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A Q&A Related To Calif. High-Speed Rail Plan

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BAKERSFIELD, Calif. -- The California High-Speed Rail Program has released a Q&A regarding the upcoming high-speed rail project.

-- How will the project be funded?
The initial, $5.2 billion phase of the rail line, to run between Fresno and Bakersfield, would be funded through federal stimulus money and the sale of bonds Californians authorized at the ballot in 2008. The rest of the financing is contingent on state, federal and local money, public-private partnerships, private investment and by reinvesting money generated in the future from parts of the line. The California High-Speed Rail Authority says it has enough money to complete the first phase of the project, by 2017.

-- Why have the costs risen so much from the original estimates?
Critics have claimed for years that the rail board's cost projections were not realistic. Board members said Tuesday's report provides the most thorough analysis and spending projections to date. It also accounts for inflation -- the $98.5 billion figure is based on 2033 dollars, when the San Francisco-Anaheim line would theoretically be finished. Additional engineering work and a longer timeframe to complete the system are some of the factors that have driven up costs. Planners say they also factored in an additional nine years in delays to account for construction or funding problems.

-- What's the next step?
The public has 60 days to comment on the new plan. Legislative committees on high-speed rail are expected to hold hearings, but lawmakers will not vote on whether to approve selling the high-speed rail bonds until after they return in January.

-- How did the rail authority arrive at its ticket price?
The average fare would be $81 in non-inflation adjusted dollars for a one-way trip between Anaheim and San Francisco. The price is just more than 80 percent of current airfares between the Los Angeles and San Francisco Bay areas, a price intended to keep it competitive with air travel and vehicle travel from the Central Valley to the metropolitan areas. Actual fares would be set by a private operator within limits established by the authority. Fares would fluctuate in a way similar to airfare based on time and season of travel and how far in advance riders bought their tickets, as well as discounts for some groups. They could range from $52 for a multi-stop train ridden during off-peak hours to $123 a last-minute purchase on an express train. By comparison, a one-way fare on the Amtrak Acela high-speed rail line between Boston and Washington, D.C., costs between $160 and $266. That line is about 100 miles shorter than the planned fi rst phase of the California rail project.

How did the rail authority arrive at its ridership estimates?
The authority said it used conservative assumptions in projecting a range of ridership on the high-speed rail line, based on California's population growth, the cost of other transportation and current rail ridership. For example, the report used population growth figures 9 to 10 percent below state figures. It also accounted for

the price of gasoline, airfare costs and the projected travel needs of residents. The rail line is projected to have from 7.4 million to 10.8 million riders by 2025, before the San Francisco-to-Anaheim route is fully completed. By 2035, two years after the scheduled completion, the business plan projects ridership at 23 million to 34 million. That will jump to between 29.6 million and 44 million riders by 2040.

-- Why were rail lines to Sacramento and San Diego not included in the first phase?
Extensions of the high-speed rail line to Sacramento and San Diego were always scheduled to be completed later.

Is there evidence that private entities would be willing to invest up to 20 million?
-- It's not clear where the private investment will come from. The authority projects private investors are likely to be interested in the project once the initial Central Valley segment is completed and officials have proved it is financially viable, based on international models. Private vendors would make a capital investment and bid on the right to operate the rail line. Officials said they also could make money by selling the right to install fiber optic cables on rail property in the Central Valley. The high speed rail system is envisioned as a public-private partnership. The business plan envisions state and federal governments assuming greater risk in the development phase with private companies taking on more financial responsibility as the project proceeds.

-- The report says the cost of building other infrastructure would be $170 billion. Where does that number come from?
California's population is expected to hit 59.5 million by 2050, according to the state Department of Finance. Freeways around California's major cities already are among the most congested in the nation, and flight delays at the state's airports are above national averages. To build the equivalent passenger capacity to the 520-mile rail line, the report says would require 2,300 new miles of highways, 115 new airport gates and four new runways. It estimates that would cost about $114 billion in 2010 funds, or $171 billion when adjusted for inflation to 2033.

-- What is California's current bond indebtedness?
As of Oct. 1, California voters had approved $150 billion in general obligation bonds, not all of which have been sold. The state still has to pay off $79.7 billion in bonds, money the state has used to pay for everything from new schools and parks to water projects and prisons. About $37 billion remain unissued, according to the state treasurer's office.

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