

PUBLIC SUPPORT

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We have received numerous letters of support from the elected officials of many affected communities and a letter from Ms. Contreras-Sweet expressing the State's support for the Los Angeles Project. However, we have also read reports of Governor Davis' recent veto of the legislation to deploy MAGLEV service in Southern California, as well as Councilwoman Ruth Galanter's article in the Los Angeles Times opposing the project. There is also the long-standing opposition of the High Speed Rail Authority. We would like to discuss the state and community support for the project.

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Support for the California MAGLEV Deployment program is strong at both the state and community levels.

Figure 1 lists the entities that have taken a formal position on the program. As Figure 1 shows, many state, local, and community-based individuals and entities have taken formal actions in support of the program.

The California MAGLEV Deployment Program enjoys strong state and community support. Members of the general public who attended our outreach meetings completed survey forms that demonstrate very strong community support for the program. The few concerns that have been raised will be addressed during the EIR/EIS phase of the program.

California Governor Gray Davis supports the completion of the predeployment and environmental reviews for the California MAGLEV Deployment Program. However, Governor Davis vetoed California Senate Bill 2019, a legislative measure regarding the California MAGLEV Deployment Program, based on his view that the measure was premature. Approximately two-thirds of the members in both houses supported the bill. SB 2019 enjoyed extensive bipartisan support in the California Legislature (Senate 27–6, Assembly 53–20).

Note: Italicized items denote letters of support and/or resolutions secured after submission of the Project Description.

Cities and Counties

| | | | |
|---|-------------------|---|-------------------|
| City of Alhambra | Letter | <i>City of Los Angeles Councilman Nate Holden</i> | <i>Letter</i> |
| City of Azusa Mayor Cristina Cruz-Madrid | Letter | <i>City of Los Angeles Councilman Rudy Svorinich</i> | <i>Letter</i> |
| <i>City of Brea Major Bev Perry</i> | <i>Letter</i> | <i>City of Los Angeles Councilman Nick Pacheco</i> | <i>Letter</i> |
| City of Buena Park | Letter | <i>County of Los Angeles Supervisor Don Knabe</i> | <i>Letter</i> |
| City of Buena Park | Resolution | <i>County of Los Angeles Supervisor Yvonne Brathwaite Burke</i> | <i>Letter</i> |
| City of Burbank | Resolution | City of Monrovia | Resolution |
| City of Cathedral City | Letter | City of Monrovia City Council | Letter |
| <i>City of Chino Hills</i> | <i>Letter</i> | City of Moreno Valley | Resolution |
| <i>City of Colton</i> | <i>Letter</i> | City of Ontario | Resolution |
| <i>City of Covina</i> | <i>Resolution</i> | City of Paramount | Letter |
| City of Cypress Councilman Tim Keenan | Letter | City of Pasadena | Letter |
| City of El Segundo Major Mike Gordon | Letter | City of Pico Rivera | Letter |
| City of Fontana | Letter | City of Rancho Cucamonga | Letter |
| City of Glendora | Resolution | City of Redondo Beach | Letter |
| <i>City of Grand Terrace</i> | <i>Resolution</i> | <i>City of Rialto</i> | <i>Letter</i> |
| <i>City of Hermosa Beach</i> | <i>Letter</i> | <i>City of Riverside</i> | <i>Resolution</i> |
| <i>City of Inglewood Major Roosevelt Dorn</i> | <i>Letter</i> | Riverside County Transportation Commission | Letter |
| City of Irvine | Letter | City of San Bernardino | Resolution |
| <i>City of Irwindale City Council</i> | <i>Letter</i> | County of San Bernardino | Resolution |
| City of Lake Forest | Letter | City of South Gate | Resolution |
| <i>City of Los Angeles Councilwoman Cindy Miscikowski</i> | <i>Letter</i> | City of South Pasadena | Resolution |
| <i>City of Los Angeles Councilman John Ferraro</i> | <i>Letter</i> | <i>City of Upland</i> | <i>Resolution</i> |
| <i>City of Los Angeles Councilwoman Rita Walters</i> | <i>Letter</i> | County of Ventura Supervisor Judy Mikels | Letter |
| <i>City of Los Angeles Councilman Mark Ridley-Thomas</i> | <i>Letter</i> | | |

State and Federal Elected Officials

| | | | |
|--|---------------|---|---------------|
| State Assemblyman Martin Gallegos | Letter | <i>U.S. Congressman Gary Condit</i> | <i>Letter</i> |
| State Assemblywoman Sheila Kuehl | Letter | U.S. Congressman Julian C. Dixon | Letter |
| State Assemblyman George Nakano | Letter | <i>U.S. Congresswoman Anna G. Eshoo</i> | <i>Letter</i> |
| <i>U.S. Congressman Joe Baca</i> | <i>Letter</i> | <i>U.S. Congressman Sam Farr</i> | <i>Letter</i> |
| <i>U.S. Congressman Howard L. Berman</i> | <i>Letter</i> | <i>U.S. Congressman Bob Filner</i> | <i>Letter</i> |

