



**HIDDEN TRUTH SHOW WITH JIM BRESLO**  
**TRAIN TO NOWHERE**

**AVAILABLE ON ALL PODCAST APPS**

**HIDDEN  
TRUTH**  
WITH JIM BRESLO

1  
00:00:02,290 --> 00:00:11,709

[Music]

2  
00:00:18,950 --> 00:00:15,140

so thank you so much for coming into our

3  
00:00:20,689 --> 00:00:18,960

beautiful studio here and yeah I know

4  
00:00:22,340 --> 00:00:20,699

it's a super busy time for you for you

5  
00:00:24,109 --> 00:00:22,350

to make the time to be on our show is

6  
00:00:26,269 --> 00:00:24,119

very much appreciated oh my pleasure

7  
00:00:31,009 --> 00:00:26,279

thank you so let me guess you're in Los

8  
00:00:32,179 --> 00:00:31,019

Angeles to meet with Elon Musk no you

9  
00:00:34,280 --> 00:00:32,189

have other guesses that are probably

10  
00:00:36,380 --> 00:00:34,290

better than that one but no I was

11  
00:00:38,569 --> 00:00:36,390

actually down here to meet with some

12  
00:00:40,340 --> 00:00:38,579

infrastructure transportation leaders

13  
00:00:42,610 --> 00:00:40,350

but I've spent a fair amount of time in

14

00:00:45,410 --> 00:00:42,620

the Southland recently because we just

15

00:00:48,350 --> 00:00:45,420

adopted a preferred alignment which is a

16

00:00:50,389 --> 00:00:48,360

big step for us to figure out how we're

17

00:00:52,250 --> 00:00:50,399

going to get from the high desert down

18

00:00:54,560 --> 00:00:52,260

into the Burbank area through the

19

00:00:58,729 --> 00:00:54,570

mountains so we just had a meeting last

20

00:01:00,319 --> 00:00:58,739

week or two weeks ago on that and you

21

00:01:02,319 --> 00:01:00,329

know we've we've been interacting with

22

00:01:04,579 --> 00:01:02,329

Mayor Garcetti's administration on

23

00:01:06,469 --> 00:01:04,589

issues that are important to Los Angeles

24

00:01:08,780 --> 00:01:06,479

so I do spend a fair amount of time down

25

00:01:10,429 --> 00:01:08,790

here so I think our listeners are going

26

00:01:12,289 --> 00:01:10,439

to want to know the answer though to

27

00:01:14,090 --> 00:01:12,299

this question which is speaking of Elon

28

00:01:16,820 --> 00:01:14,100

Musk have you met with him have you

29

00:01:18,920 --> 00:01:16,830

spoken to him about his Hyperloop I've

30

00:01:22,370 --> 00:01:18,930

not spoken directly with Elon Musk but

31

00:01:24,800 --> 00:01:22,380

several years ago we met with people in

32

00:01:27,260 --> 00:01:24,810

in SpaceX in his organization when they

33

00:01:29,840 --> 00:01:27,270

were talking about Hyperloop and I

34

00:01:32,539 --> 00:01:29,850

participated in a meeting in Governor

35

00:01:34,399 --> 00:01:32,549

Brown's office with them and you know I

36

00:01:36,350 --> 00:01:34,409

started my career at NASA I'm not an

37

00:01:38,749 --> 00:01:36,360

engineer but I I'm somebody who's worked

38

00:01:41,330 --> 00:01:38,759

around engineers my whole life and and I

39

00:01:44,420 --> 00:01:41,340

have a deep belief in technology and we

40

00:01:45,700 --> 00:01:44,430

encourage them to build a prototype you

41

00:01:48,170 --> 00:01:45,710

know I see some of these things is not

42

00:01:50,660 --> 00:01:48,180

necessarily directly competitive but I

43

00:01:52,999 --> 00:01:50,670

you know we're we're here in California

44

00:01:55,069 --> 00:01:53,009

this is a state that values innovation

45

00:01:57,440 --> 00:01:55,079

and and I think we should welcome all

46

00:01:58,880 --> 00:01:57,450

innovations like that so I'm interested

47

00:02:01,639 --> 00:01:58,890

in seeing you know where that technology

48

00:02:04,700 --> 00:02:01,649

could go yeah well and we have a new

49

00:02:08,020 --> 00:02:04,710

governor now who comes from that area

50

00:02:10,130 --> 00:02:08,030

and from from high tech background etc

51  
00:02:13,250 --> 00:02:10,140  
what is your understanding as to what

52  
00:02:14,240 --> 00:02:13,260  
his view is of something like Elon Musk

53  
00:02:23,000 --> 00:02:14,250  
I

54  
00:02:24,470 --> 00:02:23,010  
will tell you that we're in the process

55  
00:02:27,679 --> 00:02:24,480  
right now meeting with the transition

56  
00:02:30,050 --> 00:02:27,689  
team for governor elect Newsome and I

57  
00:02:34,369 --> 00:02:30,060  
think that one of the things that I'm

58  
00:02:36,349 --> 00:02:34,379  
very encouraged by is he has the new

59  
00:02:38,319 --> 00:02:36,359  
governor has recognized the need to deal

60  
00:02:41,089 --> 00:02:38,329  
with California's housing crisis and

61  
00:02:42,410 --> 00:02:41,099  
actually transportation and housing are

62  
00:02:44,569 --> 00:02:42,420  
inextricably linked

63  
00:02:46,399 --> 00:02:44,579

so setting aside the technology for a

64

00:02:48,140 --> 00:02:46,409

moment I think the important thing is

65

00:02:50,360 --> 00:02:48,150

we've got to connect our communities in

66

00:02:53,000 --> 00:02:50,370

new ways we've got a situation in the

67

00:02:55,490 --> 00:02:53,010

Bay Area where housing prices are just

68

00:02:57,860 --> 00:02:55,500

astronomical in the Silicon Valley area

69

00:03:00,589 --> 00:02:57,870

and there's a chance with a high-speed

70

00:03:02,780 --> 00:03:00,599

rail certainly to connect to the Central

71

00:03:06,409 --> 00:03:02,790

Valley where housing prices are much

72

00:03:09,879 --> 00:03:06,419

cheaper and we can have people in 42

73

00:03:12,199 --> 00:03:09,889

minutes from Madera to downtown San Jose

74

00:03:14,020 --> 00:03:12,209

from what I've seen of what the new

75

00:03:16,970 --> 00:03:14,030

governor has said on the campaign trail

76

00:03:19,280 --> 00:03:16,980

he understands the need to look at

77

00:03:21,170 --> 00:03:19,290

something like that and wants to see us

78

00:03:22,879 --> 00:03:21,180

complete that first segment that we're

79

00:03:25,099 --> 00:03:22,889

building from the Central Valley to

80

00:03:27,339 --> 00:03:25,109

Silicon Valley and then evaluate the

81

00:03:29,509 --> 00:03:27,349

private sector interest and so forth so

82

00:03:32,119 --> 00:03:29,519

while I've not met with him personally

83

00:03:34,129 --> 00:03:32,129

yet I do know him from past associations

84

00:03:36,979 --> 00:03:34,139

in life but in talking with his

85

00:03:40,429 --> 00:03:36,989

transition team you know I think that

86

00:03:41,659 --> 00:03:40,439

focus that he has on on housing fits

87

00:03:43,309 --> 00:03:41,669

very well with what we're trying to do

88

00:03:46,670 --> 00:03:43,319

at high-speed rail when do you expect to

89

00:03:48,409 --> 00:03:46,680

be able to meet with him you know I

90

00:03:50,149 --> 00:03:48,419

think he's pretty busy right at the

91

00:03:51,830 --> 00:03:50,159

moment and he's got a lot of things but

92

00:03:54,349 --> 00:03:51,840

I've been told that you know he'll sit

93

00:03:55,339 --> 00:03:54,359

down with us and and you know I would I

94

00:03:57,289 --> 00:03:55,349

would think that that's going to happen

95

00:03:59,809 --> 00:03:57,299

pretty quickly so you started under

96

00:04:01,969 --> 00:03:59,819

Governor Brown and was that in 2012 2011

97

00:04:04,909 --> 00:04:01,979

actually I was appointed in August of

98

00:04:07,640 --> 00:04:04,919

2011 so what was what was his first

99

00:04:09,229 --> 00:04:07,650

conversation with you about that high

100

00:04:12,080 --> 00:04:09,239

speed rail what were his thoughts about

101  
00:04:14,809 --> 00:04:12,090  
it well sadly the first conversation we

102  
00:04:16,670 --> 00:04:14,819  
had was me saying to him you know

103  
00:04:18,379 --> 00:04:16,680  
governor this high speed rail program

104  
00:04:21,620 --> 00:04:18,389  
seems to be fairly troubled at the

105  
00:04:23,870 --> 00:04:21,630  
moment and maybe I could help out you

106  
00:04:26,089 --> 00:04:23,880  
know it's a board position that kind of

107  
00:04:26,790 --> 00:04:26,099  
sounds like once a month how hard could

108  
00:04:29,399 --> 00:04:26,800  
it be I

109  
00:04:32,700 --> 00:04:29,409  
literally said those words to him and he

110  
00:04:34,469 --> 00:04:32,710  
gave me a chance to find out so how much

111  
00:04:36,990 --> 00:04:34,479  
time do you spend on this

112  
00:04:38,820 --> 00:04:37,000  
I spend I'd probably spend 70 or 80

113  
00:04:41,430 --> 00:04:38,830

percent of my time on this and and which

114

00:04:43,110 --> 00:04:41,440

is unusual because I'm in a board

115

00:04:45,839 --> 00:04:43,120

position and we do have a full time

116

00:04:50,850 --> 00:04:45,849

staff and we have an excellent staff

117

00:04:53,369 --> 00:04:50,860

director our CEO but I think the key

118

00:04:56,760 --> 00:04:53,379

here is this is a big complicated

119

00:05:01,529 --> 00:04:56,770

difficult project and it's hard for

120

00:05:02,850 --> 00:05:01,539

people to to both imagine when this is

121

00:05:05,300 --> 00:05:02,860

going to get done how it's going to

122

00:05:07,860 --> 00:05:05,310

change their lives and with any project

123

00:05:10,619 --> 00:05:07,870

like this any infrastructure project

124

00:05:12,600 --> 00:05:10,629

like this you're going to have you're

125

00:05:14,430 --> 00:05:12,610

going to have growing pains or gonna

126

00:05:17,159 --> 00:05:14,440

have missteps we've had our share of

127

00:05:19,290 --> 00:05:17,169

missteps but we're constantly trying to

128

00:05:23,040 --> 00:05:19,300

improve and evaluate what we're doing so

129

00:05:26,850 --> 00:05:23,050

it's a very dynamic process and there

130

00:05:29,580 --> 00:05:26,860

are all kinds of aspects to it so one

131

00:05:31,350 --> 00:05:29,590

day I'll be trying to resolve an issue

132

00:05:33,269 --> 00:05:31,360

that we might have with a funding

133

00:05:36,089 --> 00:05:33,279

partner on another day it'll be meeting

134

00:05:39,029 --> 00:05:36,099

with a mayor to deal with local impact

135

00:05:40,350 --> 00:05:39,039

issues in their communities on another

136

00:05:43,589 --> 00:05:40,360

day we'll be sitting down and we'll be

137

00:05:45,209 --> 00:05:43,599

trying to think strategically about how

138

00:05:46,850 --> 00:05:45,219

we're going to move forward on another

139

00:05:49,230 --> 00:05:46,860

day we'll be trying to think about

140

00:05:53,640 --> 00:05:49,240

transit and land use you know so there's

141

00:05:55,019 --> 00:05:53,650

a variety of issues but it's I have to

142

00:05:56,600 --> 00:05:55,029

say it's been a privilege that the

143

00:05:59,490 --> 00:05:56,610

governor has put me in the position to

144

00:06:01,050 --> 00:05:59,500

to be part of this because it's the

145

00:06:02,279 --> 00:06:01,060

biggest infrastructure project in

146

00:06:04,769 --> 00:06:02,289

America it's the biggest one in

147

00:06:08,249 --> 00:06:04,779

California and I think in so many ways

148

00:06:12,320 --> 00:06:08,259

it's consequential we get caught up in

149

00:06:15,990 --> 00:06:12,330

the daily headlines and certainly our

150

00:06:18,089 --> 00:06:16,000

our our missteps are magnified our

151  
00:06:20,820 --> 00:06:18,099  
successes are probably you know not that

152  
00:06:22,709 --> 00:06:20,830  
worthy of page one that's just that's

153  
00:06:25,140 --> 00:06:22,719  
just the way of the world but we're

154  
00:06:27,119 --> 00:06:25,150  
making tremendous progress in building

155  
00:06:29,040 --> 00:06:27,129  
this right now and we're pretty proud of

156  
00:06:30,510 --> 00:06:29,050  
those achievements and we've got a lot

157  
00:06:33,209 --> 00:06:30,520  
of work to do people have described this

158  
00:06:35,100 --> 00:06:33,219  
as a legacy project for Governor Brown

159  
00:06:36,209 --> 00:06:35,110  
is that the way he sees it in your

160  
00:06:38,459 --> 00:06:36,219  
opinion

161  
00:06:39,879 --> 00:06:38,469  
I usually don't speak for him but I can

162  
00:06:42,070 --> 00:06:39,889  
tell you on in this

163  
00:06:45,369 --> 00:06:42,080

that I know he does not see it in that

164

00:06:46,809 --> 00:06:45,379

way I mean he had a conversation with

165

00:06:48,399 --> 00:06:46,819

him recently where you know he was

166

00:06:50,499 --> 00:06:48,409

asking what does that word even mean and

167

00:06:52,089 --> 00:06:50,509

you know I point out to people cuz I

168

00:06:54,429 --> 00:06:52,099

came out to California 40 years ago to

169

00:06:56,140 --> 00:06:54,439

work for Jerry Brown the first time he

170

00:06:58,570 --> 00:06:56,150

was in office and I was you know much

171

00:06:59,800 --> 00:06:58,580

younger of course but I point out to

172

00:07:04,330 --> 00:06:59,810

people that he was governor for eight

173

00:07:06,219 --> 00:07:04,340

years from 74 to 82 and yet you don't

174

00:07:09,129 --> 00:07:06,229

look around and see Jerry Brown

175

00:07:11,890 --> 00:07:09,139

courthouses or Jerry Brown interchanges

176

00:07:14,080 --> 00:07:11,900

or Jerry Brown highways or parks he's

177

00:07:17,589 --> 00:07:14,090

not into personal legacy like that I

178

00:07:19,689 --> 00:07:17,599

think what motivates this governor was

179

00:07:23,559 --> 00:07:19,699

when you look at his father Pat brown

180

00:07:25,570 --> 00:07:23,569

the great builder of California I really

181

00:07:27,369 --> 00:07:25,580

believe that what motivates Governor

182

00:07:29,619 --> 00:07:27,379

Jerry Brown is this sense of obligation

183

00:07:31,510 --> 00:07:29,629

that we have to future generations and

184

00:07:32,920 --> 00:07:31,520

I've been in meetings with him where

185

00:07:35,379 --> 00:07:32,930

there was no press around or anything

186

00:07:36,550 --> 00:07:35,389

like that where he talks about we're you

187

00:07:38,079 --> 00:07:36,560

know we're not going to eat our seed

188

00:07:39,700 --> 00:07:38,089

corn I don't care if we're down to our

189

00:07:42,610 --> 00:07:39,710

last time we're gonna find a penny to

190

