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# California State Senate

SENATOR  
**CATHLEEN GALGIANI**  
FIFTH SENATE DISTRICT



STANDING COMMITTEES  
AGRICULTURE  
CHAIR  
BUSINESS, PROFESSIONS &  
ECONOMIC DEVELOPMENT  
GOVERNMENTAL  
ORGANIZATION  
TRANSPORTATION &  
HOUSING

September 10, 2013

Mr. Dan Richard  
Chairperson, California High-Speed Rail Authority  
770 L Street, Suite 800  
Sacramento CA 95814

RE: Letter of Support for Agenda Item 7

Dear Chairperson Richard and Board Members,

I am pleased to offer my strong support for the issuance of a joint RFP for train sets with Amtrak. Partnering with regional rail leaders like Amtrak will only add to the success of developing a world-class statewide high-speed rail network. I ask that you take action on this today by voting to approve Agenda Item 7.

As the author of Proposition 1A, the \$10 billion bond measure which provides your state funding for implementing high-speed rail in California, I have championed high-speed rail in the Legislature for many years.

In order to adequately build a long term sustainable rail infrastructure we cannot only invest in high-speed rail, we must also invest in regional rail. That's why I was happy to see the blended approach embraced in the revised 2012 HSRA business plan. By linking the two together we can reduce costs, update current infrastructure and build a rail network that will connect the state together.

I congratulate you on your progress and I look forward to continuing to work with you.

Sincerely,

A handwritten signature in cursive script that reads "Cathleen Galgiani".

Senator Cathleen Galgiani  
District 5

CC: Dan Richard, Lynn Schenk, Tom Richards, Jim Hartnett, Katherine Perez-Estolano, Mike Rossi, Tom Umberg, Patrick Henning Sr.

September 10, 2013

Good morning. My name is Shelli Andranigian. I am the granddaughter of Armenian immigrants who came to America to escape persecution at the hands of the Turks. The Turkish people pillaged Armenia because of religion and the rich land in the region. Both of my parent's families lost relatives and property there. Their folks moved to Fresno County because the land and climate reminded them of the old country. The Central Valley (once home to such notable Armenians as Cherilyn Sarkisian and Jerry Tarkanian along with the late William Saroyan and Varaz Samuelian) became their new homeland.

In the early 1930's, my maternal grandfather was taken out of his modest home in the Easton District (which is in Fresno County) in the middle of the night and forced to sign an agreement for his raisins (vineyard). The local company's logo is of a bonneted brunette.

Flash forward to 2013 and the immigrant family from Cambodia who is being strong-armed to sell their small business in Fresno County at half the assessed value to make way for a high-speed train in California. A train that is already in violation of Proposition 1A as ruled by Sacramento County Superior Court Judge Michel P. Kenny several weeks ago.

There are other small businesses, along with churches, communities, dairies, farms, homes and schools in the Central Valley that remain in the proposed paths including individuals who have made California their new homeland over the years now being adversely affected.

We are a nation of immigrants and the grandchildren still feel the strong ties. They want to continue their businesses and livelihoods for future generations.

My paternal grandmother who did not speak English had to deal with a number of situations as a female business owner who was also a young widow raising a farm family during the Depression Era. I personally know of a small business owner right now in Fresno County who has been targeted by the Authority because she is not male.

I kindly ask each of you as Authority board members (Chairman and CEO included) and everyone else affiliated with the California High-Speed Rail project to start treating all in the proposed pathways with respect. Please **stop** taking advantage of everyone and especially those whose first language is not English. It may have worked nearly 100 years ago, but this is the 21<sup>st</sup> century. Bullying, lying to and trying to cheat those in the proposed paths of the California High-Speed Rail to make the largest **flawed** infrastructure project in the world happen at any cost confirms the desperation of those at every level who are involved. It's time to wipe the slate clean. You'll earn the respect of everyone, including yourself. **And** for the record, I love trains.

Thank you.

Shelli Andranigian  
On behalf of the Andranigian Family

[REDACTED]

cc: Fresno County Board of Supervisors, Fresno County Farm Bureau, Kings County Board of Supervisors, Kings County Farm Bureau

C A L I F O R N I A  
**GENERAL**  
**ELECTION**

**TUESDAY, NOVEMBER 4, 2008**

The statutory deadline for placing legislative and initiative measures on the ballot was June 26.

However, a new state law that passed after the deadline requires that Proposition 1 be removed from the ballot and be replaced by Proposition 1A. Therefore, although you are receiving information about both measures in the two state voter guides, only Proposition 1A will appear on your November 4, 2008, General Election ballot.

★ **OFFICIAL VOTER INFORMATION GUIDE** ★

*Certificate of Correctness*

I, Debra Bowen, Secretary of State of the State of California, do hereby certify that the measure included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 4, 2008, and that this guide has been correctly prepared in accordance with the law.

Witness my hand and the Great Seal of the State in Sacramento, California, on this 18th day of September, 2008.

*Debra Bowen*



Debra Bowen  
Secretary of State

★ **SUPPLEMENTAL** ★

This guide contains information regarding one additional measure that has qualified for the November ballot.



# Secretary of State

Dear Fellow Voter,

Recently you received the **Official Voter Information Guide** for the November 4, 2008, General Election. Since that was printed and mailed, another proposition has been added to the ballot and one has been removed, so my office has created this **Supplemental Official Voter Information Guide**.

The statutory deadline for placing legislative and initiative measures on the ballot was June 26. However, a new state law that passed after the deadline requires that Proposition 1 be removed from the ballot and be replaced by Proposition 1A. *Although voters are receiving information about both measures in the two voter guides they receive from my office, only Proposition 1A will appear on the November 4, 2008, General Election ballot.*

This **Supplemental Official Voter Information Guide** contains impartial analyses of the law and potential costs to taxpayers prepared by Legislative Analyst Elizabeth G. Hill, arguments in favor of and against the ballot measure prepared by proponents and opponents, text of the proposed law proofed by Legislative Counsel Diane F. Boyer-Vine, and other useful information. The printing of the guide was done under the supervision of State Printer Geoff Brandt.

Whether you cast your ballot by mail or at a polling place, I encourage you to take the time to carefully read about each of the 12 statewide measures that will be on your ballot.

For more information about how and where to vote, as well as other ways you can participate in the electoral process, call (800) 345-VOTE or visit [www.sos.ca.gov](http://www.sos.ca.gov).

## TABLE OF CONTENTS

<b>QUICK-REFERENCE GUIDE</b>	<b>3</b>
<b>PROPOSITION</b>	
<b>1A</b> Safe, Reliable High-Speed Passenger Train Bond Act.....	<b>4</b>
<b>AN OVERVIEW OF STATE BOND DEBT</b>	<b>8</b>
<b>TEXT OF PROPOSED LAW</b>	<b>10</b>
<b>VOTER REGISTRATION INFORMATION</b>	<b>13</b>
<b>BALLOT MEASURES DEFINED, VOTING BY MAIL, PROVISIONAL BALLOTS</b>	<b>14</b>
<b>VOTER BILL OF RIGHTS</b>	<b>15</b>

# CALIFORNIA GENERAL ELECTION TUESDAY, NOVEMBER 4, 2008

## ★ SUPPLEMENTAL ★

This guide contains information regarding one additional measure that has qualified for the November ballot.

## ★ QUICK-REFERENCE GUIDE ★

USE THIS  
QUICK-REFERENCE GUIDE  
AND TAKE IT WITH YOU  
TO THE POLLS!

This guide contains summary and contact information for one additional state proposition appearing on the November 4, 2008, ballot.



Visit our website at [www.sos.ca.gov](http://www.sos.ca.gov)

## QUICK-REFERENCE GUIDE

PROP SAFE, RELIABLE HIGH-SPEED  
1A PASSENGER TRAIN BOND ACT.

### SUMMARY

*Put on the Ballot by the Legislature*

To provide Californians a safe, convenient, affordable, and reliable alternative to driving and high gas prices; to provide good-paying jobs and improve California's economy while reducing air pollution, global warming greenhouse gases, and our dependence on foreign oil, shall \$9.95 billion in bonds be issued to establish a clean, efficient high-speed train service linking Southern California, the Sacramento/San Joaquin Valley, and the San Francisco Bay Area, with at least 90 percent of bond funds spent for specific projects, with private and public matching funds required, including, but not limited to, federal funds, funds from revenue bonds, and local funds, and all bond funds subject to independent audits? Fiscal Impact: State costs of \$19.4 billion, assuming 30 years to pay both principal and interest costs of the bonds. Payments would average about \$647 million per year. When constructed, unknown operation and maintenance costs, probably over \$1 billion annually; at least partially, and potentially fully, offset by passenger fares.

### WHAT YOUR VOTE MEANS

**YES** A YES vote on this measure means: The state could sell \$9.95 billion in general obligation bonds, to plan and to partially fund the construction of a high-speed train system in California, and to make capital improvements to state and local rail services.

**NO** A NO vote on this measure means: The state could not sell \$9.95 billion in general obligation bonds for these purposes.

### ARGUMENTS

**PRO** California's transportation system is broken: skyrocketing gasoline prices and gridlocked freeways and airports. High-speed trains are the new transportation option that reduces greenhouse gases and dependence on foreign oil. High-speed trains are cheaper than building new highways and airports to meet population growth and require **NO NEW TAXES.**

**CON** Prop. 1A is a huge boondoggle. Taxpayers pay at least \$640,000,000 *per year* in costs for a government run railroad. There's no guarantee it will ever get built. Expand existing transportation systems instead to cut commutes and save fuel. No on 1A: an open taxpayer checkbook with virtually no accountability.

