



Gavin Newsom
Governor

David Kim
Secretary

915 Capitol Mall, Suite 350B
Sacramento, CA 95814
916-323-5400
www.calsta.ca.gov

**Written Testimony of
California State Transportation Agency Secretary David S. Kim
Before the U.S. House Transportation and Infrastructure Committee
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on: "Leveraging IIJA: Plans for Expanding Intercity Passenger Rail"
Thursday, December 9, 2021**

Good morning, Chairman Payne, Ranking Member Crawford and Members of the Subcommittee. Thank you for inviting me to update you on the State of California's efforts to expand intercity passenger rail services. I also want to thank you for your leadership in securing passage of the landmark *Infrastructure Investment and Jobs Act* (IIJA, P.L. 117-58). Simply stated, the IIJA makes the largest federal investment in passenger rail since the creation of Amtrak, providing \$66 billion in additional rail funding to create safe, efficient, and climate-friendly alternatives for moving people.

California is the world's fifth largest economy and home to nearly 40 million people, with a population expected to grow to 47 million by 2040. Reducing vehicles miles traveled and greenhouse gas emissions by shifting passenger transportation from highways to railways and supporting the development of clean, zero-emission technologies are central features of

California's sustainable transportation strategy. IJJA will support climate-friendly policies and investments California has led the nation in developing for several years, most recently through:

- The *2018 California State Rail Plan*ⁱ, which establishes a long-term vision for prioritizing state investment in an efficient, effective passenger and freight rail system. *Rail Plan* investments will result in 88 million daily passenger miles diverted to rail from highways by 2040, and intercity and regional rail ridership is expected to increase from 115,000 daily trips to 1.3 million daily trips by 2040;
- Governor Gavin Newsom's Executive Orders N-19-19ⁱⁱ and N-79-20ⁱⁱⁱ, which empowers the California State Transportation Agency (CalSTA) to leverage discretionary state transportation funds to help meet the state's climate goals and build towards an integrated, statewide rail and transit network, consistent with the *California State Rail Plan*; and
- CalSTA's *Climate Action Plan for Transportation Infrastructure (CAPTI)*^{iv} that details a framework for investing billions of state discretionary transportation dollars annually to aggressively combat and adapt to

climate change while supporting public health, safety and equity.

CAPTI's first guiding principle is to build toward an integrated, statewide rail and transit network.

California's existing passenger rail system includes Amtrak National Network long-distance and State-supported intercity passenger trains, as well as locally supported commuter and urban rail services, with connections to other modes of transportation.

Amtrak-funded and operated long-distance routes that serve both California and interstate markets include the *California Zephyr*, *Coast Starlight*, *Sunset Limited*, and *Southwest Chief*. We value these services, which connect many of California's smaller communities to the rest of the state and nation, and we appreciate and support the ongoing federal investment into making these services stronger.

California's State-supported routes include the *Pacific Surfliner*, *San Joaquins* and *Capitol Corridor*. Together, they make up nearly 20 percent of Amtrak's entire ridership. The *Pacific Surfliner* corridor has the highest ridership of any corridor outside the Northeast Corridor. California funds and owns most of

the equipment used on the three State-supported intercity rail routes. We have a unique approach to managing the corridors that relies on regional Joint Powers Authorities responsible for the management and marketing of each corridor and the execution of operating contracts with Amtrak and other companies involved in delivering the service. This has allowed California to be a center of innovation – many now-national approaches to ticketing, WiFi and passenger information have been first developed and tested in California, and later expanded to other corridors throughout the Amtrak system.

California appreciates the \$16 billion provided by the IIJA over five years for Amtrak's National Network, which can be used to upgrade California Amtrak stations and related facilities to full Americans with Disabilities Act (ADA) compliance, rehabilitate and replace old Amtrak-owned fleet and facilities, and conduct corridor development activities.

Nearly all the long-distance route equipment used in California is on Amtrak's near-term replacement list. While Amtrak owns relatively few facilities in California, CalSTA anticipates that investments may be advanced in Oakland and Los Angeles.