00:07:44,920 --> 00:07:42,620

invest in the future I think he sees it

191

00:07:47,079 --> 00:07:44,930

as his father saw it as a moral

192

00:07:49,929 --> 00:07:47,089

obligation of one generation to make

193

00:07:51,579 --> 00:07:49,939

investments for future generations part

194

00:07:54,490 --> 00:07:51,589

of the problem as I look at this is

195

00:07:56,019 --> 00:07:54,500

we've been living off of the investments

196

00:07:58,269 --> 00:07:56,029

that our parents and grandparents made

197

00:08:00,369 --> 00:07:58,279

in our highway system in our water

198

00:08:03,070 --> 00:08:00,379

system in our schools and we've been

199

00:08:04,929 --> 00:08:03,080

kind of coasting for a long time this

200

00:08:07,119 --> 00:08:04,939

state's gonna have 50 million people in

201  
00:08:09,010 --> 00:08:07,129  
it what are we doing now to get ready

202  
00:08:10,450 --> 00:08:09,020  
for that what are we doing now to make

203  
00:08:12,570 --> 00:08:10,460  
sure that our children and their

204  
00:08:15,369 --> 00:08:12,580  
children the next generations after that

205  
00:08:16,899 --> 00:08:15,379  
have the kind of supporting

206  
00:08:19,409 --> 00:08:16,909  
infrastructure that they need in

207  
00:08:22,469 --> 00:08:19,419  
education and transportation and water

208  
00:08:25,119 --> 00:08:22,479  
it really is a moral obligation and

209  
00:08:26,589 --> 00:08:25,129  
again I don't generally speak for him

210  
00:08:28,629 --> 00:08:26,599  
but I've been around him long enough

211  
00:08:31,029 --> 00:08:28,639  
that I believe that it's not about

212  
00:08:34,000 --> 00:08:31,039  
personal legacy it's about what you're

213  
00:08:35,889 --> 00:08:34,010

supposed to do when you're given the

214

00:08:38,170 --> 00:08:35,899

opportunity by the people to be a leader

215

00:08:40,209 --> 00:08:38,180

but he also seems to fancy himself a bit

216

00:08:42,009 --> 00:08:40,219

of a fiscal conservative certainly

217

00:08:44,650 --> 00:08:42,019

compared to his fellow Democrats up in

218

00:08:46,960 --> 00:08:44,660

Sacramento that's right so he must be

219

00:08:48,550 --> 00:08:46,970

extremely concerned about the cost of

220

00:08:52,390 --> 00:08:48,560

this thing and how it continues to go up

221

00:08:55,720 --> 00:08:52,400

he is we all are

222

00:08:58,650 --> 00:08:55,730

but keep in mind and one of the things

223

00:09:01,750 --> 00:08:58,660

that I know that he has in mind is that

224

00:09:03,910 --> 00:09:01,760

we can't do nothing I mean that this is

225

00:09:05,170 --> 00:09:03,920

the problem is a lot of times I'm asked

226

00:09:07,300 --> 00:09:05,180

well why should we build high speed rail

227

00:09:09,220 --> 00:09:07,310

in California and I say with all due

228

00:09:10,570 --> 00:09:09,230

respect I think there's a different

229

00:09:13,000 --> 00:09:10,580

question that needs to be asked which is

230

00:09:14,860 --> 00:09:13,010

if we're going to have 50 million people

231

00:09:17,740 --> 00:09:14,870

in this state by the middle of this

232

00:09:19,390 --> 00:09:17,750

century how are they going to get around

233

00:09:22,240 --> 00:09:19,400

what are what are we going to do to

234

00:09:23,710 --> 00:09:22,250

accommodate that if you don't modernize

235

00:09:24,940 --> 00:09:23,720

the rail system and it's not just high

236

00:09:26,830 --> 00:09:24,950

speed rail under the brown

237

00:09:29,470 --> 00:09:26,840

administration we're doing all kinds of

238

00:09:31,450 --> 00:09:29,480

things to modernize rail across the

239

00:09:35,620 --> 00:09:31,460

state and including here in Los Angeles

240

00:09:36,990 --> 00:09:35,630

with La Union Station and Metrolink and

241

00:09:40,240 --> 00:09:37,000

and the metro system

242

00:09:43,270 --> 00:09:40,250

Amtrak this administration has been

243

00:09:45,670 --> 00:09:43,280

really out there pushing for a broader

244

00:09:47,290 --> 00:09:45,680

rail modernization because that's going

245

00:09:49,390 --> 00:09:47,300

to help us move in the future in a

246

00:09:51,130 --> 00:09:49,400

sustainable way but if you don't do

247

00:09:53,140 --> 00:09:51,140

those investments you got to do

248

00:09:56,560 --> 00:09:53,150

something else and that looks like more

249

00:10:00,430 --> 00:09:56,570

than 4,000 Lane miles of freeways more

250

00:10:02,320 --> 00:10:00,440

airport runway complexes 115 gates and

251  
00:10:04,990 --> 00:10:02,330  
airports you add up the cost of those

252  
00:10:06,910 --> 00:10:05,000  
things it's a hundred and forty to a

253  
00:10:10,060 --> 00:10:06,920  
hundred and seventy five billion dollars

254  
00:10:12,040 --> 00:10:10,070  
so you have to start with the notion

255  
00:10:13,660 --> 00:10:12,050  
that you can't just do nothing and then

256  
00:10:15,700 --> 00:10:13,670  
it's a question of investment choices

257  
00:10:16,750 --> 00:10:15,710  
and what do you get back yeah I think

258  
00:10:18,880 --> 00:10:16,760  
there's kind of brakes on to two

259  
00:10:22,030 --> 00:10:18,890  
questions as one is was this a wise

260  
00:10:23,590 --> 00:10:22,040  
project to begin with and then as we sit

261  
00:10:25,750 --> 00:10:23,600  
here today considering a lot of the

262  
00:10:27,250 --> 00:10:25,760  
problems that it's arisen is it

263  
00:10:29,130 --> 00:10:27,260

something that should be continued so if

264

00:10:31,570 --> 00:10:29,140

we start with the original question of

265

00:10:33,160 --> 00:10:31,580

you know is this the proper type of

266

00:10:35,260 --> 00:10:33,170

project to be doing considering all the

267

00:10:37,330 --> 00:10:35,270

issues that California has my initial

268

00:10:40,000 --> 00:10:37,340

reaction to it when I heard about it was

269

00:10:43,000 --> 00:10:40,010

okay bullet train LA to San Francisco 2

270

00:10:44,770 --> 00:10:43,010

hours and 40 minutes my my problem is

271

00:10:46,900 --> 00:10:44,780

not getting to San Francisco I can run

272

00:10:49,330 --> 00:10:46,910

Southwest Airlines it takes an hour to

273

00:10:51,760 --> 00:10:49,340

200 bucks roundtrip that's not an issue

274

00:10:55,780 --> 00:10:51,770

flights every half hour my problem is

275

00:10:57,850 --> 00:10:55,790

getting to work so R is a my question is

276

00:10:59,940 --> 00:10:57,860

where we perhaps tackling a problem that

277

00:11:02,530 --> 00:10:59,950

doesn't exist with this bullet train

278

00:11:03,490 --> 00:11:02,540

well it's a fair question and you know

279

00:11:05,610 --> 00:11:03,500

one of the things I appreciate about

280

00:11:07,800 --> 00:11:05,620

questions like that is that a lot of

281

00:11:09,720 --> 00:11:07,810

dialog around a bullet train gets into a

282

00:11:11,490 --> 00:11:09,730

lot of political stuff when in fact

283

00:11:12,990 --> 00:11:11,500

there are legitimate public policy

284

00:11:16,440 --> 00:11:13,000

questions like the one that you just

285

00:11:19,470 --> 00:11:16,450

posed and I think my answer to that is

286

00:11:22,019 --> 00:11:19,480

to say well here's the argument for why

287

00:11:24,480 --> 00:11:22,029

it was and I think still continues to be

288

00:11:27,090 --> 00:11:24,490

a good idea I mean first of all yes you

289

00:11:29,250 --> 00:11:27,100

can get on Southwest as I did today and

290

00:11:31,320 --> 00:11:29,260

come from the bay area down here but in

291

00:11:33,300 --> 00:11:31,330

fact that's the most delayed air

292

00:11:34,590 --> 00:11:33,310

corridor in the state forty percent of

293

00:11:37,500 --> 00:11:34,600

the flights are delayed into San

294

00:11:39,120 --> 00:11:37,510

Francisco and air travel is going to get

295

00:11:42,120 --> 00:11:39,130

if anything more complex and more

296

00:11:43,800 --> 00:11:42,130

difficult but what we're building with

297

00:11:46,470 --> 00:11:43,810

high-speed rail is not just a

298

00:11:48,120 --> 00:11:46,480

point-to-point project and frankly this

299

00:11:50,040 --> 00:11:48,130

is an area where we've run into a lot of

300

00:11:52,079 --> 00:11:50,050

political controversy but I think that

301  
00:11:54,060 --> 00:11:52,089  
the people who created the program which

302  
00:11:57,000 --> 00:11:54,070  
were before I was on the scene were

303  
00:11:59,460 --> 00:11:57,010  
right it's really about connecting parts

304  
00:12:01,650 --> 00:11:59,470  
of the state many of which are isolated

305  
00:12:03,930 --> 00:12:01,660  
and have been difficult to connect so

306  
00:12:05,700 --> 00:12:03,940  
for example people say why didn't you

307  
00:12:09,540 --> 00:12:05,710  
just run this up I five

308  
00:12:12,390 --> 00:12:09,550  
well because Fresno Bakersfield those

309  
00:12:14,430 --> 00:12:12,400  
valley towns people don't think much

310  
00:12:16,829 --> 00:12:14,440  
about him but that middle part of the

311  
00:12:19,350 --> 00:12:16,839  
state has suffered from extreme levels

312  
00:12:22,320 --> 00:12:19,360  
of poverty and underinvestment and if

313  
00:12:23,490 --> 00:12:22,330

you wanted to go from LA to Fresno it

314

00:12:25,140 --> 00:12:23,500

probably cost you seven or eight hundred

315

00:12:29,490 --> 00:12:25,150

dollars and it would not be an easy

316

00:12:31,920 --> 00:12:29,500

thing to do and so this was really about

317

00:12:34,350 --> 00:12:31,930

creating a rail network that connected

318

00:12:37,350 --> 00:12:34,360

parts of the state together and we we

319

00:12:40,079 --> 00:12:37,360

had Spain's ambassador to the United

320

00:12:43,290 --> 00:12:40,089

States came to visit us and he said I

321

00:12:45,030 --> 00:12:43,300

like your slogan connecting California

322

00:12:47,430 --> 00:12:45,040

and he said and you should also say

323

00:12:50,250 --> 00:12:47,440

connecting Californians because he then

324

00:12:52,350 --> 00:12:50,260

talked about how in Spain they used

325

00:12:53,640 --> 00:12:52,360

their high-speed rail network to bring

326

00:12:56,540 --> 00:12:53,650

all of their different cities and

327

00:12:59,880 --> 00:12:56,550

communities together so that's one thing

328

00:13:01,560 --> 00:12:59,890

there of course we need to be making

329

00:13:04,470 --> 00:13:01,570

investments that it makes it easier for

330

00:13:07,680 --> 00:13:04,480

you to get to work but again being part

331

00:13:09,360 --> 00:13:07,690

of a network so yes it's an investment

332

00:13:12,480 --> 00:13:09,370

in high-speed rail but high-speed rail

333

00:13:14,370 --> 00:13:12,490

has also been investing in local rail

334

00:13:16,680 --> 00:13:14,380

systems that would connect to us so we

335

00:13:17,840 --> 00:13:16,690

have put money into some of these local

336

00:13:19,939 --> 00:13:17,850

projects

337

00:13:21,740 --> 00:13:19,949

and that's where I think if we step back

338

00:13:23,420 --> 00:13:21,750

and look at it as a broader investment

339

00:13:26,360 --> 00:13:23,430

in a future transportation system it

340

00:13:29,329 --> 00:13:26,370

makes more sense why in your view is

341

00:13:31,610 --> 00:13:29,339

California the only one doing this other

342

00:13:33,800 --> 00:13:31,620

states looked at at Florida looked at it

343

00:13:37,340 --> 00:13:33,810

I forget the other states maybe Texas I

344

00:13:39,680 --> 00:13:37,350

mean there is no high-speed rail in the

345

00:13:41,120 --> 00:13:39,690

entire United States why is it that

346

00:13:41,990 --> 00:13:41,130

California is the only state that thinks

347

00:13:44,720 --> 00:13:42,000

it's a good idea

348

00:13:46,910 --> 00:13:44,730

well actually Texas now is proposing a

349

00:13:48,920 --> 00:13:46,920

direct high-speed rail line from Dallas

350

00:13:50,960 --> 00:13:48,930

to Houston so they're they're coming

351

00:13:52,939 --> 00:13:50,970

along with that it's a it's a different

352

00:13:56,180 --> 00:13:52,949

program but we're talking to them

353

00:13:57,710 --> 00:13:56,190

watching what they're doing Florida and

354

00:13:59,660 --> 00:13:57,720

I'm heading off to Florida tomorrow for

355

00:14:01,519 --> 00:13:59,670

my brother's wedding but I'm gonna ride

356

00:14:03,800 --> 00:14:01,529

the new bright line train there which is

357

00:14:05,170 --> 00:14:03,810

not our high-speed rail it's about 120

358

00:14:07,879 --> 00:14:05,180

miles an hour but it's the same idea

359

00:14:09,829 --> 00:14:07,889

they're wanting to put in more advanced

360

00:14:14,120 --> 00:14:09,839

rail between Miami all the way up to

361

00:14:16,730 --> 00:14:14,130

Orlando as a matter of fact I just heard

362

00:14:19,360 --> 00:14:16,740

that in the Northwest Microsoft is

363

00:14:21,470 --> 00:14:19,370

funding a study for high-speed rail from

364

00:14:25,189 --> 00:14:21,480

Vancouver British Columbia through

365

00:14:28,939 --> 00:14:25,199

Seattle to Portland so in fact I think

366

00:14:32,629 --> 00:14:28,949

that people are looking at this we're a

367

00:14:35,120 --> 00:14:32,639

little farther along it's difficult

368

00:14:37,850 --> 00:14:35,130

we're talking about a transformation of

369

00:14:40,249 --> 00:14:37,860

a country and a culture that has been

370

00:14:42,470 --> 00:14:40,259

primarily based on roads and interstate

371

00:14:44,300 --> 00:14:42,480

highways - one that would have a rail

372

00:14:45,470 --> 00:14:44,310

network but I think you're starting to

373

00:14:47,569 --> 00:14:45,480

see those things happen in different

374

00:14:50,650 --> 00:14:47,579

places are we hamstrung here in

375

00:14:53,780 --> 00:14:50,660

California by this prop 1a that dictated

376

00:14:56,389 --> 00:14:53,790

high-speed rail certain speeds certain

377

00:14:59,540 --> 00:14:56,399

just uh you know travel time from from

378

00:15:01,129 --> 00:14:59,550

San Francisco to LA that now you being