### FOR ADDITIONAL INFORMATION

**FOR**  
Robert Pence  
Californians For High Speed Trains  
– Yes on Proposition 1A  
455 Capitol Mall, Suite 801  
Sacramento, CA 95814  
(916) 551-2513  
[www.CaliforniaHighSpeedTrains.com](http://www.CaliforniaHighSpeedTrains.com)

**AGAINST**  
Jon Coupal  
Howard Jarvis Taxpayers  
Association  
921 11th Street, Suite 1201  
Sacramento, CA 95814  
(916) 444-9950  
[info@hjta.org](mailto:info@hjta.org)  
[www.hjta.org](http://www.hjta.org)

OFFICIAL TITLE AND SUMMARY

**SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT.**

- Provides long-distance commuters with a safe, convenient, affordable, and reliable alternative to driving and high gas prices.
- Reduces traffic congestion on the state’s highways and at the state’s airports.
- Reduces California’s dependence on foreign oil.
- Reduces air pollution and global warming greenhouse gases.
- Establishes a clean, efficient 220 MPH transportation system.
- Improves existing passenger rail lines serving the state’s major population centers.
- Provides for California’s growing population.
- Provides for a bond issue of \$9.95 billion to establish high-speed train service linking Southern California counties, the Sacramento/San Joaquin Valley, and the San Francisco Bay Area.
- Provides that at least 90% of these bond funds shall be spent for specific construction projects, with private and public matching funds required, including, but not limited to, federal funds, funds from revenue bonds, and local funds.
- Requires that use of all bond funds is subject to independent audits.
- Appropriates money from the General Fund to pay bond principal and interest.

**Summary of Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:**

- State costs of about \$19.4 billion, assuming 30 years to pay off both principal (\$9.95 billion) and interest (\$9.5 billion) costs of the bonds. Payments of about \$647 million per year.
- When constructed, additional unknown costs, probably in excess of \$1 billion a year, to operate and maintain a high-speed train system. The costs would be at least partially, and potentially fully, offset by passenger fare revenues, depending on ridership.

**FINAL VOTES CAST BY THE LEGISLATURE ON AB 3034 (PROPOSITION 1A)**

Senate:	Ayes 27	Noes 10
Assembly:	Ayes 58	Noes 15

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

**Urban, Commuter, and Intercity Rail.** California is served by various types of passenger rail services that include urban, commuter, and intercity rail services. Urban and commuter rail services primarily serve local and regional transportation needs. Examples include services provided by Bay Area Rapid Transit in the San Francisco Bay Area, Sacramento Regional Transit light rail, Metrolink in Southern California, and the San Diego Trolley. These services are generally planned by local or regional governments and are funded with a combination of local, state, and federal monies.

Intercity rail services primarily serve business or recreational travelers over longer distances between cities as well as between regions in California and other parts of the country. Currently, the state funds and contracts with Amtrak to provide intercity rail service, with trains

that travel at maximum speeds of up to about 90 miles per hour. There are intercity rail services in three corridors: the Capitol Corridor service from San Jose to Auburn, the San Joaquin service from Oakland to Bakersfield, and the Pacific Surfliner service from San Diego to San Luis Obispo. None of the existing state-funded intercity rail services provide train service between northern California and southern California.

**High-Speed Train System.** Currently, California does not have a high-speed intercity passenger train system that provides service at sustained speeds of 200 miles per hour or greater. In 1996, the state created the California High-Speed Rail Authority (the authority) to develop an intercity train system that can operate at speeds of 200 miles per hour or faster to connect the major metropolitan areas of California, and provide service between northern California and southern California.

Over the past 12 years, the authority has spent about \$60 million for pre-construction activities, such as environmental studies and planning, related to the development of a high-speed train system. The proposed system would use electric trains and connect the major metropolitan areas of San Francisco, Sacramento, through the Central Valley, into Los Angeles, Orange County, the Inland Empire (San Bernardino and Riverside Counties), and San Diego. The authority estimated in 2006 that the total cost to develop and construct the entire high-speed train system would be about \$45 billion. While the authority plans to fund the construction of the proposed system with a combination of federal, private, local, and state monies, no funding has yet been provided.

## PROPOSAL

This measure authorizes the state to sell \$9.95 billion in general obligation bonds to fund (1) pre-construction activities and construction of a high-speed passenger train system in California, and (2) capital improvements to passenger rail systems that expand capacity, improve safety, or enable train riders to connect to the high-speed train system. The bond funds would be available when appropriated by the Legislature. General obligation bonds are backed by the state, meaning that the state is required to pay the principal and interest costs on these bonds.

For more information regarding general obligation bonds, please refer to the section of this ballot pamphlet entitled "An Overview of State Bond Debt."

**The High-Speed Train System.** Of the total amount, \$9 billion would be used, together with any available federal monies, private monies, and funds from other sources, to develop and construct a high-speed train system that connects San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. The bond funds may be used for environmental studies, planning and engineering of the system, and for capital costs such as acquisition of rights-of-way, trains, and related equipment, and construction of tracks, structures, power systems, and stations. However, bond funds may be used to provide only up to one-half of the total cost of construction of each corridor or segment of a corridor. The measure requires the authority to seek private and other public funds to cover the remaining costs. The measure also limits the amount of bond funds that can be used to fund certain pre-construction and administrative activities.

Phase I of the train project is the corridor between San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim. If the authority finds that there would be no negative impact on the construction of Phase I of the project, bond funds may be used on any of the following corridors:

- Sacramento to Stockton to Fresno
- San Francisco Transbay Terminal to San Jose to Fresno
- Oakland to San Jose
- Fresno to Bakersfield to Palmdale to Los Angeles Union Station
- Los Angeles Union Station to Riverside to San Diego
- Los Angeles Union Station to Anaheim to Irvine
- Merced to Stockton to Oakland and San Francisco via the Altamont Corridor

The measure requires accountability and oversight of the authority's use of bond funds authorized by this measure for a high-speed train system. Specifically, the bond funds must be appropriated by the Legislature, and the State Auditor must periodically audit the use of the bond funds. In addition, the authority generally must submit to the Department of Finance and the Legislature a detailed funding plan for each corridor or segment of a corridor, before bond funds would be appropriated for that corridor or segment. The funding plans must also be reviewed by a committee whose members include financial experts and high-speed train experts. An updated funding plan is required to be submitted and approved by the Director of Finance before the authority can spend the bond funds, once appropriated.

**Other Passenger Rail Systems.** The remaining \$950 million in bond funds would be available to fund capital projects that improve other passenger rail systems in order to enhance these systems' capacity, or safety, or allow riders to connect to the high-speed train system. Of the \$950 million, \$190 million is designated to improve the state's intercity rail services. The remaining \$760 million would be used for other passenger rail services including urban and commuter rail.

## FISCAL EFFECT

**Bond Costs.** The costs of these bonds would depend on interest rates in effect at the time they are sold and the time period over which they are repaid. While the measure allows for bonds to be issued with a repayment period of up to 40 years, the state's current practice is to issue bonds with a repayment period of up to 30 years. If the bonds are sold at an average interest rate of 5 percent, and assuming a repayment period of 30 years, the General Fund cost would be about \$19.4 billion to pay off both principal (\$9.95 billion) and interest (\$9.5 billion). The average repayment for principal and interest would be about \$647 million per year.

**Operating Costs.** When constructed, the high-speed train system will incur unknown ongoing maintenance and operation costs, probably in excess of \$1 billion a year. Depending on the level of ridership, these costs would be at least partially, and potentially fully, offset by revenue from fares paid by passengers.

★ **ARGUMENT IN FAVOR OF PROPOSITION 1A** ★

Proposition 1A will bring Californians a safe, convenient, affordable, and reliable alternative to soaring gasoline prices, freeway congestion, rising airfares, plummeting airline service, and fewer flights available.

It will reduce California's dependence on foreign oil and reduce greenhouse gases that cause global warming.

Proposition 1A is a \$9.95 billion bond measure for an 800-mile High-Speed Train network that will relieve 70 million passenger trips a year that now clog California's highways and airports—**WITHOUT RAISING TAXES.**

California will be the first state in the country to benefit from environmentally preferred High-Speed Trains common today in Europe and Asia. Proposition 1A will bring California:

- Electric-powered High-Speed Trains running up to 220 miles an hour on modern track, safely separated from other traffic generally along existing rail corridors.
- Routes linking downtown stations in SAN DIEGO, LOS ANGELES, FRESNO, SAN JOSE, SAN FRANCISCO, and SACRAMENTO, with stops in communities in between.
- High-Speed Train service to major cities in ORANGE COUNTY, the INLAND EMPIRE, the SAN JOAQUIN VALLEY, and the SOUTH BAY.
- Nearly a billion dollars to beef up commuter rail systems that connect to High-Speed Trains.

Proposition 1A will save time and money. Travel from Los Angeles to San Francisco in about 2½ hours for about \$50 a person. With gasoline prices today, a driver of a 20-miles-per-gallon car would spend about \$87 and six hours on such a trip.

Ten years of study and planning have gone into PREPARING FOR construction, financing, and operation of a California bullet train network modeled on popular, reliable, and successful systems in Europe and Asia. Their record shows that High-Speed Trains deliver, both in service and economy.

Air travelers spend more time on the ground than in the air today. Proposition 1A will create a new transportation choice that improves conditions at our major airports. There's no room for more runways. High-Speed Trains can relieve that demand.

Electric-powered High-Speed Trains will remove over 12 billion pounds of CO<sub>2</sub> and greenhouse gases, equal to the pollution of nearly 1 million cars. And High-Speed Trains require one-third the energy of air travel and one-fifth the energy of auto travel.

Proposition 1A will protect taxpayer interests.

- Public oversight and detailed independent review of financing plans.
- Matching private and federal funding to be identified BEFORE state bond funds are spent.
- 90% of the bond funds to be spent on system construction, not more studies, plans, and engineering activities.
- Bond financing to be available to every part of the state.
- The most cost-efficient construction segments to have the highest priority.

