  
4 We have come across a plethora of different types of  
5 supporters for this project and have decided to organize  
6 that support into a formal group. You'll see more of us  
7 attending meetings, getting involved, and getting more  
8 educated on the system. We are tomorrow's leaders and  
9 support your efforts. This system will change our lives,  
10 and we want to thank you for investing in our future.

11 Thank you.

12 CHAIRMAN RICHARD: Thank you very much.

13 Fernando Santillan, followed by Frank Oliveira  
14 followed by Maureen Fukuda.

15 MR. SANTILLAN: Good morning, Chair,  
16 Members. My name is Fernando Santillan, and I am a 26  
17 year old resident of Central Valley. I'm here to express  
18 my firm support for this initiative. I'm certain this  
19 project will have enormous positive impact on our lives  
20 and the future of our state. I spoke recently at a  
21 Fresno county Board of supervisors' meeting concerning  
22 High-Speed Rail, and I indicated that their support for  
23 this project will represent significant investment in the  
24 young voters of our state at a time when elected  
25 officials everywhere have placed our needs at the bottom

1 of the list through cuts in higher education and other  
2 services. I would echo that sentiment to our officials  
3 that are here today. This project is an opportunity for  
4 our leaders to pull through for the future of our state  
5 and national economy and provide us a tool in this  
6 community in an increasingly competitive global economy.

7           While previous generations have benefited from  
8 the construction of highways, railroads and airports have  
9 made this country great as a result. Our generation of  
10 voters also demands modern and reliable transportation to  
11 facilitate our prosperity and that of future generations.  
12 The significance of linking the state's major cities  
13 reliably and affordably cannot be underestimated. When  
14 that happens the energy -- the energy, creativity and  
15 innovation that California is known for will strengthen  
16 exponentially and spread throughout our entire state. In  
17 the Central Valley there is an effort to mobilize voters  
18 educate them about the facts of High-Speed Rail including  
19 economic, social and environmental impacts. Our goal is  
20 to ensure that High-Speed Rail is completed, but  
21 completed with an engagement and participation of the  
22 demographic segment that will largely make up the initial  
23 ridership because the reality is that we count on  
24 leadership to make infrastructure projects happen, but,  
25 at the end of day, this project is not meant for you or

1 other people in this room. This is our train. And we  
2 have the utmost appreciation for the Authority's tireless  
3 efforts to make sure this is done right.

4 Thank you having enough faith in us to invest in  
5 our future. This is not lost on the younger generations,  
6 and you have our support to make it happen.

7 Thank you.

8 CHAIRMAN RICHARD: Thank you, Mr. Santillan.

9 Next is Frank Oliveira followed by Maureen  
10 Fukuda.

11 Mr. Oliveira, hope I didn't take you too far out  
12 of your way to get to San Francisco.

13 MR. OLIVEIRA: Not a problem. Wherever you  
14 folks meet you probably will see us.

15 CHAIRMAN RICHARD: Let me just say as a  
16 personal matter we benefit from your participation. I  
17 mean that sincerely.

18 MR. OLIVEIRA: Thank you. I have a  
19 question, have my handouts made it to the table? Because  
20 it's relevant to what I'm going to say.

21 CHAIRMAN RICHARD: Don't start the clock.

22 Do we have Mr. Oliveira's handouts?

23 MR. OLIVEIRA: They were turned in with my  
24 card.

25 CHAIRMAN RICHARD: Good morning.

1 MS. FUKUDA: Ladies first. Nice to see you  
2 and big city of San Francisco, the bookend, and speak the  
3 talk, walk the walk. We're very simple, a traffic jam to  
4 us is maybe three cars at an intersection, and it's  
5 lovely.

6 But anyway, I'm here, my name is Maureen Fukuda,  
7 and I am reading this statement on behalf of Aaron Fukuda  
8 and 300, plus, innocently targeted landowners in this  
9 county. The Authority has modified this project and its  
10 business plans so we don't believe that they have a grasp  
11 on what is being proposed. We urge the Authority to  
12 postpone the vote on approving the revised business plan  
13 to allow the public appropriate time to understand the  
14 true ramification of the business plan. This business  
15 plan reads more like a project proposal for a feasibility  
16 study. The Authority, its staff and consultants have  
17 simply shifted this project to put forth concepts that  
18 have not been fully vetted, studied or analyzed for  
19 feasibility both environmentally or economically.

20 Therefore, the Authority misses the mark on the  
21 shovel ready status. The sudden and quick shift in  
22 project direction have given hungry contractors and the  
23 public ample notice of what is to be forthcoming. It is  
24 clear that many of the consultants are driving this  
25 process at this time. However, if you move forward, you

1 will be under the control and mercy of the contractors  
2 who will feed upon poor planning and lack of clarity.

3           Do not approve this business plan. Allow  
4 appropriate time for analysis. I am submitting written  
5 statements for you to read and take into consideration  
6 before voting on the revised business plan.

7           Thank you. I think what you were handing out is  
8 what Aaron handed out.

9           CHAIRMAN RICHARD: Right. But I think what  
10 she's saying, it's not what Mr. Oliveira handed out. You  
11 understand that's different.

12           MR. OLIVEIRA: Mr. Rossi has  
13 Mr. Oliveira's.

14           MR. ROSSI: Okay.

15           MR. OLIVEIRA: Thank you.

16           CHAIRMAN RICHARD: Then we're going to  
17 share. Ms. Fukuda, thank you very much.

18           Mr. Oliveira.

19           MR. OLIVEIRA: Thank you.

20           CHAIRMAN RICHARD: Thank you.

21           MR. OLIVEIRA: I am Frank Oliveira, citizens  
22 for California High-Speed Rail and Mobility.

23           Before you is a copy of what the voters were told  
24 in November of 2008 would be the construction if Prop 1A  
25 was passed. Today before you for your approval is the

1 third business plan. The business plan, as you know, is  
2 required by law per the proposition. While the current  
3 business plan is better, faster, cheaper, but -- like the  
4 previous business plans -- it fails to comply with the  
5 provisions of Prop 1A in regard to costs, function,  
6 routing, trip timing, et cetera. Knowing that, that  
7 said, approving the plan as drafted would be dishonest  
8 and would be appropriately challenged because it would be  
9 dishonest. Do the project right, comply with the law, or  
10 don't do this project. Reconfigure a plan proposed to  
11 the voters or legislature, a plan to build a legitimate  
12 High-Speed Rail system instead of continuing to try to  
13 fit Prop 1A into the plans that you have before you. The  
14 two are incompatible. It's not the idea. You cannot  
15 build Prop 1A. The criteria that's laid out before you  
16 in the handout will always prevent you from constructing  
17 it because the proposition was poorly written. So either  
18 comply or don't do the project.

19 Thank you.

20 CHAIRMAN RICHARD: Thank you, Mr. Oliveira.

21 Mike Cunningham followed by Marian Lee followed  
22 by Corey Marshall.

23 MR. CUNNINGHAM: Good morning, Chairman  
24 Richard, Board members. I'm Michael Cunningham with Bay  
25 Area Council representing major Bay Area employers. We

1 enthusiastically support your decision to pursue early  
2 investment in CalTrain electrification. We authorized  
3 support M.O.U. and we supported appropriation of funds to  
4 make this project happen. San Francisco to San Jose  
5 segment is critical for future High-Speed Rail  
6 operations, but it's also critical to today's Bay Area  
7 and today's California. This corridor is the shining  
8 star of California's economy. The businesses that  
9 operate in this area are not incidental to California's  
10 budget and fiscal condition. Individual businesses in  
11 and of themselves from *Facebook* -- *Facebook* item happens  
12 it will make a quantum difference to the California  
13 budget. It's easy to take these employers for granted,  
14 but any region in this country, any state in this country  
15 that had an economic engine such as the San Francisco-San  
16 Jose-Peninsula would be falling all over itself to  
17 provide its infrastructure in terms of support those  
18 citizens who need jobs and adequate economic prospects.  
19 What you are proposing, the early investment in CalTrain  
20 electrification is exactly that approach. It's a smart  
21 decision for the High-Speed Rail Authority, it will lower  
22 your costs overall. It's a smart decision for Bay Area  
23 and for the California economy.

24 Thank you.

25 CHAIRMAN RICHARD: Thank you,

1 Mr. Cunningham.

2           Marian Lee followed by Corey Marshall followed by  
3 Michael Behen.

4           MS. LEE: Good morning, I'm Marian Lee. I'm  
5 director of the CalTrain Modernization Program. Mike  
6 Scanlon, who is executive director of CalTrain, really  
7 wanted to be here but he had a conflict that he couldn't  
8 undo. I'd like to first note what a significant month  
9 this has been for CalTrain and the Peninsula. The M.O.U.  
10 reflects regional consensus on building a blended system  
11 in our corridor. And evolved partnership with the  
12 High-Speed Rail Authority that is sensitive to local  
13 interests and a realistic funding strategy for  
14 incrementally building the blended system. We also  
15 completed critical analysis that documents the viability  
16 of running CalTrain and High-Speed Rail services on  
17 shared tracks. And, with these accomplishments, we  
18 really have reached a significant milestone.

19           Having said that, we know that the M.O.U. is just  
20 the beginning of much important work to be done. We have  
21 spent the last year talking to our 17 cities along our  
22 corridor about the blended system. The majority of our  
23 local stakeholders support the blended system, however,  
24 they do continue to be concerned about how such a system  
25 will impact the quality of their lives.

1           CalTrain is owner of the corridor an implementer  
2 of the early investment program committed to addressing  
3 these concerns. You will focus on conducting the needed  
4 planning, stakeholder outreach and preparing a project  
5 level environmental document in a way that makes sense to  
6 our local partners.

7           Thank you very much for your consideration of the  
8 M.O.U. today. We appreciate you listening to our  
9 concerns and, frankly, accepting our local vision in  
10 defining the statewide High-Speed Rail system. We look  
11 forward to strengthening our partnership with you and  
12 working with you on developing a strong statewide system.

