High-speed rail officials rebuffed proposal from French railway

The French railway recommended that the state build the rail line along the Interstate 5 corridor and partner with it or another foreign firm to hold down costs.

By Dan Weikel and Ralph Vartabedian, Los Angeles Times

As state officials accelerated their effort to design a high-speed rail system in 2010, they were approached by the renowned French national railway with a suggestion: The project could use the help of an experienced bullet train operator.

Until the end of last year, SNCF, the developer of one of the world's most successful high-speed rail systems, proposed that the state use competitive bidding to partner with it or another foreign operator rather than rely on construction engineers to design a sophisticated network for 200-mph trains.

The approach, the French company said, would help the California High-Speed Rail Authority identify a profitable route, hold down building costs, develop realistic ridership forecasts and attract private investors — a requirement of a $9-billion bond measure approved by voters in 2008.
But SNCF couldn’t get its ideas — including considering a more direct north-south route along the Central Valley’s Interstate 5 corridor — out of the station.

Instead, the rail authority continued to concentrate planning in the hands of Parsons Brinckerhoff, a giant New York City-based engineering and construction management firm. Although they have occasionally consulted with high-speed railways, officials decided that hiring an experienced operator and seeking private investors would have to wait until after the $68-billion system was partially built. Last week, the state Senate approved — by a single vote — $8 billion to get construction underway.

"It’s like California is trying to design and build a Boeing 747 instead of going out and buying one," said Dan McNamara, a civil engineer who worked for SNCF’s U.S. affiliate. "There are lots of questions about the Parsons Brinckerhoff plan. The capital costs are way too high, and the route has been politically gerrymandered."

Under the authority’s management, cost and ridership estimates have fluctuated wildly. The project’s ability to lure private investors remains uncertain, the route through the eastern Central Valley has ignited a legal war with the agricultural industry and some experienced operators, such as the Central Japan Railway Co., have lost interest in the project.

The Japanese firm, which runs the famous Shinkansen bullet train, turned its attention elsewhere when the authority decided to save money by sharing track in major urban areas with freight and passenger trains.

Dan Richard, chairman of the rail authority board, declined to answer specific questions about SNCF’s proposal or critiques of the project. In a statement, however, he dismissed the railway’s ideas.

"Our business plan is predicated on having private operations after the initial system is built," Richard said. "Turning the design of the system over to a private operator would have been a bad financial move for California taxpayers. SNCF’s proposal was self-serving and not in the public interest."

Will Kempton, chief executive of the Orange County Transportation Authority and chairman of the rail authority’s peer review panel, said, however, that he was impressed with SNCF’s ideas.

"It would make sense to get the operators involved early in the process, so the operator can have input in the construction and design," Kempton said.

SNCF built and operates the Train a Grande Vitesse system, or TGV, with 1,100 miles of track handling 800 high-speed trains a day. It carried about 114.5 million passengers in 2010 and has made an operating profit annually.

When the French firm showed interest in developing California’s system, the eastern Central Valley route had largely been set, decided in 1995 long before the full cost of construction was understood.

Political experts say the route was pushed by politicians from the eastern Central Valley who were instrumental in initiating and funding the project and were later backed by then-House Speaker Nancy Pelosi. Bypassing Fresno, the state’s fifth-largest city, would have been a deal-killer, the experts said.

"If you went up the I-5, you’d get a lot of votes from the cows in Coalinga," said Richard Katz, a member of the L.A. County Metropolitan Transportation Authority board and a former high-speed rail authority board member.

SNCF officials said that if they were hired they would propose running the bullet train along Interstate 5 through the Central Valley and then linking to San Francisco.

McNamara said the I-5 route would have been the shortest, fastest and lowest-cost alignment, with a price tag of about $38 billion — sharply less than the rail authority’s current route, which has been...
estimated at various times to cost $34 billion, $43 billion, $98 billion and now $68 billion.