379

00:15:02,300 --> 00:15:01,139

the guy in charge of it now are stuck

380

00:15:04,819 --> 00:15:02,310

having to meet those requirements

381

00:15:06,439 --> 00:15:04,829

whereas Florida looked at it and said

382

00:15:07,759 --> 00:15:06,449

that well gee you know what maybe we

383

00:15:10,910 --> 00:15:07,769

don't need it to be that high-speed

384

00:15:12,079 --> 00:15:10,920

we're ok with 120 miles an hour well

385

00:15:13,400 --> 00:15:12,089

I've been giving long answers to your

386

00:15:16,699 --> 00:15:13,410

questions so let me give a short answer

387

00:15:20,300 --> 00:15:16,709

yes we we are somewhat hamstrung by the

388

00:15:22,610 --> 00:15:20,310

way it was well intentioned the way that

389

00:15:24,650 --> 00:15:22,620

the drafters of prop 1a put it together

390

00:15:26,600 --> 00:15:24,660

they wanted to make sure that if they

391

00:15:29,329 --> 00:15:26,610

raised ten billion dollars it was not

392

00:15:30,650 --> 00:15:29,339

bled off on things that where somebody

393

00:15:31,140 --> 00:15:30,660

just slapped a coat of paint on an

394

00:15:33,750 --> 00:15:31,150

Amtrak

395

00:15:35,760 --> 00:15:33,760

Lokomotiv and said oh it's golden blue

396

00:15:37,050 --> 00:15:35,770

so it must be high-speed train they

397

00:15:38,660 --> 00:15:37,060

wanted to make sure that it was true

398

00:15:41,010 --> 00:15:38,670

high-speed and so they put in

399

00:15:44,010 --> 00:15:41,020

essentially engineering standards into

400

00:15:47,670 --> 00:15:44,020

the bond act and that has been a source

401  
00:15:50,340 --> 00:15:47,680  
of some difficulty not because the

402  
00:15:52,770 --> 00:15:50,350  
ultimate goal but we've been sued and

403  
00:15:54,540 --> 00:15:52,780  
having to prove that nothing we've done

404  
00:15:58,500 --> 00:15:54,550  
so far would mean we couldn't meet those

405  
00:16:00,810 --> 00:15:58,510  
standards and as you said there may be

406  
00:16:04,980 --> 00:16:00,820  
some places where a different technology

407  
00:16:06,510 --> 00:16:04,990  
solution would make sense but the the

408  
00:16:08,580 --> 00:16:06,520  
people in their wisdom voted for the

409  
00:16:10,530 --> 00:16:08,590  
proposition and and we're honor bound to

410  
00:16:13,080 --> 00:16:10,540  
to carry it off so what about trying to

411  
00:16:14,250 --> 00:16:13,090  
modify that in some way well why would

412  
00:16:15,750 --> 00:16:14,260  
it require would have require another

413  
00:16:18,450 --> 00:16:15,760

vote of the people it would because it

414

00:16:19,860 --> 00:16:18,460

was an initiative and you know I I I've

415

00:16:22,410 --> 00:16:19,870

told people I'm open to those

416

00:16:23,850 --> 00:16:22,420

conversations I mean as we as we go

417

00:16:25,650 --> 00:16:23,860

forward well cuz it seems to me that's

418

00:16:27,120 --> 00:16:25,660

where you guys are taking a lot of the

419

00:16:28,800 --> 00:16:27,130

heat from including from people like

420

00:16:30,780 --> 00:16:28,810

Quentin Kopp who we were talking about

421

00:16:32,280 --> 00:16:30,790

saying that hey this is not what the

422

00:16:33,840 --> 00:16:32,290

voters approved what you guys are doing

423

00:16:35,190 --> 00:16:33,850

between San Francisco and San Jose

424

00:16:36,900 --> 00:16:35,200

that's not what the voters approved

425

00:16:38,340 --> 00:16:36,910

you're not going to be able to break

426  
00:16:40,800 --> 00:16:38,350  
even if you know certain things that was

427  
00:16:43,890 --> 00:16:40,810  
in that bond requirement but hey you

428  
00:16:45,480 --> 00:16:43,900  
gotta just as you see certain things you

429  
00:16:48,270 --> 00:16:45,490  
know we can't keep marching down a road

430  
00:16:50,070 --> 00:16:48,280  
that that if it's not going to be able

431  
00:16:51,630 --> 00:16:50,080  
to comply with that prop 1a with me but

432  
00:16:53,460 --> 00:16:51,640  
we got to look at modifying that prop 1a

433  
00:16:56,130 --> 00:16:53,470  
yeah and I don't have any problem with

434  
00:17:01,020 --> 00:16:56,140  
that and and but what I would say is

435  
00:17:03,300 --> 00:17:01,030  
that all due respect to to judge cop all

436  
00:17:05,610 --> 00:17:03,310  
of our studies show that we are gonna be

437  
00:17:09,300 --> 00:17:05,620  
operating and meeting the break-even and

438  
00:17:11,190 --> 00:17:09,310

as a matter of fact you know and and

439

00:17:13,650 --> 00:17:11,200

I've just had I've had respectful

440

00:17:16,380 --> 00:17:13,660

disagreements with him on this by

441

00:17:22,380 --> 00:17:16,390

sharing the track between San Jose and

442

00:17:26,130 --> 00:17:22,390

San Francisco in even even under what he

443

00:17:29,400 --> 00:17:26,140

imagined back at the beginning the

444

00:17:32,220 --> 00:17:29,410

difference in time is one minute and 20

445

00:17:34,440 --> 00:17:32,230

seconds against two hours and forty

446

00:17:37,230 --> 00:17:34,450

minutes total travel time there is

447

00:17:40,020 --> 00:17:37,240

essentially no issue there the

448

00:17:43,200 --> 00:17:40,030

difference in cost is fifteen billion

449

00:17:44,670 --> 00:17:43,210

dollars less to share the tracks than to

450

00:17:47,100 --> 00:17:44,680

try to build new tracks

451

00:17:48,570 --> 00:17:47,110

some of the wealthiest communities in

452

00:17:50,190 --> 00:17:48,580

the state but he also raises the concern

453

00:17:53,070 --> 00:17:50,200

that you're not going to be able to run

454

00:17:57,090 --> 00:17:53,080

enough high speed trains per hour in

455

00:17:59,130 --> 00:17:57,100

order to break even as a result of

456

00:18:02,970 --> 00:17:59,140

sharing the tracks with commuter and

457

00:18:05,700 --> 00:18:02,980

what I would say to that is that that's

458

00:18:07,950 --> 00:18:05,710

mostly wrong in the sense that we will

459

00:18:11,010 --> 00:18:07,960

be able to break even sharing the tracks

460

00:18:13,170 --> 00:18:11,020

will mean some loss of capacity not

461

00:18:15,750 --> 00:18:13,180

speed but there will be more than enough

462

00:18:18,120 --> 00:18:15,760

trains to be able to break even but with

463

00:18:19,860 --> 00:18:18,130

all due respect to you your organization

464

00:18:22,050 --> 00:18:19,870

you know you're you're telling us that

465

00:18:24,180 --> 00:18:22,060

hey we are gonna break even we are gonna

466

00:18:26,220 --> 00:18:24,190

meet the numbers but the track record

467

00:18:28,350 --> 00:18:26,230

thus far has not been very good as far

468

00:18:31,590 --> 00:18:28,360

as projections so you know we're behind

469

00:18:33,180 --> 00:18:31,600

schedule or over budgets you know

470

00:18:35,550 --> 00:18:33,190

there's a lot of questions out there

471

00:18:37,080 --> 00:18:35,560

about this project right now based on

472

00:18:39,150 --> 00:18:37,090

what was originally put out there sure

473

00:18:43,860 --> 00:18:39,160

and that's fair what I would say though

474

00:18:46,140 --> 00:18:43,870

is there's a couple different ways to

475

00:18:47,520 --> 00:18:46,150

look at those capital cost numbers and

476  
00:18:49,020 --> 00:18:47,530  
the project delays and we've had a lot

477  
00:18:50,580 --> 00:18:49,030  
of things thrown at us I'm not trying to

478  
00:18:53,510 --> 00:18:50,590  
make excuses with it but I mean we had a

479  
00:18:56,130 --> 00:18:53,520  
judge shut us down for a year so it's

480  
00:18:57,900 --> 00:18:56,140  
not quite on us that some of the things

481  
00:18:59,580 --> 00:18:57,910  
have gotten delayed but I mean we're way

482  
00:19:01,620 --> 00:18:59,590  
behind schedule right the original

483  
00:19:03,510 --> 00:19:01,630  
schedule is 2020 that's right but I will

484  
00:19:05,850 --> 00:19:03,520  
also tell you that what's shocking to me

485  
00:19:08,220 --> 00:19:05,860  
is that we hope to finish the

486  
00:19:10,440 --> 00:19:08,230  
environmental analysis on this system by

487  
00:19:12,080 --> 00:19:10,450  
2021 that means we've been doing

488  
00:19:13,770 --> 00:19:12,090

environmental work for nine years

489

00:19:16,800 --> 00:19:13,780

welcome to California

490

00:19:20,150 --> 00:19:16,810

yeah I know I I understand and and so

491

00:19:24,450 --> 00:19:20,160

but but I want to come back to one thing

492

00:19:28,290 --> 00:19:24,460

on the on the on the very important

493

00:19:30,840 --> 00:19:28,300

issue of breaking even and and let me

494

00:19:32,190 --> 00:19:30,850

just take a moment on this I was kind of

495

00:19:34,050 --> 00:19:32,200

stunned when I first got the high-speed

496

00:19:35,130 --> 00:19:34,060

rail because I had spent 12 years on the

497

00:19:37,440 --> 00:19:35,140

board of the Bay Area Rapid Transit

498

00:19:40,440 --> 00:19:37,450

District you're running helping to run a

499

00:19:41,820 --> 00:19:40,450

local transit system and we were very

500

00:19:45,330 --> 00:19:41,830

efficient but we were still subsidized

501  
00:19:47,400 --> 00:19:45,340  
and most let's be clear most rail is in

502  
00:19:49,740 --> 00:19:47,410  
fact am I correct that the only rail it

503  
00:19:52,080 --> 00:19:49,750  
is and is is that New York to DC in the

504  
00:19:54,060 --> 00:19:52,090  
u.s. you are correct okay so when I came

505  
00:19:55,920 --> 00:19:54,070  
in I said I don't understand this the

506  
00:19:57,510 --> 00:19:55,930  
law says that we have to break even and

507  
00:19:58,530 --> 00:19:57,520  
I don't have any experience with anybody

508  
00:20:01,080 --> 00:19:58,540  
breaking even

509  
00:20:03,630 --> 00:20:01,090  
and the answer I got was that's because

510  
00:20:07,080 --> 00:20:03,640  
you've only dealt with urban systems in

511  
00:20:09,780 --> 00:20:07,090  
the US but around the world high-speed

512  
00:20:12,870 --> 00:20:09,790  
rail systems which go city to city and

513  
00:20:14,730 --> 00:20:12,880

compete against airlines in virtually

514

00:20:15,960 --> 00:20:14,740

every case and when I say virtually we

515

00:20:18,570 --> 00:20:15,970

don't really have insight into the

516

00:20:21,690 --> 00:20:18,580

numbers in China but in every case that

517

00:20:24,480 --> 00:20:21,700

we've seen once the system is built the

518

00:20:27,900 --> 00:20:24,490

capital cost is expended they operate

519

00:20:30,210 --> 00:20:27,910

throwing off excess cash I've got two

520

00:20:32,610 --> 00:20:30,220

colleagues on my nine-member board who

521

00:20:33,960 --> 00:20:32,620

are bankers one was the vice chairman of

522

00:20:35,390 --> 00:20:33,970

Bank of America the other runs the

523

00:20:37,530 --> 00:20:35,400

biggest bank in the Central Valley

524

00:20:40,200 --> 00:20:37,540

they've dug through these numbers

525

00:20:41,550 --> 00:20:40,210

they've tightened down the ridership

526

00:20:44,280 --> 00:20:41,560

projections they've done all that

527

00:20:47,640 --> 00:20:44,290

they've stressed tested it and no matter

528

00:20:49,530 --> 00:20:47,650

how high they set the bar we're showing

529

00:20:51,360 --> 00:20:49,540

all our projections are that we will not

530

00:20:54,270 --> 00:20:51,370

only be generating income but that the

531

00:20:56,430 --> 00:20:54,280

numbers are in the twenty billion dollar

532

00:20:58,410 --> 00:20:56,440

net present value range in the first

533

00:21:00,780 --> 00:20:58,420

thirty years that will help pay for

534

00:21:03,350 --> 00:21:00,790

about a third the cost of the system so

535

00:21:06,360 --> 00:21:03,360

we are highly confident in those numbers

536

00:21:07,800 --> 00:21:06,370

construction numbers and so forth yes

537

00:21:10,620 --> 00:21:07,810

they've gone up there are a number of

538

00:21:11,640 --> 00:21:10,630

reasons for that not the reasons that

539

00:21:13,770 --> 00:21:11,650

necessarily you read about in the

540

00:21:15,690 --> 00:21:13,780

newspaper but yeah I'll admit those

541

00:21:18,330 --> 00:21:15,700

numbers are higher and it does call into

542

00:21:20,130 --> 00:21:18,340

question but we've also had our

543

00:21:22,110 --> 00:21:20,140

ridership numbers looked at by peer

544

00:21:24,060 --> 00:21:22,120

review groups the government accounting

545

00:21:25,530 --> 00:21:24,070

office and so forth and nobody's

546

00:21:26,940 --> 00:21:25,540

questioned our methodology there and

547

00:21:28,800 --> 00:21:26,950

what kind of ticket costs are we talking

548

00:21:30,450 --> 00:21:28,810

about San Francisco to LA well you got

549

00:21:32,190 --> 00:21:30,460

to compete against Airlines in order to

550

00:21:35,220 --> 00:21:32,200

attract people to this so what we

551  
00:21:37,290 --> 00:21:35,230  
assumed as we do our projections is that

552  
00:21:40,440 --> 00:21:37,300  
the tickets should be about eighty-five

553  
00:21:42,660 --> 00:21:40,450  
percent of a discounted fare that you

554  
00:21:44,820 --> 00:21:42,670  
would get on Southwest so we're looking

555  
00:21:48,030 --> 00:21:44,830  
at something like you know 87 bucks or

556  
00:21:49,590 --> 00:21:48,040  
something like that it's gonna have to

557  
00:21:50,970 --> 00:21:49,600  
compete with the airline's I can tell

558  
00:21:53,340 --> 00:21:50,980  
you that is not what you pay when you go

559  
00:21:55,680 --> 00:21:53,350  
from New York to DC in New York to DC is

560  
00:21:58,230 --> 00:21:55,690  
150 bucks two hundred dollars to 50

561  
00:21:59,760 --> 00:21:58,240  
depending on the 300 yeah 300 is what I

562  
00:22:04,230 --> 00:21:59,770  
paid last time on that and you know why

563  
00:22:06,330 --> 00:22:04,240

because 80% of the airline traffic in

564

00:22:09,330 --> 00:22:06,340

the last 30 years has moved over onto

565

00:22:11,570 --> 00:22:09,340

that onto that rail it is totally and

566

00:22:13,760 --> 00:22:11,580

completely at capacity and