Amtrak has also expressed a strong desire to conduct corridor development, starting with the Los Angeles-Phoenix-Tucson route. It has recently begun to support efforts by the California Department of Transportation (Caltrans), Riverside County Transportation Commission and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency to advance service expansion into the Coachella Valley as a supporting project to the broader goal of increasing rail service between California and Arizona. The *State Rail Plan* also lays out our vision for expanding rail service into Nevada, and CalSTA has an active MOU with Brightline West to provide for future access to the I-15 right-of-way for the operation of privately funded high-speed rail from Southern California to Las Vegas.

California also appreciates the IIJA's significant expansion and reform of the *Federal-State Partnership for Intercity Passenger Rail* program, which broadens project eligibility beyond Amtrak- and state-owned assets and allows expansion of or construction on new intercity passenger rail routes, in addition to capital projects that address state-of-good repair. IIJA provides \$36 billion for this program, making at least \$12 billion of the funds available for projects outside Amtrak's Northeast Corridor. This expanded source of funding will help advance California's critical, nationally significant rail projects. Our state

funding programs are investing heavily in corridor expansion in order to operate more frequent service and extend our corridors, with significant expansions planned to Roseville, San Jose, Salinas, San Luis Obispo, Santa Barbara, San Diego and into the Coachella Valley, as well as additional service from Sacramento and the Bay Area to meet High-Speed Rail's initial service from Merced to Bakersfield.

These corridor expansion efforts often require rehabilitation of rail corridors before service can be increased. We have great relationships with our host railroads, including BNSF and Union Pacific, helping us implement these projects and doing so in a manner that assures ongoing funding for capital maintenance activities that deliver a reliable railroad with greater than 95 percent on-time performance on a consistent basis. We are also are planning a robust investment in our over 20-year old state-owned rail fleet that will extend its life for another 15 years. The new federal funding is a welcome opportunity for us to expand the scale of what we can accomplish in the next few years.

California rail agencies are also well-positioned to compete for \$5 billion in the Federal Railroad Administration (FRA) *Consolidated Rail Infrastructure and Safety Improvement Program* (CRISI) grants provided by IIJA. And we welcome

the opportunity to compete for funding from the IIJA's new \$3 billion *Railroad Crossing Elimination* grant program for projects that make improvements to highway and pathway rail crossings, such as eliminating highway-rail at-grade crossings that are frequently blocked by trains, adding gates or signals, relocating track, or installing bridges. Many of these projects have multiple rail operators that will benefit – intercity, long-distance, commuter and future high-speed rail on the passenger side, and often goods movement by freight rail as well.

California is also building the nation's first truly high-speed rail system, and in doing so, we are at the forefront of developing an entirely new American industry where investments in and the development of new technologies, manufacturing capabilities, and innovative business practices will create high-skilled, good paying jobs. California has invested heavily in its clean, electric high-speed rail project through \$9.95 billion in voter-approved Proposition 1A bond funds and an ongoing revenue stream derived from 25 percent of California's Cap-and-Trade auction/Greenhouse Gas Reduction Fund program (approximately \$500 million to \$750 million annually), compared with approximately \$3.4 billion in federal funding California has received for the

project. Together, these resources are expected to provide over \$21 billion towards the first phase of high-speed rail in California.

The IJA presents numerous funding opportunities for California High-Speed Rail projects, including critical grade separations, rail improvements, station planning, development and improvement.

I want to emphasize to the Subcommittee that federal rail funding provided to California is not just an investment – *it's a partnership*. Federal rail funding supports significant state, local and private rail investments that are already being made throughout the state. As noted in the *2018 California State Rail Plan*, which the *Mineta Transportation Institute* recently recognized as one of the best planning documents in the country^v - approximately \$20 billion dollars in funding to support California rail capital projects is needed through 2027, and \$119 billion needed through 2040. We have already delivered more than \$4.7 billion of funding to rail projects that benefit intercity rail since 2015, but only \$150 million came from federal sources.

California state and local rail funding is available through a wide range of programs including Local Sales Tax measures, California's biennial five-year

State Transportation Improvement Program (STIP), the State Rail Assistance program created by California's landmark SB 1, *Road Repair and Accountability Act of 2017*, and other competitive programs created by SB 1.

