



Amy Adams Strunk

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May 30, 2018

Chairman Daniel R. Elliott, III
Vice Chairman Deb Miller
Member Ann D. Begeman
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423

Re: Comments and request for denial of Texas Central Railroad and Infrastructure Inc. and Texas Central Railroad LLC's May 4, 2018 Petition to Reopen.
Finance Docket Number: FD-36025-0

Dear Chairman Elliott, Vice Chairman Miller, and Member Begeman:

TCR is wasting the time of the Surface Transportation Board and the citizens of Texas by a fatally flawed request to reopen the Petition TCR filed in July of 2016 to exempt their proposed exemption for the construction and operation of a proposed 240-mile high-speed rail line from the prior approval requirements of 49 U.S.C. 10921. TCR has made no meaningful efforts to correct any of the deficiencies contained in their original petition submitted to the STB two years ago. TCR has refiled their petition relying upon an agreement with Amtrak but this agreement does not represent meaningful change from TCR's original submission. TCR simply negotiated with Amtrak a standby agreement to sell tickets for TCR if they complete their rail project. No actual work on this ticketing process has been initiated by either TCR or Amtrak. Sections 1.3 and 1.4 of the Amtrak agreement clearly state that the actual ticketing agreement has not been worked out. There is no penalty if Amtrak determines it is not feasible to provide ticketing for TCR. In fact, Section 11.1 allows either party to withdraw from the agreement after giving 90 days' notice.

TCR is deliberately misleading both the STB and the public by claiming their high-speed rail system will be connected to Amtrak service in either Houston or Dallas. Suggesting customers will be connected in Dallas by walking half a mile to the Amtrak Station is not a connection. In addition, TCR cannot represent that there will be any connection with Amtrak in Houston since the FRA has not approved the location for TCR's Houston Terminus. Even if TCR's preferred terminus is approved by the FRA and provided a bus connection in Houston to Amtrak represents a connection, TCR has not negotiated an agreement with Houston's Metropolitan Transit Authority to provide bus service. If TCR is planning on buying their own buses to transport passengers the cost to do so is not included in budgets supplied to the

FRA. TCR has represented to the FRA their cost estimates are firm and this confirmation statement to the FRA can only be accurate if TCR is planning on Metro to pay for a facility and provide the bus service.

However, and more importantly, over the last four years TCR has consistently proven the company management team is not competent to undertake the construction of a High-Speed Rail Line. I oppose Texas Central petition for exemption. Listed as follows are many examples which demonstrate TCR has not been competent in mismanagement of the company actions:

1. The preliminary DEIS filed with FRA, which TCR took over two years to prepare, was deficient. The DEIS should not have been released for public comment by the FRA. The preliminary DEIS does not present information necessary and required to comply with either the Federal or Texas Endangered or Threatened Species and therefore the public was unable to comment on this portion of the DEIS. The EIS section of the DEIS only contains generic information on threatened or endangered species which is readily available on the internet. The information could easily be gathered and formatted for presentation in a few days. The DEIS does not contain any information on endangered or threatened species which must be supplied by detailed and extensive fieldwork. This fieldwork must be conducted by scientists properly trained, experienced, and certified to perform such work. Why is the required endangered and threatened species work not contained in the preliminary DEIS? Either TCR's management does not understand what scientific work is required or they were unwillingly to pay to have the studies done. TCR, in its public announcements, claims they have acquired 30 percent of the land necessary to complete the rail line but apparently TCR did not bother to have the proper field examinations and surveys done even on the right-of-way the company claims to control.
2. The DEIS tax revenue projections of sales taxes generated for the State of Texas and local government taxing authorities included substantial estimates of sales taxes on tickets sold on the rail system. The TCR preliminary DEIS claims sales taxes generated will be in the range of \$15 to \$39 billion to the state and \$12 billion to local taxing jurisdictions. A phone call to the Texas Comptroller's office confirms TCR's tickets will not be subject to sales tax. This means that TCR either deliberately misstated state and local tax revenues claimed in the DEIS or the sales tax information contained in the DEIS was incompetently compiled by management. This misrepresentation, of as much as \$51 billion in tax revenues, generated by TCR's management calls into question the reliability of all costs, revenue, and ridership estimates contained in the preliminary DEIS. How can any of the numbers presented in the DEIS be relied on by the public for review and analysis. How could TCR's DEIS contain a mistake of this magnitude after two years of preparation and review? TCR has consistently refused to submit their financial projections as has been requested by numerous elected officials of the State of Texas. The cost, revenue, and ridership projections available for public review which were prepared by the Reason Foundation Report indicate that the DEIS estimates prepared by TCR management are unreliable. The faulty DEIS confirms the fears presented in the Reason Foundation Report.
3. The California High Speed Rail project was passed by voters in November of 2008 with just under \$10 billion in taxpayer assistance. Management of the company managing the California High Speed Rail project worked diligently to secure the support of California voters, the local governments that the track will cross, and state government before beginning the project. The