13                   CHAIRMAN RICHARD: Thank you, Ms. Lee and  
14 Mr. Scanlon for your work with our staff. Please tell  
15 Mr. Scanlon if he really loved us he would have been here  
16 this morning...

17           Mr. Marshall followed by Mike Behen followed by  
18 David Kennedy.

19                   MR. MARSHALL: Good morning. My name is  
20 Corey Marshall. I'm the government policy director from  
21 the San Francisco Planning and Urban Research  
22 Association. I'm here this morning -- I think it's still  
23 morning anyways -- to express our support for the revised  
24 business plan as well as for the Bay Area's investment  
25 strategy in the M.O.U. that accompanies that.

1           In general for something that doesn't really  
2 happen all that often in the Bay Area, and that's to be  
3 we come to consensus how we're going to solve a problem.  
4 I think this investment strategy that has been a long  
5 time coming and should be supported, and so I urge your  
6 support on that. This blended approach will obviously  
7 have a number of benefits. Electrification of CalTrain  
8 will make some important safety improvements and also  
9 position that system for operational success and speeding  
10 the development of High-Speed Rail on the Peninsula will  
11 not only lower the costs but help to bring high speed  
12 service to the core of the Bay Area. Your revised plan  
13 also commits to a critical component of Proposition A and  
14 that's all high speed rail connectivity into the heart of  
15 San Francisco. This is an important step for this  
16 segment of the system and commitment to the development  
17 of the downtown extension will be critical to completing  
18 the development of the multi mobile TransBay center as  
19 the hub.

20           We urge your support for the revised business  
21 plan, the early investment strategy and the M.O.U.

22           Thank you.

23           CHAIRMAN RICHARD: Thank you very much, sir.

24           Mr. Behen, followed by David Kennedy followed by  
25 Matt Severson.

1 MR. BEHEN: Good morning, Mr. Chairman,  
2 members of the Board. Mike Behen, City of Palm,  
3 Department of Public Works.

4 First thing I want to say that I want to  
5 acknowledge Chairman Richard. Your leadership means a  
6 lot to the city of Palmdale and the Antelope Valley.  
7 High-Speed Rail makes absolute sense for our region. I  
8 think always with the other modes of transportation that  
9 are planned for the future. We support the revised  
10 business plan and early investment in the Southern  
11 California region, and a particular mention of the gap  
12 closure between Bakersfield and Palmdale. We appreciate  
13 that being included in the report. We are excited and  
14 eager to see High-Speed Rail in our region and are  
15 looking forward to the next meeting where we will talk  
16 about further study of Antelope Valley alignment through  
17 the environmental review process.

18 We appreciate your time. Thank you.

19 CHAIRMAN RICHARD: Thank you, Mr. Behen.  
20 We'll do our best to get you from Palmdale up here  
21 faster.

22 MR. KENNEDY: Good morning, Mr. Chairman and  
23 Members of the Board. My name is David Kennedy, and I'm  
24 here from the city of Fresno today. I'm part of the next  
25 generations of young voters. Just like my colleagues

1 Fernando Santillan and Kristen Kawaguchi, we are the next  
2 generation of high-speed rail supporters and voters. And  
3 this will be our turn. When it's functional we will ride  
4 it to and from work and ride it vacation days and  
5 holidays, whenever necessary. It was a great project and  
6 we are very much in support of it.

7           This will be an investment for our future and for  
8 me personally a big part of my future transportation.  
9 Throughout my life I have actually lived overseas in  
10 Germany, Belgium and England, and I remember when I was  
11 living over there I always said to myself if these  
12 countries can do something like this, why can't we?

13           So I applaud you for all your efforts. Thank  
14 you.

15           CHAIRMAN RICHARD: Thank you very much.

16           Matt Severson followed by Ryan Heller.

17           MR. SEVERSON: Good morning, chairman,  
18 Members of the Board. My name is Matt Severson, I'm 23  
19 years old, and I'm a resident of Fresno County.

20           I'm here today to voice my support in favor of  
21 the revised business plan, and I think it's incredibly  
22 important that young voters are actual actively involved  
23 in this decision-making process as well as the current  
24 and future development of this system. This train is  
25 going to shape my generation's future so I think that we

1 need to be a part of making it happen. I hope to act as  
2 an advocate as a voice of my generation in support of  
3 California High-Speed Rail, and I urge you to pass this  
4 revised business plan.

5 Thank you.

6 CHAIRMAN RICHARD: Thank you very much.

7 Mr. Heller followed by looks like Michael Quigley  
8 followed by Adina Levin.

9 Mr. Heller, good morning.

10 MR. HELLER: Good morning, Mr. Chair,  
11 Members of Board. My name is Ryan Heller founder of I  
12 will Ride. It's good to see you.

13 I'm here today to update you on the progress of  
14 the I ride High-Speed Rail message on California College  
15 Campuses. Our movement, having started out of UC Merced,  
16 has grown to include students at California states  
17 Bakersfield, Fresno, Stanislaus, UC Davis and Berkeley,  
18 Fresno City College and even De Anza College, to name a  
19 few. We've even launched an online video contest  
20 encouraging students to tell us why they will ride  
21 High-Speed Rail. Our message is spreading because of the  
22 common sense need for transportation that is suitable for  
23 California's future. With the exciting new changes to  
24 the business plan, we have faith that this Board, along  
25 with the governor, will work hard to see this project

1 through. As a group of future riders and not planners or  
2 engineers, we simply say build it and we will ride it.

3 In closing, let me just say that underneath the  
4 student excitement and can-do spirit, we're tired of  
5 waiting. You have to ask yourself if you are thinking of  
6 the next generation or getting in the way because all you  
7 can see is today. Don't make us wait for the next  
8 generation to do for ourselves what we must do for them.  
9 Please approve the new business plan. Support High-Speed  
10 Rail. We support you. Thank you.

11 CHAIRMAN RICHARD: Adina Levin followed by  
12 Andy Chow.

13 MR. QUIGLEY: Hello, my name is Michael  
14 Quigley, I'm manager of the Government Affairs with the  
15 California Alliance for Jobs. We represent over 2000  
16 union construction contractors and 80,000 union  
17 construction workers across Northern and Central  
18 California and you see so many people here from our  
19 industry because in today's hard-hit economic situation  
20 the construction industry is hit the worst. Construction  
21 is the leading indicator of economic activity. We were  
22 the first to fall off, but, hopefully, once this projects  
23 is approved, we're going to be the first to come back.  
24 Every dollar spent on construction activity turns over  
25 seven times, and building High-Speed Rail is the quickest

1 way to start turning around our state's economy.

2           I want to also touch on the new business plan. I  
3 think that it's very important that this business plan is  
4 a major incremental step forward. The Authority has done  
5 an excellent job of taking into consideration both from  
6 the public, from concerned citizen groups, and from state  
7 legislators that we needed to look at some of the  
8 assumptions we had made and really reexamine those and  
9 come up with what I believe is a much better plan. I  
10 think that we've done a better job looking at the return  
11 on investment on the construction activity in terms of  
12 where we're investing our -- building our rail lines. I  
13 think the new plan has done a good job, as well as in  
14 terms of creating a more efficient and more functional  
15 rail -- on the Peninsula corridor with a blended approach  
16 I think is something that we'll look back upon as a  
17 turning point in this project and really something that  
18 we can move forward with and have a great value to this  
19 great State of California. And I'd also urge you if you  
20 get a chance to check out our video that we have just put  
21 forward this week. It's entitled *California Wasn't Built*  
22 *By Whimps*. And it's really a -- it's a truly an  
23 interesting and poignant examination of what this project  
24 will mean for the future of the state.

25           Thank you.

1                   CHAIRMAN RICHARD: Thank you. Did I get  
2 your first name right, Adina Levin?

3                   MS. LEVIN: Yes, Adina Levin.

4                   CHAIRMAN RICHARD: Good morning.

5                   MS. LEVIN: Good morning, Chairman Richard  
6 and Board members. I live in Menlo Park and represent  
7 Friends of CalTrain which is a group thousands of  
8 individuals who live in the CalTrain corridor who banded  
9 together in the last couple of years to help CalTrain get  
10 through a severe financial crisis despite the fact that  
11 it's experiencing record ridership and trains are nearing  
12 capacity at rush hour. And we're dedicated towards  
13 getting a CalTrain stable funding in the future so it  
14 doesn't have a financial crisis in the future.

15                   And we are here to very strongly support the  
16 Northern California M.O.U. and the concept of the blended  
17 system. Modernizing CalTrain earlier than previously  
18 planned will provide faster, more frequent service with  
19 more stops, providing much stronger transit system for  
20 the economy and the environment and quality life in our  
21 region.

22                   So, thank you very much for incorporating that in  
23 the plan as for -- as well as the Memorandum of  
24 Understanding's aligning of support for future investment  
25 in the downtown attention to San Francisco and grade

1 separations which will help the Peninsula corridor for  
2 safety and traffic concerns and supporting High-Speed  
3 Rail in the future the new business plan is a big  
4 improvement. It delivers value earlier, it gets to  
5 population centers earlier, and it has lower costs. And  
6 this is a very big investment for the state, and a  
7 complex plan.

8           So we urge you, the Board, our state legislatures  
9 and the public to provide this plan with a thorough  
10 review to be able to make this big decision. High-Speed  
11 Rail has the potential to have strong economic and  
12 environmental and lifestyle benefits for people in the  
13 state, but we urge you to scrutinize the plan to make  
14 sure that it actually delivers as promised.