Vote Yes on Proposition 1A to IMPROVE MOBILITY and inject new vitality into California's economy by creating nearly 160,000 construction-related jobs and 450,000 permanent jobs in related industries like tourism. These are American jobs that cannot be outsourced.

Vote Yes on Proposition 1A.  
[www.CaliforniaHighSpeedTrains.com](http://www.CaliforniaHighSpeedTrains.com)

**STEVEN B. FALK**, President  
San Francisco Chamber of Commerce  
**GARY TOEBBEN**, President  
Los Angeles Area Chamber of Commerce  
**FRAN FLOREZ**, Vice-Chair  
California High-Speed Rail Authority

★ **REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 1A** ★

No on 1A: A POLITICAL BOONDOGGLE

The same politicians who can't solve our budget crisis and want to raise your taxes think they can run their own government railroad. Even they admit this high cost train hits taxpayers for \$40 billion. Even so, this is just a "partial payment" by taxpayers, with NO guarantee it will be completed.

The project wasted \$58 million on consultants, European travel, and fancy brochures and now *billions more may be spent without laying an inch of track—money we'd have to repay even if the project failed.*

The special interests backing Prop. 1A are notorious for their *multi-billion dollar cost overruns.*

No on 1A: \$20 BILLION IN DEBT REPAYMENT = INCREASED TAXES

Politicians admit that Prop. 1A will annually cost California taxpayers \$647 million each year for 30 years to repay debt. With California's already high debt levels, this will lead politicians to raise your taxes. California is America's 4<sup>th</sup> highest taxed state and high taxes chase jobs out of California. Passage of Prop. 1A may result in California passing New York to be the highest taxed state in America.

No on 1A: EXPAND EXISTING TRANSIT SYSTEMS INSTEAD

*Californians' problem is not getting from San Francisco to Los Angeles, it's getting into work each day.*

Investing the same amount of money in regional transit and highway congestion relief would reduce pollution and our reliance on foreign oil.

NO ON PROP. 1A: WEAK accountability, NO congestion relief for suffering commuters, and TAXPAYERS CAN'T AFFORD IT!

**HON. CHUCK DeVORE**, California State Assemblyman  
**RICHARD TOLMACH**, President  
California Rail Foundation  
**MIKE ARNOLD, Ph.D.**, Co-Chair  
Marin Citizens for Effective Transportation

★ **ARGUMENT AGAINST PROPOSITION 1A** ★

*NO on Prop. 1A: \$20 Billion Cost for Taxpayers*

Prop. 1A is a boondoggle that will cost taxpayers at least \$20 billion in principal and interest. The whole project could cost \$90 billion—the most expensive railroad in history. No one really knows how much this will ultimately cost.

Taxpayers will foot this bill—it's not "free money." According to the measure (Article 3, Section 2704.10) ". . . the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds . . ." This measure will take \$20 billion (\$2,000 for an average family of four) out of the general fund over the life of the bonds.

*NO on Prop. 1A: California Taxpayers Can't Afford Higher Budget Deficits*

With our budget crisis, billions in red ink, pending cuts to health care, the poor, parks, and schools, now is NOT THE TIME to add another \$20 billion in state debt and interest. The state already has over \$100 BILLION DOLLARS in voter approved bond debt and our bond rating is already among the worst in the nation.

*NO on Prop. 1A—Better Uses for Taxpayer Dollars*

California has higher priorities than this \$20 BILLION DOLLAR boondoggle.

What would \$20 billion buy?

- 22,000 new teachers, firefighters, or law enforcement personnel for 10 years.
- Health care for all children in the state for many years.
- Updating and improving California's water system to provide a reliable supply of safe, clean water.
- Upgrade and expand existing transportation systems including roads and transit throughout California, *which would really reduce traffic and emissions.*

*NO on Prop. 1A—Virtually No Accountability*

Politicians, bureaucrats, and special interests will control the money, not voters. In fact, the lead contractor for this project is Parsons-Brinckerhoff, the same builder of the infamous "Big Dig" in Boston which had *billions* in cost overruns.

There is not ONE citizen member on the new "peer review group." They are all politicians and bureaucrats.

*NO on Prop. 1A—An Open Taxpayer Checkbook*

Section 8(e) says the bond funds are ". . . intended to encourage the federal government and the private sector to make a significant contribution toward the construction . . ."

NOTE THE WORD "ENCOURAGED"—that's bureaucratic language for "we will spend taxpayer money regardless of whether we ever get a penny from the private sector or the federal government."

*In fact, \$58 million in taxpayer money has ALREADY been spent on this project and not ONE FOOT of track has been laid. Now they want us to trust them with BILLIONS more.*

*NO on Prop. 1A—Promoted by Special Interests for Special Interests*

The Association for California High Speed Trains is promoting this boondoggle. Their Board represents out-of-state special interests (France, Pennsylvania, New Jersey, Maryland, New York City, Texas, and Illinois), many of whom stand to make millions if this measure passes.

*Please Join Us in Voting "NO" on Prop. 1A.*

*Log on, learn more, and read it for yourself: [www.DerailHSR.com](http://www.DerailHSR.com).*

**HON. TOM McCLINTOCK**, State Senator  
**HON. GEORGE RUNNER**, State Senator  
**JON COUPAL**, President  
Howard Jarvis Taxpayers Association

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 1A** ★

California's high-speed rail network requires NO TAX INCREASE and is subject to strict fiscal controls and oversight.

It's simple and fair—once completed, THE USERS OF THE SYSTEM PAY FOR THE SYSTEM. That's why taxpayer watchdog groups support Proposition 1A.

Electric High-Speed Trains will give Californians a *real* alternative to skyrocketing gasoline prices and dependence on foreign oil while reducing greenhouse gases. Building high-speed rail is cheaper than expanding highways and airports to meet California's population growth.

Gridlock, hassles of flying and long-distance auto travel have become very onerous. Proposition 1A will save time. Travel intercity downtown to downtown throughout California on High-Speed Trains faster than automobile or air—AT A CHEAPER COST!

California's transportation system is out-of-date and deteriorating. We need options to poorly maintained roads, jammed runways, and congested highways. Californians need what most of the civilized world has—high-speed rail. We've fallen so far behind other states and nations that our crumbling infrastructure threatens our economy.

A 220-mile-an-hour statewide rail system will give Californians a faster, environmentally friendly alternative for travel.

Proposition 1A will create 160,000 construction-related jobs and 450,000 permanent jobs.

Proposition 1A is endorsed by law enforcement experts, business leaders, environmentalists, and Californians looking for safe, affordable, and reliable transportation.

Signers of the ballot argument against Proposition 1A are habitual opponents of transportation improvements. Their claims are wrong and their data simply made up.

Californians need to invest in modern, effective transportation.

Vote Yes on Proposition 1A.

[www.CaliforniaHighSpeedTrains.com](http://www.CaliforniaHighSpeedTrains.com)

**JIM EARP**, Executive Director  
California Alliance for Jobs  
**BOB BALGENORTH**, President  
State Building & Construction Trades Council of California  
**LUCY DUNN**, President  
Orange County Business Council

This section provides an overview of the state's current situation involving bond debt. It also discusses the impact that the bond measures on this ballot, if approved, would have on the state's debt level and the costs of paying off such debt over time.

## Background

**What Is Bond Financing?** Bond financing is a type of long-term borrowing that the state uses to raise money for various purposes. The state obtains this money by selling bonds to investors. In exchange, it agrees to repay this money, with interest, according to a specified schedule.

**Why Are Bonds Used?** The state has traditionally used bonds to finance major capital outlay projects such as roads, educational facilities, prisons, parks, water projects, and office buildings (that is, public infrastructure-related projects). This is done mainly because these facilities provide services over many years, their large dollar costs can be difficult to pay for all at once, and the different taxpayers who pay off the bonds benefit over time from the facilities. Bonds also have been used to help finance certain private infrastructure, such as housing.

**What Types of Bonds Does the State Sell?** The state sells three major types of bonds to finance projects. These are:

- **General Obligation Bonds.** Most of these are directly paid off from the state's General Fund, which is largely supported by tax revenues. Some, however, are paid for by designated revenue sources, with the General Fund only providing back-up support in the event the revenues fall short. (An example is the Cal-Vet program, under which bonds are issued to provide home loans to veterans and are paid off using veterans' mortgage payments.) General obligation bonds must be approved by the voters and their repayment is guaranteed by the state's general taxing power.
- **Lease-Revenue Bonds.** These bonds are paid off from lease payments (primarily financed from the General Fund) by state agencies using the facilities the bonds finance. These bonds do not require voter approval and are not guaranteed by the state's general taxing power. As a result, they have somewhat higher interest costs than general obligation bonds.
- **Traditional Revenue Bonds.** These also finance capital projects but are not supported by the General Fund. Rather, they are paid off from a designated revenue stream generated by

the projects they finance—such as bridge tolls. These bonds also are not guaranteed by the state's general taxing power and do not require voter approval.

**Budget-Related Bonds.** Recently, the state has also used bond financing to help close major shortfalls in its General Fund budget. In March 2004, the voters approved Proposition 57, authorizing \$15 billion in general obligation bonds to help pay off the state's accumulated budget deficit and other obligations. Of this amount, \$11.3 billion was raised through bond sales in May and June of 2004, and the remaining available authorizations were sold in February 2008. These bonds will be paid off over the next several years. They are excluded from the remainder of this discussion, which focuses on infrastructure-related bonds.

