

AMENDED IN ASSEMBLY JUNE 23, 2009

AMENDED IN SENATE MAY 28, 2009

AMENDED IN SENATE APRIL 30, 2009

AMENDED IN SENATE APRIL 13, 2009

SENATE BILL

No. 783

Introduced by Senator Ashburn

February 27, 2009

An act to amend Section 185033 of the Public Utilities Code, relating to high-speed rail.

LEGISLATIVE COUNSEL'S DIGEST

SB 783, as amended, Ashburn. High-speed rail.

Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law requires the authority to prepare and to submit to the Legislature a revised business plan containing specified elements by September 1, 2008.

This bill would require the authority to prepare, publish, adopt, and submit to the Legislature a business plan addressing specified elements no later than January 1, 2012, and every 2 years thereafter, with a draft of the business plan to be available at least 60 days in advance for public review and comment, followed by a public hearing.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 185033 of the Public Utilities Code is
2 amended to read:

3 185033. (a) The authority shall prepare, publish, adopt, and
4 submit to the Legislature, not later than January 1, 2012, and every
5 two years thereafter, a business plan. At least 60 days prior to the
6 publication of the plan, the authority shall publish a draft business
7 plan for public review and comment. The draft plan shall also be
8 submitted to the Senate Committee on Transportation and Housing
9 ~~and~~, the Assembly Committee on Transportation, *the Senate*
10 *Committee on Budget and Fiscal Review, and the Assembly*
11 *Committee on Budget*. The business plan shall identify all of the
12 following: the type of service the authority anticipates it will
13 develop, such as local, express, commuter, regional, or
14 interregional; a description of the primary benefits the system will
15 provide; a forecast of the anticipated patronage, operating *and*
16 *maintenance* costs, and capital costs for the system; an estimate
17 and description of the total anticipated federal, state, local, and
18 other funds the authority intends to access to fund the construction
19 and operation of the system; and the proposed chronology for the
20 construction of the eligible corridors of the statewide high-speed
21 train system. The business plan shall also include a discussion of
22 all reasonably foreseeable risks the project may encounter,
23 including, but not limited to, risks associated with the project's
24 finances, patronage, *right of way acquisition, environmental*
25 *clearances*, construction, equipment, and technology, and other
26 risks associated with the project's development. The plan shall
27 describe the authority's strategies, processes, or other actions it
28 intends to utilize to manage those risks.

29 (b) (1) In addition to the requirements of subdivision (a), the
30 business plan shall include, but need not be limited to, all of the
31 following elements:

32 (A) Using the most recent patronage forecast for the system,
33 develop a forecast of the expected patronage and service levels
34 for the Phase 1 corridor as identified in paragraph (2) of subdivision
35 (b) of Section 2704.04 of the Streets and Highways Code and by
36 each segment or combination of segments for which a project level
37 environmental analysis is being prepared for Phase 1. The forecast
38 shall assume a high, medium, and low level of patronage and a

1 realistic operating planning scenario for each level of service.
2 Alternative fare structures shall be considered when determining
3 the level of patronage.

4 (B) Based on the patronage forecast in subparagraph (A),
5 develop alternative financial pro formas for the different levels of
6 service, and identify the operating break-even points for each
7 alternative. Each pro forma shall assume the terms of subparagraph
8 (J) of paragraph (2) of subdivision (c) of Section 2704.08 of the
9 Streets and Highways Code.

10 (C) Identify the expected schedule for completing environmental
11 review, and initiating and completing construction for each segment
12 of Phase 1.

13 (D) Identify the source of federal, state, and local funds available
14 for the project that will augment funds from the bond act and the
15 level of confidence for obtaining each type of funding.

16 (E) Identify written agreements with public or private entities
17 to fund components of the high-speed rail system, including
18 stations and terminals, any impediments to the completion of the
19 system, such as the inability to gain access to existing railroad
20 rights-of-way.

21 (F) Identify alternative public-private development strategies
22 for the implementation of Phase 1.

23 (2) The authority shall hold at least one public hearing on the
24 business plan and shall adopt the plan at a regularly scheduled
25 meeting. When adopting the plan, the authority shall take into
26 consideration comments from the public hearing and written
27 comments that it receives in that regard, and any hearings that the
28 Legislature may hold prior to adoption of the plan.