15           Thank you.

16           CHAIRMAN RICHARD: Thank you, Ms. Levin.

17           Mr. Andy Chow followed by our last speaker,  
18 Ignacio Castillo.

19           MR. CHOW: Board members, I'm Andy Chow for  
20 the Bay Area Alliance. We have been a strong supporter  
21 of the electrification of the downtown extensions for 30  
22 years and also supported the approach between High-Speed  
23 Rail and Regional Rail even before it is now called  
24 blended approach. We are generally supportive of the  
25 direction of the revised business plan. We -- one of the

1 things that we are particularly pleased with is this  
2 blended approach and with CalTrain taking the lead and  
3 with CalTrain actively seeking public participation  
4 regarding the planning process for the blended approach.  
5 And we also believe the blended approach meets the  
6 requirements of Prop 1A, and we support the M.O.U. and  
7 the early investment package.

8           We are put forward by the MTC, and we hope the  
9 High Speed Authority will support it as well that  
10 provides faster and more frequent CalTrain service sooner  
11 and prepares the corridor for future downtown extension  
12 and High-Speed Rail under the blended approach.

13           Thank you.

14           CHAIRMAN RICHARD: Thank you, Mr. Chow.

15           Mr. Castillo, you have the last word, sir.

16           MR. CASTILLO: Good morning, everyone, and I  
17 guess I'm lucky to be the last one.

18           I just wanted -- my name is Ignacio Castillo, and  
19 I'm the business manager of the Labor Local 389 in San  
20 Mateo County affiliated with the Northern California  
21 local laborers which we have over 20,000 members that are  
22 also tired of waiting for this project to start. And at  
23 the end Board members not just the laborers, members of  
24 different crafts will be building this project which will  
25 be a great project. As some of the comments here in the

1 audience, especially on the group of young individuals  
2 here had mentioned, that this will be a great project.

3 I'm here in support of the revised business  
4 plan, and I urge the Board to approve the new plan. And  
5 Board members are waiting for -- for their job to start  
6 and do the project. Thank you very much.

7 [Public comment closed at  
8 11:50 a.m.].

9 CHAIRMAN RICHARD: Thank you very much, sir.  
10 Okay. That closes the public comment period. I  
11 do want to thank everybody in the public for their  
12 comments this morning. I know it's a long morning, but  
13 this is an important day, and we appreciate your  
14 participation.

15 We'll now move through our agenda.

16 MR. HARTNETT: Mr. Richard, I know it's a  
17 lot to do. Can we take a few minute break?

18 CHAIRMAN RICHARD: You don't have to  
19 explain. In fact, we probably prefer that you not  
20 explain. So we'll take a break.

21 [Recess, 11:51 a.m. to  
22 12:03 a.m.]

23 CHAIRMAN RICHARD: We'll move through agenda  
24 items. The first item is approval of the minutes, the  
25 March minutes approved and seconded by Mr. Rossi.

1           Please call the roll.

2           MS. MOORE: Vice-Chair Schenk.

3           VICE-CHAIR SCHENK: Here.

4           MS. MOORE: Vice-Chair Richards.

5           VICE-CHAIR RICHARDS: Here.

6           MS. MOORE: Mr. Umberg.

7           Mr. Hartnett.

8           MR. HARTNETT: Here.

9           MS. MOORE: Mr. Balgenorth.

10          MR. BALGENORTH: Here.

11          MS. MOORE: Mr. Rossi.

12          MR. ROSSI: Here.

13          MS. MOORE: Chairman Richard.

14          CHAIRMAN RICHARD: Here.

15                 All right. Next we have a review and approval of  
16 the revised 2012 business plan, and it's my understanding  
17 that --

18                 Okay. Do we need to move away?

19                 All right. I've been informed that this is a  
20 Powerpoint for staff presentation on this, but some of  
21 us, metaphorically, are in the way so. We'll move our  
22 chairs.

23                 MR. FELLEENZ: Mr. Chairman Richard, Board  
24 members, it's my pleasure to introduce this item which is  
25 the request that you approve the revised 2012 business

1 plan. Then a lot of work and great progress that we've  
2 made since the release of the draft. And I just want to  
3 say that we're really pleased with the outcome, and I  
4 think you will be too. We have listened to the public,  
5 to the elected public officials at the local level, the  
6 state legislature, the governor himself. We've made some  
7 changes that are significant changes we believe, and the  
8 new plan reflects a faster, better, cheaper program.

9 I also want to just state that the staff and the  
10 consultants that have worked on this plan, there's been a  
11 significant amount of long hours. I know that I am in  
12 the office every day. People are staying late and  
13 working extremely hard and conscientiously. I think it's  
14 being reflected in this plan. And, as you've heard many  
15 of the comments, there's a lot of people in support of  
16 this now, so we have a Powerpoint presentation and a few  
17 of our consultants will be presenting that Jeff Morales  
18 of Parsons Brinckerhoff and Kurt Ramey from KPMG.

19 MR. MORALES: Thank you, Don and Mr. Chair,  
20 good morning.

21 Yes, we're going to talk about the plan, how we  
22 got to where we are today and what the contents of the  
23 plan are. As Tom mentioned, there has been significant  
24 input into this plan. It really needs to be stressed  
25 that we received very substantial input from the public,

1 from stakeholders from elected firms, and that that input  
2 really has shaped the revised plan. We took input both  
3 critical and supportive and took it to heart and made  
4 changes accordingly. The extensive input fell out in a  
5 number of key things. Very clearly, people were  
6 uncomfortable with the cost of the full build system.  
7 There was very strong support -- it's been reinforced  
8 here today -- for the blended approach implemented  
9 High-Speed Rail in California and importance of investing  
10 in the urban areas bookends as near term early  
11 investments. Also, very strong view that one of the  
12 highest rail priorities in the state, closing the gap in  
13 the intercity rail between Bakersfield and Palmdale  
14 should be the priority of this program. There was much  
15 concern raised about the initial proposal about how the  
16 investment in the Central Valley would project enough  
17 benefits to warrant that initial investment. As we've  
18 heard today, there remains some question about ridership.  
19 We have continued to work through that issue.

20           There were some who believe there needed to be  
21 greater reevaluation of private sector involvement and  
22 when and how that might take place and continuing  
23 questions about the reliance on federal funding going  
24 forward.

25           In taking these concerns into -- into account, we

1 spent a lot of time with again many stakeholders with  
2 public, with the legislative analyst, with the peer  
3 review group when it's provided, and both of them have  
4 provided significant input into the plan, and the plan  
5 reflects their concerns and their comments.

6           One of the documents that's posted on the website  
7 with the plan specifically weighs out the issues that  
8 were raised by the peer review group and by the  
9 legislative analyst's office and how the plan responds to  
10 those and the significance of that is that each and every  
11 major point that they raise is dealt with in the revised  
12 plan.

13           It's important to note that the ridership and  
14 revenue forecast have been updated based on input and  
15 advice from an independent expert peer review panel from  
16 the peer review group and from the external public  
17 comments. And, one thing I would note, the report asks  
18 one of things that has been done, the inputs have been  
19 adjusted to rely on an external third party independent  
20 data, one example would be fuel prices. Where the US and  
21 energy information administration estimates are the price  
22 of gas are taken to produce the high and the low  
23 estimate, and that's how the plan is put together.  
24 Capital costs O & M have been updated and financial  
25 analysis has been streamlined and updated as well.

1           In the significance of all this input and all  
2 this comments is that I can tell you that virtually every  
3 aspect of the plan was reevaluated, revisited, and  
4 strengthened based on the comments that have come in, and  
5 it has produced a plan as many people have noted is  
6 better, faster, and cheaper. And it's very important to  
7 note that the most significant changes, the blended in  
8 particular, were the direct result of external  
9 recommendations to the Authority from external  
10 stakeholders.

11           One of the most important aspects of the plan is  
12 a real effort and an approach of integrating High-Speed  
13 Rail into a statewide approach into developing in  
14 California. Very strong sense of renewed sense of  
15 cooperation and partnership with the regional and  
16 commuter rails. And, again, that's been reinforced here  
17 today. That achieves several things. Benefits happen  
18 earlier and they are more widespread, and it's a much  
19 more cost effective way to delivering benefits to the  
20 people of California by leveraging additional systems  
21 along with new investment.

22           One aspect of the plan is again providing benefit  
23 in the bookends, in the existing rail systems, by working  
24 with the CTC to help get approval of the release of the  
25 productivity funding that was provided in Prop 1A. The

1 investment and bookends is very critical. And, again, we  
2 heard a lot about that here today with the CalTrain  
3 investment which will be facilitated with M.O.U.s which  
4 have been negotiated with the Southern California  
5 association of government agencies and with the MTC.  
6 There is a third M.O.U. that is being developed with  
7 agency in Central Valley related to improving service  
8 there.

9           The summary of the key changes, busy slide. I'm  
10 not going to go through it all, but the benefits of  
11 committing to one. The key things there, reducing the  
12 cost of delivering the system. So you're bringing the  
13 benefits for less. Utilizing infrastructure as it's  
14 developed in order to bring benefits sooner to more  
15 people. Make decision to push beyond additional  
16 construction to go south and build the initial operating  
17 segment to connect Merced and the San Bernardino Valley  
18 which has the benefit with connecting with the faster  
19 growing part of the state, Central Valley, with the  
20 largest part of the state, Los Angeles, and very strong  
21 emphasis developed in cooperation with regional and  
22 computer rails to make sure that the initial investment  
23 is put to use and shows utility in the near term as well  
24 as the laying the ground work for High-Speed Rail over  
25 the long-term.

