

ARNOLD DOES APPEAR TO GET IT! accompanying his June 24 signature of Senator Kevin Murray's bill putting off the vote on the High Speed Rail bond measure, Gov. Schwarzenegger appended the following message: "I am signing Senate Bill No. 1169 in order to postpone the High Speed Rail ballot initiative and subsequent bond issuance by two years. However, given that the High Speed Rail Authority has yet to present a business and finance plan that substantiates the validity of the project, I am not yet prepared to support the issuance of debt for this purpose. It is incumbent upon the Authority to present viable plans that can sustain an independent rigorous review before I will lend my support to this project"... **AMTRAK PRESIDENT DAVID GUNN** asked Congress to make states full partners with a matching fund to improve tracks nationwide, among them the 3 California corridors. Gunn pointed out that this would benefit freight railroads as well as Amtrak... **TREASURY SECRETARY JOHN SNOW** weighed in on behalf of United Airlines to try to obtain a second chance at federal guarantees for the carrier to emerge from bankruptcy. The Financial Times observed that entire air travel industry is in its fourth straight year of catastrophic losses, ones that, we note dwarf Amtrak's budget... **YOUR MEMBER OF CONGRESS** needs a letter or e-mail. Send one to your Senators and Member of Congress NOW to assure Amtrak is fully funded. Send to: Hon. _____, House of Representatives, Washington DC 20515 or Sen. _____, Senate Office Building, Washington DC 20510. At www.calrailnews.com you can enter your zip code and get the name of your member of congress, then click to send an e-mail... **CRN GOOFED WHEN IT SAID DOUBLE-TRACKING** the Yolo Bypass causeway cost \$32 million. That sum was wrong because it included elements cut from the project as well as unrelated items approved at the same time. According to Gene Skoropowski and Caltrans sources, the project came in under \$24 million including engineering. Most days, trains save about 10 minutes compared to the previous schedule, but daily commuters are still unhappy about long delays when freights stall. They say two double crossovers costing about \$4 million should be built to keep trains moving when one track is blocked... **BRITAIN'S PRIVATISATION** of rail received another blow when it was revealed that operators were paid over half-billion dollars to compensate for delays caused by Network Rail and its predecessor in 2003-4. Anthony Smith, national director of the Rail Passengers Council jeered: "a lot of the so-called business of the industry is compensation farming." Chris Cheek of TAS Publications called it "A big money go round ... In some cases it's easier to get money out of other people than it is to carry passengers."... **HIGH-SPEED RAIL AUTHORITY CHAIR** Joseph Petrillo seems to be one very connected guy. His HSRA staff insisted on longer platforms and curves for Transbay Terminal, requiring tracks under the 80 Natoma site. Then he signed on with the law firm defending 80 Natoma against Transbay. Watch out for the third rail, Joe...

An Updated Cookbook for Public Works Corruption

by Richard F. Tolmach

"What are the three 'B's' that are part of every railroad construction project?" one of my mentors used to ask. "Booze, broads and bribes," he would answer, followed by a string of juicy anecdotes involving briefcases full of money and nighttime activities around the railroad business cars of magnates.

The nature of backroom dealing has definitely changed in major public works projects, but corruption has not diminished. Rather, it has had to rely upon more sophisticated business models to remain successful.

The current day techniques are updates of time-honored scams relating to construction cost, land value and stock value from the days of the robber barons. One new twist is that many of them involve manipulating the environmental planning process.

Here is an abbreviated state-of-the-art listing of rules for maximizing waste and unscrupulous profit centers, mostly gleaned from recent California practice:

1. IF IT'S NOT BROKEN, BREAK IT.

Facilities which function perfectly are a terrible barrier to public works profit. They should be rebuilt to a lower standard to cause problems. That way, a second, more profitable construction project to restore function can be justified at public expense. (Examples: LAUPT track removal, Pacific Electric and Key System abandonments, removal of 2nd track on Yolo Causeway, move of Peninsula terminal from 3rd St. to 4th St., destruction of AT&SF Pasadena Line LA River Crossing.)

2. DISCARD FEASIBLE ALTERNATIVES.

If there's a better, cheaper way to build a project, pretend it doesn't exist, or invent some fatal flaw. After all, CEQA has no teeth in it to make you obey the law on studying all feasible alternatives. (Examples: ordinary technology on Bay Bridge East Span, Altamont Pass route on high speed rail, Caltrain to SFO, Portland-style streetcar revival anywhere outside San Francisco, Diesel railcars anywhere.)