567

00:22:16,520 --> 00:22:13,770

and they're talking about a hundred and

568

00:22:18,680 --> 00:22:16,530

fifty billion dollars to upgrade the

569

00:22:23,090 --> 00:22:18,690

Northeast Corridor to full high-speed

570

00:22:24,680 --> 00:22:23,100

rail but right now that which is as you

571

00:22:27,830 --> 00:22:24,690

said the only train line that's throwing

572

00:22:29,600 --> 00:22:27,840

off extra cash part of the reason is

573

00:22:31,940 --> 00:22:29,610

they can pretty much charge what they

574

00:22:33,350 --> 00:22:31,950

want because it is highly popular it's

575

00:22:36,740 --> 00:22:33,360

much better way to get between those

576

00:22:38,860 --> 00:22:36,750

cities than air and they're at capacity

577

00:22:42,920 --> 00:22:38,870

but your projections for break-even

578

00:22:45,080 --> 00:22:42,930

involve ticket prices as low as \$85 ZL

579

00:22:47,090 --> 00:22:45,090

late December yes yes because otherwise

580

00:22:48,860 --> 00:22:47,100

we'd be kidding ourselves if you if you

581

00:22:50,330 --> 00:22:48,870

posit some number that nobody's gonna

582

00:22:51,680 --> 00:22:50,340

buy because it's cheaper to go on the

583

00:22:53,960 --> 00:22:51,690

airlines you're not going to get the

584

00:22:56,900 --> 00:22:53,970

ridership so speaking of your guys track

585

00:22:59,450 --> 00:22:56,910

record as you well know assembly

586

00:23:02,390 --> 00:22:59,460

transportation chairman Jim Fraser was

587

00:23:04,190 --> 00:23:02,400

very critical of you recently and he

588

00:23:07,670 --> 00:23:04,200

flat out said that they have continually

589

00:23:09,320 --> 00:23:07,680

lied to us about performance politicians

590

00:23:13,100 --> 00:23:09,330

say a lot of things I will tell you when

591

00:23:14,780 --> 00:23:13,110

we came in the first thing we did was we

592

00:23:16,220 --> 00:23:14,790

stood up and we told people that the

593

00:23:18,380 --> 00:23:16,230

projections that they'd seen were way

594

00:23:21,350 --> 00:23:18,390

too low and I remember standing there in

595

00:23:23,450 --> 00:23:21,360

November 2011 and saying you know this

596

00:23:25,310 --> 00:23:23,460

thing if we don't find ways to cut costs

597

00:23:27,080 --> 00:23:25,320

like blending the service in the

598

00:23:29,030 --> 00:23:27,090

peninsula which you were talking about

599

00:23:31,400 --> 00:23:29,040

before we were criticized for it could

600

00:23:33,440 --> 00:23:31,410

be a hundred billion dollars and one of

601  
00:23:35,930 --> 00:23:33,450  
the reporters at that point said what do

602  
00:23:38,030 --> 00:23:35,940  
you tell people who thought it was going

603  
00:23:41,150 --> 00:23:38,040  
to cost 40 billion I said you tell them

604  
00:23:44,480 --> 00:23:41,160  
the truth and we have we have been out

605  
00:23:46,280 --> 00:23:44,490  
there every time we've got an update we

606  
00:23:48,530 --> 00:23:46,290  
are the ones who come out and say that

607  
00:23:50,960 --> 00:23:48,540  
so for example there was a recent audit

608  
00:23:52,130 --> 00:23:50,970  
by the state auditor well there were a

609  
00:23:54,350 --> 00:23:52,140  
lot of numbers that were thrown around

610  
00:23:56,540 --> 00:23:54,360  
all of those capital numbers were

611  
00:23:59,360 --> 00:23:56,550  
numbers that we ourselves had put out

612  
00:24:01,250 --> 00:23:59,370  
last January there were no new numbers

613  
00:24:03,410 --> 00:24:01,260

in terms of capital cost and the audit

614

00:24:06,170 --> 00:24:03,420

report it was a little confusing but

615

00:24:07,820 --> 00:24:06,180

that is the fact so we've been very

616

00:24:10,520 --> 00:24:07,830

forthright and we've been very

617

00:24:13,070 --> 00:24:10,530

transparent we have a finance and Audit

618

00:24:15,350 --> 00:24:13,080

Committee its meeting is are open

619

00:24:19,580 --> 00:24:15,360

anybody can come and see that and they

620

00:24:20,840 --> 00:24:19,590

can see how we're doing so I'm sure why

621

00:24:23,330 --> 00:24:20,850

is he making a statement like that

622

00:24:25,019 --> 00:24:23,340

though well I I'm I I can't comment on

623

00:24:29,470 --> 00:24:25,029

his motor

624

00:24:31,180 --> 00:24:29,480

Minoo I will say that I've been in this

625

00:24:33,159 --> 00:24:31,190

situation several times in my life and

626  
00:24:36,430 --> 00:24:33,169  
I've worked on a number of controversial

627  
00:24:37,330 --> 00:24:36,440  
things and usually what happens is and

628  
00:24:39,640 --> 00:24:37,340  
when something comes out that's

629  
00:24:42,760 --> 00:24:39,650  
controversial people tend to pile on but

630  
00:24:46,810 --> 00:24:42,770  
beyond that I I can't I can't challenge

631  
00:24:49,360 --> 00:24:46,820  
it but let me I will say that there is a

632  
00:24:51,220 --> 00:24:49,370  
strong role for legislative oversight in

633  
00:24:53,710 --> 00:24:51,230  
this program that we have always

634  
00:24:57,039 --> 00:24:53,720  
supported because whether it seems this

635  
00:24:59,440 --> 00:24:57,049  
way or not our view is that public

636  
00:25:01,299 --> 00:24:59,450  
support depends on confidence that

637  
00:25:04,120 --> 00:25:01,309  
somebody is looking over our shoulder on

638  
00:25:06,010 --> 00:25:04,130

this and so we welcome the audit we have

639

00:25:08,769 --> 00:25:06,020

a peer review group that that's in the

640

00:25:11,230 --> 00:25:08,779

statute that meets with us our own

641

00:25:15,279 --> 00:25:11,240

proceedings are open our reports are

642

00:25:18,130 --> 00:25:15,289

public it's not that we're not in a

643

00:25:21,940 --> 00:25:18,140

controversial area here but our goal is

644

00:25:24,010 --> 00:25:21,950

to give the public confidence not that

645

00:25:26,950 --> 00:25:24,020

there won't be screw-ups let me be clear

646

00:25:28,419 --> 00:25:26,960

there will be and what I'm hoping is

647

00:25:31,840 --> 00:25:28,429

that people hold us to a different

648

00:25:34,389 --> 00:25:31,850

standard you're building a 520 mile

649

00:25:36,610 --> 00:25:34,399

project there's all kinds of issues

650

00:25:38,740 --> 00:25:36,620

wetlands communities all that they're

651  
00:25:40,330 --> 00:25:38,750  
going to be things that go wrong what I

652  
00:25:42,310 --> 00:25:40,340  
hope is that the public holds us to a

653  
00:25:44,799 --> 00:25:42,320  
standard of a were you honest with us

654  
00:25:46,810 --> 00:25:44,809  
and be when you recognized a mistake did

655  
00:25:49,389 --> 00:25:46,820  
you move to fix it and I think our

656  
00:25:52,000 --> 00:25:49,399  
record has been very good that when

657  
00:25:53,919 --> 00:25:52,010  
we've seen things that have the the

658  
00:25:57,100 --> 00:25:53,929  
problem of getting the the property

659  
00:25:58,930 --> 00:25:57,110  
along the right-of-way that was very

660  
00:26:01,029 --> 00:25:58,940  
difficult it took us a long time to get

661  
00:26:03,519 --> 00:26:01,039  
that right I think now we've got it

662  
00:26:05,049 --> 00:26:03,529  
right we've been clear about our

663  
00:26:06,820 --> 00:26:05,059

challenges in that area since the

664

00:26:09,000 --> 00:26:06,830

beginning so what I hope is that people

665

00:26:11,710 --> 00:26:09,010

look at this and ultimately say well

666

00:26:14,110 --> 00:26:11,720

yeah okay I wish it were less and I wish

667

00:26:15,820 --> 00:26:14,120

it were faster but at least they're

668

00:26:17,380 --> 00:26:15,830

telling us what's going on and when they

669

00:26:19,870 --> 00:26:17,390

see something is wrong they move to fix

670

00:26:23,919 --> 00:26:19,880

it he thinks you should resign do you

671

00:26:25,419 --> 00:26:23,929

think you should resign well again I got

672

00:26:27,610 --> 00:26:25,429

a pretty tough skin after seven and a

673

00:26:30,220 --> 00:26:27,620

half years in this and people say a lot

674

00:26:32,789 --> 00:26:30,230

of things in a political environment all

675

00:26:35,310 --> 00:26:32,799

I can say is

676

00:26:37,710 --> 00:26:35,320

I think his was a minority view very

677

00:26:39,450 --> 00:26:37,720

distinctly but directly answer him

678

00:26:41,159 --> 00:26:39,460

you know regarding this audit and some

679

00:26:42,359 --> 00:26:41,169

of the things that came out I mean do

680

00:26:44,399 --> 00:26:42,369

you accept some personal responsibility

681

00:26:47,279 --> 00:26:44,409

for things that were found in the audit

682

00:26:49,169 --> 00:26:47,289

and if so what what things sure I mean

683

00:26:53,249 --> 00:26:49,179

look I'm the chair of the authority

684

00:26:56,789 --> 00:26:53,259

board we set up the finance and Audit

685

00:26:59,399 --> 00:26:56,799

Committee we set up a lot of things to

686

00:27:01,109 --> 00:26:59,409

to govern the program to have an auditor

687

00:27:02,340 --> 00:27:01,119

come in and say well you may have

688

00:27:03,810 --> 00:27:02,350

thought you were doing well but here's a

689

00:27:06,480 --> 00:27:03,820

number of areas of deficiency that

690

00:27:08,399 --> 00:27:06,490

doesn't feel good I wish that those

691

00:27:12,690 --> 00:27:08,409

things you know hadn't occurred that way

692

00:27:14,879 --> 00:27:12,700

and let me be very clear we cooperated

693

00:27:16,109 --> 00:27:14,889

fully with the auditors I at in front of

694

00:27:17,999 --> 00:27:16,119

the audit committee last year and said

695

00:27:21,419 --> 00:27:18,009

we welcome the audit we cooperated fully

696

00:27:23,159 --> 00:27:21,429

and we have also committed that all of

697

00:27:25,769 --> 00:27:23,169

their recommendations will be promptly

698

00:27:28,680 --> 00:27:25,779

implemented so I think we're doing our

699

00:27:30,330 --> 00:27:28,690

job in that respect and do I wish we had

700

00:27:33,509 --> 00:27:30,340

been more perfect to go you know going

701  
00:27:35,310 --> 00:27:33,519  
through this absolutely we're human and

702  
00:27:39,749 --> 00:27:35,320  
people make mistakes and you learn from

703  
00:27:41,359 --> 00:27:39,759  
them but I will tell you that I think

704  
00:27:43,889 --> 00:27:41,369  
we've got a very committed very

705  
00:27:47,180 --> 00:27:43,899  
professional board of directors we've

706  
00:27:50,430 --> 00:27:47,190  
got an outstanding staff leadership now

707  
00:27:51,659 --> 00:27:50,440  
we've made changes along the way one of

708  
00:27:53,460 --> 00:27:51,669  
the most difficult things was

709  
00:27:58,379 --> 00:27:53,470  
transitioning from a planning

710  
00:28:00,149 --> 00:27:58,389  
organization to a to an organization

711  
00:28:02,389 --> 00:28:00,159  
that was managing billions of dollars of

712  
00:28:05,730 --> 00:28:02,399  
contracts and had to deliver projects

713  
00:28:07,409 --> 00:28:05,740

anybody would look back and say oh I

714

00:28:08,970 --> 00:28:07,419

wish I had seen this or I wish I'd done

715

00:28:11,190 --> 00:28:08,980

that differently or I wish I'd done this

716

00:28:13,470 --> 00:28:11,200

better I'll take my share of personal

717

00:28:17,669 --> 00:28:13,480

responsibility for that but what I would

718

00:28:21,989 --> 00:28:17,679

also say is none of those decisions that

719

00:28:24,239 --> 00:28:21,999

we made were in any way reckless or

720

00:28:26,220 --> 00:28:24,249

thoughtless I mean we we were sitting

721

00:28:28,769 --> 00:28:26,230

there making very deliberate decisions

722

00:28:31,859 --> 00:28:28,779

against some very tough things do you

723

00:28:33,779 --> 00:28:31,869

start now and risk delay damages because

724

00:28:35,850 --> 00:28:33,789

you don't have all the parcels or do you

725

00:28:37,499 --> 00:28:35,860

wait and risk losing nine hundred

726

00:28:39,090 --> 00:28:37,509

million dollars of federal funds that's

727

00:28:42,029 --> 00:28:39,100

on a deadline that turns into a pumpkin

728

00:28:45,299 --> 00:28:42,039

we spent a lot of time balancing that

729

00:28:46,440 --> 00:28:45,309

risk and managing the risk sometimes you

730

00:28:48,960 --> 00:28:46,450

make decisions to turn

731

00:28:51,060 --> 00:28:48,970

to be right sometimes not but I think

732

00:28:54,240 --> 00:28:51,070

they were always well considered and

733

00:28:56,250 --> 00:28:54,250

always done diligently so from that

734

00:28:57,540 --> 00:28:56,260

standpoint I'll take responsibility for

735

00:29:00,840 --> 00:28:57,550

the things that didn't turn out the

736

00:29:03,210 --> 00:29:00,850

right way but I don't think in any way

737

00:29:05,130 --> 00:29:03,220

we sure cover responsibilities or didn't

738

00:29:06,600 --> 00:29:05,140

do our jobs to the best of our ability

739

00:29:08,280 --> 00:29:06,610

one of the problems is it's such a big

740

00:29:10,350 --> 00:29:08,290

project that when errors are made

741

00:29:12,810 --> 00:29:10,360

they're magnified by the sheer number of

742

00:29:14,880 --> 00:29:12,820

dollars right sure we're talking about

743

00:29:20,670 --> 00:29:14,890

how much has been spent approximately

744

00:29:22,350 --> 00:29:20,680

today well the problem we've got money

745

00:29:25,230 --> 00:29:22,360

that was spent on environmental analysis

746

00:29:26,700 --> 00:29:25,240

and money that was spent on so forth I

747

00:29:29,100 --> 00:29:26,710

would say the direct answer to your

748

00:29:31,080 --> 00:29:29,110

question is about three billion dollars

749

00:29:33,390 --> 00:29:31,090

is being spent on the construction right

750

00:29:37,380 --> 00:29:33,400

now in the Central Valley okay in total

751

00:29:41,040 --> 00:29:37,390

expenditures to date I'm gonna say maybe

752

00:29:43,320 --> 00:29:41,050

twice that it might not be that high but

753

00:29:44,670 --> 00:29:43,330

there's a lot of environmental work a

754

00:29:46,500 --> 00:29:44,680

