

California High-Speed Rail Peer Review Group

Kome Fredrick Stacey Bijan Beverly Lou Thompson Martin
Ajise Jordan Mortensen Sartipi Scott Chairman Wachs

March 17, 2021

The Honorable Toni G. Atkins
Senate President Pro Tem
State Capitol Building
Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol Building
Room 219
Sacramento, CA 95814

The Honorable Scott Wilk
Senate Republican Leader
State Capitol Building
Room 305
Sacramento, CA 95814

The Honorable Marie Waldron
Assembly Republican Leader
State Capitol Building
Room 3104
Sacramento, CA 95814

Dear Honorable Members:

This letter reviews a funding plan submitted by the California High Speed Rail Authority entitled "2021 Proposition 1A Funding Plan," dated February 9, 2021. The letter is submitted to the Legislature by the California High-Speed Rail Peer Review Group pursuant to Section 185035 of the Public Utilities Code which provides in part:

- (a) The authority shall establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's plans and issuing an analysis of appropriateness and accuracy of the authority's assumptions and an analysis of the viability of the authority's financing plan, including the funding plan for each corridor required pursuant to subdivision (b) of Section 2704.08 of the Streets and Highways Code.
- (c) The peer review group shall evaluate the authority's funding plans and prepare its independent judgment as to the feasibility and reasonableness of the plans, appropriateness of assumptions, analyses, and estimates, and any other observations or evaluations it deems necessary.

- (e) The peer review group shall report its findings and conclusions to the Legislature no later than 60 days after receiving the plans.

The Peer Review Group (PRG) has discussed the Funding Plan with the Authority in the course of preparing our comments on the “Draft Revised 2020 Business Plan” published by the Authority on February 12, 2021. Based on this review, we find as follows:

- The project as proposed in the “Draft Revised 2020 Business Plan” entails fulfilling the Authority’s commitment to the Federal Railroad Administration to complete a 119-mile link between Madera and Poplar Avenue and to complete all environmental analysis for the entire Phase 1 of the San Francisco to Los Angeles/Anaheim system. In addition, the Authority plans to electrify the 119-mile segment and to purchase interim high-speed rolling stock to be used in testing the system. The Authority also plans to carry out certain added detailed engineering analysis of the links south of Bakersfield and north of Madera in order to improve the existing cost estimates. This work can be completed within the funding presently available including appropriation of the remaining funds in Proposition 1A. The requested Proposition 1A funds would be specifically directed to construction work on the 119-mile segment.
- The proposal to add links to Merced and Bakersfield is contingent upon improved engineering analysis and improved cost estimates the Authority plans to conduct. The Authority may not be able to complete these links within currently available funding.
- The Authority should not make any new irrevocable contract commitments outside the 119-mile section, beyond the advancement of engineering analysis, until such analysis is performed and reported to the Legislature along with a more thorough discussion of funding and other issues raised in the PRG’s comments on the Draft Revised 2020 Business Plan dated March 12, 2021.

On this basis, we believe the proposal meets the requirements stated in the law.

Sincerely,



Louis S. Thompson
Chairman, California High-Speed Rail Peer Review Group

- cc: Hon. Lena Gonzalez, Chair, Senate Committee on Transportation
Hon. Patricia C. Bates, Vice Chair, Senate Committee on Transportation
Hon. Laura Friedman, Chair, Assembly Transportation Committee
Hon. Vince Fong, Vice Chair, Assembly Transportation Committee
David S. Kim, Secretary, California State Transportation Agency
Gabriel Petek, State Legislative Analyst
Kate Gordon, Director, Governor’s Office of Planning and Research
Tom Richards, Chairman, California High-Speed Rail Authority
Brian Kelly, Chief Executive Officer, California High-Speed Rail Authority
Members, California High-Speed Rail Peer Review Group