**What Are the Direct Costs of Bond Financing?** The state's cost for using bonds depends primarily on the amount sold, their interest rates, the time period over which they are repaid, and their maturity structure. For example, the most recently sold general obligation bonds will be paid off over a 30-year period with fairly level annual payments. Assuming that a bond issue carries a tax-exempt interest rate of 5 percent, the cost of paying it off with level payments over 30 years is close to \$2 for each dollar borrowed—\$1 for the amount borrowed and close to \$1 for interest. This cost, however, is spread over the entire 30-year period, so the cost after adjusting for inflation is considerably less—about \$1.30 for each \$1 borrowed.

## The State's Current Debt Situation

**Amount of General Fund Debt.** As of June 1, 2008, the state had about \$53 billion of infrastructure-related General Fund bond debt outstanding on which it is making principal and interest payments. This consists of about \$45 billion of general obligation bonds and \$8 billion of lease-revenue bonds. In addition, the state has not yet sold about \$68 billion of authorized general obligation and lease-revenue infrastructure bonds. Most of these bonds have been committed to projects, but the projects involved have not yet been started or those in progress have not yet reached their major construction phase.

**General Fund Debt Payments.** We estimate that General Fund debt payments for infrastructure-related general obligation and lease-revenue bonds were about \$4.4 billion in 2007–08. As previously authorized but currently unsold bonds are marketed,

outstanding bond debt costs will rise, peaking at approximately \$9.2 billion in 2017–18.

**Debt-Service Ratio.** One indicator of the state’s debt situation is its debt-service ratio (DSR). This ratio indicates the portion of the state’s annual revenues that must be set aside for debt-service payments on infrastructure bonds and therefore are not available for other state programs. As shown in Figure 1, the DSR increased in the early 1990s and peaked at 5.4 percent before falling back to below 3 percent in 2002–03, partly due to some deficit-refinancing activities. The DSR then rose again beginning in 2003–04 and currently stands at 4.4 percent for infrastructure bonds. It is expected to increase to a peak of 6.1 percent in 2011–12 as currently authorized bonds are sold.

**Effects of the Bond Propositions on This Ballot**

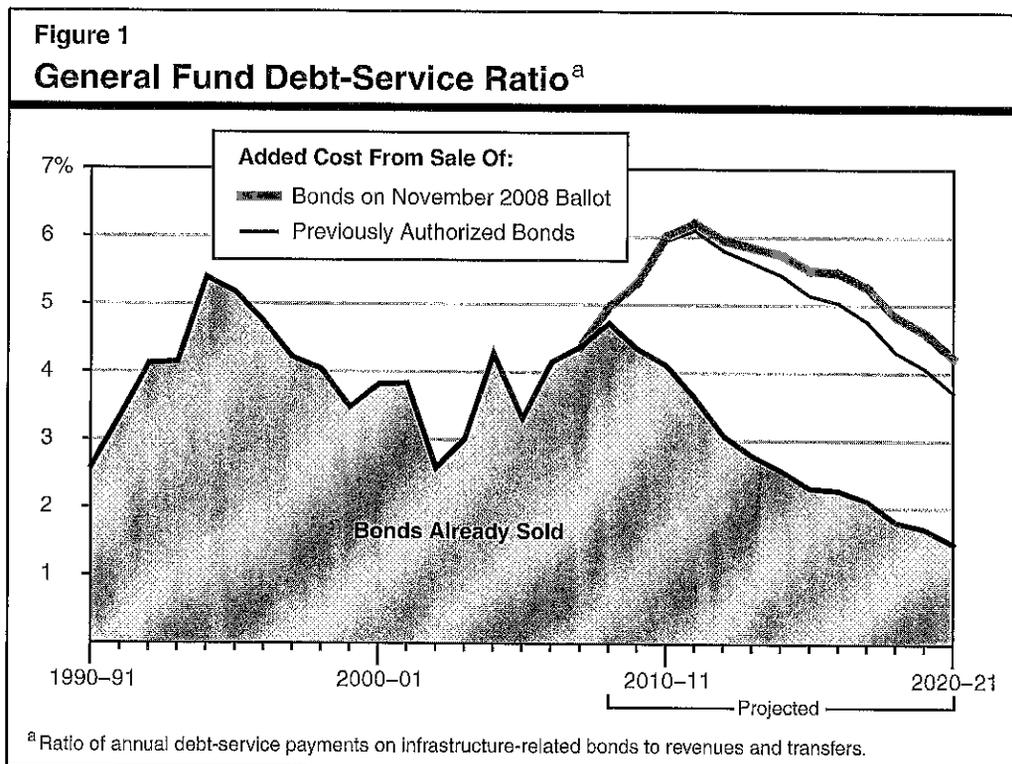
There are four general obligation bond measures on this ballot, totaling \$16.8 billion in new authorizations. These include:

- Proposition 1A, which would authorize the state to issue \$9.95 billion of bonds to finance a high-speed rail project.
- Proposition 3, which would authorize the state to issue \$980 million of bonds for capital improvement projects at children’s hospitals.

- Proposition 10, which would authorize the state to issue \$5 billion of bonds for various renewable energy, alternative fuel, energy efficiency, and air emissions reduction purposes.
- Proposition 12, which would authorize the state to issue \$900 million of bonds under the Cal-Vet program to be paid off from mortgage payments.

**Impacts on Debt Payments.** If the three General Fund-supported bonds on this ballot (Propositions 1A, 3, and 10) are all approved, they would require total debt-service payments over the life of the bonds of about twice their authorized amount. The average annual debt service on the bonds would depend on the timing and conditions of their sales. Once all these bonds were sold, the estimated annual budgetary cost would be about \$1 billion.

**Impact on the Debt-Service Ratio.** Figure 1 shows what would happen to the state’s estimated DSR over time if all of the bonds were approved and sold. It would peak at 6.2 percent in 2011–12, and decline thereafter. (Future debt-service costs shown in Figure 1 would be higher if, for example, voters approved additional bonds in elections after November 2008.)



# TEXT OF PROPOSED LAW

## PROPOSITION 1A

This law proposed by Assembly Bill 3034 of the 2007–2008 Regular Session (Chapter 267, Statutes of 2008) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Streets and Highways Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

SEC. 9. Chapter 20 (commencing with Section 2704) is added to Division 3 of the Streets and Highways Code, to read:

*CHAPTER 20. SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT FOR THE 21ST CENTURY*

*Article 1. General Provisions*

2704. This chapter shall be known and may be cited as the *Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century*.

2704.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the *High-Speed Passenger Train Finance Committee created pursuant to Section 2704.12*.

(b) "Authority" means the *High-Speed Rail Authority created pursuant to Section 185020 of the Public Utilities Code, or its successor*.

(c) "Fund" means the *High-Speed Passenger Train Bond Fund created pursuant to Section 2704.05*.

(d) "High-speed train" means a *passenger train capable of sustained revenue operating speeds of at least 200 miles per hour where conditions permit those speeds*.

(e) "High-speed train system" means a *system with high-speed trains and includes, but is not limited to, the following components: right-of-way, track, power system, rolling stock, stations, and associated facilities*.

(f) "Corridor" means a *portion of the high-speed train system as described in Section 2704.04*.

(g) "Usable segment" means a *portion of a corridor that includes at least two stations*.

*Article 2. High-Speed Passenger Train Financing Program*

2704.04. (a) It is the intent of the Legislature by enacting this chapter and of the people of California by approving the bond measure pursuant to this chapter to initiate the construction of a high-speed train system that connects the San Francisco Transbay Terminal to Los Angeles Union Station and Anaheim, and links the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego consistent with the authority's certified environmental impact reports of November 2005 and July 9, 2008.

(b) (1) Net proceeds received from the sale of nine billion dollars (\$9,000,000,000) principal amount of bonds authorized pursuant to this chapter, upon appropriation by the Legislature in the annual Budget Act, shall be used for (A) planning and engineering for the high-speed train system and (B) capital costs, as described in subdivision (c).

(2) As adopted by the authority in May 2007, Phase 1 of the high-speed train project is the corridor of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim.

(3) Upon a finding by the authority that expenditure of bond proceeds for capital costs in corridors other than the corridor described in paragraph (2) would advance the construction of the system, would be consistent with the criteria described in subdivision (f) of Section 2704.08, and would not have an adverse impact on the construction of Phase 1 of the high-speed train project, the authority may request funding for capital costs, and the Legislature may appropriate funds described in paragraph (1) in the annual Budget Act, to be expended for any of the following high-speed train corridors:

(A) Sacramento to Stockton to Fresno.

(B) San Francisco Transbay Terminal to San Jose to Fresno.

(C) Oakland to San Jose.

(D) Fresno to Bakersfield to Palmdale to Los Angeles Union Station.

(E) Los Angeles Union Station to Riverside to San Diego.

(F) Los Angeles Union Station to Anaheim to Irvine.

(G) Merced to Stockton to Oakland and San Francisco via the Altamont Corridor.

(4) Nothing in this section shall prejudice the authority's determination and selection of the alignment from the Central Valley to the San Francisco Bay

Area and its certification of the environmental impact report.

(5) Revenues of the authority, generated by operations of the high-speed train system above and beyond operating and maintenance costs and financing obligations, including, but not limited to, support of revenue bonds, as determined by the authority, shall be used for construction, expansion, improvement, replacement, and rehabilitation of the high-speed train system.

(c) Capital costs payable or reimbursable from proceeds of bonds described in paragraph (1) of subdivision (b) include, with respect to the high-speed train system or any portion thereof, all activities necessary for acquisition of interests in real property and rights-of-way and improvement thereof; acquisition and construction of tracks, structures, power systems, and stations; acquisition of rolling stock and related equipment; mitigation of any direct or indirect environmental impacts of activities authorized by this chapter; relocation assistance for displaced property owners and occupants; other related capital facilities and equipment; and such other purposes related to the foregoing, for the procurement thereof, and for the financing or refinancing thereof, as may be set forth in a statute hereafter enacted. The method of acquisition of any of the foregoing may also be set forth in a statute hereafter enacted.