lot of engineering work that was done

755

00:29:48,330 --> 00:29:46,510

and so forth so so it could be

756

00:29:50,100 --> 00:29:48,340

approximately six billion spent yeah and

757

00:29:53,760 --> 00:29:50,110

then you have to also add in money that

758

00:29:57,390 --> 00:29:53,770

we've spent with local transit districts

759

00:29:58,830 --> 00:29:57,400

on things so I I'm making a guess when

760

00:30:00,300 --> 00:29:58,840

you put all there's a lot of cats and

761

00:30:03,690 --> 00:30:00,310

dogs to try to put together and in her

762

00:30:06,780 --> 00:30:03,700

findings you know arguably as much as by

763

00:30:10,350 --> 00:30:06,790

her report a billion of that was wasted

764

00:30:13,130 --> 00:30:10,360

am i putting a general ballpark on the

765

00:30:15,120 --> 00:30:13,140

number that she's suggesting let me I

766

00:30:17,430 --> 00:30:15,130

think that's probably her number let me

767

00:30:19,530 --> 00:30:17,440

just say we we vigorously dispute that

768

00:30:21,510 --> 00:30:19,540

and there was a lot of misunderstanding

769

00:30:23,100 --> 00:30:21,520

about this so one of the things that

770

00:30:25,980 --> 00:30:23,110

they said and this was a problem on our

771

00:30:28,170 --> 00:30:25,990

side was that there wasn't documentation

772

00:30:30,480 --> 00:30:28,180

in place and so they had to make some

773

00:30:31,740 --> 00:30:30,490

decisions about what was spent and what

774

00:30:34,500 --> 00:30:31,750

was not spent well we went back and

775

00:30:36,180 --> 00:30:34,510

looked at this yes there's been a lot of

776

00:30:38,750 --> 00:30:36,190

cost growth that was identified in the

777

00:30:42,450 --> 00:30:38,760

auditor's report eighty percent of that

778

00:30:45,300 --> 00:30:42,460

related to changes in scope that was not

779

00:30:47,160 --> 00:30:45,310

money that was anyway wasted it meant

780

00:30:48,360 --> 00:30:47,170

that we were building some things in the

781

00:30:51,680 --> 00:30:48,370

first phase that might have been

782

00:30:55,440 --> 00:30:51,690

originally intended for a later phase so

783

00:30:56,910 --> 00:30:55,450

no look here's the thing about the audit

784

00:30:59,520 --> 00:30:56,920

report there were really two pieces of

785

00:31:00,240 --> 00:30:59,530

it one piece was to look at our

786

00:31:02,190 --> 00:31:00,250

procedures and

787

00:31:04,860 --> 00:31:02,200

processes and make recommendations as I

788

00:31:05,850 --> 00:31:04,870

said before we accept all those as valid

789

00:31:07,580 --> 00:31:05,860

and we're implementing the

790

00:31:10,080 --> 00:31:07,590

recommendations as quickly as possible

791

00:31:11,970 --> 00:31:10,090

the other piece was an attempt to look

792

00:31:13,830 --> 00:31:11,980

back at history and I'll say kind of

793

00:31:17,340 --> 00:31:13,840

second-guessed decisions that we made

794

00:31:20,280 --> 00:31:17,350

when we started the program and there we

795

00:31:22,860 --> 00:31:20,290

absolutely dispute what the conclusion

796

00:31:27,210 --> 00:31:22,870

was because I sat in those meetings and

797

00:31:29,840 --> 00:31:27,220

we we knew that if we did not start when

798

00:31:32,100 --> 00:31:29,850

we did in fact the LA Times wrote

799

00:31:33,810 --> 00:31:32,110

article back at that time saying they'll

800

00:31:36,720 --> 00:31:33,820

never be able to spend all the federal

801  
00:31:39,240 --> 00:31:36,730  
money in time that was that was the view

802  
00:31:42,660 --> 00:31:39,250  
back then opponents were suing us saying

803  
00:31:44,280 --> 00:31:42,670  
the federal money expires in 2017 if we

804  
00:31:47,220 --> 00:31:44,290  
can delay them long enough they lose

805  
00:31:49,500 --> 00:31:47,230  
their federal funding we had to decide

806  
00:31:51,570 --> 00:31:49,510  
to start and we did that knowing that

807  
00:31:54,180 --> 00:31:51,580  
yeah we were going to get some delay

808  
00:31:55,860 --> 00:31:54,190  
damage costs from the the vendors but we

809  
00:31:58,590 --> 00:31:55,870  
balanced that that was am i right that

810  
00:32:01,170 --> 00:31:58,600  
that's 600 million no it was not 600

811  
00:32:03,500 --> 00:32:01,180  
million we with the number if anything

812  
00:32:05,880 --> 00:32:03,510  
might have turned out to be half that

813  
00:32:08,700 --> 00:32:05,890

but I'm not even sure that that number

814

00:32:10,440 --> 00:32:08,710

is is not too high yeah I think I'm

815

00:32:13,020 --> 00:32:10,450

reading from well I understand that but

816

00:32:16,320 --> 00:32:13,030

I'm just saying are what you're reading

817

00:32:18,570 --> 00:32:16,330

correctly or accurately depicts what was

818

00:32:20,460 --> 00:32:18,580

said in the audit but as I said the

819

00:32:21,930 --> 00:32:20,470

audit had two pieces one was

820

00:32:24,180 --> 00:32:21,940

recommendations that we agree with

821

00:32:25,800 --> 00:32:24,190

another was this attempt to go back and

822

00:32:27,360 --> 00:32:25,810

look at history that we think that they

823

00:32:29,910 --> 00:32:27,370

got very wrong so is it fair to say that

824

00:32:33,000 --> 00:32:29,920

but for the federal dollars being at

825

00:32:35,040 --> 00:32:33,010

stake and at risk you probably would

826  
00:32:36,720 --> 00:32:35,050  
have delayed the commencement of the

827  
00:32:38,850 --> 00:32:36,730  
project a bit well here was the other

828  
00:32:40,470 --> 00:32:38,860  
problem though so when we got the when

829  
00:32:41,910 --> 00:32:40,480  
we opened the first bid and this is the

830  
00:32:43,260 --> 00:32:41,920  
kind of decision I mean it's easy for

831  
00:32:44,760 --> 00:32:43,270  
people to look back and second-guess but

832  
00:32:46,980 --> 00:32:44,770  
let me tell you a part of the decision

833  
00:32:49,800 --> 00:32:46,990  
we had when we opened the very first bid

834  
00:32:51,780 --> 00:32:49,810  
it was 200 million dollars below what

835  
00:32:55,470 --> 00:32:51,790  
our engineers estimate was for that

836  
00:32:58,590 --> 00:32:55,480  
segment that bid expired in 90 days if

837  
00:32:59,670 --> 00:32:58,600  
we didn't go with it so and the next bid

838  
00:33:03,630 --> 00:32:59,680

was several hundred million dollars

839

00:33:05,880 --> 00:33:03,640

higher than that so again do you start

840

00:33:07,590 --> 00:33:05,890

knowing that well maybe we won't be able

841

00:33:09,000 --> 00:33:07,600

to deliver all the parcels in time and

842

00:33:11,820 --> 00:33:09,010

the contract will come back and hit us

843

00:33:13,950 --> 00:33:11,830

with something or do you not start that

844

00:33:15,539 --> 00:33:13,960

bid expires then you go back out to

845

00:33:18,000 --> 00:33:15,549

do it again at hundreds of millions of

846

00:33:21,149 --> 00:33:18,010

dollars of higher cost these were the

847

00:33:22,769 --> 00:33:21,159

kind of decisions that we faced and that

848

00:33:25,919 --> 00:33:22,779

we had to make and I will tell you I

849

00:33:28,440 --> 00:33:25,929

will tell you unequivocally if you

850

00:33:31,139 --> 00:33:28,450

rolled me back to 2012 and 2013 and

851  
00:33:32,610 --> 00:33:31,149  
looked at the same set of facts I and my

852  
00:33:35,190 --> 00:33:32,620  
colleagues would have made exactly the

853  
00:33:37,620 --> 00:33:35,200  
same decisions that same way we put

854  
00:33:38,970 --> 00:33:37,630  
people to work there are 2500 people

855  
00:33:41,340 --> 00:33:38,980  
working now those people are paying

856  
00:33:42,810 --> 00:33:41,350  
taxes we have reduced the unemployment

857  
00:33:44,909 --> 00:33:42,820  
rate in the Central Valley that's the

858  
00:33:47,370 --> 00:33:44,919  
other reason not to wait this money was

859  
00:33:50,430 --> 00:33:47,380  
intended to put people to work and we

860  
00:33:51,570 --> 00:33:50,440  
did we have reduced it but to address

861  
00:33:52,919 --> 00:33:51,580  
that that money the federal money

862  
00:33:54,539 --> 00:33:52,929  
because yeah that was stimulus money

863  
00:33:57,060 --> 00:33:54,549

back when we were in a big recession

864

00:33:58,529 --> 00:33:57,070

we're no longer in a recession so is the

865

00:34:02,039 --> 00:33:58,539

goal of putting people to work really a

866

00:34:03,990 --> 00:34:02,049

proper goal these days well I have to

867

00:34:05,700 --> 00:34:04,000

say I think the goal of putting people

868

00:34:07,919 --> 00:34:05,710

to work never goes out of favor right

869

00:34:10,079 --> 00:34:07,929

but as far as using federal monies to

870

00:34:11,399 --> 00:34:10,089

stimulate the economy but which now is

871

00:34:13,919 --> 00:34:11,409

not the time to be doing that arguably

872

00:34:17,869 --> 00:34:13,929

we spent we spent the requisite money in

873

00:34:20,790 --> 00:34:17,879

the time frame so we did that but it's

874

00:34:22,379 --> 00:34:20,800

beyond just the point of putting people

875

00:34:25,649 --> 00:34:22,389

to work remember what I said about the

876

00:34:27,300 --> 00:34:25,659

Central Valley maybe people in Los

877

00:34:29,190 --> 00:34:27,310

Angeles and frankly I didn't really

878

00:34:30,540 --> 00:34:29,200

realize this one of the one of the great

879

00:34:31,919 --> 00:34:30,550

blessings of being able to work on this

880

00:34:34,200 --> 00:34:31,929

project is I've been up and down the

881

00:34:36,119 --> 00:34:34,210

state I've been here for 40 years and

882

00:34:38,579 --> 00:34:36,129

I've got a new appreciation for

883

00:34:41,310 --> 00:34:38,589

California that I never had because you

884

00:34:46,230 --> 00:34:41,320

know I'd never been in Acton before or

885

00:34:47,399 --> 00:34:46,240

in Palmdale or in Merced but the Central

886

00:34:50,040 --> 00:34:47,409

Valley of California

887

00:34:52,470 --> 00:34:50,050

with 4 million people if it words owned

888

00:34:54,060 --> 00:34:52,480

state it would be the 26 largest state

889

00:34:56,339 --> 00:34:54,070

and it would supplant Mississippi is the

890

00:34:58,680 --> 00:34:56,349

poorest state in the United States the

891

00:35:02,339 --> 00:34:58,690

poverty level there is 25 percent in

892

00:35:04,349 --> 00:35:02,349

Fresno so we are making investments in

893

00:35:06,870 --> 00:35:04,359

an area that's been under invested and

894

00:35:10,680 --> 00:35:06,880

as I said before this opportunity to

895

00:35:11,849 --> 00:35:10,690

connect the housing and jobs is

896

00:35:14,070 --> 00:35:11,859

something is going to be tremendously

897

00:35:16,079 --> 00:35:14,080

important some of these towns I think

898

00:35:17,970 --> 00:35:16,089

perhaps they like it this way I've been

899

00:35:19,620 --> 00:35:17,980

being remote I mean you know they don't

900

00:35:21,450 --> 00:35:19,630

identify with Los Angeles and Hollywood

901  
00:35:23,849 --> 00:35:21,460  
they don't identify with liberal San

902  
00:35:25,410 --> 00:35:23,859  
Francisco they're farmers and so on so

903  
00:35:27,300 --> 00:35:25,420  
this whole idea of connecting them with

904  
00:35:29,220 --> 00:35:27,310  
LA in San Francisco

905  
00:35:30,680 --> 00:35:29,230  
we sure they want that um actually I'm

906  
00:35:33,180 --> 00:35:30,690  
pretty sure that they want that because

907  
00:35:36,210 --> 00:35:33,190  
we've worked with two successful mayor's

908  
00:35:38,160 --> 00:35:36,220  
in Fresno both of whom particularly

909  
00:35:40,080 --> 00:35:38,170  
mayor Ashley Swearingin before believed

910  
00:35:43,830 --> 00:35:40,090  
that this was going to transform her

911  
00:35:46,410 --> 00:35:43,840  
town Fresno is the eighth largest tech

912  
00:35:47,940 --> 00:35:46,420  
incubator in the United States I've been

913  
00:35:51,150 --> 00:35:47,950

meeting and talking with the mayor of

914

00:35:52,560 --> 00:35:51,160

Merced they were upset when they didn't

915

00:35:53,790 --> 00:35:52,570

feel that they were being included in

916

00:35:57,060 --> 00:35:53,800

the opening of the first leg of

917

00:35:59,160 --> 00:35:57,070

high-speed rail the mayor of the former

918

00:36:01,020 --> 00:35:59,170

mayor of Palmdale laid out his whole

919

00:36:03,660 --> 00:36:01,030

city's future development around the

920

00:36:05,220 --> 00:36:03,670

high speed rail station so frankly in

921

00:36:07,980 --> 00:36:05,230

most of these communities what we're

922

00:36:09,330 --> 00:36:07,990

seeing is they see high-speed rail as a

923

00:36:11,970 --> 00:36:09,340

tool for development of their

924

00:36:14,340 --> 00:36:11,980

communities in in very important ways

925

00:36:15,930 --> 00:36:14,350

and we've been pleased to have strong

926

00:36:18,030 --> 00:36:15,940

partnerships there up and down the

927

00:36:19,920 --> 00:36:18,040

valley yeah I just don't like a defense

928

00:36:22,050 --> 00:36:19,930

for the project being the jobs because

929

00:36:23,250 --> 00:36:22,060

the project has to make sense right

930

00:36:25,710 --> 00:36:23,260

because there's a thousand things you

931

00:36:28,260 --> 00:36:25,720

could do to put people to work I agree

932

00:36:30,330 --> 00:36:28,270

with that I was only responding excuse

933

00:36:33,120 --> 00:36:30,340

me before when you were asking about the

934

00:36:35,760 --> 00:36:33,130

decisions we made in 2012 and getting

935

00:36:38,700 --> 00:36:35,770

started also included putting people to

936

00:36:42,330 --> 00:36:38,710

work which was as you said the the

937

00:36:47,010 --> 00:36:42,340

purpose then but yes I never tried to I

938

00:36:48,300 --> 00:36:47,020

never start off my defense if you will

939

00:36:49,560 --> 00:36:48,310

of high-speed rail by talking about the

940

00:36:51,780 --> 00:36:49,570

jobs I talk about the future of

941

00:36:53,490 --> 00:36:51,790

California and what we need to do to

942