In November, CalSTA published its *2022 Transit Intercity Rail Capital Program (TIRCP)* final guidelines and call for projects.^{vi} TIRCP is a competitive grant program that receives an average of \$300 million annually from SB 1 and 10 percent of the State's Cap-and-Trade auction/Greenhouse Gas Reduction Fund revenues. TIRCP funds transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems and reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Over 90 percent TIRCP funding is dedicated to projects that benefit disadvantaged communities.

There have been four prior cycles of TIRCP funding since 2015, in which CalSTA has awarded \$5.8 billion in funding to 73 projects with total budgets over \$26 billion throughout the state. These transformative investments include:

- Electrification of Caltrain, which will also serve high-speed rail trains from the Central Valley and Southern California, and host intercity trains from Salinas.
- Expansion of ACE and San Joaquin rail service to Sacramento and Merced.
- Expanding the *Pacific Surfliner* and Metrolink rail systems in Southern California to deliver 30 minute frequencies on many corridors and also adding frequencies to Santa Barbara, San Luis Obispo and San Diego.
- The LINK Union Station project that will build run-through tracks at Union Station, significantly reducing travel time (by about 20 minutes) and the need to transfer between trains in Los Angeles.
- Extending more frequent Capitol Corridor service to Roseville.

California is leading the nation in the transition to completely zero-emission intercity rail operations by 2035. We have many short-term measures that are jump-starting this effort. Caltrans is rolling out the use of renewable

diesel to the entire intercity locomotive fleet serving state corridors, which is entirely owned by the state, and installing aftertreatment systems on Tier-2 locomotives to bring them to Tier-4 equivalent standards. California is also targeting a 15 percent reduction in fuel usage through more efficient driving, lighting, and climate control and seeking to expand use of wayside power to switch off engines during layovers.

California's state budget for fiscal year 2021-22 includes \$3.9 billion investment to accelerate the state's Zero-Emission Vehicle (ZEV) goals, including \$407 million to demonstrate and deploy state-of-the-art, zero-emission bus and rail equipment and related infrastructure. By advancing research and designs for these vehicles – and in most cases, also funding the first purchases of such vehicles for use on California services – we will accelerate the transition of public transportation to zero-emission technologies and inform future procurements of such vehicles at a larger scale.

Caltrans will also be deploying zero-emission multiple unit trainsets utilizing both hydrogen fuel cells and electric batteries, based on an initial project funded by CalSTA to deploy such technology on the Redlands Passenger Rail service in San Bernardino County. These trainsets should be available in 2024 for

testing on various intercity and commuter rail corridors around the state. We also expect to pilot zero emission power for bi-level trainsets and locomotives, laying the foundation for complete replacement of our older bi-level equipment beginning in about a decade. And California is also proudly at the forefront of the nation's largest clean, electric intercity high-speed rail network development.

Additionally, California is also working to make our rail systems more resilient to the effects of climate change. As noted in the *2018 California State Rail Plan*, climate change-induced sea level rise is impacting many of California's coastal rail corridors, as is case in other national coastal regions. In January, CalSTA published its *Final Report from the LOSSAN San Diego Regional Rail Corridor Working Group*,^{vii} a CalSTA-led year-long effort to address critical climate change transportation infrastructure resilience issues in the LOSSAN Corridor.

Nearly two miles of the LOSSAN Rail Corridor run through the City of Del Mar on bluffs located adjacent to the Pacific Ocean. The Del Mar Bluffs, which support the railroad infrastructure and track-bed, have experienced and continue to be vulnerable to major erosion events that threaten the stability and

viability of the route. After highly publicized Del Mar Bluff failures in late -2019, I convened the LOSSAN San Diego Regional Rail Corridor Working Group (LOSSAN Working Group) to determine the critical pathway needed to secure the stabilization of the Del Mar Bluffs for the coming decades

At the outset of the LOSSAN Working Group, we and our partners sought \$100 million to stabilize the Del Mar Bluffs. Over the course of one year, the Working Group secured funding from the FRA, CalSTA's TIRCP and SB 1's Trade Corridor Enhancement Program. Through the efforts of the LOSSAN Working Group, we successfully identified all funding needed to completely stabilize the bluffs. We are now meeting quarterly to discuss long-term solutions for the LOSSAN corridor in the region, which may include realigning the corridor completely off the Del Mar Bluffs, which could potentially entail a multibillion-dollar infrastructure project.