(d) Proceeds of bonds authorized pursuant to this chapter shall not be used for any operating or maintenance costs of trains or facilities.

(e) The State Auditor shall perform periodic audits of the authority's use of proceeds of bonds authorized pursuant to this chapter for consistency with the requirements of this chapter.

2704.05. Subject to Section 2704.18, the proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the High-Speed Passenger Train Bond Fund, which is hereby created.

2704.06. The net proceeds received from the sale of nine billion dollars (\$9,000,000,000) principal amount of bonds authorized pursuant to this chapter, upon appropriation by the Legislature in the annual Budget Act, shall be available, and subject to those conditions and criteria that the Legislature may provide by statute, for (a) planning the high-speed train system and (b) capital costs set forth in subdivision (c) of Section 2704.04, consistent with the authority's certified environmental impact reports of November 2005 and July 9, 2008, as subsequently modified pursuant to environmental studies conducted by the authority.

2704.07. The authority shall pursue and obtain other private and public funds, including, but not limited to, federal funds, funds from revenue bonds, and local funds, to augment the proceeds of this chapter.

2704.08. (a) Proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall not be used for more than 50 percent of the total cost of construction of each corridor or usable segment thereof of the high-speed train system, except for bond proceeds used for the purposes of subdivision (g).

(b) Not more than 10 percent of the proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall be used for environmental studies, planning, and preliminary engineering activities.

(c) (1) No later than 90 days prior to the submittal to the Legislature and the Governor of the initial request for appropriation of proceeds of bonds authorized by this chapter for any eligible capital costs on each corridor, or usable segment thereof, identified in subdivision (b) of Section 2704.04, other than costs described in subdivision (g), the authority shall have approved and submitted to the Director of Finance, the peer review group established pursuant to Section 185035 of the Public Utilities Code, and the policy committees with jurisdiction over transportation matters and the fiscal committees in both houses of the Legislature, a detailed funding plan for that corridor or a usable segment thereof.

(2) The plan shall include, identify, or certify to all of the following:

(A) The corridor, or usable segment thereof, in which the authority is proposing to invest bond proceeds.

(B) A description of the expected terms and conditions associated with any lease agreement or franchise agreement proposed to be entered into by the authority and any other party for the construction or operation of passenger train service along the corridor or usable segment thereof.

(C) The estimated full cost of constructing the corridor or usable segment thereof, including an estimate of cost escalation during construction and appropriate reserves for contingencies.

(D) The sources of all funds to be invested in the corridor, or usable segment thereof, and the anticipated time of receipt of those funds based on expected commitments, authorizations, agreements, allocations, or other means.

(E) The projected ridership and operating revenue estimate based on projected high-speed passenger train operations on the corridor or usable

segment.

(F) All known or foreseeable risks associated with the construction and operation of high-speed passenger train service along the corridor or usable segment thereof and the process and actions the authority will undertake to manage those risks.

(G) Construction of the corridor or usable segment thereof can be completed as proposed in the plan.

(H) The corridor or usable segment thereof would be suitable and ready for high-speed train operation.

(I) One or more passenger service providers can begin using the tracks or stations for passenger train service.

(J) The planned passenger service by the authority in the corridor or usable segment thereof will not require a local, state, or federal operating subsidy.

(K) The authority has completed all necessary project level environmental clearances necessary to proceed to construction.

(d) Prior to committing any proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 for expenditure for construction and real property and equipment acquisition on each corridor, or usable segment thereof, other than for costs described in subdivision (g), the authority shall have approved and concurrently submitted to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee the following: (1) a detailed funding plan for that corridor or usable segment thereof that (A) identifies the corridor or usable segment thereof, and the estimated full cost of constructing the corridor or usable segment thereof, (B) identifies the sources of all funds to be used and anticipates time of receipt thereof based on offered commitments by private parties, and authorizations, allocations, or other assurances received from governmental agencies, (C) includes a projected ridership and operating revenue report, (D) includes a construction cost projection including estimates of cost escalation during construction and appropriate reserves for contingencies, (E) includes a report describing any material changes from the plan submitted pursuant to subdivision (c) for this corridor or usable segment thereof, and (F) describes the terms and conditions associated with any agreement proposed to be entered into by the authority and any other party for the construction or operation of passenger train service along the corridor or usable segment thereof; and (2) a report or reports, prepared by one or more financial services firms, financial consulting firms, or other consultants, independent of any parties, other than the authority, involved in funding or constructing the high-speed train system, indicating that (A) construction of the corridor or usable segment thereof can be completed as proposed in the plan submitted pursuant to paragraph (1), (B) if so completed, the corridor or usable segment thereof would be suitable and ready for high-speed train operation, (C) upon completion, one or more passenger service providers can begin using the tracks or stations for passenger train service, (D) the planned passenger train service to be provided by the authority, or pursuant to its authority, will not require operating subsidy, and (E) an assessment of risk and the risk mitigation strategies proposed to be employed. The Director of Finance shall review the plan within 60 days of its submission by the authority and, after receiving any communication from the Joint Legislative Budget Committee, if the director finds that the plan is likely to be successfully implemented as proposed, the authority may enter into commitments to expend bond funds that are subject to this subdivision and accept offered commitments from private parties.

(e) Subsequent to approval of the detailed funding plan required under subdivision (d), the authority shall promptly inform the Governor and the Legislature of any material changes in plans or project conditions that would jeopardize completion of the corridor as previously planned and shall identify means of remedying the conditions to allow completion and operation of the corridor.

(f) In selecting corridors or usable segments thereof for construction, the authority shall give priority to those corridors or usable segments thereof that are expected to require the least amount of bond funds as a percentage of total cost of construction. Among other criteria it may use for establishing priorities for initiating construction on corridors or usable segments thereof, the authority shall include the following: (1) projected ridership and revenue, (2) the need to test and certify trains operating at speeds of 220 miles per hour, (3) the utility of those corridors or usable segments thereof for passenger train services other than the high-speed train service that will not result in any unreimbursed operating or maintenance cost to the authority, and (4) the extent to which the corridors include facilities contained therein to enhance the connectivity of the high-speed train network to other modes of transit, including, but not limited to, conventional rail (intercity rail, commuter rail, light rail, or other rail transit), bus, or air transit.

(g) Nothing in this section shall limit use or expenditure of proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 up to an amount equal to 7.5 percent of the aggregate principal amount of bonds described in that paragraph for environmental studies, planning, and preliminary engineering activities, and for (1) acquisition of interests in real property and right-of-way and improvement thereof (A) for preservation for high-speed rail uses, (B) to add to third-party improvements to make them compatible with high-speed rail uses, or (C) to avoid or to mitigate incompatible improvements or uses; (2) mitigation of any direct or indirect environmental impacts resulting from the foregoing; and (3) relocation assistance for property owners and occupants who are displaced as a result of the foregoing.

(h) Not more than 2.5 percent of the proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall be used for administrative purposes. The amount of bond proceeds available for administrative purposes shall be appropriated in the annual Budget Act. The Legislature may, by statute, adjust the percentage set forth in this subdivision, except that the Legislature shall not increase that percentage to more than 5 percent.

(i) No failure to comply with this section shall affect the validity of the bonds issued under this chapter.

2704.09. The high-speed train system to be constructed pursuant to this chapter shall be designed to achieve the following characteristics:

(a) Electric trains that are capable of sustained maximum revenue operating speeds of no less than 200 miles per hour.

(b) Maximum nonstop service travel times for each corridor that shall not exceed the following:

(1) San Francisco-Los Angeles Union Station: two hours, 40 minutes.

(2) Oakland-Los Angeles Union Station: two hours, 40 minutes.

(3) San Francisco-San Jose: 30 minutes.

(4) San Jose-Los Angeles: two hours, 10 minutes.

(5) San Diego-Los Angeles: one hour, 20 minutes.

(6) Inland Empire-Los Angeles: 30 minutes.

(7) Sacramento-Los Angeles: two hours, 20 minutes.

(c) Achievable operating headway (time between successive trains) shall be five minutes or less.

(d) The total number of stations to be served by high-speed trains for all of the corridors described in subdivision (b) of Section 2704.04 shall not exceed 24. There shall be no station between the Gilroy station and the Merced station.

(e) Trains shall have the capability to transition intermediate stations, or to bypass those stations, at mainline operating speed.

(f) For each corridor described in subdivision (b), passengers shall have the capability of traveling from any station on that corridor to any other station on that corridor without being required to change trains.

(g) In order to reduce impacts on communities and the environment, the alignment for the high-speed train system shall follow existing transportation or utility corridors to the extent feasible and shall be financially viable, as determined by the authority.

(h) Stations shall be located in areas with good access to local mass transit or other modes of transportation.

(i) The high-speed train system shall be planned and constructed in a manner that minimizes urban sprawl and impacts on the natural environment.

(j) Preserving wildlife corridors and mitigating impacts to wildlife movement, where feasible as determined by the authority, in order to limit the extent to which the system may present an additional barrier to wildlife's natural movement.

2704.095. (a) (1) Net proceeds received from the sale of nine hundred fifty million dollars (\$950,000,000) principal amount of bonds authorized by this chapter shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system as that system is described in subdivision (b) of Section 2704.04, or that provide capacity enhancements and safety improvements. Funds under this section shall be available upon appropriation by the Legislature in the annual Budget Act for the eligible purposes described in subdivision (d).

(2) Twenty percent (one hundred ninety million dollars (\$190,000,000)) of the amount authorized by this section shall be allocated for intercity rail to the Department of Transportation, for state-supported intercity rail lines that provide regularly scheduled service and use public funds to operate and

maintain rail facilities, rights-of-way, and equipment. A minimum of 25 percent of the amount available under this paragraph (forty-seven million five hundred thousand dollars (\$47,500,000)) shall be allocated to each of the state's three intercity rail corridors.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines, in consultation with the authority, to implement the requirements of this section. The guidelines shall include provisions for the administration of funds, including, but not limited to, the authority of the intercity corridor operators to loan these funds by mutual agreement between intercity rail corridors.

