



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 4b

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*Memorandum*

TO: Legislation Committee

DATE: May 2, 2008

FR: Executive Director

RE: AB 3034 (Galgiani) — California High-Speed Train Bond Act

**Description**

AB 3034 (Galgiani) is urgency legislation to update and expand upon provisions of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21<sup>st</sup> Century, the \$9.95-billion general obligation bond measure slated to appear on the November 2008 ballot. Among other things, the bill would:

- Ensure that the \$9 billion in bond proceeds are available for expenditure on planning and eligible capital costs on the system's entire 800-mile route. Also extends system-wide availability to federal and other revenues, consistent with federal and other fund source conditions.
- Make the Altamont rail corridor connecting the Central Valley to the East Bay eligible for the state high-speed train bond money as well as federal and other revenue made available to the authority.
- Establish that provisions in the bill would not prejudice the Authority's selection of the alignment from the Central Valley to the Bay Area.
- Provide that in selecting each segment for construction, the authority must: prioritize segments requiring the smallest amount of bond funds as a percentage of the total construction cost; consider the utility of that segment for other passenger rail services; and ensure that any other passenger services provided on that segments will not result in operating or maintenance costs to the authority.
- Prohibit a high-speed train station between Gilroy and Merced.
- Limit to 10 percent or less the amount that can be used for environmental studies, planning and preliminary engineering activities.
- Require that in selecting each specific segment for construction and prior to awarding a construction contract, the authority must have a detailed funding plan identifying the full cost of constructing the segment and the source of all revenues needed to complete the segment's construction.
- Ensure that complementary rail capital improvements funded from the \$950 million in bond funds for intercity, commuter and urban rail systems shall

- provide direct connectivity and benefits to the high-speed train system and its facilities or be part of the construction of the system.
- Require that net operating revenues above and beyond operating, maintenance and financing obligations and construction completion costs, must be deposited in the state's General Fund.

**Recommendation:** Support

**Discussion**

SB 1856 (Costa), Chapter 697, Statutes of 2002 and subsequent legislation provide for submission of the Bond Act to state voters for approval at the November 4, 2008 general election. Approval for the Bond Act is intended to provide state funding to initiate the construction of the 800-mile statewide train network that will serve the major population centers in the state, and link regional and local transit systems to form an integrated transportation network throughout California.

Adding the Altamont rail corridor to the list of high-speed train system corridors eligible for bond revenues is consistent with MTC's Resolution 3829, adopted by the Commission last October. This action reaffirmed Commission support for the Pacheco Pass alignment as the main route between Northern and Southern California, since it would serve more statewide trips. At the same time, MTC also recommended improvements in the Altamont Corridor to serve interregional and local travel between the Bay Area and the northern San Joaquin Valley.

Provisions in AB 3034 are consistent with MTC's position regarding high-speed rail in the Bay Area. For these reasons, we recommend a position of "support" on AB 3034.

**Known Positions**

Support

Association for California High Speed Trains  
California High Speed Rail Authority (Sponsor)  
California State Association of Counties

Oppose

Sierra Club California  
Transportation Solutions Defense and Education Fund (oppose unless amended)

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Steve Heminger