**Figure 1 – MAGLEV Local Resolutions and Letters of Support
as of November 1, 2000**

| State and Federal Elected Officials (contd) | | | |
|--|---------------|--|---------------|
| <i>U.S. Congressman Elton Gallegly</i> | <i>Letter</i> | <i>U.S. Congresswoman Juanita Millender-McDonald</i> | <i>Letter</i> |
| U.S. Congressman Steven Kuykendall | Letter | <i>U.S. Congresswoman Grace F. Napolitano</i> | <i>Letter</i> |
| <i>U.S. Congresswoman Zoe Lofgren</i> | <i>Letter</i> | <i>U.S. Congresswoman Nancy Pelosi</i> | <i>Letter</i> |
| <i>U.S. Congressman Matthew G. Martinez</i> | <i>Letter</i> | <i>U.S. Congressman Mike Thompson</i> | <i>Letter</i> |
| <i>U.S. Congressman Howard P. "Buck" McKeon</i> | <i>Letter</i> | <i>U.S. Congresswoman Maxine Waters</i> | <i>Letter</i> |
| <i>U.S. Congressman George Miller</i> | <i>Letter</i> | <i>U.S. Congressman Henry A. Waxman</i> | <i>Letter</i> |
| | | <i>U.S. Congresswoman Lynn Woolsey</i> | <i>Letter</i> |
| Councils of Government | | | |
| Arroyo Verdugo Cities | Letter | San Gabriel Valley Council of Governments | Letter |
| Gateway Cities Council of Governments | Resolution | South Bay Cities Council of Governments | Letter |
| San Bernardino Associated governments | Resolution | Western Riverside Council of Governments | Letter |
| Private and Other Organizations | | | |
| Joint Powers Commission of the March Joint Powers Authority | Resolution | Moreno Valley March Field Rotary Club | Resolution |
| League of California Cities Inland Empire Division | Letter | North County Transportation Coalition | Letter |
| Los Angeles Area Chamber of Commerce | Letter | Ontario Chamber of Commerce | Letter |
| Metrolink | Letter | Valley Industry and Commerce Association | Letter |
| Moreno Valley Chamber of Commerce | Letter | | |

**Figure 1 – MAGLEV Local Resolutions and Letters of Support (contd)
as of November 1, 2000**

In his message to the legislature regarding SB 2019, the Governor reiterated the essence of the letter from California Business, Transportation and Housing Secretary Maria Contreras-Sweet to the Federal Railroad Administration endorsing the project. Clearly, the veto of SB 2019 did not constitute any change in official state policy and support for the project. The Governor also reiterated his position that the predeployment studies and environmental review must be conducted prior to the state making any commitment to construction. Figure 2 is a copy of Governor Davis' message to the legislature outlining his rationale for returning SB 2019 to the legislature unsigned. Figure 3 is a copy of a letter from Southern California Association of Governments President Ron Bates to Secretary Slater discussing the action on SB 2019 in greater detail.

**GOVERNOR GRAY DAVIS**

SEP 28 2000

To Members of the California State Senate:

I am returning Senate Bill 2019 without my signature.

This bill would require the California High-Speed Rail Authority to prepare a feasibility study for the construction and operation of a maglev train system in Southern California.

While the general intent of the bill -- to deploy high-speed maglev train service in Southern California -- is laudable, this bill is premature. I recognize that the State of California has applied for and received funding for pre-construction activities under the federal Maglev Deployment Program. I stated at that time that while I support the program, I would withhold judgment as to which high-speed train technology best serves the people of California until after completion of the program studies.

California has subsequently applied for funding under the federal program to perform additional engineering, financial and environmental studies related to the maglev project description submitted to the Federal Railroad Administration. In our recent application letter to the FRA, we specifically stated that these studies needed to be conducted before California commits to construction of the maglev project. SB 2019 would appear to endorse maglev as the technology of choice for California before those studies are even completed.

In conjunction with our application for funding under the federal program, the California High-Speed Rail authority has commissioned a statewide program environmental impact report that includes the study of both maglev and steel-wheel-on-steel-rail technologies.

STATE CAPITAL - SACRAMENTO, CALIFORNIA 95814 (916) 445-2841

Figure 2 – Letter from Governor Gray Davis of California stating his support of the California MAGLEV Program and his reasons for returning California SB 2019 unsigned

I do not believe it would be fiscally prudent nor productive for the Authority to be required to expend significant additional funds that will duplicate the pre-construction activities already performed under the federal Maglev Deployment Program and those scheduled under the upcoming statewide program EIR.

