

Statement of Rep. Zoe Lofgren
Hearing on: "Member Day"
House Committee on Transportation and Infrastructure
Wednesday May 1, 2019 (10:00am)

Thank you Chairman DeFazio and Ranking Member Graves for allowing me to participate in today's hearing.

As the Chair of the California Democratic Congressional Delegation and Co-Chair of the California High-Speed Rail Caucus along with Reps. Jim Costa and Lou Correa, I would like to reaffirm the Delegation's strong support for the California High Speed Rail Project.

The California High Speed Rail project is the largest and most ambitious infrastructure endeavor of our time. When completed, it will move people swiftly between California's economic centers and it will immediately ease congestion and improve air quality in California while creating thousands of jobs.

With the support of about \$19 billion in state funding and \$3.5 billion in federal funding, construction is well underway in the Central Valley on the first segment of the nation's only true high-speed rail project.

I encourage the committee to maintain support for this pathbreaking project and to help California accelerate the completion of the "Valley to Valley" project connecting the Central Valley segment to Silicon Valley and San Francisco.

High housing costs and traffic congestion have sharply increased demand for a Silicon Valley to Central Valley high-speed rail line in California since voters approved \$9 billion as an initial down payment in 2008.

As a resident of San Jose, I know firsthand the traffic congestion and affordable housing challenges in Bay Area. San Jose, along with Los Angeles, and San Francisco, rank among the top five most gridlocked cities in the nation. And congestion will only become more of a problem in the future as California's population is projected to grow 30-percent to 51.1 million by 2060.

According to the High-Speed Rail Authority, a trip from San Jose to Fresno will be reduced from three or more hours to about one hour. This will transform how the California economy functions and develop linkages between parts of the state that are disconnected today.

It is estimated that to provide equivalent mobility, California would need to build more than 4,000 new freeway lane miles, 115 airport gates and four new runways just to keep up with population growth.

Home prices in the Bay Area have continued to set records. In October 2018, the median Bay Area home price was \$845,000. Meanwhile, the median in Fresno was below \$250,000. A shortened commute between Silicon Valley and the Central Valley will open an affordable housing market for those working in the Bay Area and create much needed economic growth in the Central Valley.

Governor Gavin Newsom recently reaffirmed his commitment to completing the Valley to Valley project. Environmental reviews on this and all other planned segments spanning from San Francisco to Los Angeles and Anaheim are underway and are expected to be completed within the next two years. The state has also provided for \$713 million towards the electrification of the Caltrain Corridor to carry Caltrain and high-speed trains from San Jose to San Francisco.

I urge the committee to consider taking the following four steps this Congress to help California accelerate the completion of the Valley to Valley segment and to help accelerate high-speed rail projects throughout the United States:

- 1) Maintain the Rail Title first established in the FAST Act.
- 2) Create a new Passenger Rail Trust Fund and identify new, long-term funding to increase federal investment in high-speed and high-performance intercity passenger rail.
- 3) Make improvements to the Railroad Rehabilitation and Improvement Financing (RRIF) program to better leverage private sector investment.
- 4) Allow for advance acquisition of railroad right of way as is permitted for highway and public transit projects.

I'd like to thank the committee again for this opportunity. I look forward to working with you to ensure the next transportation reauthorization keeps builds on our success in California and paves the way for the next phase of the project.

Rep. Lofgren Transportation and Infrastructure Committee Requests

- Maintain the Rail Title first established in the FAST Act.
- Create a separate Passenger Rail Trust Fund and identify new, long-term, dedicated revenues to significantly increase federal investment in high-speed and high-performance intercity passenger rail.
 - Prior to the last Reauthorization, the American Public Transportation Association (APTA) recommended no less than \$60 billion over six (6) years. Unfortunately funding for passenger rail under the FAST Act has been extremely limited.
- Make improvements to the Railroad Rehabilitation and Improvement Financing (RRIF) program. The Governor's plan envisions that that private sector investment will play a major role in financing the remaining segments between San Francisco and Los Angeles. Authorizing funds for the credit risk premium in RRIF, as is done for the TIFIA program, would allow states to better leverage private investments. ***Further, RRIF loans should expressly be treated as local share when used together with federal grants.***
- The Committee should also consider extending the eligibility of TOD projects for RRIF financing. As we look at the extraordinary development around rail stations such as the Transbay Terminal in San Francisco, Google's investment next to the Rod Diridon Station in San Jose, and similar project planned for Fresno, Los Angeles and elsewhere, the link between these projects and the rail systems that spark them, more than justifies eligibility for federal rail financing.
- Ensure that any value capture tax credits authorized should also apply to equity investments in intercity passenger rail projects so that they may benefit from increased property values their projects bring to surrounding communities.
- Make new intercity and high-performance passenger rail projects eligible for advance acquisition of railroad right of way like that permitted for highway and public transit projects. This will permit projects to quickly enter into construction once environmental approvals are obtained, without the delays due to failure to obtain essential property rights in advance of contract approval that has hampered the start-up of the Central Valley Segment.