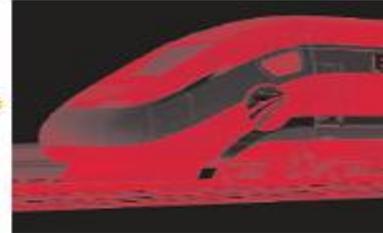


HIGH SPEED RAIL THE LEMON LAW



By: Diane L. Harkey, Assemblymember 73rd AD

Increasingly, voters believe they've bought a lemon. One would think with millions of dollars for statewide marketing at their disposal, the California High Speed Rail Authority would be able to increase support for the multi-billion dollar project, which only 52% voted for in 2008. HSR proponents blame the Tea Party and/or the Republicans in Congress, accusing the Tea Party of being short-sighted, and Congress as vengeful toward Obama policies.

Left-leaning California is hardly representative of the groups found wanting by the pro-HSR lobby. A recent statewide Field Poll revealed that nearly 2/3 of the voters surveyed would like to re-vote on the issue. By nearly two to one, voters would reject the \$9.95 billion bond to fund start-up costs for HSR. The reality is that even those that originally supported the concept know they were deceived; Californians do not support high speed rail at any cost.

In fact, the voters were misled; the courts ruled that the analysis of the bond measure, Proposition 1A, was misleading, written in promotional language. In addition, the original price tag of \$33 billion has now escalated to \$98.5 - \$117 billion for Phase I construction. Phase II promised from Anaheim to San Diego is not even being discussed, and neither is the cost to operate whatever is actually built. The voters were assured there would be "no state operating subsidy" and that the riders would pay for the system. However, the analysis failed to mention hefty "construction costs" would be excluded, require financing, and repayment from the state's General Fund (or tax-payer subsidy).

Also never mentioned, the initial construction would begin with 120+ miles somewhere between "near" Fresno and Bakersfield, the now professed "backbone" of the system. Who will ride and who will pay for the un-electrified piece of track, is uncertain at best. But, Authority wizards and the Federal Railroad Administration are insisting \$3.9 billion in stimulus dollars must be spent, match-funded by over \$2 billion State Proposition 1A debt, in the least-likely-to-succeed location. Not to mention, the location, timing and funding, may not meet the legal requirements for accessing Proposition 1A debt.

To re-vote requires 2/3 vote of the Legislature or accumulating millions to gather signatures and campaign. The election could be held in November 2012, or be postponed until after beginning destruction in the Central Valley. Once the gaping hole is dug and eminent domain has usurped businesses and productive farmland, what happens next? What is the likelihood that the Federal Government will kick-in billions to complete a useable segment or an entire Phase I? How will California, with the lowest credit rating in the nation, recurring budget deficits, and forced “trigger cuts” to education, public safety and the needy, finance the shiny new toy without ridership?

We now have the CHSRA Peer Review Group advising us not to fund. A December hearing in Washington, DC confirmed that Congress will not rescue us if we are determined to become the Greece of the nation. But we do have options.

Constantly searching for strategies to improve our state’s dire financial situation that fall within the Legislature’s purview, I discovered that:

Article XVI of the California Constitution authorizes the Legislature, at any time after the approval of a general obligation bond act by the people, to reduce the amount of the indebtedness authorized by the act to an amount not less than the amount contracted at the time of the reduction or to repeal the act if no debt has been contracted.

When proposed last year, California Public Interest Research Group argued the project would create 160,000 jobs, and "The cost of scrapping the high-speed rail project is not zero...the highway and airport expansions ... without high-speed rail are expected to exceed \$80 billion [statewide]." Considering we have proven ridership, \$80 billion, or inflated \$170 billion as touted by the Authority, appears a bargain. And we have shovel-ready, real jobs, needing funds statewide.

To recap, the voters were deceived; the project lacks sufficient private, public or debt funding to complete even a requisite operating segment, as required under Proposition 1A; the Environmental Impact Report is incomplete; California is struggling with long term deficits and debt; the Governor claims to need more taxes; our existing infrastructure is in dire need of extension and repair; and voters are suffering from buyer’s remorse.

There ought to be a law – and there is.

The 73rd Assembly District Includes the cities of: Aliso Viejo, Dana Point, Laguna Niguel, Oceanside, San Clemente, and San Juan Capistrano.