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High-Speed Rail Authority

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April 16, 2012

Stuart Drown
Executive Director
Little Hoover Commission
925 L Street, Ste. 805
Sacramento, CA 95814

Dear Mr. Drown:

Thank you for your invitation to testify at the Little Hoover Commission's hearing scheduled for Monday, April 23, 2012 regarding the Governor's Reorganization Plan and the High Speed Rail Authority.

My written testimony is attached and I look forward to answering any questions the Commission may have.

Sincerely,

Thomas Fellenz
Chief Counsel
CA High Speed Rail Authority

Attachment

JERRY BROWN
GOVERNOR

THOMAS FELLENZ
ACTING CEO/CHIEF COUNSEL-HIGH SPEED RAIL AUTHORITY

WRITTEN TESTIMONY BEFORE THE LITTLE HOOVER COMMISSION
REGARDING THE REORGANIZATION PLAN FOR THE HIGH SPEED RAIL AUTHORITY
APRIL 23, 2012

Governor Edmund G. Brown Jr. is proposing to reorganize State agencies that contain departments with unrelated missions. The purpose of this structural change is to create efficiencies, improve coordination and reduce or eliminate duplicative functions. It includes reducing the number of agencies from twelve to ten and the creation of a new Transportation Agency. Departments under the new Transportation agency include Caltrans, the Department of Motor Vehicles, the High Speed Rail Authority, the Highway Patrol, the California Transportation Commission, and the Board of Pilot Commissions.

- **Does the High Speed Rail Authority (HSRA) support the portion of the Governor's reorganizational plan, under which, the HSRA will be placed under the newly created Transportation Agency?**

  Yes, the HSRA supports this reorganizational plan and will benefit by being placed under the Transportation Agency. The HSRA will benefit by having better access and coordination with other State transportation departments. Cost and time savings are anticipated.

  Having worked at the State Department of Transportation (Caltrans) for 31 years prior to joining the HSRA I am familiar with the benefits derived from state agencies' involvement and advice to state departments to assure the state's policy goals and direction are achieved in the area of transportation, a critical need to assure the economic viability for California. Caltrans received these benefits by working closely under the current Business Transportation and Housing Agency.

  The High Speed Rail Authority can also derive these benefits under the new Transportation Agency.

- **What advantages and risks would need to be considered?**

  Since the HSRA is relatively new, having been established by statute in 1996, it can benefit from the institutional knowledge of other state transportation departments involving processes, practices and policies.

  Even though established in 1996, the activities of the HSRA increased significantly in 2008 upon the passage into law the Safe, Reliable High-Speed Rail Train Bond Act for the 21st Century followed by the passage of a $9.95 billion bond measure (Proposition 1A). Since 2008 the HSRA has implemented the Proposition 1A requirements to build a statewide high speed rail system.

A major advantage to the HSRA, if placed under a Transportation Agency with Caltrans, will be the opportunity to better coordinate the interconnectivity of existing intercity and regional passenger trains systems, part of the same responsibility that current exists in Caltrans' Division of Rail. The Transportation Secretary will be in best position to orchestrate this coordination. HSRA will benefit from better access to Caltrans' twenty thousand employee department. Transfers and temporary assignments between Caltrans and HSRA will be easier and can be used to manage workload spikes and manpower shortfalls.

Currently the HSRA must obtain Public Works Board (PWB) approval for real property acquisitions while other state departments such as Caltrans use a different approval process. The California Transportation Commission (CTC) approves all right of way property acquisitions for Caltrans. Placing Caltrans and the HSRA under one transportation agency will assist the HSRA to explore and to consider changes to the PWB process based upon the Caltrans/CTC acquisition model which is more streamlined and better suited for linear multi-property acquisitions (including partial acquisition) when compared to the PWB process.

No risks for the HSRA have been identified. Although not a risk, transportation policy coordination must occur between the Transportation Secretary and the HSRA independent Board.

- **Does this organizational plan position the state to operate more effectively and efficiently? If not, what additional action is needed?**

For all the reasons stated above the Governor's proposal to place the HSRA under a Transportation Agency will allow the Authority to operate more effectively and efficiently. Thus, no additional actions are needed.