California high-speed rail system was projected to be completed by 2019 at a cost of \$35 billion dollars. The current projection for the California system is only a 140-mile segment of the system that will be completed at the end of 2028 with a \$77 billion price tag. TCR has failed to receive any support from the Texas legislature. TCR management has never attempted to get any citizen support from the eight rural counties along their proposed line and is facing massive public resistance to their project. In fact, TCR has refused to work with local and county governmental agencies in the rural counties that will be most impacted by their proposed line. Waller County made significant efforts to try to work with TCR. The efforts included holding a public meeting at Prairie View A&M. All Waller County departments impacted by the proposed rail line professionally presented their concerns with TCR's proposal and literally begged TCR to meet with each of the departments to explore how these concerns could be resolved so the project could be constructed in a manner the county could support. TCR to date has made no effort to meet on a collaborative basis with the Waller County personnel. The sheriffs of eight counties have gone on public record stating that no effort was made by TCR to obtain information to confirm TCR's conclusions concerning the impact the rail line would have on emergency and law enforcement services. In fact, these eight county sheriffs have claimed the information and representations of TCR contained in the DEIS concerning these services are inaccurate. Because of TCR's arrogance, all eight rural counties are aligned against them. TCR was shut out in the last legislative session and, even worse, the Legislature passed a bill that prohibits TCR from receiving state funding. The STB should not only refuse TCR's refiled petition, the STB should seek to distance itself from a corporate management group that fails to understand the critical importance of gaining the trust and support of the public servants of all the counties their proposed route will cross.

How could a competent management group that spent two-plus years compiling a preliminary DEIS prepare a DEIS that is so deficient. The following is an additional list of items that should have been addressed by TCR in their preliminary DEIS:

- a. The significant impact the rail project would have on existing roadways along the 240-proposed route. TCR's DEIS does not clearly identify how the cost to modify all roadways the proposed rail line crosses will be allocated. The proposed rail route will be significantly detrimental to the rural counties impacted by the construction of this project. Is TCR proposing that the local counties will have to fund roadway modification costs?
- b. Local counties will incur significant additional costs to provide law enforcement and emergency services. TCR's DEIS does not make any effort to either project how much these costs will increase and who will have the burden of funding these costs.
- c. Schools and other public facilities will be impacted and, in fact, some will have to be relocated as part of this project. TCR made no effort to identify the impact on public structures along the route and once again the DEIS does not contain cost estimates or identify who will pay for these costs.
- d. Noise abatement structures that meet specific state and federal regulations will be required to protect numerous residential subdivisions along the route. TCR's DEIS contains no estimate of these costs or where the funds will come from to pay for them.

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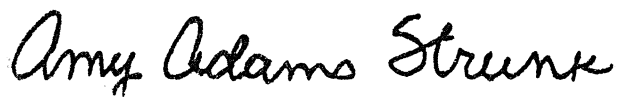
- e. TCR's DEIS does not acknowledge the obligation to comply with FERC rules and regulations governing pipelines and Hazardous Material Safety. However, the route proposed may interfere with numerous pipelines and there are hazardous waste sites along the route.

The deficiencies mentioned above are only a small sample of TCR management's mistakes and their inability to prepare an acceptable DEIS. TCR's DEIS is fatally flawed after they spent two years preparing it. The problems with TCR's DEIS are legion. No competent corporate management team would have missed or overlooked addressing these critical issues in a preliminary DEIS submitted for public review. How can this management team be trusted by the public to build such a complex transportation project?

Finally, I want to make several critical points with respect to TCR's petition to the STB. TCR has steadfastly refused to release business plans to the public, and they fought the efforts of TAHSR to force disclosure of TCR's ridership studies. Without this information, the public has been denied the ability to outline legitimate concerns to either the FRA or the STB. What is TCR hiding? Could it be that once all relevant information about the rail line is supplied to the public it would prove that TCR's proposal does not meet the needs of the citizens of Texas? Would it also prove there is no necessity for linking Dallas and Houston with a high-speed rail service? Are the issues outlined in my letter the real reason TCR has resubmitted their petition to the STB? Is TCR using the STB to avoid working with state and local officials to bypass proper budgeting, planning, and public safety issues that are not addressed in their DEIS? Is TCR's resubmission of their petition an effort to make the STB a party to allocating many of the costs of the proposed project to local and state taxpayers?

Thank you for your consideration.

Sincerely,



Amy Adams Strunk

cc: Mr. Paul Nissenbaum
Senator John Cornyn
Senator Ted Cruz
Representative Pete Olson
Representative Kevin Brady
Representative Michael McCaul
Surface Transportation Board - Parties of Record
Texans Against High Speed Rail