1 MR. RAMEY: Thanks, Jeff.

2 There were changes this time, all of the  
3 financial information in the analysis that was performed.  
4 There was really kind of two areas of financial  
5 information. There's capital costs, which Jeff will  
6 speak to in just a moment, and, what I'd like to talk  
7 about for just a couple of minutes is financial  
8 performance, how the project works. Revenues and net  
9 cash flow have been reduced from the draft to the revised  
10 approximately 28 percent. And that's really a function  
11 mainly of the reduction from the full build down to the  
12 blended structure. There are, as you know, segments of  
13 the system, the Bay to Basin from San Bernardino Valley  
14 to San Jose is the same plan for the most part that we  
15 had in the original draft and the cash flows and revenues  
16 and O & M, that drive cash flows are only off about seven  
17 to eight percent, and that's a function of the revised  
18 ridership that just spoke to earlier. By adding some  
19 additional range to the high and low. It moved the  
20 analysis of ridership and revenues down slightly, but the  
21 majority of the impact is based on this change from a  
22 full phase one to the blended structure. All of that  
23 results in a relatively minor reduction to the amount of  
24 private capital that's projected to be raised from the  
25 Bay to Basin section. You might recall that the 11

1 billion that we've spoken of repeatedly is the private  
2 capital that we believe can be raised from the  
3 combination of the ILS south plus the B to B. Okay? And  
4 that fundamental part of the system did not change very  
5 much as a result of -- the private capital does not  
6 change very much.

7           Second important aspect of operating performance  
8 is that positive cash flow from operations continues to  
9 be illustrated from the very first year. The high,  
10 medium and low and all show positive cash flow and there  
11 was break even below that.

12           This is a slide and a picture that's in the  
13 business plan that illustrates the break-even point, and  
14 it is well below the low estimate. Jeff spoke a minute  
15 ago about the revised inputs that went into the  
16 ridership, and let me point you to the 274 billion number  
17 which is in the far left column with numbers, it's the  
18 third one from the top. What that is the projected low  
19 revenue number in the very first year of operations. And  
20 you can see that the break even, the amount of cash that  
21 would be needed for the system to break even at 218  
22 million is lower than that by close to 50 million  
23 dollars. Importantly, that low, the -- the projection  
24 make-up of that low, the factors that go into that  
25 include an average gas price of \$2.60. And that is in

1 2022. So that projections, 2022, \$2.60 gas would drive  
2 that revenue of 274 million 218 is where we break even.  
3 This thing just looks like it's got some -- some room in  
4 operating performance to it. Let me just close on one --  
5 one other comment. Jeff mentioned early in his slides  
6 that one of the other things we were asked to do is to go  
7 back and sort of reevaluate the timing of the private  
8 capital. We did that again, we talked to people that  
9 had -- we rereviewed the response from the RFI and then  
10 reached out again to them, and it's very clear, there are  
11 some significant risks until the IOS south is built. The  
12 full construction, the actual ridership, the completion  
13 risk are such that we unanimously heard that there is  
14 great interest in this project, in investing capital in  
15 this project once those risks have been resolved. And so  
16 it -- we -- we do believe that it is -- could be  
17 premature and -- and quite frankly unwise to count on  
18 private sector capital coming in before that point.

19           We've had a lot of discussions today, heard much  
20 in the public comments about the blended approach. I'd  
21 like to just talk quickly about that.

22           One very important point to make is when the  
23 draft plan was released in November the Authority did not  
24 have at the time the data that allowed the Authority to  
25 confirm that a blended approach would in fact deliver the

1 benefits and comply with Prop 1A. In the revised plan  
2 that work has now been done and that plan is available.  
3 The ridership and revenue figures have been generated,  
4 the O & M costs have been developed to determine that in  
5 fact the blended system can work and do so without a  
6 subsidy, full financials have been developed and they are  
7 presented in the plan as well as more detailed capital  
8 costs. The blended plan is very much consistent with  
9 the -- what is referred to earlier as the sub median  
10 Gordon S. Yu proposal. And what it involves, just to be  
11 clear, is full build-out, for example, dedicated high  
12 speed infrastructure between San Jose-Los Angeles-Union  
13 Station shared use of an electrified corridor here in the  
14 Peninsula between San Jose and TransBay upgraded  
15 Metrolink connecting what to Anaheim and, Mr. Chairman, I  
16 believe there may be some further clarification with  
17 Anaheim as we go forward so with the blended system you  
18 would have a one seat ride to travel from San Francisco  
19 to Los Angeles as required and called for in Prop 1A.

20           Some quick discussion about the number that's  
21 been used in the public. About a 30 billion dollar  
22 production and just to explain about how and what that  
23 is. Going from the draft plan which called for a Phase I  
24 implementation at 98 billion dollars, the reduction of  
25 30, it reflects several key changes, change in scope,

1 you've been adopting the single build-out, biggest issue  
2 adopting a blended approach as well as taking more real  
3 estate, a system of the impact of inflation on the  
4 program.

5           I want to talk just briefly about -- since this  
6 is about people, what some of the benefits will be for  
7 Travelers in the state is the result of just the first  
8 phase of construction being the initial operating section  
9 between Merced and San Bernardino Valley and essentially  
10 what it will do is cut driving times, the times required  
11 to go between two places, in half, roughly, San Fernando  
12 to Bakersfield if you drove it would take just over two  
13 hours on the IOS, an hour and you see times for other  
14 systems there. So reduction of travel times by half  
15 consistently with the initial operating section.

16           And, as we move toward adoption of the full  
17 system, as we look at Los Angeles, San Francisco, which  
18 was what Prop 1A really is about, today if you make the  
19 trip between Downtown Los Angeles -- Downtown San  
20 Francisco and Los Angeles by public transit it would take  
21 you a little over nine hours. That's with multiple  
22 connections, both regional, computer service, and the  
23 Amtrak. You drive it today, and it's over six hours.  
24 That assumes you hit no traffic anywhere along the way,  
25 which is probably about as realistic as \$2.60 price of

1 gas going forward.

2           At the IOS stage, even though the high speed  
3 infrastructure is only built at that stage down at the  
4 Central Valley and into San Fernando Valley, you would  
5 still see a reduction of about a third in the San  
6 Francisco Los Angeles trip time as we get to the next  
7 phase with the Bay to Basin system you're down under four  
8 hours of travel time, and then ultimately with the  
9 adoption of full blended system you're down to the two  
10 hours and forty minutes TransBay transit center to Los  
11 Angeles Union Station. That's a representation of how  
12 people of California will benefit as this system is  
13 developed.

14           And, with that, Tom?

15           MR. FELLEENZ: So, Mr. Chairman and Board  
16 Members, as the staff recommendation we adopt the revised  
17 business plan. We do have some -- some minor changes  
18 technical and an errata sheet that has been attached. We  
19 ask that you adopt this 2000 revised business plan  
20 subject to the changes on that errata sheet, and we're  
21 here to answer any questions.

22           CHAIRMAN RICHARD: Thank you very much,  
23 Mr. Fellenz, Mr. Morales and Mr. Ramey. I thought that  
24 was a very informative presentation because there's been  
25 a lot of commentary about moving away from the Prop 1A

1 requirements, forcing people to transfer not meeting the  
2 time requirements of the statute. And I think what we  
3 just saw from the staff presentation was that this  
4 business plan leads to the creation of an electrified  
5 High-Speed Rail system that is self-sustaining, that  
6 could achieve 220 miles an hour, that can transit from LA  
7 Union station to San Francisco TransBay Transit Center,  
8 TransBay Terminal in two hours and forty minutes. So we  
9 are adopting a plan that is consistent with the Prop 1A  
10 requirements.

11 MR. FELLEENZ: All that is true.

12 CHAIRMAN RICHARD: Okay. Thank you.

13 Before I turn to members' questions, I do to want  
14 address the one issue which goes beyond the minor errata  
15 sheet and that is the recent discussion that's been in  
16 the press regarding the changes in the plan with respect  
17 to connection to Anaheim. And, as we you understand it,  
18 in the draft plan that we have before us, members, there  
19 is a discussion that the terminus for a one seat ride  
20 would be in Los Angeles Union station. And that -- that  
21 the plan, as it is before us in draft, would require --  
22 would require travelers to make a transfer to Metrolink  
23 service to reach Anaheim, that Metrolink is a very fine  
24 service and part of what we're doing here is work very  
25 closely with Metrolink and the local transit systems in

1 southern California to work with them to enhance and  
2 improve the service. However, in the last several days  
3 as this issue has come to the forward we have received a  
4 number of comments from business and civic leaders in  
5 Orange County including Congresswoman Loretta Sanchez,  
6 including State Senator Lou Correa, State Assemblymember  
7 Jose Solorio, and I am in receipt of a letter Lucy Dunn  
8 who is the executive director of the Orange County  
9 Business Council. Now that is a group businesses in  
10 Orange County that includes many household names like the  
11 California Angels major baseball team, Walt Disney and so  
12 forth. And they represent 250,000 employees in the  
13 aggregate for the companies there and they have asked us,  
14 the Civic and business leaders have asked us to look at a  
15 consideration that this business plan would be adopted  
16 not predicated on a transfer from LA Union station  
17 Anaheim, but to continue to have Anaheim as part of the  
18 plan for a one seat service when we reach the full Phase  
19 I operations in 2029. It's my understanding based on  
20 staff, the staff discussions, that there is in fact a way  
21 to do this that comports with lower costs and so forth  
22 and that -- that it may behoove us to at least express  
23 our policy that we continue to have Anaheim included in  
24 the system as a one seat ride. I don't know if you or  
25 Mr. Morales wanted to speak to this briefly.

1 MR. MORALES: Yes. As you said in the  
2 revised plan, the build-out of High-Speed Rail would  
3 terminate at Los Angeles Union station. There is funding  
4 in the blended for upgrades to the Metrolink system but  
5 not for electrification. The Metrolink system is not  
6 electrified currently, and they don't plan to do so, and  
7 there's a possibly half million dollars for upgrades to  
8 that corridor which would improve safety and reliability  
9 and some time improvements as well that again would  
10 require a change.

11 I believe what, Mr. Chairman, you're talking  
12 about is going back and having a second look at whether  
13 there is a lower cost alternative to a full build option  
14 that would allow for one seat ride into Anaheim.

15 CHAIRMAN RICHARD: That's right. So  
16 something comparable to what we have done in the  
17 Peninsula up here with electrification and some -- some  
18 improvements that would allow for one seat ride  
19 service.