00:36:56,580 --> 00:36:53,500

connect our areas and to transform

943

00:37:00,150 --> 00:36:56,590

cities because lots of different things

944

00:37:01,110 --> 00:37:00,160

can create jobs but I will say this one

945

00:37:03,690 --> 00:37:01,120

of the things that I think people don't

946

00:37:05,760 --> 00:37:03,700

realize is it's not just any job and yes

947

00:37:06,990 --> 00:37:05,770

there are a lot of construction jobs but

948

00:37:09,120 --> 00:37:07,000

high-speed rail is a very high-tech

949

00:37:11,580 --> 00:37:09,130

system they're gonna be ancillary

950

00:37:14,700 --> 00:37:11,590

industries that start up to support this

951  
00:37:16,650 --> 00:37:14,710  
that I think are going to be somewhat

952  
00:37:18,090 --> 00:37:16,660  
akin to the way that the aircraft

953  
00:37:20,490 --> 00:37:18,100  
industry started or the high-tech

954  
00:37:24,750 --> 00:37:20,500  
industry started these are high

955  
00:37:27,480 --> 00:37:24,760  
technology devices and acoustic research

956  
00:37:30,090 --> 00:37:27,490  
and material structures and all those

957  
00:37:31,890 --> 00:37:30,100  
things really become very important so I

958  
00:37:33,810 --> 00:37:31,900  
think we're also talking about creating

959  
00:37:36,240 --> 00:37:33,820  
a whole new industrial base here but

960  
00:37:38,790 --> 00:37:36,250  
that's just an aside so looking at it

961  
00:37:39,550 --> 00:37:38,800  
from afar as I am as a lay person but

962  
00:37:41,830 --> 00:37:39,560  
longtime Cal

963  
00:37:43,150 --> 00:37:41,840

you know just my gut feeling and looking

964

00:37:45,430 --> 00:37:43,160

at it from afar is just like you know

965

00:37:47,740 --> 00:37:45,440

what these guys are just gonna keep

966

00:37:50,230 --> 00:37:47,750

going and keep going and keep going it

967

00:37:51,850 --> 00:37:50,240

doesn't matter how much is delayed how

968

00:37:54,310 --> 00:37:51,860

expensive it gets this night they're on

969

00:37:55,600 --> 00:37:54,320

a mission to do this one way or the

970

00:37:57,010 --> 00:37:55,610

other doesn't matter what information

971

00:37:59,920 --> 00:37:57,020

you put in front of them they're gonna

972

00:38:01,660 --> 00:37:59,930

keep going so my question for you is is

973

00:38:03,220 --> 00:38:01,670

that correct and is there anything that

974

00:38:04,570 --> 00:38:03,230

would call it give you pause to decide

975

00:38:06,220 --> 00:38:04,580

you know what I think I'm gonna go to

976  
00:38:08,740 --> 00:38:06,230  
the governor with this and just say you

977  
00:38:10,450 --> 00:38:08,750  
know governor I have real concerns about

978  
00:38:14,290 --> 00:38:10,460  
this I'm not sure that we should be

979  
00:38:16,690 --> 00:38:14,300  
continuing with this so in 2011 when I

980  
00:38:18,730 --> 00:38:16,700  
was appointed and just after I was

981  
00:38:20,380 --> 00:38:18,740  
appointed this fellow Mike Rossi who was

982  
00:38:23,140 --> 00:38:20,390  
the former vice chair Bank of America

983  
00:38:24,790 --> 00:38:23,150  
was appointed and I'd known Jerry Brown

984  
00:38:26,680 --> 00:38:24,800  
for a number of years and Mike Rossi was

985  
00:38:29,620 --> 00:38:26,690  
also serving as an economic adviser to

986  
00:38:31,360 --> 00:38:29,630  
the governor and we looked at each other

987  
00:38:33,760 --> 00:38:31,370  
and said we need to look at this and see

988  
00:38:36,040 --> 00:38:33,770

if this does work will it in fact pay

989

00:38:38,620 --> 00:38:36,050

for itself will it will it break even

990

00:38:40,450 --> 00:38:38,630

and both of us knew that at that moment

991

00:38:42,190 --> 00:38:40,460

we would walk into Jerry Brown's office

992

00:38:44,560 --> 00:38:42,200

and say governor this thing does not

993

00:38:47,850 --> 00:38:44,570

make sense if we did not in our bones

994

00:38:50,350 --> 00:38:47,860

feel that the case was there for it

995

00:38:52,870 --> 00:38:50,360

there have been times when we've looked

996

00:38:54,970 --> 00:38:52,880

at this and asked the question if it's

997

00:38:58,240 --> 00:38:54,980

going to take this long if it's going to

998

00:39:00,790 --> 00:38:58,250

cost this much is this the best thing to

999

00:39:03,040 --> 00:39:00,800

continue to do so the answer to your

1000

00:39:04,690 --> 00:39:03,050

question is I'd be prepared to do that

1001  
00:39:08,020 --> 00:39:04,700  
with this governor or the next governor

1002  
00:39:10,090 --> 00:39:08,030  
or any governor so far what we've seen

1003  
00:39:12,430 --> 00:39:10,100  
is yes the cost is higher

1004  
00:39:14,890 --> 00:39:12,440  
yes it's taking longer but we believe

1005  
00:39:16,840 --> 00:39:14,900  
it's still worth it both in terms of the

1006  
00:39:19,750 --> 00:39:16,850  
alternative investment costs and what

1007  
00:39:21,280 --> 00:39:19,760  
the benefits are going to be so is there

1008  
00:39:23,620 --> 00:39:21,290  
do you have a number in mind because you

1009  
00:39:25,750 --> 00:39:23,630  
know I'm hearing now that according to

1010  
00:39:27,010 --> 00:39:25,760  
your I think was 2018 business plan that

1011  
00:39:29,590 --> 00:39:27,020  
cost could go as high as a hundred

1012  
00:39:31,420 --> 00:39:29,600  
million is there a number that you would

1013  
00:39:32,080 --> 00:39:31,430

say you know what that's a breaking

1014

00:39:35,500 --> 00:39:32,090

point for me

1015

00:39:36,580 --> 00:39:35,510

well I'm sure there is I mean I I can't

1016

00:39:39,010 --> 00:39:36,590

sit here today and tell you that I've

1017

00:39:40,510 --> 00:39:39,020

thought about that number right now what

1018

00:39:41,980 --> 00:39:40,520

we're looking at is sorry to interrupt

1019

00:39:43,330 --> 00:39:41,990

it I mean it's kind of important thing

1020

00:39:45,910 --> 00:39:43,340

to think about isn't because as we talk

1021

00:39:47,680 --> 00:39:45,920

about breaking even okay let's say even

1022

00:39:50,140 --> 00:39:47,690

hypothetically it could break even from

1023

00:39:52,060 --> 00:39:50,150

an operational standpoint but if it cost

1024

00:39:53,319 --> 00:39:52,070

you a trillion dollars to build sure

1025

00:39:55,749 --> 00:39:53,329

look at the cost per citizen

1026  
00:39:57,609 --> 00:39:55,759  
you would say no way so knowing what

1027  
00:40:00,339 --> 00:39:57,619  
that number is seems to be pretty

1028  
00:40:01,749 --> 00:40:00,349  
important it does and it's a fair

1029  
00:40:03,789 --> 00:40:01,759  
question and I'm sure there's a little

1030  
00:40:05,019 --> 00:40:03,799  
bit of a boiling the Frog issue here

1031  
00:40:06,309 --> 00:40:05,029  
where you know you're in the middle of

1032  
00:40:08,709 --> 00:40:06,319  
it and it's a little hard to see because

1033  
00:40:11,589 --> 00:40:08,719  
the cost numbers tend to be incremental

1034  
00:40:14,289 --> 00:40:11,599  
I don't mean to sound like a Pollyanna

1035  
00:40:15,789 --> 00:40:14,299  
on this but I'm still hopeful that we

1036  
00:40:18,880 --> 00:40:15,799  
can find a number of ways to bring costs

1037  
00:40:21,039 --> 00:40:18,890  
down a little bit part of our problem

1038  
00:40:23,589 --> 00:40:21,049

is that because the way we build

1039

00:40:26,289 --> 00:40:23,599

infrastructure in this country we're on

1040

00:40:28,870 --> 00:40:26,299

kind of a pay-as-you-go basis and so

1041

00:40:31,299 --> 00:40:28,880

that means more time more time means

1042

00:40:34,120 --> 00:40:31,309

more cost if we could find ways to

1043

00:40:36,609 --> 00:40:34,130

finance some of this so we could

1044

00:40:37,709 --> 00:40:36,619

accelerate construction one of the

1045

00:40:40,420 --> 00:40:37,719

things we're going to be exploring

1046

00:40:44,109 --> 00:40:40,430

particularly in the north but ultimately

1047

00:40:45,819 --> 00:40:44,119

here in the south a big part of our cost

1048

00:40:48,009 --> 00:40:45,829

increase that we reported in the last

1049

00:40:52,569 --> 00:40:48,019

business plan was because uncertainty

1050

00:40:54,249 --> 00:40:52,579

around tunneling and tunneling is a big

1051

00:40:57,279 --> 00:40:54,259

challenging issue particularly in

1052

00:40:58,509 --> 00:40:57,289

seismic areas like this but one of the

1053

00:41:00,339 --> 00:40:58,519

things that we're talking about doing

1054

00:41:02,799 --> 00:41:00,349

very quickly is bringing in the world's

1055

00:41:04,329 --> 00:41:02,809

great tunnel builders and sitting down

1056

00:41:06,249 --> 00:41:04,339

with them both collectively and

1057

00:41:08,469 --> 00:41:06,259

individually and saying okay how much

1058

00:41:11,370 --> 00:41:08,479

risk would you take to come in and do

1059

00:41:13,689 --> 00:41:11,380

some of this can we find some different

1060

00:41:15,519 --> 00:41:13,699

mechanisms to do this a public-private

1061

00:41:18,339 --> 00:41:15,529

partnership for the tunnels in the north

1062

00:41:19,930 --> 00:41:18,349

or things like that so we're not just

1063

00:41:21,999 --> 00:41:19,940

sitting here watching the costs go up

1064

00:41:24,880 --> 00:41:22,009

and up and up I mean we're aggressively

1065

00:41:28,390 --> 00:41:24,890

trying to find areas where we can bring

1066

00:41:30,699 --> 00:41:28,400

costs back down in in this world it's

1067

00:41:33,939 --> 00:41:30,709

called value engineering and there are

1068

00:41:36,400 --> 00:41:33,949

ways to do things that in fact combine

1069

00:41:38,439 --> 00:41:36,410

things or change how things are done or

1070

00:41:41,109 --> 00:41:38,449

change the sequence that can actually

1071

00:41:42,969 --> 00:41:41,119

reduce cost so on the one hand we're

1072

00:41:46,479 --> 00:41:42,979

being honest about what we think the

1073

00:41:47,410 --> 00:41:46,489

upper bounds could be but that doesn't

1074

00:41:49,029 --> 00:41:47,420

mean that we're just going and sitting

1075

00:41:50,890 --> 00:41:49,039

in a corner sucking our thumb and saying

1076

00:41:52,959 --> 00:41:50,900

well too bad that's what it is we're

1077

00:41:55,870 --> 00:41:52,969

actively trying to manage this to see if

1078

00:41:58,329 --> 00:41:55,880

there are ways to offset those forces

1079

00:42:00,339 --> 00:41:58,339

that tend to drive costs up and frankly

1080

00:42:01,959 --> 00:42:00,349

it's impossible to really predict the

1081

00:42:03,819 --> 00:42:01,969

cost of it right there's just too many

1082

00:42:05,769 --> 00:42:03,829

unknowns which is why we've started

1083

00:42:06,700 --> 00:42:05,779

stating these things as ranges instead

1084

00:42:11,320 --> 00:42:06,710

of single point

1085

00:42:12,640 --> 00:42:11,330

because as my best friend who happens to

1086

00:42:14,980 --> 00:42:12,650

be the head of the California Energy

1087

00:42:16,960 --> 00:42:14,990

Commission says you know we don't want

1088

00:42:19,599 --> 00:42:16,970

to fall into the illusion of precision

1089

00:42:21,940 --> 00:42:19,609

and so I don't think we want to fall

1090

00:42:23,800 --> 00:42:21,950

into the illusion of precision and we

1091

00:42:26,710 --> 00:42:23,810

haven't acquired all the land yet no

1092

00:42:28,780 --> 00:42:26,720

we're better at other routes necessarily

1093

00:42:30,010 --> 00:42:28,790

we're pretty close on the routes but yes

1094

00:42:32,589 --> 00:42:30,020

you're right I mean there are still

1095

00:42:34,089 --> 00:42:32,599

uncertainties and and and the tunneling

1096

00:42:35,290 --> 00:42:34,099

costs I mean in the North we're saying

1097

00:42:37,329 --> 00:42:35,300

well that could be between four and

1098

00:42:40,420 --> 00:42:37,339

seven or eight billion dollars that's a

1099

00:42:43,570 --> 00:42:40,430

pretty big range so we do need to narrow

1100

00:42:45,250 --> 00:42:43,580

those things but it's better to tell

1101  
00:42:46,870 --> 00:42:45,260  
people what the high-end number is and

1102  
00:42:49,270 --> 00:42:46,880  
then try to come in and with something

1103  
00:42:52,000 --> 00:42:49,280  
under that so people have used the term

1104  
00:42:53,380 --> 00:42:52,010  
bullet train to nowhere and I think what

1105  
00:42:56,050 --> 00:42:53,390  
they're referring to is what you're

1106  
00:42:58,839 --> 00:42:56,060  
building as we speak sure you know and

1107  
00:43:00,339 --> 00:42:58,849  
and there's the argument that no but

1108  
00:43:01,960 --> 00:43:00,349  
nobody would would want to call that

1109  
00:43:03,760 --> 00:43:01,970  
nowhere obviously they're they're

1110  
00:43:05,890 --> 00:43:03,770  
beautiful places and so on but in the

1111  
00:43:08,650 --> 00:43:05,900  
sense that it's being built in an area

1112  
00:43:10,599 --> 00:43:08,660  
where you if it was if if that's where

1113  
00:43:11,680 --> 00:43:10,609

we left off and that's all we had was

1114

00:43:13,060 --> 00:43:11,690

the stretch you guys are building right

1115

00:43:14,920 --> 00:43:13,070

now 119 miles that would be a disaster

1116

00:43:17,800 --> 00:43:14,930

is that fair to say it wouldn't be a

1117

00:43:20,230 --> 00:43:17,810

disaster by any means but it wouldn't be

1118

00:43:21,339 --> 00:43:20,240

what we want to deliver to the public

1119

00:43:23,470 --> 00:43:21,349

and it wouldn't be what the public

1120

00:43:29,560 --> 00:43:23,480

expects yeah I mean could you just you

1121

00:43:31,510 --> 00:43:29,570

know well highlight here sure beginning

1122

00:43:36,310 --> 00:43:31,520

in the end of it well right now it's

1123

00:43:37,870 --> 00:43:36,320

from its from Madera to Bakersfield but

1124

00:43:40,720 --> 00:43:37,880

30 miles short of Bakersfield isn't it

1125

00:43:42,280 --> 00:43:40,730

not quite all the way to Bakersfield we

1126

00:43:43,930 --> 00:43:42,290

just cleared environmentally into

1127

00:43:46,359 --> 00:43:43,940

Bakersfield so it will go into Baker's