(3) Eighty percent (seven hundred sixty million dollars (\$760,000,000)) of the amount authorized by this section shall be allocated upon appropriation as set forth in this section to eligible recipients, except intercity rail, as described in subdivision (c) based upon a percentage amount calculated to incorporate all of the following:

(A) One-third of the eligible recipient's percentage share of statewide track miles.

(B) One-third of the eligible recipient's percentage share of statewide annual vehicle miles.

(C) One-third of the eligible recipient's percentage share of statewide annual passenger trips.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines to implement the requirements of this section.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Track miles" means the miles of track used by a public agency or joint powers authority for regular passenger rail service.

(2) "Vehicle miles" means the total miles traveled, commencing with pullout from the maintenance depot, by all locomotives and cars operated in a train consist for passenger rail service by a public agency or joint powers authority.

(3) "Passenger trips" means the annual unlinked passenger boardings reported by a public agency or joint powers authority for regular passenger rail service.

(4) "Statewide" when used to modify the terms in subparagraphs (A), (B), and (C) of paragraph (3) of subdivision (a) means the combined total in the state of those amounts for all eligible recipients.

(c) Eligible recipients for funding under paragraph (3) of subdivision (a) shall be public agencies and joint powers authorities that operate regularly scheduled passenger rail service in the following categories:

(1) Commuter rail.

(2) Light rail.

(3) Heavy rail.

(4) Cable car.

(d) Funds allocated pursuant to this section shall be used to pay or reimburse the costs of projects to provide or improve connectivity with the high-speed train system or for the rehabilitation or modernization of, or safety improvements to, tracks utilized for public passenger rail service, signals, structures, facilities, and rolling stock.

(e) Eligible recipients may use the funds for any eligible rail element set forth in subdivision (d).

(f) In order to be eligible for funding under this section, an eligible recipient under paragraph (3) of subdivision (a) shall provide matching funds in an amount not less than the total amount allocated to the recipient under this section.

(g) An eligible recipient of funding under paragraph (3) of subdivision (a) shall certify that it has met its matching funds requirement, and all other requirements of this section, by resolution of its governing board, subject to verification by the California Transportation Commission.

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or federal revenues being used for maintenance or rehabilitation of the passenger rail system. Eligible recipients of funding under paragraph (3) of subdivision (a) shall maintain their existing commitment of local, state, or federal funds for these purposes in order to remain eligible for allocation and expenditure of the additional funding made available by this section.

(i) In order to receive any allocation under this section, an eligible recipient under paragraph (3) of subdivision (a) shall annually expend from existing local, state, or federal revenues being used for the maintenance or rehabilitation of the passenger rail system in an amount not less than the annual average of

its expenditures from local revenues for those purposes during the 1998–99, 1999–2000, and 2000–01 fiscal years.

(j) Funds allocated pursuant to this section to the Southern California Regional Rail Authority for eligible projects within its service area shall be apportioned each fiscal year in accordance with memorandums of understanding to be executed between the Southern California Regional Rail Authority and its member agencies. The memorandum or memorandums of understanding shall take into account the passenger service needs of the Southern California Regional Rail Authority and of the member agencies, revenue attributable to member agencies, and separate contributions to the Southern California Regional Rail Authority from the member agencies.

#### Article 3. Fiscal Provisions

2704.10. (a) Bonds in the total amount of nine billion nine hundred fifty million dollars (\$9,950,000,000), exclusive of refunding bonds issued in accordance with Section 2704.19, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

2704.11. (a) Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 40 years from the date of original issuance thereof.

2704.12. (a) Solely for the purpose of authorizing the issuance and sale of the bonds authorized by this chapter and the making of those determinations and the taking of other actions as are authorized by this chapter, pursuant to the State General Obligation Bond Law, the High-Speed Passenger Train Finance Committee is hereby created. For purposes of this chapter, the High-Speed Passenger Train Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of Business, Transportation and Housing, and the chairperson of the authority. Notwithstanding any other provision of law, any member of the committee may designate a representative to act as that member in his or her place and stead for all purposes, as though the member were personally present. The Treasurer shall serve as chairperson of the committee. A majority of the committee shall constitute a quorum of the committee, and may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the authority is designated the "board."

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the term for the bonds to be issued. In addition to all other powers specifically granted in this chapter and the State General Obligation Bond Law, the committee may do all things necessary or convenient to carry out the powers and purposes of this article, including the approval of any indenture relating to the bonds, and the delegation of necessary duties to the chairperson and to the Treasurer as agent for the sale of the bonds. Any terms of any bonds issued under this chapter may be provided under an indenture instead of under a resolution, as determined by the committee.

2704.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law

with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2704.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to the total of the following: (a) that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable, and (b) the sum necessary to carry out Section 2704.17, appropriated without regard to fiscal years.

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2704.17. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2704.16. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2704.18. All money deposited in the fund which is derived from premium on bonds sold shall be available to pay costs of issuing the bonds, and to the extent not so needed, together with accrued interest derived from sale of the bonds, shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2704.19. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

2704.20. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2704.21. Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law, or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

## Voter Registration Information

Registering to vote just takes a few minutes and, thanks to the National Voter Registration Act (NVRA), you can easily find registration forms in many places throughout the state. The NVRA was passed by Congress and signed into law by President Clinton in 1993. Also known as the "Motor Voter" law, the NVRA requires the Department of Motor Vehicles and many other government agencies to provide people the opportunity to register to vote. To register to vote you must be a U.S. citizen, a California resident, at least 18 years of age on Election Day, and not in prison or on parole for the conviction of a felony.

To request a voter registration form or to find out if you are registered to vote, just call your county elections office or the Secretary of State's toll-free Voter Hotline at 1-800-345-VOTE, or visit [www.sos.ca.gov](http://www.sos.ca.gov). For more information on the NVRA and the Secretary of State's efforts to assist state agencies and county elections officials in complying with it, go to [www.sos.ca.gov/elections/](http://www.sos.ca.gov/elections/).

# Ballot Measures Defined

## Initiatives

Often referred to as “direct democracy,” the initiative process is the power of the people to place measures on the ballot. These measures can either create or change statutes (including general obligation bonds) and amend the California Constitution. If the initiative proposes to amend California statute, signatures of registered voters gathered must be equal in number to 5% of the votes cast for all candidates for Governor in the most recent gubernatorial election. If the initiative proposes to amend the California Constitution, signatures of registered voters gathered must be equal in number to 8% of the votes cast for all candidates for Governor in the most recent gubernatorial election. Initiatives must qualify for the ballot 131 days before a statewide election. An initiative requires a simple majority of the public’s vote to be enacted.

## Legislative Bond Measure

Any bill that calls for the issuance of general obligation bonds must be adopted in each house of the State Legislature by a two-thirds vote, signed by the Governor, and approved by a majority of voters to be enacted. Whenever a bond measure is on a statewide ballot, an overview of California’s bond debt is included in the Voter Information Guide. Legislative bond measures must qualify for the ballot 131 days before a statewide election.

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## Voting by Mail

You may return your voted vote-by-mail ballot by:

1. Mailing it to your county elections office;
2. Returning it in person to any polling place or elections office within your county on Election Day; or
3. Authorizing a legally allowable third party (spouse, child, parent, grandparent, grandchild, brother, sister, or a person residing in the same household as you) to return the ballot on your behalf to any polling place or elections office within your county on Election Day.

In any case, your vote-by-mail ballot must be received by the time polls close at 8:00 p.m. on Election Day. Late-arriving vote-by-mail ballots cannot be counted.

All valid vote-by-mail ballots that county elections officials determine have been cast by eligible voters are counted and included in the official election results. Elections officials have 28 days to complete this process, referred to as the “official canvass,” and must report the results to the Secretary of State 35 days after the date of the election.

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## Provisional Ballots

Provisional ballots are ballots cast by voters who:

- Believe they are registered to vote even though their names do not appear on the official voter registration list;
- Believe the official voter registration list incorrectly lists their political party affiliation; or
- Vote by mail but cannot locate their vote-by-mail ballot and want to vote at a polling place.

All valid provisional ballots that county elections officials determine have been cast by eligible voters are counted and included in the official election results. Elections officials have 28 days to complete this process, referred to as the “official canvass,” and must report the results to the Secretary of State 35 days after the date of the election.

# VOTER BILL OF RIGHTS

1. You have the right to cast a ballot if you are a valid registered voter.

A valid registered voter means a United States citizen who is a resident in this state, who is at least 18 years of age and not in prison or on parole for conviction of a felony, and who is registered to vote at his or her current residence address.

2. You have the right to cast a provisional ballot if your name is not listed on the voting rolls.
3. You have the right to cast a ballot if you are present and in line at the polling place prior to the close of the polls.
4. You have the right to cast a secret ballot free from intimidation.
5. You have the right to receive a new ballot if, prior to casting your ballot, you believe you made a mistake.

If at any time before you finally cast your ballot, you feel you have made a mistake, you have the right to exchange the spoiled ballot for a new ballot. Vote-by-mail voters may also request and receive a new ballot if they return their spoiled ballot to an elections official prior to the closing of the polls on election day.

6. You have the right to receive assistance in casting your ballot, if you are unable to vote without assistance.
7. You have the right to return a completed vote-by-mail ballot to any precinct in the county.
8. You have the right to election materials in another language, if there are sufficient residents in your precinct to warrant production.
9. You have the right to ask questions about election procedures and observe the election process.