20 MR. MORALES: Right.

21 CHAIRMAN RICHARD: And this appears possible  
22 to the staff?

23 MR. MORALES: Okay. There is -- there is a  
24 group that's been established, the Southern California --  
25 I want to make sure I got it right -- Passenger Rail

1 Planning Coalition which is a staff working group of all  
2 of the relevant agencies in Southern California including  
3 private freight operators, another issue we want to be  
4 mindful of here that that corridor is privately owned.  
5 What we would suggest to respond to this is that there be  
6 some language included in the plan to restate the  
7 Authority's support of the goal of a lower cost option to  
8 provide one seat ride into and out of Anaheim and that  
9 the planning group be tasked with evaluating options for  
10 doing that and that if the group can agree upon -- and  
11 the relevant agencies can agree upon an option, that that  
12 would be then adopted going forward, as -- as the program  
13 continues.

14                   CHAIRMAN RICHARD: Did we have language now  
15 or we just propose inserting that in the relevant page as  
16 212 or 227.

17                   MR. MORALES: I have -- we have some  
18 language which I can either read or give you to read.

19                   CHAIRMAN RICHARD: I think if we are going  
20 to a stop it, it would make sense for you to read.

21                   MR. MORALES: The Authority supports the  
22 goal of implementing a cost effective means of providing  
23 passengers a one seat ride to and from San Francisco  
24 TransBay Transit Center to Los Angeles and Anaheim. The  
25 Southern California Passenger Rail Planning Coalition

1 will develop and consider options for a lower cost and  
2 less intrusive connection that would allow a one seat  
3 ride to Anaheim and subject to the agreement of the  
4 parties who will be responsible for implementing such a  
5 connection. The Authority will work collaboratively with  
6 regional and project parties to advance the selected  
7 option.

8                   CHAIRMAN RICHARD: Okay. And, counsel, we  
9 can act on that today.

10                   MR. FELLEENZ: Yes, you can.

11                   CHAIRMAN RICHARD: Okay. I'd like to turn  
12 to our colleagues at this point for any comments or  
13 questions that they would have of -- of -- of Mr. Fellenz  
14 or the consultants.

15                   Vice-Chair Richards.

16                   VICE-CHAIR RICHARDS: Thank you, Mr. Chair.

17                   I don't have questions, but I do have a comment  
18 that I would like to impart to the public not only here  
19 but for the People across the State of California who are  
20 paying for this system. As I mentioned a couple of  
21 times, and once today at least, concern about this period  
22 acting accounting on such an important document without  
23 having had a lot of time to review it. What I would like  
24 to make sure that you are all made very aware is that,  
25 one, that we -- we presented to the public on November

1 1st the draft as-is planned. Since that date, the  
2 members of this Board have been very actively involved in  
3 not only providing their comments to this plan today but  
4 reviewing it as it has morphed since November 1st, and,  
5 therefore, just to set your minds at east that there has  
6 been extensive work done by the individual members of  
7 this Board because I think that you would find behind the  
8 scenes some incredibly active Board that you can be  
9 comfortable that in fact there has been a tremendous  
10 amount of vetting and we believe -- or at least I believe  
11 this is truly the best plan that could be brought forward  
12 for approval that really benefits the state of  
13 California. And it's taxpayers.

14 MR. SCHONBRUNN: Point of order. You've  
15 just admitted violating --

16 CHAIRMAN RICHARD: Excuse me,  
17 Mr. Schonbrunn.

18 MR. SCHONBRUNN: -- the Bagley-Keene Act by  
19 not making those documents public.

20 CHAIRMAN RICHARD: I'm sorry, sir, this is a  
21 public meeting, and the public comment period is  
22 closed.

23 MR. SCHONBRUNN: This is a point of order,  
24 sir.

25 CHAIRMAN RICHARD: That is not recognized in

1 this forum in that way. Now, Mr. Schonbrunn, please.  
2 I'm going to ask you to respect the fact that the Board  
3 sat here for two hours and listened attentively to public  
4 comments. It's our turn now to deliberate. Please sit  
5 down, sir. Take your seat. Thank you very much.

6 Other members of Board?

7 Mr. Balgenorth?

8 MR. BALGENORTH: After that outburst, I  
9 would just like to -- I'd like to say how I personally  
10 feel about this. I spent a lot of time on High-Speed  
11 Rail as all of you have. We have listened to a lot of  
12 public input and because of that public input we have a  
13 lot better plan than was originally proposed. I'm  
14 extremely happy to -- to be a part of this process and to  
15 be able vote for something today that's going to put us  
16 in a -- in adopt a business plan that would move us into  
17 a new -- into the new world. We're 30 years behind the  
18 rest of the world. Japan has had this for 30 years;  
19 Europe has had it for a long long time, Taiwan has it and  
20 other countries are -- India is even considering doing it  
21 now. So it's time for us now for us to move ahead in our  
22 country. It's time for us to catch up with the rest of  
23 the world. We used to be leaders. We used to be leaders  
24 in transportation in California, and, somehow, we slipped  
25 behind. But this is an opportunity for us to move

1 forward, to begin doing something that will not only move  
2 people in the next century to get us off oil dependency,  
3 to provide transportation that is critical to us but will  
4 also put thousands of people to work which is direly  
5 needed in California right now. You've got -- you've got  
6 people who have lost everything they own. You know, I  
7 think we've debated it long enough. I'm happy to be a  
8 part of voting for this.

9 (Applause)

10 CHAIRMAN RICHARD: Thank you,  
11 Mr. Balgenorth.

12 Other comments or questions? Vice Chair, Ms.  
13 Schenk.

14 Thank you.

15 VICE-CHAIR SCHENK: Thank you,  
16 Mr. Chairman.

17 Now, we sit here, and we listen to a lot of  
18 criticism, slings some arrows we're called insane by  
19 some. Now we're accused by that outburst of violating  
20 the law by those in the audience.

21 Let me assure you that every one of us, every one  
22 of us takes our oath of office very seriously. We are  
23 guided by extraordinarily competent counsel on our staff  
24 and the attorney general's office, and we do everything  
25 not even close to the line. It takes an awful lot of

1 effort, an awful lot of work besides just sitting here.  
2 You see the piles of paper, we all go through every  
3 single piece of paper. So, to those of you in the public  
4 who had any question about our commitment to this, I want  
5 to give you assurance that it is not just sitting here,  
6 but that we do the work and we do it within the confines  
7 of the law.

8           For those of you who know me, you know I've been  
9 doing this for a very long time, since 1981 when I first  
10 brought the idea to California and when I was in Congress  
11 and wrote the original bill, and I was very very very  
12 happy to see the young people here today. And, as I said  
13 to one of them, where have you been? Because this is no  
14 longer for those of us sitting up here. This is for  
15 them. And they know that, they understand that. They  
16 understand that their world is going to be vastly  
17 different than those of us who are over a certain age.  
18 We inherited wonderful opportunities from our parents and  
19 grandparents who invested, knowing that they personally  
20 will never never be able to utilize what they invested  
21 in, and it's our turn to invest for the future and  
22 hopefully some of us will be around to utilize it.

23           Now, I've been on this -- this Board for a long  
24 time, and I want to really say thank you and with great  
25 sincerity to chairman Dan Richard, we even had our ups

1 and downs with High-Speed Rail, a lot of downs over the  
2 years, and -- through his leadership, and that have the  
3 staff and the consultants -- we're finally getting  
4 pointed in the right direction. I wasn't going to say  
5 getting on the right track. I've said it too many times.  
6 And these past few weeks and months it's been understand  
7 really tough circumstances, great upheaval in management.  
8 We didn't have -- we don't have a CEO. We don't have a  
9 COO. And the staff through Dan's and Tom Fellenz'  
10 leadership and Mike Rossi have rallied and brought us to  
11 this point. Now, I have, since the beginning, thought  
12 that this project should start Los Angeles to San Diego.  
13 Not just because I'm from that area but because it is the  
14 busiest rail corridor in California and the second  
15 busiest in the United States, sometimes the busiest. I  
16 have been lukewarm frankly on the Los Angeles-Anaheim  
17 portion thinking now that was pretty expensive to go a  
18 short distance. And -- now hold your boos -- I was  
19 opposed to spending High-Speed Rail money on CalTrain.  
20 However, my overriding goal has been to build High-Speed  
21 Rail in California, and so I was and I continue to be  
22 willing to make the compromises in the great traditions  
23 of American democracy, the compromises that it will take  
24 to build High-Speed Rail. And, therefore, I am  
25 supportive of this business plan that has evolved my own

1 thinking as we have more information and more opportunity  
2 to hear from different points of view. I was very  
3 pleased to hear about the possible changes in Los Angeles  
4 to Anaheim. We've heard nothing but opposition there and  
5 now we hear from the people who create the jobs, the  
6 business community.

7           So I'm happy to hear that, and so we will  
8 consider it. But let me just end by saying I will remain  
9 constantly vigilant to find opportunities for us to  
10 accelerate Phase II which is now for Sacramento, Merced,  
11 and San Diego-Los Angeles or Los Angeles-San Diego and  
12 for those who will try to really up-end this -- any  
13 certain section of it, and -- if it's proven they don't  
14 want High-Speed Rail -- there are other sections where we  
15 can invest that money.

16           So, again, thank you, Chairman Richard, for your  
17 extraordinary work on this. People will never know the  
18 hours, the strain, the personal sacrifice that you have  
19 made to bring us to this point.