1128

00:43:49,300 --> 00:43:46,369

okay and then Madero is this town you're

1129

00:43:51,280 --> 00:43:49,310

worth of Fresno okay and then the next

1130

00:43:53,550 --> 00:43:51,290

thing is to connect over to the but but

1131

00:44:01,120 --> 00:43:53,560

I mean let me answer your your question

1132

00:44:02,530 --> 00:44:01,130

two ways first the you you always have

1133

00:44:03,700 --> 00:44:02,540

to start somewhere before I got on the

1134

00:44:05,170 --> 00:44:03,710

high speed rail authority and I heard

1135

00:44:07,599 --> 00:44:05,180

they were gonna build this thing in the

1136

00:44:09,460 --> 00:44:07,609

Central Valley I I thought why in the

1137

00:44:13,089 --> 00:44:09,470

world would they do that I mean and and

1138

00:44:14,740 --> 00:44:13,099

I mean the first one by the way was they

1139

00:44:16,750 --> 00:44:14,750

announced was going to be Borden to

1140

00:44:18,140 --> 00:44:16,760

Corcoran which I had not heard of either

1141

00:44:20,300 --> 00:44:18,150

of those towns

1142

00:44:22,130 --> 00:44:20,310

but as I got on to the high speed rail

1143

00:44:24,740 --> 00:44:22,140

authority I realized that in fact this

1144

00:44:26,810 --> 00:44:24,750

is this is the best place to start and

1145

00:44:29,210 --> 00:44:26,820

it's the best place to start for several

1146

00:44:31,820 --> 00:44:29,220

reasons one we get more track mile per

1147

00:44:33,950 --> 00:44:31,830

dollars there than other places number

1148

00:44:35,870 --> 00:44:33,960

two there's no real alignment in that

1149

00:44:37,730 --> 00:44:35,880

area we have to get that and the longer

1150

00:44:39,680 --> 00:44:37,740

you wait the harder it is because you

1151  
00:44:42,530 --> 00:44:39,690  
know growth the houses come up that you

1152  
00:44:45,140 --> 00:44:42,540  
then have to take but also you have to

1153  
00:44:47,450 --> 00:44:45,150  
test the trains at up to 250 miles an

1154  
00:44:49,490 --> 00:44:47,460  
hour trying to do that say between LA

1155  
00:44:53,150 --> 00:44:49,500  
and Anaheim would be kind of challenging

1156  
00:44:55,040 --> 00:44:53,160  
so it gives us essentially a national

1157  
00:44:57,350 --> 00:44:55,050  
test track for high-speed rail in the

1158  
00:45:00,440 --> 00:44:57,360  
Central Valley but the second part of

1159  
00:45:02,870 --> 00:45:00,450  
your question is and again this is not

1160  
00:45:04,520 --> 00:45:02,880  
what we're trying to build but part of

1161  
00:45:05,870 --> 00:45:04,530  
our policy is to always say no matter

1162  
00:45:08,030 --> 00:45:05,880  
what we're building it has to have

1163  
00:45:09,980 --> 00:45:08,040

independent utility it's like a

1164

00:45:11,390 --> 00:45:09,990

tinkertoy set where each piece you

1165

00:45:15,350 --> 00:45:11,400

connect is going to be more and more

1166

00:45:19,280 --> 00:45:15,360

valuable if heaven forbid for a while

1167

00:45:21,530 --> 00:45:19,290

that was all we built that route between

1168

00:45:23,600 --> 00:45:21,540

Bakersfield and Sacramento and Oakland

1169

00:45:25,640 --> 00:45:23,610

is the sixth busiest in Prak Quarter in

1170

00:45:28,190 --> 00:45:25,650

the United States there's 1.1 million

1171

00:45:30,770 --> 00:45:28,200

riders per year it's a five to six hour

1172

00:45:33,530 --> 00:45:30,780

trip what we're building would allow the

1173

00:45:35,750 --> 00:45:33,540

Amtrak trains to go onto our tracks at

1174

00:45:38,450 --> 00:45:35,760

least temporarily and cut an hour and

1175

00:45:40,910 --> 00:45:38,460

fifteen minutes off of that time so it's

1176  
00:45:42,530 --> 00:45:40,920  
not going to be useless that's not what

1177  
00:45:45,350 --> 00:45:42,540  
we're trying to build but there's a

1178  
00:45:48,020 --> 00:45:45,360  
backstop capability in every decision we

1179  
00:45:49,460 --> 00:45:48,030  
make so that if we get delayed or

1180  
00:45:51,410 --> 00:45:49,470  
something it's not just sitting there

1181  
00:45:53,120 --> 00:45:51,420  
rusting with weeds growing up through it

1182  
00:45:55,010 --> 00:45:53,130  
there's some use for it so that makes

1183  
00:45:57,770 --> 00:45:55,020  
sense to me as to why you started in the

1184  
00:46:01,400 --> 00:45:57,780  
Central Valley but you also took a huge

1185  
00:46:03,080 --> 00:46:01,410  
risk by starting it without knowing for

1186  
00:46:04,910 --> 00:46:03,090  
sure that we could complete the whole

1187  
00:46:06,530 --> 00:46:04,920  
thing for instance funding we don't know

1188  
00:46:08,600 --> 00:46:06,540

where the funding is gonna come from and

1189

00:46:11,600 --> 00:46:08,610

I will tell you from having worked on

1190

00:46:12,770 --> 00:46:11,610

the BART project or others people never

1191

00:46:15,020 --> 00:46:12,780

know where all the funding is coming

1192

00:46:18,110 --> 00:46:15,030

from it took 30 years to build

1193

00:46:20,810 --> 00:46:18,120

interstate 5 from San Diego to the

1194

00:46:23,030 --> 00:46:20,820

Oregon border 30 years they built it in

1195

00:46:25,340 --> 00:46:23,040

pieces nobody was sure when the whole

1196

00:46:27,680 --> 00:46:25,350

thing was going to be done the BART

1197

00:46:29,570 --> 00:46:27,690

system the BART system in San Francisco

1198

00:46:30,740 --> 00:46:29,580

people here in Los Angeles may not be as

1199

00:46:34,790 --> 00:46:30,750

familiar

1200

00:46:36,950 --> 00:46:34,800

the first BART line that opened up when

1201

00:46:39,680 --> 00:46:36,960

Lyndon Johnson came out and stood with

1202

00:46:42,980 --> 00:46:39,690

Pat Brown to cut the ribbon was from

1203

00:46:44,870 --> 00:46:42,990

Concord to Walnut Creek so if you want

1204

00:46:46,820 --> 00:46:44,880

to talk about a train to nowhere now

1205

00:46:48,590 --> 00:46:46,830

there's a hundred and four miles of BART

1206

00:46:50,150 --> 00:46:48,600

lines throughout the Bay Area it carries

1207

00:46:52,310 --> 00:46:50,160

the same amount of traffic every day as

1208

00:46:54,350 --> 00:46:52,320

the Bay Bridge absolutely essential for

1209

00:46:54,800 --> 00:46:54,360

the infrastructure up there starting

1210

00:46:56,150 --> 00:46:54,810

point

1211

00:46:58,820 --> 00:46:56,160

nobody knew where all the money was

1212

00:47:01,970 --> 00:46:58,830

coming from and I've just seen this in

1213

00:47:03,950 --> 00:47:01,980

every project that I've ever been

1214

00:47:06,110 --> 00:47:03,960

involved with that's just the way

1215

00:47:08,960 --> 00:47:06,120

transportation funding happens that's

1216

00:47:10,700 --> 00:47:08,970

why when we build a segment we want to

1217

00:47:13,370 --> 00:47:10,710

make sure the segment has independent

1218

00:47:16,550 --> 00:47:13,380

value and with each segment we add that

1219

00:47:18,350 --> 00:47:16,560

value grows exponentially but it's just

1220

00:47:20,720 --> 00:47:18,360

a reality and transportation funding you

1221

00:47:23,240 --> 00:47:20,730

just you I've never seen a project well

1222

00:47:25,040 --> 00:47:23,250

look at LA the red line when the red

1223

00:47:27,020 --> 00:47:25,050

line came in here people said what are

1224

00:47:29,120 --> 00:47:27,030

we doing what's this this line doesn't

1225

00:47:32,030 --> 00:47:29,130

connect anybody to anything la is not

1226

00:47:33,860 --> 00:47:32,040

gonna have Subway's look at today young

1227

00:47:35,660 --> 00:47:33,870

people are very expensive but we have

1228

00:47:37,010 --> 00:47:35,670

them you have them and and and people

1229

00:47:38,480 --> 00:47:37,020

are proud of them and they and they

1230

00:47:40,460 --> 00:47:38,490

carry an awful lot of people and it's

1231

00:47:42,350 --> 00:47:40,470

been a good decision but nobody knew at

1232

00:47:44,690 --> 00:47:42,360

the day one what that was gonna look

1233

00:47:47,120 --> 00:47:44,700

like a so where is the funding gonna

1234

00:47:49,310 --> 00:47:47,130

come from to complete the entire bullet

1235

00:47:50,960 --> 00:47:49,320

train as envisioned by the voters well

1236

00:47:52,790 --> 00:47:50,970

of course my first part of the answer is

1237

00:47:55,600 --> 00:47:52,800

I can't sit here and tell you that today

1238

00:47:58,850 --> 00:47:55,610

but I can give you some general ideas

1239

00:48:02,060 --> 00:47:58,860

the most important thing is when we get

1240

00:48:05,210 --> 00:48:02,070

to we we have almost enough funding to

1241

00:48:07,450 --> 00:48:05,220

complete the the first piece from

1242

00:48:09,980 --> 00:48:07,460

Bakersfield up to San Jose San Francisco

1243

00:48:12,080 --> 00:48:09,990

that is probably a twenty eight twenty

1244

00:48:14,600 --> 00:48:12,090

nine billion dollar piece if we look at

1245

00:48:16,670 --> 00:48:14,610

the federal and state funding sources we

1246

00:48:18,500 --> 00:48:16,680

have today or that we anticipate that

1247

00:48:19,970 --> 00:48:18,510

the legislature has given us the revenue

1248

00:48:21,290 --> 00:48:19,980

stream from okay I have to stop you

1249

00:48:23,000 --> 00:48:21,300

there because my understanding of the

1250

00:48:25,250 --> 00:48:23,010

numbers is that the bond was just short

1251  
00:48:27,440 --> 00:48:25,260  
of ten million California bonds right

1252  
00:48:29,330 --> 00:48:27,450  
sorry billion so that gives us just a

1253  
00:48:30,650 --> 00:48:29,340  
tenant right federal money is how much

1254  
00:48:32,540 --> 00:48:30,660  
three and a half billion three and a

1255  
00:48:34,610 --> 00:48:32,550  
half billion right where's the rest is

1256  
00:48:35,930 --> 00:48:34,620  
coming so we get twenty five percent of

1257  
00:48:38,240 --> 00:48:35,940  
the proceeds of the cap-and-trade

1258  
00:48:40,100 --> 00:48:38,250  
program that's running about seven

1259  
00:48:42,200 --> 00:48:40,110  
hundred million dollars a year so if we

1260  
00:48:44,140 --> 00:48:42,210  
look out the next 12 years you know

1261  
00:48:46,359 --> 00:48:44,150  
that's another almost nine

1262  
00:48:48,730 --> 00:48:46,369  
ten billion so we're in about the 21

1263  
00:48:51,579 --> 00:48:48,740

billion dollar range so we're probably

1264

00:48:53,650 --> 00:48:51,589

short four to seven billion to be able

1265

00:48:54,910 --> 00:48:53,660

to complete the segment from Bakersfield

1266

00:48:57,099 --> 00:48:54,920

to San Francisco

1267

00:48:59,559 --> 00:48:57,109

that's not pocket change I'm not going

1268

00:49:02,170 --> 00:48:59,569

to find it in my sofa but it's not an

1269

00:49:04,569 --> 00:49:02,180

insurmountable amount of money once we

1270

00:49:06,640 --> 00:49:04,579

get that done we look at giving a

1271

00:49:10,569 --> 00:49:06,650

concession to the private sector to come

1272

00:49:13,660 --> 00:49:10,579

in and to help us build the rest of it

1273

00:49:16,029 --> 00:49:13,670

they would be writing us a check of some

1274

00:49:18,549 --> 00:49:16,039

amount which ultimately could be up to

1275

00:49:19,210 --> 00:49:18,559

20 billion for the whole system now let

1276

00:49:21,069 --> 00:49:19,220

me say this

1277

00:49:22,690 --> 00:49:21,079

people always say let's go back to the

1278

00:49:25,720 --> 00:49:22,700

bond act and say well the public was

1279

00:49:27,640 --> 00:49:25,730

promised XY and Z the public was told in

1280

00:49:30,579 --> 00:49:27,650

2008 that a third of the money was going

1281

00:49:31,990 --> 00:49:30,589

to come from the state a third from the

1282

00:49:35,620 --> 00:49:32,000

federal government and a third from the

1283

00:49:37,210 --> 00:49:35,630

private sector our analysis shows that

1284

00:49:38,859 --> 00:49:37,220

about a third could come from the

1285

00:49:41,170 --> 00:49:38,869

private sector maybe a little less as

1286

00:49:42,819 --> 00:49:41,180

the project costs have come up the state

1287

00:49:44,890 --> 00:49:42,829

has certainly put up a huge amount of

1288

00:49:45,910 --> 00:49:44,900

money problem is the federal government

1289

00:49:49,269 --> 00:49:45,920

the three and a half billion has been

1290

00:49:52,059 --> 00:49:49,279

vital but if that's all we get that's

1291

00:49:53,859 --> 00:49:52,069

less than five percent of the project

1292

00:49:56,920 --> 00:49:53,869

normally the federal government is

1293

00:49:58,680 --> 00:49:56,930

funding 80 percent of transportation

1294

00:50:01,870 --> 00:49:58,690

projects even the Trump administration

1295

00:50:05,109 --> 00:50:01,880

which wants to slash federal funding and

1296

00:50:07,180 --> 00:50:05,119

put more burden on the states says 20

1297

00:50:09,309 --> 00:50:07,190

percent of project funding would come

1298

00:50:11,109 --> 00:50:09,319

from projects so we're going to need

1299

00:50:12,460 --> 00:50:11,119

more federal funding I mean I'm just

1300

00:50:13,750 --> 00:50:12,470

gonna sit here and tell you that we're

1301

00:50:15,700 --> 00:50:13,760

gonna need more federal funding to

1302

00:50:17,380 --> 00:50:15,710

complete this project but that may be a

1303

00:50:19,539 --> 00:50:17,390

challenge at this point because have we

1304

00:50:21,760 --> 00:50:19,549

burned our relationship with the federal

1305

00:50:23,230 --> 00:50:21,770

government on this project no we have

1306

00:50:24,430 --> 00:50:23,240

not burned our relationship with the

1307

00:50:26,859 --> 00:50:24,440

federal government I was just back

1308

00:50:28,510 --> 00:50:26,869

meeting with me the funny thing is is

1309

00:50:30,039 --> 00:50:28,520

that people would assume that oh because

1310

00:50:31,329 --> 00:50:30,049

California is fighting with the Trump

1311

00:50:33,789 --> 00:50:31,339

administration on so many issues

1312

00:50:35,769 --> 00:50:33,799

important issues like immigration and

1313

00:50:39,220 --> 00:50:35,779

climate change that we must be fighting

