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February 9, 2017

The Honorable Elaine L. Chao  
Secretary of Transportation  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Secretary Chao:

The National Association of Railroad Passengers, a nationwide grassroots nonprofit representing the nearly 40 million Americans who rely on trains every day to travel for business or pleasure, strongly urges the Department to support the California High-Speed Rail (CAHSR) project as a vital element of critical transportation infrastructure investment in the U.S.

The California High-Speed Rail Authority has finalized a \$64 billion plan to construct a statewide system linking Southern California to the Bay Area, via the Central Valley. The project has received roughly \$3.5 billion in federal funding, in addition to \$9 billion in voter-approved bonds. The project also has a dedicated stream of funding from the state's polluters tax, with revenue estimated to cover about 25% of each year's funding needs.

With 119 miles of active construction already underway, the Los Angeles - San Francisco corridor is the most advanced attempt to bring express high-speed rail to the U.S. (capable of speeds of at least 220 mph on completely grade-separated, dedicated rights-of-way).

CAHSR meets all the tests for a responsible and positive transportation investment. It is not only "shovel-ready" but is already turning dirt at more than a dozen sites around the state, creating good jobs in California's Central Valley and generating multipliers of economic activity along the way. Moreover, it is setting the stage for increased U.S. manufacturing, with Siemens—already enjoying a three-year backlog of train equipment orders—building a facility in Sacramento in hopes that it will be chosen to supply rolling stock for the service. And given California's legendary struggles with congestion and mobility, creating an additional artery for mobility helps to add to regional resilience in the face of a national security or public safety emergency.

Even in its early stages, there is already evidence that CAHSR is spurring economic development, improving performance on environmental and energy-independence goals and creating jobs—both immediately in construction and long-term through direct employment and induced job growth from the larger economy.

A University of the Pacific study pegs the Fresno-area unemployment rate at less than 10 percent for only the fourth time in the past 25 years, thanks in large part to high-speed rail construction. From July 2006 through June 2016, the CAHSR project has invested some \$2.3 billion in planning and constructing the nation's first high-speed rail system, generating 19,900 to 23,600 job-years of employment and pumping \$3.5 to \$4.1 billion into the state's economy, benefiting over 630 different private-sector suppliers and vendors. Also significant is the more than \$196 million that has been paid to certified Small, Disadvantaged, and Disabled Veteran Business Enterprises working on the project, and as of this past September 327 small businesses are either committed, utilized, or actively working on CAHSR.

According to economists with the state's Dept. of Finance, California became the 6th largest economy in the world in 2015, overtaking France with \$2.46 trillion in gross state product. As surely as mobility fuels an economic engine, congestion constrains it. And investing in high-speed rail is one of the most cost-effective ways to ensure long-term growth by definitively easing congestion—not just for the intercity market, but for transit and commuter services as well. CAHSR is part of a statewide rail modernization program, helping secure local, regional, and state investment for existing transit rail systems. That includes the Peninsula Corridor Electrification Project, which will provide a critical alternative to 65,000 daily rail commuters along the heavily congested U.S. 101 freeway. By thinking comprehensively about how to build a 21<sup>st</sup> century transportation network, local officials were able to secure more than \$1.3 billion in local funds for the Peninsula electrification (the project is currently waiting on a full funding agreement for a \$647 million grant from the Federal Transit Administration's Core Capacity program).

The \$64 billion CAHSR project will build America's first 21st century high-speed rail system – 800 miles of rail with 24 stations between San Diego and Sacramento, initially connecting San Francisco and Los Angeles with 200-mph trains. That will cost money, time and engineering effort, but it will cost a lot less than doing nothing.

What happens if we don't spend \$64 billion on this project? We spend at least \$158 billion instead, adding 4,300 new miles of highway lanes, 115 new airport gates and four additional major-airport runways. Some less-conservative estimates put that figure even higher at \$272 billion. But spending more doesn't actually produce more value. Building highways and runways does nothing to address road congestion, nothing about lost time, nothing about highway safety (driving is, on average about 17 times more hazardous than taking a train or flying) and nothing about greenhouse gas emissions. More roads and runways will also do nothing to address the congesting choking California's existing rail corridors, with many trains are currently operating at 125 percent capacity during peak hours.

On the other hand, going ahead with the project generates a total economic return to the state of California of about \$8 billion on its initial \$2.6 billion investment, and the economic development that will take place along the routes will add dramatically to that tally. The project will create 66,000 new jobs for 15 years as this massive system is built. Each year, the high-speed train will eliminate at least 330,000 metric tons of CO2 emissions.

The high-speed rail project has been the victim of baseless attacks and shoddy, sensationalist journalism. By delivering a new, better and more reliable mobility choice at upwards of 75% less cost, high-speed rail is a bargain, not a "boondoggle." A review of the facts available today underscores the reality that this is a worthwhile and cost-effective investment that will generate strong returns for years to come.

Sincerely,



Jim Mathews  
President & CEO