Sincerely,

GRAY DAVIS

STATE CAPITAL - SACRAMENTO, CALIFORNIA 95814 (916) 445-2841

Figure 2 – Figure 2 – Letter from Governor Gray Davis of California (contd)

SOUTHERN CALIFORNIA

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October 3, 2000

Secretary Rodney Slater
U.S. Department of Transportation
1120 Vermont Avenue, N.W.
Washington, D.C. 20590

Dear Secretary Slater:

As you may be aware, California Governor Gray Davis recently opted not to sign into law S.B. 2019, a state legislative measure regarding the California Maglev Deployment Program. In light of this recent action, I wanted to take the opportunity on behalf of the Southern California Association of Governments (SCAG) to comment on the Governor's recent action as it pertains to the Federal Maglev Deployment Program.

The primary purpose of the legislative measure was to provide a mechanism for a formal endorsement of the California Maglev Deployment Program by the California State Legislature and to begin establishing the framework for the ultimate construction and governance of an intra-regional Maglev system in Southern California. We are very pleased to report that the measure was approved by both houses of the California State Legislature by overwhelming majorities.

Those actions taken by the Legislature – coupled with the numerous resolutions and letters of support adopted by cities, counties, community organizations and residents throughout Southern California, as well as the August 8th letter to the FRA by the California's Secretary of Business Transportation Housing on behalf of Governor Davis – demonstrate the widespread political and community support for the Maglev project and for completion of the environment studies and documents that are legally required before final decisions can be made to construct the project.

Additionally, in his communication to the Legislature regarding the measure, Governor Davis indicated his support for the "general intent of the bill to deploy high-speed Maglev train service in Southern California." The Governor reiterated his position that the predeployment studies and environmental review must be conducted prior to the state making any commitment to construction, therefore S.B. 2019 was, in his view, premature.

**Figure 3 – Letter from Southern California Association of Governments
President Ron Bates to Secretary Slater discussing the action on SB 2019**

California Maglev Deployment Program
Page 2 of 2

Our Project Description and the supplement information submitted on September 1, 2000 clearly indicate the strength of the California Maglev Project in terms of ridership, transportation benefits, financial viability and public/private partnership potential. Given the unique and profound congestion and air quality challenges facing Southern California today and in the future, we strongly believe that our region is the ideal setting for development of the nation's first high-speed train network based on Maglev technology. We urge the U.S. DOT and FRA to select the California Maglev Deployment Program for the next phase of funding under the Federal Maglev Deployment Program. Thank you in advance for your consideration, and we look forward to working together in making Maglev a reality for Southern California.

Sincerely,

Ronald Bates
President, SCAG
Council Member, City of Los Alamitos

RP.IL.MTML43474

cc: Jolene Molitoris, Administrator, Federal Railroad Administration
Arrigo Mongini, Deputy Associate Administrator, Office of
Railroad Development, Federal Railroad Administration
Gray Davis, Governor, state of California
Maria Contreras-Sweet, Secretary, Business, Housing and
Transportation Agency
Senator Richard Polanco
Members of the California Legislature
Members of SCAG's Congressional Delegation
SCAG Regional Council

Figure 3 – Letter from Southern California Association of Governments (contd)

The California legislature passed and the Governor signed into law Assembly Bill 1703, which terminates the terms of office for all current members of the California High Speed Rail Authority (CHSRA). AB 1703 also outlines the procedure for appointing new board members and extends the life of the CHSRA until December 2003.

Current CHSRA members are holdover appointments from the previous administration; the legislature and Governor have approved new legislation to terminate all those appointments. The CHSRA does not reflect the official position of the state of California with respect to the California MAGLEV Deployment Program. Instead, Governor Gray Davis and California Business, Transportation and Housing Secretary Maria Contreras-Sweet express the state's official position.

The City of Los Angeles, by an adopted motion of the Los Angeles City Council, supports the application for federal funds to construct a MAGLEV project in Southern California. The City prefers the first phase to link Riverside and Union Station and the second phase to connect Palmdale and Union Station. The City Council also approved a motion by Councilmember Galanter that conditions the City's support to allow review of all appropriate high-speed train technologies as potential solutions to the state's intercity and regional mobility challenges. This latter motion is not in conflict with the objective of deploying the California MAGLEV project. Councilwoman Galanter is one of 15 members of the Los Angeles City Council. To date, seven Council members have written individual letters endorsing the program (refer to Figure 1) and supporting completion of the environmental studies to be conducted under the program's next phase; four other members are in the process of preparing similar letters of support.