3. STUDY MANY BAD ALTERNATIVES.

It's hard to get rid of viable alternatives unless you first populate the field with bad choices to confuse the picture. So, roll out the red herrings just before you quietly drop the attractive routes. When the remaining choices aim your project at an endangered species or a billionaire's ranch, it is easier to pass off your preferred piece of junk as acceptable. A corollary of this is that bad plans drive good plans out of circulation. (Examples: 3 variants of Diablo High Speed route, Bay Bridge East Span, Mag-Lev.)

4. SPEND A DECADE DOING DRAWINGS.

Delay is the best bet if rail competes with your primary business of building airports or highways. It's also easier to make a profit designing toy projects that aren't intended to be built, because then you can have a toy engineering staff of people ignorant of the issues (or signing off on plans while lacking basic qualifications like engineering degrees). And in some cases you can even pay them toy wages. Has engineering on your local project already been outsourced to Bangalore? (Examples: LA Metro Red Line, mid-90's MK railcar projects, all MagLev proposals.)

5. CHOOSE THE UNLIKELIEST ROUTE.

Forget mainstream opinion. Your friends can't make any money speculating on land at any of the likely station sites because land is already valuable in those places. Better to pick a backwater with cheap land, one that no one outside the game would guess. A dark horse always is the one to bet on, especially when the race is yours to

call. (Examples: Tanforan, Santa Nella, E. San Jose, Mojave.)

5. PUT HISTORY IN THE DUMPSTER.

An urban terminal elegantly shoehorned into the central city so that all worksites are walkable from it? Identify something outmoded in it, even if it is insignificant. Try out platform length, curve radii, or seismic safety. If the agency that uses it won't play ball and destroy it, recruit or create a new one. (Examples: Sacramento SP Depot, S.F. Transbay Terminal ramps)

6. TIE THE MAIDEN TO THE TRACKS.

Facing resistance to your expensive plan? Let maintenance slide until the historic structure is threatened, then do a bait and switch to a new project and move the passenger use out of the landmark portions of the station anyway. (Examples: S.F. Transbay Terminal in 1990's, Union Stations in Washington and Los Angeles, Sacramento SP Depot)

7. CREATE A REALLY BIG PROBLEM.

This was the business model for Boston's Big Dig, but it also works on rail transit, particularly subways and other projects with uncertainties that are bid cost-plus like military contracts. Aiming a tunnel at the La Brea tar pits was a one really big problem. So was San Jose's serpentine dig. High-speed rail through Diablo or the specific Grapevine routing picked by the HSR would make those look tame. (Examples: BART, LA Metro Red Line, VTA Guadalupe Corridor, CA HSR.)

8. MAXIMIZE SYSTEM MILEAGE.

Going the long way can add 50 percent or more to project cost, especially if you can find problems along the route. Clues to this kind of design are 90 degree bends in routes, route splits that happen way too soon, and schematic system maps that distort geography. (Examples: BART to SFO, BART to Santa Clara, LA Metro Red Line, VTA Guadalupe Corridor, CA HSR)

9. TOO AFFORDABLE? FIX THE SPECS!

Some projects just deliver too much value for their price, like putting trains back on the Bay Bridge. The only way to make them unattractive is to add tons of unproductive dead weight to the design. (Examples: Bay Bridge Rail, BART to SFO, BART to Santa Clara, CA HSR)

10. DESIGN SOMETHING UNBUILDABLE.

Why limit yourself to tried and true design solutions, when the most lucrative idea is often something wildly experimental. Sometimes, you can burn up the funds on research and not even have to build a project. In the best case scenario, the project gets stretched out over additional years, while engineers try this or that and the meter keeps on running. NOTE: Must be used in combination with #2 for successful result. (Examples: BART train operating system, MagLev, SFO Runway Expansion, Bay Bridge East Span)

11. FIND A "BAD BOY" SUBCONTRACTOR.

Can't afford to be seen undermining the public interest? Find yourself a surrogate who will take on the onerous deeds! It could be a construction subcontractor who has a knack of forcing change orders. Or, if you need cover in the press, there are plenty of public relations firms around. If that leaves things too open to prying eyes, sometimes you can place a surrogate right inside the public agency that you are contracting with. (Examples: BART SFO Extension Millbrae problems, LA Metro Red Line overruns, BART to Santa Clara)

My point in publishing these handy hints is to decrease the naïvete of rail supporters. The methods are altogether too well known among contractors and public agencies.