20           CHAIRMAN RICHARD: Thank you. That's very  
21 kind of you.

22           Mr. Hartnett, did you want to comment?

23           MR. HARTNETT: Thank you, Mr. Chairman.

24           I want to talk about the context of the decision  
25 we're making as well as the preparation that brought us

1 here today. The number of us are relatively new members  
2 of the Board, I having been appointed last year, and  
3 we've had the advantage of the continuity of service of  
4 very important experienced members, and we have the  
5 advantage of the enthusiasm of new members in  
6 combination. And I think the Board and the state and the  
7 legislature, which is an important part of our  
8 constituency has been well-served by that combination of  
9 experience and new Board members with conditional  
10 enthusiasm. And I think the plan today reflects both  
11 that experience and that new enthusiasm in a very  
12 synergistic way. We wouldn't be here without the  
13 persistence and efforts of the long-serving Board members  
14 and the people who came before us. We wouldn't be here  
15 today without the new Board members as well who have put  
16 a tremendous amount of time and effort into the  
17 conceptual ideas on which the details are based.

18           We benefit greatly, obviously, by the support of  
19 a very interested and very demanding governor who  
20 believes strongly in High-Speed Rail but believes in  
21 doing it right and being accountable for our decisions.  
22 As the November draft was released, there was tremendous  
23 work put into that by Board members and staff and  
24 consultants, and we've all continued to listen and to  
25 work since then, to see how we could make that November

1 draft once it became final an even better plan. And, so,  
2 because we sit here today, this revised plan reflects the  
3 collective efforts of people across the state of  
4 California and in the legislature, in the legislative  
5 peer review groups and staff and consultants and the  
6 public who have been so important in making  
7 contributions, both at our Board meetings that we  
8 regularly have passionate views expressed at our Board  
9 meetings, at public meetings, at state and Senate and  
10 assembly hearings.

11           And so we've -- we've heard about all that anyone  
12 could expect to hear on a plan, pro and con, and I'm  
13 tremendously appreciative of that. But I think that the  
14 context also that we make the decision in is one in which  
15 we were to look out today to our transit friends and  
16 neighbors in the state of New York and say why don't you  
17 all come and visit us now? That 20 million of you just  
18 come on over -- and, actually, instead of just visiting  
19 us, why don't you come and live with us? And so what are  
20 we going to do to accommodate those 20 million people  
21 which we know are coming in the next several decades.

22           We know we have to improve our transportation  
23 infrastructure in order to serve not just our existing  
24 needs but the new ones, and I think that's what this  
25 High-Speed Rail plan is designed to do in a responsible

1 and solid way. And it's what the young speakers  
2 recognize. They've been so important to the discussion,  
3 as Vice-Chair Schenk has mentioned. I've been so inspired  
4 by the teen speakers and young speakers and young  
5 professional businesses people who have pleaded with me  
6 get this done, we believe in this; this is for our  
7 generation, and it is for the -- my children's  
8 generations. This is a tough long process that we have  
9 to go through. But if you don't start you'll never get  
10 to the end. And I think this plan provides the  
11 legislature a sound policy and database to make the  
12 decision. After all, it is the legislature's decision to  
13 fund this or not. And I think what we have done in  
14 production of this document and the rigor that has gone  
15 into it is to provide the Legislature with a path going  
16 forward that provides a solid basis for them to make a  
17 decision, and it -- obviously I would like them to make  
18 the decision that is yes, let's do it. And whatever  
19 their decision will be, I will fully respect it, but  
20 I'm -- I'm very confident that what we're providing to  
21 them is a document that they can rely on to make that  
22 decision, and -- that makes me very proud to be able to  
23 produce it in more product than is good for that  
24 purpose.

25 Thank you, Mr. Chairman.

1                   CHAIRMAN RICHARD: Thank you very much,  
2 Mr. Hartnett. It's usually the Chair's prerogative to  
3 speak last, but I'm going to exercise a different  
4 prerogative because I want to give that honor to  
5 Mr. Rossi, who has spent many many many hours,  
6 particularly on the heart of the business plan which is  
7 the question of its economics and ridership and so forth.  
8 I think he has earned that privilege.

9                   I would like to say two, three quick things at  
10 this point. They will be quick because I was going to  
11 talk about the impact of the young people who came today,  
12 And, by the way, I had no idea they were coming, I had  
13 never met them before except for Mr. Heller. We didn't  
14 organize it, and I think what you're seeing is very  
15 promising -- if you are worried about California's  
16 future, all you have to do is listen to these kids  
17 because they are terrific.

18                  And, let me point out, that they were preceded in  
19 an earlier generation by a young woman who I believe was  
20 only 32, and probably, to this day, was still the  
21 youngest person ever to serve as cabinet secretary for  
22 Business, Transportation & Housing, and that's Lynn  
23 Schenk.

24                  And, so, if you wonder why it that back in that  
25 time period she had the vision to imagine a High-Speed

1 Rail connection, all you have to do is telescope that  
2 into the voices you heard today. And that's what she  
3 brought to government during her time of service and has  
4 never wavered from her support for that.

5           I was going to talk about the hard work of my  
6 colleagues, but Tom Richards did that. I was going to  
7 talk about the importance of public input and how it has  
8 really shaped what we've done here, whether it's  
9 legislators in the Peninsula or legislatures in  
10 California in the last week and the business leaders here  
11 in San Francisco, Silicon Valley, Anaheim, Orange County,  
12 but, in fact, my friend Jim Hartnett did that. I was  
13 going to talk about people's impatience and need to get  
14 to work, but nobody can say that more forcefully and  
15 clearly than Bob Balgenorth.

16           So I do want to just say two things. First of  
17 all, one is a technical matter. This business plan is  
18 not the environmental review process document. It's a  
19 road map for our legislature. In Environmental review,  
20 the discussion of how this project would impact  
21 communities and individuals is a separate process that is  
22 going forward on its own and must be respected both in  
23 terms of the federal and the state requirements, and I  
24 want to say to the citizens who are most concerned today,  
25 the -- the good folks that I've met from Kings County,

1 and -- and the very concerned and good people from the  
2 Peninsula, we know we have a lot of work to do. We  
3 believe that this is the right thing to be doing for the  
4 state. That doesn't mean that we just do it blindly at  
5 your expense. And so there will continue to be hard work  
6 in each of these communities to try to find ways to  
7 mitigate to the greatest extent possible the impacts of  
8 the High-Speed Rail project may have. Those impacts be  
9 mitigated and must be compensated fully. And I know my  
10 colleague, Tom Richards, has been very very forceful on  
11 that point.

12           I want to make one last point before turning to  
13 Mr. Rossi. And that is we've been through this before,  
14 I've recently started in talks I've given about  
15 High-Speed Rail around the state, I'm talking about BART,  
16 an organization I spent 12 years with and was very proud  
17 to have worked with, very proud to have helped build the  
18 San Francisco Airport station and help billed the system.  
19 Many people came here today probably on BART, boarded  
20 through the Civic Center BART station. We need to  
21 understand within the '60s we came within one vote of one  
22 supervisor in three counties of not having BART. We  
23 almost didn't have it because there was controversy about  
24 its costs, controversies about its impacts, controversies  
25 about its technical doability, and all of those things

1 were part of the public dialogue.

2           As Governor Brown said in his State to State, the  
3 Mayor of Berkeley called BART a billion dollar  
4 boondoggle, a mistake. And, yet, today, thanks to one  
5 vote of one courageous supervisor in Contra Costa whose  
6 name has been long forgotten by most, Joe Silva, who was  
7 the swing vote, we now have a system today that can't be  
8 replaced today for probably 50 million dollars. It has  
9 totally transformed the Bay Area, has made it a more  
10 vibrant community, economically stronger, a better place  
11 to live and work.

12           So what we're going through with High-Speed Rail  
13 is not new, it attends to every single major decision of  
14 this kind. And I think that my colleagues and I share  
15 the view that this project will have a similar impact and  
16 people will look back, I hope, and say thank god they did  
17 it. Because I would hate to have people look back and  
18 say I wish they had done it.

19           My colleague, Mike Rossi, is a banker and has  
20 spent his whole life in Finance. And I can tell you that  
21 we would not be sitting at this point today if Mr. Rossi  
22 did not believe that the numbers would work in terms of  
23 providing value to people of California. So, in  
24 recognition of the many long hours he spent, attested to  
25 by the phone logs of our staff that at 12:30 a.m., when

1 they received calls from him, thank you, guys, very much,  
2 Mr. Rossi. It's been a great honor to work with you on  
3 this, and I want to Thank you for your work.

4 MR. ROSSI: Thank you, Mr. Chairman. I feel  
5 the same way about work with you and everyone on this  
6 Board.

7 I'm not so sure it's an honor to follow such a  
8 loquacious group of people; however, I would just like to  
9 make this one observation. California is the most  
10 innovative and diverse economy in the world. It is the  
11 birth place of a number of iconic American companies.  
12 The Walt Disney company and Google, Walt Disney company  
13 being very long-standing company, global in nature, and  
14 Google. A newer company, but also global in nature and  
15 representing that innovation that we talk about all the  
16 time in Silicon Valley. Both of those companies are  
17 supportive of High-Speed Rail, and it's my belief another  
18 soon to be another iconic organization.

19 So, with that, I would like to move that we adopt  
20 this business plan, including the amended language on  
21 Anaheim. And I'm looking for a second.

22 VICE-CHAIR SCHENK: Second. We all second.

23 CHAIRMAN RICHARD: I would suggest that  
24 every member of the Board second.

25 ALL PRESENT: Second.



1 Mr. Albright is here to present that.

2 Good afternoon.

3 MR. ALBRIGHT: Good afternoon. I appreciate  
4 and thank Chairman Richard and the Board of Directors.

5 I'm Greg Albright, Interim Director of Planning.  
6 And, because I'm between lunch and all of you, I'd like  
7 to divert your attention because what we have now is to  
8 put into implementation what you just proved. The  
9 previous governor I wouldn't name who once told me  
10 action, action, action. Here's your chance. You're  
11 going to have three M.O.U.s that are -- two M.O.U.s that  
12 are presented that start to implement the blended system.