Twenty-one members of the California Congressional delegation have signed a letter in support of the California MAGLEV Deployment Program, as shown in Figure 4. We understand that several other members of the delegation have or will be sending personal letters of support in addition to those who signed the delegation letter.

Congress of the United States
Washington, DC 20515

October 3, 2000

The Honorable Rodney Slater
Secretary
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Mr. Secretary:

We, the undersigned Member of Congress, are writing to express our support for the application of the Southern California Association of Governments (SCAG) to the U.S. Department of Transportation's Maglev Deployment Program. SCAG's maglev project would play a key role in remedying the myriad transportation problems in Southern California and in demonstrating this exciting new technology for deployment throughout the nation and the world.

Southern California is confronted by many of the nation's most difficult transportation and development challenges. In determining the best location for this 21st Century technology, we are confident that you will agree that Southern California, more than any other region in the nation, is the place where so many transportation issues and opportunities converge. No other area in the country would see such a dramatic impact on its surface and air transportation infrastructure needs. No other project promises such improvements in the livability of its communities. And finally, no other project would generate the high level of ridership required to demonstrate the viability of maglev.

The State of California's maglev application is also unique in the level of private support that has emerged. Private support will provide the majority of funding for the California project. As such, SCAG's maglev proposal represents an opportunity to demonstrate this revolutionary new technology with an equally profound impact on how major infrastructure projects are funded.

We again iterate our strong support for the State of California's maglev application, and we look forward to working with you on the implementation of this very important transportation program for the 21st Century.

Sincerely,

**Figure 4 – Letter from 21 members of the California Congressional Delegation
supporting the California MAGLEV Deployment Program**

Signatories – Letter to Secretary Rodney Slater regarding Maglev:

The Honorable Joe Baca
The Honorable Juanita Millender-McDonald
The Honorable Maxine Waters
The Honorable Anna G. Eshoo
The Honorable Grace F. Napolitano
The Honorable Gary Condit
The Honorable George Miller
The Honorable Nancy Pelosi
The Honorable Mike Thompson
The Honorable Sam Farr
The Honorable Steven Kuykendall
The Honorable Howard L. Borman
The Honorable Henry A. Waxman
The Honorable Bob Filner
The Honorable Lynn Woolsey
The Honorable Zoe Lofgren
The Honorable Julian C. Dixon
The Honorable Howard P. “Buck” McKeon
The Honorable Elton Gallegly
The Honorable Matthew G. Martinez
The Honorable Steve Ilorn

Figure 4 – Letter from 21 members of the California Congressional Delegation (contd)

PRIVATE SUPPORT

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It does not appear that there is any financial commitment from a public or private sector organization other than the commitment of the Southern California Regional Airport Authority (SCRAA) to try to market \$2.8 billion in tax-exempt revenue bonds. We would like to discuss why you believe that this constitutes a public/private partnership.

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The move to “privatization” and “public private partnerships” has fostered the myth that private sector equity for public projects is desirable. At 20% plus cost of funds, such equity contributions are neither helpful nor wanted. The absolute lowest cost-of-funds is needed to make this type of project “pencil.” As stated in our financial analysis of the project, the lowest cost financing model entails tax-exempt senior lien bonds with a junior lien TIFIA loan.

The private sector will provide:

- Completion Guarantees
- Technology Guarantees
- Joint Station Development. While revenues can be expected in the joint station development arena, such items are so speculative in nature that the core financial analysis must exclude such revenues. As these revenues are realized, they will, however, provide additional financial strength and debt service coverage.

It is premature to secure a commitment and guarantees from a private sector organization at this time, and it is not in the best interest of either FRA or the project to do so now. Until the project is approved through the state and federal environmental process, the unknowns in specific, detailed project designs impact mitigations, refined ridership, financial performance, federal commitments, etc. Any private sector commitment at this time would, of necessity, be so tentative that it would be meaningless.

Furthermore, we want to be in a position where more than one team proposes on the private sector franchise and partnering agreement that will be solicited immediately following the Record of Decision and final project approval. This will offer the necessary leverage for negotiating a fair and reasonable agreement that serves the needs of the private partner while protecting the public's (including the FRA's) interest in the program.

We are well along in that procurement process, which was initiated in March of this year with the notice of requests for letters of interest to the private sector. More than 80 firms responded to that notice, including a response from one firm (Maglev, Inc.) that it is ready to commit \$100 million in capital to construct the project. We are confident that two to four consortia will participate in the solicitation process and that a favorable outcome will be achieved. This approach to securing the necessary private partner commitments is consistent with the requirements of TEA-21 and FRA guidance, and offers the best chance for a successful implementation.

State law specifically allows the California Department of Transportation to utilize freeway rights of way for MAGLEV deployment. The state's support of MAGLEV is further indicated in the August 8, 2000 letter from the Secretary of Business, Transportation & Housing.