

California High Speed Rail - Focus on Central Valley **November 24, 2010**

“Plan B”

The California High Speed Rail Authority (CHSRA) is meeting the federal requirements for “independent utility” with a plan to have Amtrak trains use the Central Valley tracks, if and only if, the rest of the high speed rail project is not built.

Track Maintenance Costs – Who will pay? Who can pay?

- 1) Discussions with Amtrak for operating service on the sections built in the Central Valley are *extremely* preliminary.
- 2) One of the main reasons for Amtrak to be enticed to use the new HSR tracks would be cost savings. Amtrak currently pays track usage fees to the freight company whose tracks it currently uses.
- 3) There would be significant maintenance costs of \$10+ million per year incurred by the state to maintain the tracks. For our example, we estimated 50% of the cost listed in the 2009 Business Plan, pro-rated for the distances.
- 4) The state is legally obligated to maintain the tracks to the same standard at which they enter service or they must pay back federal grants. (This is to ensure that while federal money can be used for infrastructure construction, maintenance becomes the responsibility of the state).
- 5) The High Speed Rail Authority may not be able to commit to paying the maintenance costs.

Cost Implications of Amtrak running on HSR tracks

- 1) Even though plans to run Amtrak trains are only at the conceptual stage, the Authority is planning to build tracks and structures that accommodate both Amtrak trains and high speed trains (based on the information available in their federal stimulus applications).
- 2) Amtrak trains are much heavier than high speed rail trains. Structures to support Amtrak trains are subsequently denser and more expensive to build.
- 3) The original grant applications acknowledged this fact and proposed to exclude all sections with extensive viaduct structures.
- 4) The current applications propose focusing the money on the extensive viaduct structures and more viaducts are now planned.
- 5) The additional cost to build Amtrak-compliant structures may be 10-20% of the cost. The cost of structures is approximately \$2 billion. The incremental

cost of having this Amtrak “plan B” may be as much as \$400 million. Even if the cost was only 5%, it would still be \$100 million.

- 6) Structures designed to support heavy trains are much more bulky and impactful. Even if “plan B” is never required, the communities of Fresno, Merced and other Central Valley cities will be left with over engineered and overbuilt freeway-like structures.
- 7) The new plans also include more than \$100 million in signaling for the Amtrak trains. It is unclear whether this signaling system would be compatible with high speed rail.

Questions

1. We have had to estimate many of these numbers. Unit costs for viaducts in the federal applications increased about 40% from December 2009 figures. The applications state that shorter viaducts incur additional costs of “less than 5%” to accommodate heavy trains, while longer viaducts would be much more costly. We have provided costing assuming 5-20% additional costs. What are more precise figures?
2. Has the CHSRA board been briefed on these issues?
3. Does the Federal government understand the extra cost?
4. Will the signaling system required for Amtrak be compatible with high speed rail trains? Is there an additional cost associated with having this compatibility?
5. Is there a better plan B?
6. Another question (not related to the Amtrak Plan B) is that the entire budget for right of way for the 140 mile stretch that includes Fresno is approximately \$190 million. This seems low. Who is reviewing this information?

Segment	Viaduct length	Cost per mile	Total Cost	Total Cost Including Contingency
Merced - Fresno	39.1 miles	\$ 51,133,000	\$1,999,300,300	\$ 2,299,195,345
Fresno - Bakersfield	38.8 miles	\$ 48,703,000	\$1,888,702,340	\$ 2,172,007,691

Segment	Extra cost @ 5%	Extra cost @ 10%	Extra cost @20%	Signaling cost (est.)
Merced - Fresno	\$ 114,959,767	\$ 229,919,535	\$ 459,839,069	\$ 136,343,284
Fresno - Bakersfield	\$ 108,600,385	\$ 217,200,769	\$ 434,401,538	\$ 207,000,000