You have the right to ask questions of the precinct board and elections officials regarding election procedures and to receive an answer or be directed to the appropriate official for an answer. However, if persistent questioning disrupts the execution of their duties, the board or election officials may discontinue responding to questions.

10. You have the right to report any illegal or fraudulent activity to a local elections official or to the Secretary of State's Office.

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**If you believe you have been denied any of these rights, or you are aware of any election fraud or misconduct, please call the Secretary of State's confidential toll-free Voter Hotline at 1-800-345-VOTE (8683).**

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Information on your voter registration affidavit will be used by elections officials to send you official information on the voting process, such as the location of your polling place and the issues and candidates that will appear on the ballot. Commercial use of voter registration information is prohibited by law and is a misdemeanor. Voter information may be provided to a candidate for office, a ballot measure committee, or other person for election, scholarly, journalistic, political, or governmental purposes, as determined by the Secretary of State. Driver's license and social security numbers, or your signature as shown on your voter registration card, cannot be released for these purposes. If you have any questions about the use of voter information or wish to report suspected misuse of such information, please call the Secretary of State's Voter Hotline at 1-800-345-VOTE (8683).

Certain voters facing life-threatening situations may qualify for confidential voter status. For more information, please contact the Secretary of State's Safe at Home program toll-free at 1-877-322-5227 or visit the Secretary of State's website at [www.sos.ca.gov](http://www.sos.ca.gov).

California Secretary of State  
Election Division  
1500 11th Street  
Sacramento, CA 95814

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★ **SUPPLEMENTAL** ★  
★ This guide contains information ★  
★ regarding one additional measure ★  
★ that has qualified for the November ballot. ★

CALIFORNIA  
**GENERAL  
ELECTION**

[www.voterguide.sos.ca.gov](http://www.voterguide.sos.ca.gov)

**OFFICIAL VOTER INFORMATION GUIDE**

Remember to Vote!

**Tuesday, November 4, 2008**

Polls are open from 7:00 a.m. to 8:00 p.m.

**October 6**

First day to apply for a vote-by-mail ballot by mail.

**October 20**

Last day to register to vote.

**October 28**

Last day that county elections offices will accept any voter's application for a vote-by-mail ballot.

**November 4**

Last day to apply for a vote-by-mail ballot in person at your county elections office.

For additional copies of the Voter Information Guide in any of the following languages, please call:

**English:** 1-800-345-VOTE (8683)

**Español/Spanish:** 1-800-232-VOTA (8682)

**日本語 /Japanese:** 1-800-339-2865

**Việt ngữ /Vietnamese:** 1-800-339-8163

**Tagalog:** 1-800-339-2957

**中文 /Chinese:** 1-800-339-2857

**한국어 /Korean:** 1-866-575-1558

**TDD:** 1-800-833-8683

In an effort to reduce election costs, the State Legislature has authorized the State and counties to mail only one guide to addresses where more than one voter resides. You may obtain additional copies by contacting your county elections office or by calling 1-800-345-VOTE.

## San Francisco Bay Rail Hub

BART's Trans-Bay line crosses over the UP/Amtrak/Capitol Corridor rail line at the I-880/7th Street interchange about 1/2 mile west of BART's West Oakland station.

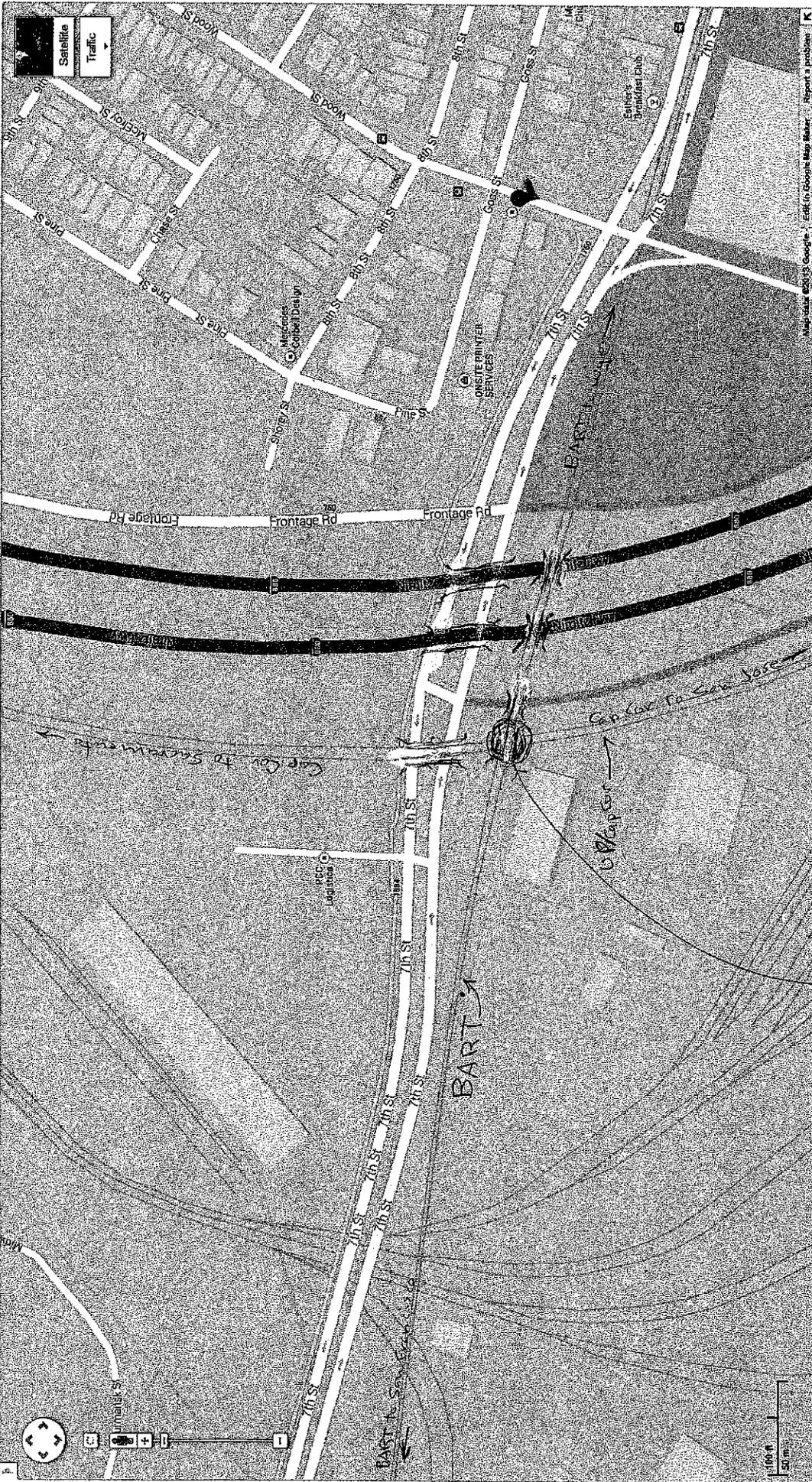
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An intermodal station here holds great potential: an interim HSR San Francisco station, a MacArthur-like 4-track BART station, a regional Amtrak and bus station, and a major parking structure. It could either replace or supplement BART's existing West Oakland Station.

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Even in its simplest form – just BART and Capitol Corridor -- this rail hub would have fast, frequent trains to dozens of San Francisco, Peninsula, and East Bay BART stations and link these by rail with the Central Valley and Sacramento. It would make an ideal site for a headquarters for regional-type government agencies (e.g., MTC, ABAG, BAAQMD).

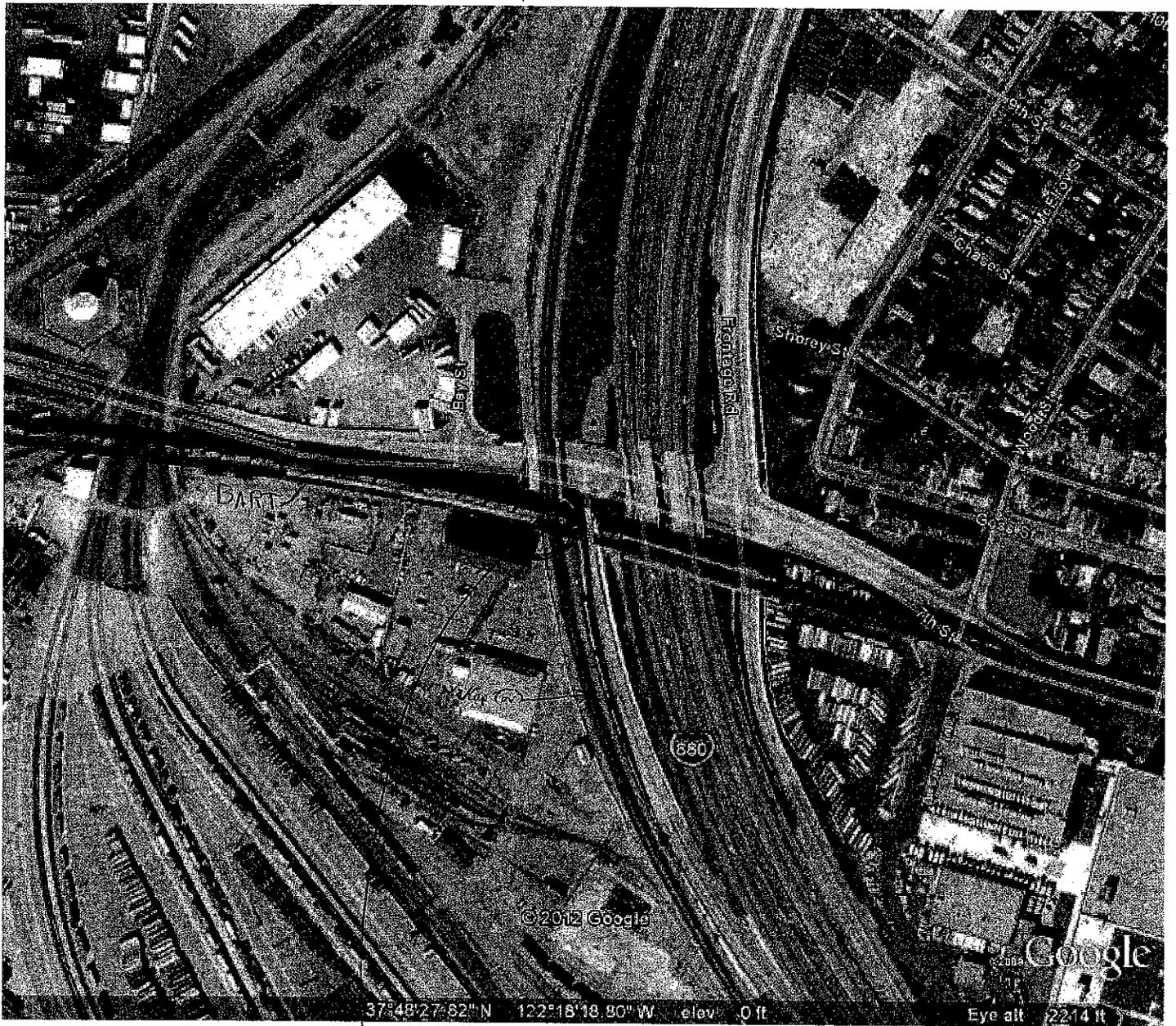
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In event of closure of either the Bay Bridge or BART's trans-Bay line, the station would be key to an effective alternative link across San Francisco Bay.