According to SNCF, the I-5 route could use state-owned right of way or utility easements, reducing conflicts with property owners.

The railway's initial analysis indicated that the I-5 route might also be 20 minutes faster. By law, the bullet train must make the L.A. to Bay Area trip in less than 2 hours, 40 minutes, though internal authority documents raise serious questions about whether the current route can meet that mandate.

In the French view, fast service between the state's mega-regions would provide most of the riders and lead to the system's ultimate success. The French contended that rail service to Fresno, Bakersfield and Palmdale could be accomplished with branch lines linked to the I-5 route and regional commuter service, such as Metrolink.

Instead, the high-speed rail alignment goes through Gilroy, Fresno, Bakersfield and Palmdale, which accounts for much of the project's 190 miles of viaducts and 48 miles of tunnels. State officials say the present route has more ridership potential and fewer construction complications than an I-5 path, though they concede it would be slower and cost more.

From 2010 to November 2011, SNCF officials briefed California legislators and transportation agencies. They met with rail authority board members and two chief executives, Mehdi Morshed and Roelof Van Ark, both of whom have since left. The company's message was blunt.

"Simply put, the California High-Speed Rail Authority has a wish list, not a plan," an SNCF presentation stated. "This lack of an investment-grade business plan is a deadly defect, particularly in a project that by law cannot rely on government subsidies for its operation and maintenance."

According to the railway's proposal, an experienced operator would be hired to help with initial planning. If a decision was made to proceed further, the operator would be retained to help with final design and construction with the intent of eventually running the system — an idea that was well received by some California officials.

"The longer we wait to have private-sector involvement, the less we can transfer the risk," said state Sen. Alan Lowenthal (D-Long Beach), who heads a special committee that oversees the bullet train project. Private operators "are not going to accept the risk if [state officials] decide everything. That's why I was intrigued by their proposals early on."

Though he urged Van Ark to listen to the French, Lowenthal said the chief executive rejected SNCF's ideas. "He is a technocrat," Lowenthal said. "I don't think he understood that we were accepting all the risk. He was just there to build it."

Van Ark could not be reached for comment.

Julien de Hornay, the former president of SNCF America Inc., said he never knew why Van Ark turned down the company's proposals.

SNCF no longer wants a role in the project, its enthusiasm extinguished as the proposal became increasingly controversial, opposition mounted in the Central Valley and company officials learned that the political establishment would not be flexible on the alignment.

"The French are not interested right now because of what they have seen," McNamara said. "They don't think it is a feasible project the way it is currently designed."

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JZarris at 10:45 AM July 09, 2012
Two thoughts:
1) This has all the makings of another "Big Dig" a la Boston...
2) Who knew so many American politicians and republicans were really so impressed with the French?

MaxersLA at 10:42 AM July 09, 2012
If you look at it in the sense of "Who palms get greased the most?" instead of "What makes common and fiscal sense" then you see this is going to way of ALL OF OUR OTHER government spending plans...

Kurfco at 10:36 AM July 09, 2012
I'd like to see someone explain how a "high speed" train is going to connect all these cities along 99. I quickly Mapquested to find that Bakersfield to Merced is 165 miles. So, a "high speed" train would just get up to its high speed, cruise for a little while, then slam on the brakes for Merced. Getting passengers on and off even a "high speed" train takes time, so this lost time will reduce average speed to this point. Then, Merced to Modesto is only 39 miles. Wahoo, screech. Wait. Modesto to Stockton. 31 miles. Chug, chug, chug. Screech. Wait. Stockton to Sacramento 50 miles. Woooosh, screech, wait.
Then, if this thing is ever built, every burg along the way will want a station and a stop too, don't you know. Maybe they won't stay tiny for ever. Maybe someday they all have a pretty important politician or a union boss who lives there.
Has anybody looked yet at what happens to a "high speed" rail system when it becomes a really expensive slow speed rail system?

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