California is also advancing its environmental and sustainability goals by supporting privately financed and developed electric high-speed rail projects. Planning for high-speed train service between Las Vegas and San Bernardino County has been underway for more than a decade. As early as 2010, the State of California was working with a private-sector entity to explore and

evaluate ways to coordinate planning. *Brightline West*, a Brightline-affiliated company, is planning to build a high-speed rail line to connect Las Vegas, Nevada with both Rancho Cucamonga and a future high-speed rail connection over the High Desert Corridor to Palmdale.

In June 2020, I authorized Caltrans to enter into a lease agreement allowing *Brightline West* to use existing State right-of-way along Interstate 15 (I-15) for high-speed passenger rail service. *Brightline West's* privately financed project will construct a 170-mile long, electric high-speed passenger rail system that will run along I-15's median protected by barriers. Approximately 135 miles of the system will be in California. The project anticipates creating approximately 15,900 construction jobs, and, when complete, employ 404 full- and part-time workers. It is forecast to provide significant environmental benefits as well by removing 2.8 million car trips annually, eliminating 100,000 metric tons of carbon emission from the I-15 corridor.

Brightline West's project is an important step in advancing national high-speed rail development that will bring major benefits to California, including reduced congestion and greenhouse gas emissions on the I-15 corridor and

increased connectivity with rail and transit throughout Southern California as well as future connections with the state's high-speed rail system.

Major construction on the nation's first truly high-speed rail continues to show steady progress. The California High-Speed Rail Authority is currently focused on advancing construction in the Central Valley, extending to the cities of Merced and Bakersfield, and completing environmental work for the entire 500-mile system.

Today in California's Central Valley, the California High-Speed Rail Authority is overseeing 35 different worksites along 119 miles of construction. More than 6,000 jobs have been created building high-speed rail in the Central Valley. In 2010, the California High-Speed Rail Authority received funding from the *American Recovery and Reinvestment Act (ARRA)* to begin construction of the state's high-speed rail system in the Central Valley in part due to the region's poor air quality and high unemployment rate. And in fact, starting construction in the Central Valley has helped spur the region's economy and will better connect the region to the rest of the state.

As of September 30, 2021, there are 643 certified small businesses working on the project, including 211 Disadvantaged Business Enterprises (DBE) and 73

Disabled Veteran Business Enterprises (DVBE).^{viii} California's High-Speed Rail Authority has environmentally cleared nearly 300 miles of the full 500-mile system; the Authority expects that number to increase to 430 miles of environmentally cleared and shovel-ready alignment by mid-2022. And we expect to have the system's first operational segment by the end of the decade. New federal funds made available by the IIJA could potentially help California complete the Central Valley segment and extend into the northern and southern regions of the state.

In closing, we are excited about the future of intercity passenger rail in California and the prospect of expanding services throughout the state, thanks to the IIJA and future legislation. I would like to thank you again for allowing me to appear before you, and I look forward to continuing to work with the Subcommittee and the Biden-Harris Administration to make transformative investments that will deliver the next generation of American intercity passenger rail.

ⁱ The 2018 California State Rail Plan: <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plann>

ⁱⁱ Governor Newsom's Executive Order N-19-19: <https://www.gov.ca.gov/wp-content/uploads/2019/09/9.20.19-Climate-EO-N-19-19.pdf>

- iii Governor Newsom's Executive Order N-79-20: <https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-Climate.pdf>
- iv CalSTA Climate Action Plan for Transportation Infrastructure (CAPTI): <https://calsta.ca.gov/subject-areas/climate-action-plan>
- v Mineta Transportation Institute's Getting State Rail Plans Back on Track: Gaps and Best Practices: <https://transweb.sjsu.edu/press/Getting-State-Rail-Plans-Back-Track-Gaps-and-Best-Practices>
- vi CalSTA's Transit and Intercity Rail Capital Program: <https://calsta.ca.gov/subject-areas/transit-intercity-rail-capital-prog>
- vii Final Report from the LOSSAN San Diego Regional Rail Corridor Working Group: <https://calsta.ca.gov/-/media/calsta-media/documents/sdregrailcorridorfinalreportfinala11y.pdf>
- viii California High-Speed Rail Small Business Program: <https://hsr.ca.gov/business-opportunities/small-business-program/>