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Running HSR and Capitol Corridor from Santa Clara via an up-graded Mulford route would allow deferral of costly tunneling, a San Francisco terminal, Caltrain electrification, , and a future HSR tube under the Bay. HSR would be much safer and more reliable than running on Caltrain tracks.



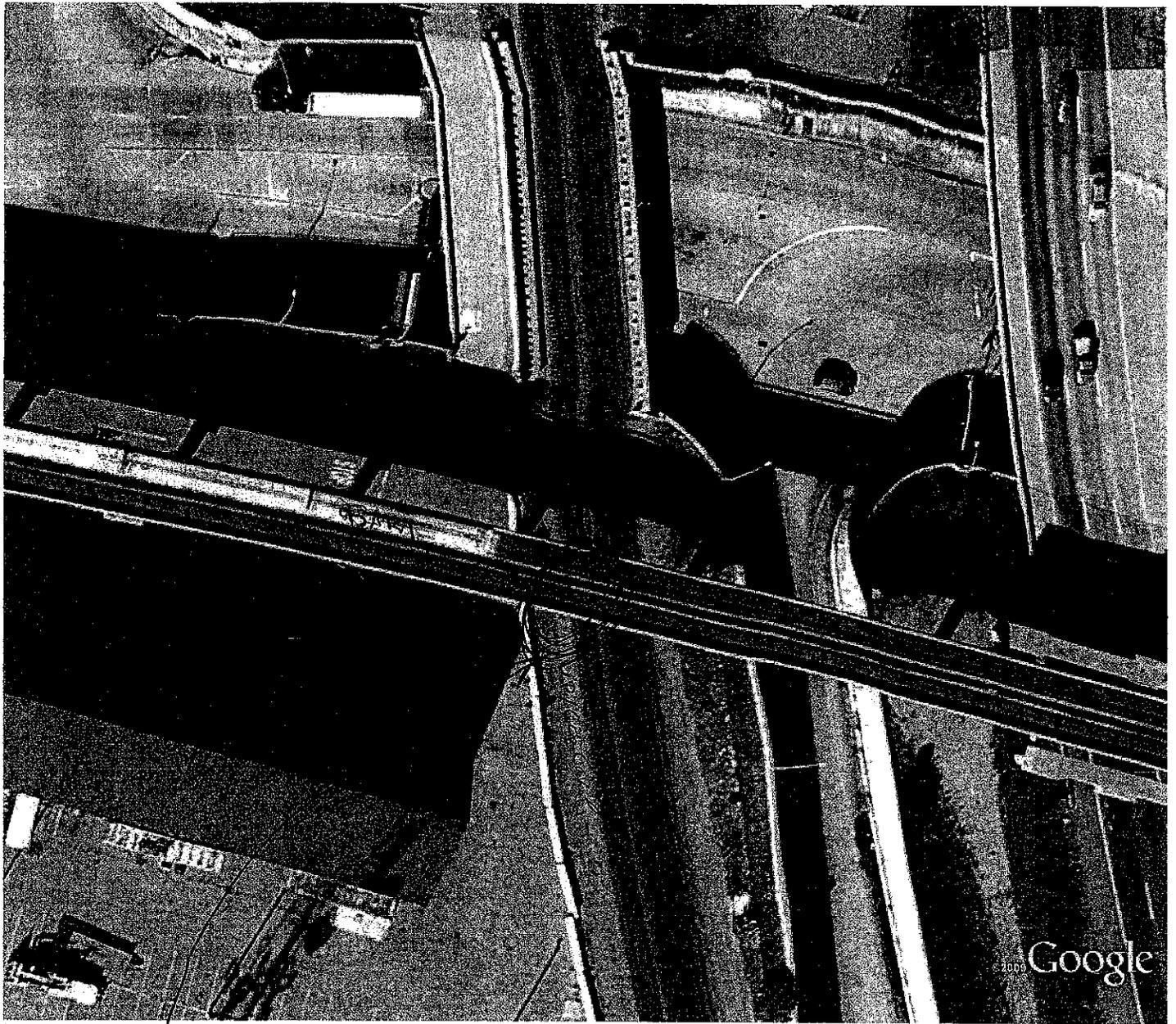


San Francisco Bay  
Rail Hub



San Francisco Bay  
Rail Hub





San Francisco Bay  
Rail Hub.



# Kern Minority Contractors Association

1330 E. Truxtun Ave, Bakersfield, Ca. 93305

September 9, 2013

Dan Richard, Board Chairman  
California High Speed Rail Authority

## **Re: KMCA - California Transportation Regional Summit**

Invite you to speak January 10, 2014 - California High Speed Rail Project

KMCA currently planning its - 7<sup>th</sup> **Annual San Joaquin Valley Regional DBE/SB /DVBE/MB/MBE/WBE Public Contracting Conference / Expo**

Speak during **Luncheon Session** 12:30 – 2:30 PM (20 Min)

### **Topic - California Transportation Regional Projects**

**Date:** January 10, 2014

**Location:** Bakersfield, California (San Joaquin South Central Valley)

California Transportation Projects & Contracting Opportunities

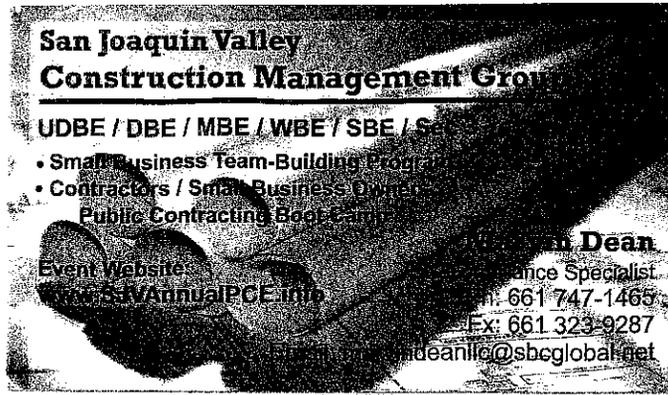
**Highlight** San Joaquin Central Valley, Kern / Palmdale – LA region

Conference information web site: [www.sjvannualpce.info](http://www.sjvannualpce.info)

Many transportation projects are schedule for construction in California San Joaquin Valley & the LA Basin region; projects; High Speed Rail, Caltrans, Local Transit, City & County Highway this conference will assist small business get ready for these projects.

Please confirm if you would be able to attend & speak @ California Transportation Regional Summit

Sincerely,  
Marvin Dean, KMCA Event Coordinator



## Public / Corporate Prime Contracting Outreach Forum

7<sup>th</sup> Annual San Joaquin Valley Region

DBE/SB /DVBE/MB/MBE/WBE

Contracting Conference / Expo

### 2014 Conference - California Transportation Regional Summit

Date: January 10, 2014

Location: Bakersfield , California (San Joaquin South Central Valley )

Topic: California Transportation Projects & Contracting Opportunities

Highlight San Joaquin Central Valley, Kern / Palmdale – LA region

Conference information program web site: [www.sjvannualpce.info](http://www.sjvannualpce.info)

Several larger transportation projects are schedule for construction in California San Joaquin Valley & the LA Basin region; projects include High Speed Rail, Caltrans, Local Transit, City & County Highway, etc.

These projects have DBE/SB/DVBE goal that require bidder to provide Sub contracting opportunity to Small & Minority Own Business, the conference will provide an outreach forum for local agencies, prime contractors and sub contractors to be inform about transportation public sector & utility projects Sub bid opportunity.

<p><b>Marvin Dean</b> President (661) 747-1465</p>	<p><b>Albert Prince</b> Membership Chairman (661) 332-3216</p>
<p><b>KERN MINORITY CONTRACTORS ASSOCIATION</b></p>	<p><b>Bid Plan Room Member Services Resource Center</b></p>
<p>1310 Lincoln Avenue Bakersfield, CA 93315 Mailing: P.O. Box 2467 Bakersfield, CA 93303</p>	<p>Phone: (661) 323-7595 Fax: (661) 323-9287 Email: <a href="mailto:KMC@kma.net">KMC@kma.net</a></p>

Annual Event: [www.sjvannualpce.info](http://www.sjvannualpce.info)