13 The first one I'd like to look at would be the  
14 item number 3 what we refer to as the Southern California  
15 Resolution No. 12-10. Okay. Essentially this is a hard  
16 developed effort that was unprecedented level of  
17 collaboration in Southern California to pull together  
18 what it would constitute a blended system in operations  
19 and early investments and the bookends that was  
20 referenced earlier. So, I -- if I may, we saw this  
21 last -- at the last Board meeting when we received this  
22 M.O.U. and now we'd like to move forward with its  
23 approval.

24 The key components of this early investment is  
25 that we are looking at investing this Prop 1A

1 connectivity plans and then pursue billion dollar  
2 investment of Prop 1A and other funds -- and other  
3 sources -- for the urban investment. These Projects are  
4 actually under development right now and are scheduled to  
5 be delivered and completed by June. So through the  
6 function of specific projects will come in different  
7 context, but the M.O.U. clearly ratifies our working  
8 relationship.

9           So, just to keep it short and sweet, the  
10 resolution recommendation of the staff would be to adopt  
11 the proposed resolution approving the Southern California  
12 M.O.U. Authorize your chief executive officer or designee  
13 to sign the view and direct staff to continue to work  
14 with all the relevant agencies in order to implement the  
15 agreement in the matter that reflects the timeliness laid  
16 out in the now adopted revised 2012 business plan.

17           What I'd like to suggest if you have any  
18 questions on specifics of how this came together, that we  
19 have representatives from Southern California here to  
20 answer any questions. And, with that, I. --

21           MR. ROSSI: So moved.

22           VICE-CHAIR SCHENK: Seconded.

23           CHAIRMAN RICHARD: It's been moved,  
24 seconded.

25           Any questions or comments very quickly? Okay.

1 Secretary, please call the role.

2 MS. MOORE: Vice-Chair Schenk.

3 VICE-CHAIR SCHENK: Yes.

4 MS. MOORE: Vice-Chair Richards?

5 VICE-CHAIR RICHARDS: Yes.

6 MS. MOORE: Mr. Hartnett.

7 MR. HARTNETT: Yes.

8 MS. MOORE: Mr. Balgenorth.

9 MR. BALGENORTH: Yes.

10 MS. MOORE: Mr. Rossi.

11 MR. ROSSI: Yes.

12 MS. MOORE: Chairman Richard.

13 CHAIRMAN RICHARD: Yes.

14 And I want to thank Jeff Morales of PB. I want  
15 to thank Valerie Martinez and Don Sepulveda who is here  
16 from LA Metro. And I don't know if I'm missing anyone  
17 else I should recognize, but there has been a tremendous  
18 amount of work on this and I think it signals a great new  
19 partnership, and I want to thank everybody involved,  
20 staff and consultants, for making that happen.

21 Thank you, Mr. Albright, for that.

22 MR. ALBRIGHT: Item No. 4, if you would,  
23 this will be referred to as the MTC Memorandum of  
24 Understanding and you've heard quite a bit of support for  
25 this. This is the specific to the Peninsula.

1           Before I forget, there will be a third M.O.U.  
2 that Jeff Morales mentioned earlier. That will be the  
3 Northern California which is the blended service for a  
4 broader part of Northern California. That will come very  
5 soon. That M.O.U. is presently in a draft form. It was  
6 not ready for today, but a lot of hard work is going on  
7 with that too. So very similar effort and an enormous  
8 amount of collaboration. The difference between the  
9 Southern California M.O.U. and this MTC is that it's very  
10 explicit in its actions. It is recommending proposed  
11 projects for electrification of the infrastructure and  
12 advanced signal systems or sometimes called positive  
13 chain control. These are very practical and immediate  
14 benefit projects that will move us towards a system of  
15 blended services. It is also explicit in its proposal to  
16 endeavor to fund essentially about half of the High-Speed  
17 Rail for you to fund, essentially about half that  
18 project.

19           So, if I may, the Prop 1A connectivity, 106  
20 million dollars and out of Prop 1A the High-Speed Rail  
21 funds, six hundred million dollars, for a total of 7.6 --  
22 or 706 million dollars, essentially about half of it.  
23 The rest of it has been put together by a very  
24 collaborative effort by the agencies that are signatory  
25 to the M.O.U.

1           Just reading this staff recommendations since we  
2 don't have it on the screen. It's recommended that the  
3 Board adopt Resolution 12-11 in support of the attached  
4 Memorandum of Understanding between the High-Speed Rail  
5 Authority and the Metropolitan Transportation Commission  
6 and the seven Northern California agencies noted within  
7 your Board packet. Number two, the Board authorizes the  
8 executive, the chief executive officer or its designee to  
9 continue to work with the San Francisco Bay area  
10 transportation and funding agencies in support of the  
11 principles outlined in M.O.U.

12           Again, if there are representatives here from  
13 Peninsula, I would be pleased if you have any  
14 questions.

15                   CHAIRMAN RICHARD: All right. Mr. Hartnett,  
16 do you have any comments you'd like to make on this since  
17 this is something you've been associated with?

18                   MR. HARTNETT: I do. Thank you,  
19 Mr. Chairman.

20           I'd like to note a few things. First, I want to  
21 thank all who have worked so hard on this, both here on  
22 the Peninsula and in Southern California in terms of  
23 coming together for M.O.U.s that make sense for their  
24 regions and for High-Speed Rail in general. If this  
25 M.O.U. is adopted, it is, as the adoption of the business

1 plan, a watershed moment for rail commuters on the  
2 Peninsula. It is a watershed moment for two reasons.  
3 One is because I think that High-Speed Rail is important  
4 to the Peninsula as it is to the state. As has been  
5 mentioned, the San Francisco Bay Area is an important  
6 economic engine for our state and for our country. As  
7 you have heard in support of the business plan and this  
8 M.O.U., there are major employer associations in San  
9 Francisco, San Mateo County and Santa Clara County that  
10 stand right behind this business plan in this M.O.U. that  
11 represent hundreds of thousands of employees and billions  
12 and billions and billions of dollars of revenue who think  
13 this is the right thing for our region and who think this  
14 is the right thing for our state. And I think so as  
15 well.

16           It is a watershed moment for CalTrain, as well  
17 for the commuters who live and work on the Peninsula and  
18 pass through because without this there would not be  
19 electrification of CalTrain. There is no ifs, ands or  
20 outs. Electrification has been a dream. This can bring  
21 it to reality.

22           The third point I'd like to make is this, we had  
23 received tremendous support for this concept both from  
24 those who have suggested it and those who have evaluated  
25 it and thought about it, and I am very gratified with how

1 this fits in with all of High-Speed Rail, and how the  
2 Board and the governor and all have really embraced it.  
3 It is -- I think is very important for all of High-Speed  
4 Rail and for the Peninsula.

5           And the final note would be this, among those who  
6 support it were the city of San Mateo and the mayor who  
7 spoke today about global funds being available for grade  
8 separations. And I would like to move the adoption of  
9 the resolution in support of the M.O.U. with my personal  
10 understanding in any case that grade separations,  
11 applying for the grade separations is not inconsistent  
12 with what we are intending to do as to the  
13 electrification on our CalTrain corridor. And that we  
14 can look to the future to local funds, both public --  
15 which are currently available -- and private investment  
16 which also is currently investment, to cobble together  
17 with other funds to do some grade separation that may  
18 complement the electrification of the identical to the  
19 High-Speed Rail, and that's my understanding of how the  
20 agreement reads.

21           So, with that, I'd move for the adoption of the  
22 resolution to support the implementation and execution of  
23 the M.O.U.

24                           MR. ROSSI:    Second.

25                           MR. BALGENORTH:  Second.

1                   CHAIRMAN RICHARD: Thank you very much.

2                   It's been moved by Board Member Hartnett; it's  
3 been seconded by Board Members Balgenorth and Rossi.

4                   Will the secretary please call the roll.

5                   MS. MOORE: Vice-Chair Schenk.

6                   VICE-CHAIR SCHENK: Yes.

7                   MS. MOORE: Vice-Chair Richards.

8                   VICE-CHAIR RICHARDS: Yes.

9                   MS. MOORE: Mr. Hartnett.

10                  MR. HARTNETT: Yes.

11                  MS. MOORE: Mr. Balgenorth.

12                  MR. BALGENORTH: Yes.

13                  MS. MOORE: Mr. Rossi.

14                  MR. ROSSI: Yes.

15                  MS. MOORE: Chairman Richard.

16                  CHAIRMAN RICHARD: Yes.

17                  And I think thanks are in order on this. There's  
18 been a tremendous amount of hard work on this, but I want  
19 to recognize our friends from CalTrain, Marian Lee who  
20 spoke before, David Miller, the very talented counsel who  
21 is here as well. And I don't see him in the room now,  
22 but Steve Heminger from MTC played a critical role in  
23 this. He was here this morning. I barked at him for  
24 changing the car pool FasTrak rule so he left.

25                  But Randy Rentschler is here from MTC who also



1 the materials and consider themselves in a position to  
2 take a vote on that and a motion to be made?

3 CHAIRMAN RICHARD: Members? Let me ask if  
4 members feel they need any elucidation of materials that  
5 are before them in the book, and I'm assuming all have  
6 read it?