1314

00:50:41,019 --> 00:50:39,230

everywhere but in fact not only have

1315

00:50:42,279 --> 00:50:41,029

both the current governor and the

1316

00:50:44,319 --> 00:50:42,289

governor-elect expressed appreciation

1317

00:50:46,480 --> 00:50:44,329

about the support we're getting on

1318

00:50:48,130 --> 00:50:46,490

wildfire recovery but I will tell you

1319

00:50:49,960 --> 00:50:48,140

that all of my conversations with

1320

00:50:52,269 --> 00:50:49,970

transportation officials in the Trump

1321

00:50:54,069 --> 00:50:52,279

administration have been positive we've

1322

00:50:55,690 --> 00:50:54,079

had very good working relationship with

1323

00:50:57,130 --> 00:50:55,700

them but you know the overall view of

1324

00:50:59,380 --> 00:50:57,140

California from the rest of the

1325

00:51:01,630 --> 00:50:59,390

as far as I can glean is they're not

1326

00:51:03,910 --> 00:51:01,640

real fond of us they think that you know

1327

00:51:06,310 --> 00:51:03,920

we have plenty of money and we spend it

1328

00:51:08,350 --> 00:51:06,320

frivolously so the idea of the federal

1329

00:51:10,360 --> 00:51:08,360

government helping out California on

1330

00:51:11,980 --> 00:51:10,370

this highfalutin the high-speed rail

1331

00:51:14,740 --> 00:51:11,990

project I don't think that would sell

1332

00:51:17,500 --> 00:51:14,750

too well in the Midwest until you remind

1333

00:51:19,540 --> 00:51:17,510

them that if we buy rail cars made by

1334

00:51:22,960 --> 00:51:19,550

Kawasaki they'll be built in Lincoln

1335

00:51:24,610 --> 00:51:22,970

Nebraska if we buy steel from a certain

1336

00:51:27,040 --> 00:51:24,620

steel manufacturer it'll come from

1337

00:51:29,500 --> 00:51:27,050

Indiana I mean these dollars are not

1338

00:51:31,660 --> 00:51:29,510

just spent in California we're very

1339

00:51:33,190 --> 00:51:31,670

proud of the fact that we're supporting

1340

00:51:36,220 --> 00:51:33,200

a lot of small businesses in California

1341

00:51:38,170 --> 00:51:36,230

because 30% of our dollars by our own

1342

00:51:39,790 --> 00:51:38,180

policies go to small business but

1343

00:51:41,920 --> 00:51:39,800

there's a lot of money when you look at

1344

00:51:44,140 --> 00:51:41,930

the map and and this is what people do

1345

00:51:45,730 --> 00:51:44,150

when you go to Congress is you walk into

1346

00:51:48,610 --> 00:51:45,740

the office of a Congress member from

1347

00:51:51,520 --> 00:51:48,620

Illinois and say oh these caterpillar

1348

00:51:53,020 --> 00:51:51,530

tractors tr4 diesels most advanced in

1349

00:51:55,450 --> 00:51:53,030

the world that we're hiring to build our

1350

00:51:58,530 --> 00:51:55,460

project yeah they're made in Peoria

1351  
00:52:01,360 --> 00:51:58,540  
Illinois and so if fact of the matter is

1352  
00:52:04,450 --> 00:52:01,370  
even though our politics don't always

1353  
00:52:06,250 --> 00:52:04,460  
show this we are one nation and there

1354  
00:52:08,200 --> 00:52:06,260  
are pieces of this project that are

1355  
00:52:10,150 --> 00:52:08,210  
being built and dollars that are flowing

1356  
00:52:11,980 --> 00:52:10,160  
to the various parts of the country and

1357  
00:52:13,330 --> 00:52:11,990  
and that's our discussion that we have

1358  
00:52:15,010 --> 00:52:13,340  
we know hasn't the federal government

1359  
00:52:17,290 --> 00:52:15,020  
already moved to cut off additional

1360  
00:52:20,620 --> 00:52:17,300  
funding for the bullet train what they

1361  
00:52:23,770 --> 00:52:20,630  
did was there were two members of

1362  
00:52:26,280 --> 00:52:23,780  
Congress who were putting resolutions in

1363  
00:52:28,660 --> 00:52:26,290

in every budget for the last seven years

1364

00:52:32,050 --> 00:52:28,670

saying that there'd be no more federal

1365

00:52:33,160 --> 00:52:32,060

money for high-speed rail both of those

1366

00:52:39,720 --> 00:52:33,170

members were defeated in the last

1367

00:52:45,550 --> 00:52:43,030

not do in the sense that there's no

1368

00:52:48,310 --> 00:52:45,560

stimulus dollars is there still so no

1369

00:52:50,770 --> 00:52:48,320

wait we we spent there was we spent 2.5

1370

00:52:52,510 --> 00:52:50,780

five billion dollars of stimulus dollars

1371

00:52:54,490 --> 00:52:52,520

within the time frame that the federal

1372

00:52:57,280 --> 00:52:54,500

government required there is an

1373

00:52:59,400 --> 00:52:57,290

additional almost a billion dollars that

1374

00:53:02,500 --> 00:52:59,410

was appropriated in fiscal year 2010

1375

00:53:04,360 --> 00:53:02,510

that will be available to us once the

1376

00:53:06,730 --> 00:53:04,370

state matches that two and a half

1377

00:53:08,170 --> 00:53:06,740

billion which were in the process of

1378

00:53:10,400 --> 00:53:08,180

doing now with our bond money and cap

1379

00:53:11,930 --> 00:53:10,410

and trade so

1380

00:53:13,720 --> 00:53:11,940

a total of three and a half billion

1381

00:53:17,180 --> 00:53:13,730

dollars of federal money was

1382

00:53:19,550 --> 00:53:17,190

appropriated we've spent two and a half

1383

00:53:21,170 --> 00:53:19,560

billion we have a grant agreement with

1384

00:53:24,040 --> 00:53:21,180

the federal government that gives us the

1385

00:53:26,270 --> 00:53:24,050

timing of when we can access that up I

1386

00:53:27,560 --> 00:53:26,280

know you got a flight to catch so let me

1387

00:53:30,590 --> 00:53:27,570

just wrap up with this question it seems

1388

00:53:33,320 --> 00:53:30,600

like Murphy's Law Brian Kelly your CEO

1389

00:53:34,910 --> 00:53:33,330

yeah went on a medical leave of absence

1390

00:53:36,500 --> 00:53:34,920

he did he okay and is he still on the

1391

00:53:41,150 --> 00:53:36,510

leave what can you tell us he's still on

1392

00:53:43,610 --> 00:53:41,160

the leave he he had something that was a

1393

00:53:45,860 --> 00:53:43,620

serious but not permanent and so we

1394

00:53:49,130 --> 00:53:45,870

expect him back I'm hoping in the first

1395

00:53:51,920 --> 00:53:49,140

quarter of next year he's an extremely

1396

00:53:56,090 --> 00:53:51,930

talented guy he's the right CEO for us

1397

00:53:59,330 --> 00:53:56,100

at this point he has a lot of contacts a

1398

00:54:00,710 --> 00:53:59,340

lot of experience we do miss him and a

1399

00:54:03,050 --> 00:54:00,720

number of us have had to spend even more

1400

00:54:06,620 --> 00:54:03,060

time to try to you know step in behind

1401  
00:54:08,000 --> 00:54:06,630  
him but we do expect him back it seems

1402  
00:54:12,170 --> 00:54:08,010  
like this job could jeopardy be

1403  
00:54:14,960 --> 00:54:12,180  
jeopardize your health so yeah I suggest

1404  
00:54:17,510 --> 00:54:14,970  
you look out for your own no thank you I

1405  
00:54:21,110 --> 00:54:17,520  
I actually do appreciate that and I

1406  
00:54:23,510 --> 00:54:21,120  
think that that that's wise but you know

1407  
00:54:24,860 --> 00:54:23,520  
look as a board member I do one

1408  
00:54:27,860 --> 00:54:24,870  
appointment point out I get paid five

1409  
00:54:30,080 --> 00:54:27,870  
hundred bucks a month but Governor Brown

1410  
00:54:31,790 --> 00:54:30,090  
believes a lot in psychic income so he

1411  
00:54:34,850 --> 00:54:31,800  
has showered me with psychic income

1412  
00:54:36,920 --> 00:54:34,860  
dollars which don't exactly pay the rent

1413  
00:54:40,280 --> 00:54:36,930

but I've been fortunate enough I can I

1414

00:54:42,680 --> 00:54:40,290

can do this and I have to say with all

1415

00:54:45,800 --> 00:54:42,690

the difficulties and the brickbats and

1416

00:54:47,390 --> 00:54:45,810

everything else this this has been the

1417

00:54:49,610 --> 00:54:47,400

greatest privilege of my life to work on

1418

00:54:52,130 --> 00:54:49,620

this because I truly believe it's going

1419

00:54:53,390 --> 00:54:52,140

to be transformative for the state it's

1420

00:54:56,840 --> 00:54:53,400

going to have all kinds of challenges

1421

00:54:59,030 --> 00:54:56,850

but I think when we're done just as with

1422

00:55:00,230 --> 00:54:59,040

Bart or the Golden Gate Bridge or any of

1423

00:55:02,330 --> 00:55:00,240

these things that were highly

1424

00:55:03,500 --> 00:55:02,340

controversial people don't realize it

1425

00:55:05,590 --> 00:55:03,510

there were two thousand three hundred

1426  
00:55:08,240 --> 00:55:05,600  
lawsuits to stop the Golden Gate Bridge

1427  
00:55:10,760 --> 00:55:08,250  
Bart was called the train to nowhere I

1428  
00:55:12,530 --> 00:55:10,770  
mean all these things going back to the

1429  
00:55:14,510 --> 00:55:12,540  
Erie Canal have always been questioned

1430  
00:55:16,640 --> 00:55:14,520  
and yet we always tend to turn back and

1431  
00:55:19,010 --> 00:55:16,650  
say my gosh were happy that we did that

1432  
00:55:21,230 --> 00:55:19,020  
I I believe in my heart that's going to

1433  
00:55:23,770 --> 00:55:21,240  
be the situation here I do think it's

1434  
00:55:26,780 --> 00:55:23,780  
our obligation to future generations and

1435  
00:55:29,720 --> 00:55:26,790  
and I'm proud to be a part of it and you

1436  
00:55:31,130 --> 00:55:29,730  
know even though the vicissitudes and

1437  
00:55:33,740 --> 00:55:31,140  
the challenges and the setbacks and the

1438  
00:55:36,740 --> 00:55:33,750

mistakes of the things that necessarily

1439

00:55:38,420 --> 00:55:36,750

capture public attention we're building

1440

00:55:40,520 --> 00:55:38,430

something extraordinary here I mean as

1441

00:55:42,830 --> 00:55:40,530

we sit here today 2500 people are

1442

00:55:45,760 --> 00:55:42,840

working on 21 different job sites across

1443

00:55:48,650 --> 00:55:45,770

120 miles of the Central Valley it's a

1444

00:55:51,260 --> 00:55:48,660

it's a huge accomplishment well I simply

1445

00:55:53,930 --> 00:55:51,270

ask as a citizen that you continue to

1446

00:55:57,830 --> 00:55:53,940

look at it with very realistic eyes and

1447

00:56:00,200 --> 00:55:57,840

if this thing can't be completed if it's

1448

00:56:01,850 --> 00:56:00,210

gonna you know continue to increase in

1449

00:56:04,190 --> 00:56:01,860

cost or continue to be pushed back or

1450

00:56:05,930 --> 00:56:04,200

whatever that we be realistic about that

1451

00:56:07,310 --> 00:56:05,940

that we let the people know that that

1452

00:56:08,750 --> 00:56:07,320

you inform the governor of that because

1453

00:56:10,490 --> 00:56:08,760

you know I just jotted down before you

1454

00:56:11,840 --> 00:56:10,500

walked in a couple all the priorities in

1455

00:56:14,210 --> 00:56:11,850

the state of California whether it be

1456

00:56:15,859 --> 00:56:14,220

police are universities homelessness the

1457

00:56:17,180 --> 00:56:15,869

fires that we've been having that we you

1458

00:56:20,420 --> 00:56:17,190

know we need protection against water

1459

00:56:22,550 --> 00:56:20,430

traffic schools earthquake risks and so

1460

00:56:24,290 --> 00:56:22,560

on you know there's so many issues that

1461

00:56:26,870 --> 00:56:24,300

need to be addressed in California and

1462

00:56:28,280 --> 00:56:26,880

our dollars are so precious that I just

1463

00:56:29,450 --> 00:56:28,290

don't want to see dollars go to waste on

1464

00:56:32,390 --> 00:56:29,460

something that's not gonna ultimately

1465

00:56:34,310 --> 00:56:32,400

pay off you know my name is associated

1466

00:56:34,790 --> 00:56:34,320

with this program I don't want that

1467

00:56:38,120 --> 00:56:34,800

either

1468

00:56:40,640 --> 00:56:38,130

and the last thing I want is my legacy

1469

00:56:43,099 --> 00:56:40,650

to be to have worked on something that

1470

00:56:44,870 --> 00:56:43,109

turned out to be some huge expensive

1471

00:56:47,000 --> 00:56:44,880

boondoggle I don't believe that's going

1472

00:56:49,120 --> 00:56:47,010

to be the case and I actually believe

1473

00:56:51,830 --> 00:56:49,130

that by putting people to work

1474

00:56:55,730 --> 00:56:51,840

strengthening communities helping to

1475

00:56:57,770 --> 00:56:55,740

build sustainable communities providing

1476  
00:57:00,050 --> 00:56:57,780  
training for people who are coming to

1477  
00:57:02,540 --> 00:57:00,060  
work on our program that we are in our

1478  
00:57:04,010 --> 00:57:02,550  
own way addressing a number not all but

1479  
00:57:07,480 --> 00:57:04,020  
a number of those things that you talked

1480  
00:57:10,580 --> 00:57:07,490  
about so I don't think it's an either/or

1481  
00:57:12,340 --> 00:57:10,590  
the new governor is going to face all

1482  
00:57:15,109 --> 00:57:12,350  
those challenges that you just laid out

1483  
00:57:18,460 --> 00:57:15,119  
governors and legislators make priority

1484  
00:57:20,780 --> 00:57:18,470  
decisions so far they've indicated that

1485  
00:57:22,820 --> 00:57:20,790  
building for the future in a modern

1486  
00:57:24,590 --> 00:57:22,830  
transportation system is going to be

1487  
00:57:26,599 --> 00:57:24,600  
important to keep in California

1488  
00:57:29,240 --> 00:57:26,609

economically vibrant I really believe

1489

00:57:31,400 --> 00:57:29,250

that our job is to do it the best way we

1490

00:57:33,890 --> 00:57:31,410

can to learn from mistakes but to keep

1491

00:57:35,720 --> 00:57:33,900

driving forward and keep doing better

1492

00:57:38,240 --> 00:57:35,730

thank you so much well I have to say I

1493

00:57:39,710 --> 00:57:38,250

am mildly convinced and I didn't even

1494

00:57:42,050 --> 00:57:39,720

think I come out of this mildly

1495

00:57:43,760 --> 00:57:42,060

convinced so I really appreciate your

1496

00:57:45,170 --> 00:57:43,770

time and if you're spending the time I

1497

00:57:46,370 --> 00:57:45,180

think I appreciate I know the

1498

00:57:47,810 --> 00:57:46,380

Californians will appreciate it I