7 VICE-CHAIR SCHENK: Read it, understand it.

8 CHAIRMAN RICHARD: I hope you won't take any  
9 offense, sir.

10 Lunch is waiting.

11 May I have a motion on --

12 MR. ROSSI: On both.

13 VICE-CHAIR SCHENK: Second.

14 CHAIRMAN RICHARD: On those -- I'm sorry.

15 MR. FELLEENZ: Why don't I do them one at a  
16 time.

17 CHAIRMAN RICHARD: Okay.

18 So Item No. 5, which Mr. Rossi so moved.

19 Approval of KPMG contract, moved by Mr. Rossi,  
20 seconded by Vice-Chair Schenk.

21 Please call the roll.

22 MS. MOORE: Vice-Chair Schenk.

23 VICE-CHAIR SCHENK: Yes.

24 MS. MOORE: Vice-Chair Richards.

25 VICE-CHAIR RICHARDS: Yes.

1 MS. MOORE: Mr. Hartnett.

2 MR. HARTNETT: Yes.

3 MS. MOORE: Mr. Balgenorth.

4 MR. BALGENORTH: Yes.

5 MS. MOORE: Mr. Rossi.

6 MR. ROSSI: Yes.

7 MS. MOORE: Chairman Richard.

8 CHAIRMAN RICHARD: Yes.

9 Item 6, the Approval of Amendment to Nossaman  
10 Contract.

11 MR. SCHENK: I move that.

12 MR. ROSSI: Second.

13 CHAIRMAN RICHARD: Moved by Vice-Chair  
14 Schenk.

15 Please call the roll.

16 MS. MOORE: Vice-Chair Schenk.

17 VICE-CHAIR SCHENK: Yes.

18 MS. MOORE: Vice-Chair Richards.

19 VICE-CHAIR RICHARDS: Yes.

20 MS. MOORE: Mr. Hartnett.

21 MR. HARTNETT: Yes.

22 MS. MOORE: Mr. Balgenorth.

23 MR. BALGENORTH: Yes.

24 MS. MOORE: Mr. Rossi.

25 MR. ROSSI: Yes.

1 MS. MOORE: Chairman Richard.

2 CHAIRMAN RICHARD: Yes.

3 Okay. The Board is now going to enter into  
4 closed session to discuss the variety of items that are  
5 listed in the agenda, and we will reconvene after that.

6 [Whereupon, a Closed Session  
7 of the Board occurred, 1:06 p.m.  
8 to 2:57 p.m.]

9 CHAIRMAN RICHARD: We return from the closed  
10 session. There is report from the closed session at this  
11 time. We will now take up Item 7 on the agenda.

12 Mr. Fellenz.

13 MR. FELLEENZ: Yes.

14 Mr. Chairman and Members of the Board, this item  
15 is consideration of a resolution to rescind a resolution  
16 which certified the 2010 Bay Area and Central Valley  
17 revised final program EIR, selecting Pacheco Pass Network  
18 Alternative and making related decisions. At that time  
19 Agenda Item 9 which is a 2010, considered their item  
20 right here will consider an item that considered Item  
21 Resolution 11-11. As you're aware, there are two CEQA  
22 challenges to this revised document. Both have found  
23 some aspects of that document failed to comply with CEQA  
24 so we took action to make adjustments to those documents.

25 Following the court's issuance of rulings, some

1 procedural steps took place, and the court did not sign  
2 the final papers until February of 2012, and it wasn't  
3 until February of this year that CEQA was served with the  
4 final papers. So the item before you is for  
5 consideration of one of two steps that's necessary to  
6 comply with the court's final orders in this CEQA  
7 litigation.

8           The resolution before you is for you to rescind  
9 or undo the prior environmental certification and  
10 approval of Pacheco Pass Network Alternative serving San  
11 Francisco via San Jose and related actions under CEQA.  
12 The timing of this is somewhat complex so I'm happy to  
13 answer any questions that you might have.

14                   CHAIRMAN RICHARD: Members?

15                   MR. BALGENORTH: Yes, I've got a question.

16                   I read in the paper that Menlo Park might appeal.  
17 Do we have to act on this thing today or can we delay it?

18                   MR. FELLEENZ: No, you wouldn't have to act  
19 right away. If there were an appeal, it would stay the  
20 trial court's decision, and it would leave the Authority  
21 with the quasi-legislative decision intact during the  
22 pendency of that appeal. And so the Authority would --  
23 would have to rescind the resolution that you have before  
24 you today to fully comply with the final judgment that we  
25 have before us, and, if it does so, it would have to

1 adopt a new decision for the Pacheco Valley EIR document.

2           So, if the other side appeals, we would still  
3 have discretion to moved ahead with this environmental  
4 document.

5           MR. BALGENORTH: Is there any reason we  
6 couldn't do it in our next meeting?

7           MR. FELLEENZ: No, that won't be a problem.  
8 In fact, we have that on the agenda. It's been done by  
9 other public entities in the past so we could wait until  
10 next week.

11           MR. BALGENORTH: I would feel more  
12 comfortable waiting so I could study the issue a little  
13 more.

14           MR. FELLEENZ: No, that's not a problem.

15           MR. BALGENORTH: Okay.

16           CHAIRMAN RICHARD: Other questions?

17           MR. ROSSI: I would like more time to look  
18 at it as well.

19           CHAIRMAN RICHARD: I want to make sure the  
20 reporter heard what you said.

21           MR. ROSSI: I'd like to have more time to  
22 look at it as well.

23           CHAIRMAN RICHARD: Yes, I agree as well.

24           MR. HARTNETT: I agree. I'm not fully clear  
25 on the implications if there's a notice of appeal filed,

1 and I -- in terms of what that does to the action that we  
2 would otherwise had been asked to take today, so I would  
3 like to -- since that's new news, I'd like to see we get  
4 some advice on that between now and then, next meeting,  
5 or -- I don't know if we have a closed session, it could  
6 be scheduled before the next meeting to discuss  
7 litigation.

8                   MR. FELLEENZ: Yes, there is on the next  
9 meeting we do have a closed session for litigation.

10                   MR. HARTNETT: Okay.

11                   CHAIRMAN RICHARD: Okay. So, as I  
12 understand what my colleagues are saying, it's -- we had  
13 this on the agenda today in compliance with the judge's  
14 ruling that became effective or available to us on  
15 February 13, but, rather than proceed to discuss it today  
16 because we've got some new information and Mr. Balgenorth  
17 and others have said that merits time to look at this, we  
18 will move this over -- no action today, we'll move it  
19 over to the 19th for any deliberation action.

20                   MR. BALGENORTH: Thank you, Mr. Chairman.

21                   CHAIRMAN RICHARD: Okay. We'll do that item  
22 number I guess Item 8 would come after Item 7, so that  
23 would be members' reports.

24                   Board members, anybody have anything to report?

25                   Nothing has been going on with High-Speed Rail in

1 the past? Okay. And then the CEO's report.

2 Mr. Fellenz.

3 MR. FELLEENZ: Yes. A number of things have  
4 happened since we met on March 1st. As I mentioned at  
5 that meeting, we were going to go in front of the public  
6 works board to ask for approval of a first instruction  
7 package design billed procurement, and I'm happy to  
8 report that we presented that to the public works board  
9 on March 9, and they approved it, so, shortly thereafter,  
10 I believe it was on the 21st of March, we submitted  
11 design build procurement packages, the RP itself to the  
12 five design build firms for their consideration and for  
13 them to put together their proposals for the first  
14 construction package which is going to Fresno through the  
15 City of Fresno estimated to be about 1.5 to 2 million  
16 dollars. Also, happy to report that we received what's  
17 called check point C, approval from our federal partners.  
18 Both -- both the federal Corps of Engineers and the USDPA  
19 and the check points C is an evaluation of the  
20 alternatives that we have selected for the Merced Fresno  
21 Environmental document. And they looked at this  
22 alternative, and they come to a conclusion and  
23 representing in a letter to us that they believe it is  
24 the least environmentally damaging practicable  
25 alternative at this stage. They still would make that

1 decision officially in their hard process, but it's very  
2 positive that at this point they have given it an  
3 indication that they believe it meets the EPA criteria.

4 I also want you to know that I received a Fresno  
5 Works Consortium Targeted Unemployed Workers and First  
6 Source transparency update and proposal, and I'm taking a  
7 look at that.

8 If you remember, last time that proposal had come  
9 before us I had to reach out to federal FRA, and I'm  
10 doing that this time, so that's something I'll put on  
11 future agenda for the drafts.

12 We're making great progress on our Merced to  
13 Fresno environmental documents, and March 2nd and 3rd we  
14 will be presenting those to you.

15 Next, for the meeting on the 19th, there's going  
16 to be a special board meeting April 19th to present the  
17 partially revised draft. San Francisco-San Jose or Bay  
18 Area to the Central Valley EIR for your consideration.  
19 And, since you removed the decertification item, that  
20 will be heard as well as the recertification -- board  
21 certification of the revised one.

22 CalTrans has been talking to us about the  
23 relocation of Highway 99, which is part of the first  
24 construction package. We urge that the better solution  
25 to having that relocation of that highway, we have

1 CalTrans doing that work rather than put it in a design  
2 build contract. CalTrans is the expert in road building,  
3 as it is their facility. They've agreed to take on that  
4 work, so they would be relocating Highway 99 on our  
5 behalf and we will pay them for that work. That would be  
6 for right of way acquisition, design, and construction.  
7 They will Manage the whole thing as a turnkey project.

8           And, finally, I have two legislative hearings  
9 that are coming up that I want to call your attention to.  
10 The first is on April 17th, Tuesday, the Senate  
11 Transportation Committee hearing, that considers Senator  
12 LaMalfa's SB 895 -- 99. See, Prop 1A appropriate  
13 education, and administrations authorized the official  
14 post from High-Speed Rail.

15           On the 18th there's a senate and assembly budget  
16 subcommittee hearing on High-Speed Rail in the 2012  
17 budget appropriation request and that concludes my  
18 report.

19           CHAIRMAN RICHARD: Okay. I want to thank  
20 you for doing double duty, not just with your general  
21 counsel chores, but also keeping the ship running while  
22 we're in this process.

23           MR. FELLEENZ: You're welcome.

24           CHAIRMAN RICHARD: Thank you for that.

25           MR. FELLEENZ: My pleasure.



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REPORTER'S CERTIFICATE

I, PEPPINA HARLOW, a Certified Shorthand Reporter of the State of California, in and for the County of San Francisco, do hereby certify:

That the foregoing transcript, as reduced to transcript by computer under my direction and control, is a full, true and correct computer transcription of the shorthand notes taken as such reporter of the proceedings in the above-entitled matter.

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Peppina Harlow, C.S.R. No. 7433