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RE: FD 36025

Surface Transportation Board:

My entire neighborhood was initially under threat from the proposed Texas Central High-speed Rail. While the FRA ultimately decided to eliminate my neighborhood from consideration for the Houston station, I have remained engaged in learning about and opposing this project for many years. This project not only does not belong in my backyard, it doesn't belong in anyone's backyard.

We have discovered fatal errors in the DEIS, but it hasn't been rescinded. Why has the FRA put the citizens of Texas under this cloud of misinformation since December of 2017? It will be almost 6 more months before the Final EIS is released, will these errors be corrected then?

The DEIS says that "HSR ticket sales could generate between \$15 billion and \$39 billion in sales tax for the state plus \$5 billion to \$12 billion in local tax revenue." (p 3.14-29). There is no sales tax on transportation in Texas. This is a \$51 billion-dollar error.

You would think you couldn't top a \$51 billion-dollar error on a \$19 billion-dollar project, but there are worse errors in the DEIS. The FRA uses a proprietary document as the source of the 7.2 million-dollar ridership figure. We don't get to see the methodology, assumptions, or data to get this number. Reason Foundation estimates the ridership at 1.4 million in 2035. And Reason shows their work.

The DEIS takes this 7.2 million ridership number, multiplies it by .89 (this number should be the percent of projected ridership diverted from cars but it is not) and divides it by 1.2 (this number should be the number of passengers per cars used to get the 7.2 million riders but it is not) to get 5,340,000 cars per year, then divides by 365 to get 14,630 cars taken off of 145 day. The only number with any basis is the 365 days per year.

Then, inexplicably, they multiply the number of cars taken off the road per year (5,340,000) by round-trip miles, even though the 7.2 million riders is one-way trips and a person making a single round-trip would count as 2 of those 7.2 million riders to get 2,552,520,000 Vehicle Miles Traveled removed. The doubled VMT is used in every emissions calculation, including the calculation to get the 81.5 million gallons of gas saved every year.

The \$51 billion-dollar in sales tax error and the doubling of VMT (after making very sketchy calculations to get the number of cars removed from the road) were never corrected. Texas Central has publicized the 14,630 cars taken off the road, the billions in sales tax, and the 81.5 million gallons of gasoline saved. Public officials who have supported this project have quoted this bad data from the DEIS. The FRA never rescinded the DEIS nor issued a supplemental DEIS or correction. This is unconscionable.

There are other errors in the DEIS documented in comments to the FRA and no doubt errors that were not discovered by the general public.

Due to lack of direct connection, timing of trains, lack of ridership, and greatly increased expense of the HSR over the Thruways bus, this project is not an interstate project, and should not fall under STB jurisdiction. However, the STB should use its influence as a cooperating agency to request the FRA rescind the fatally flawed DEIS.

Sincerely,

Julie Villaescusa

Response to Texas Central's Response to STB's Request for More Information

After reviewing Texas Central's reply to the STB and other available data, the proposed Texas Central HSR between Houston and Dallas would not be a part of the interstate rail network.

It is unlikely that passengers would take the Sunset Limited eastbound to Dallas via Houston and the HSR when they can already travel to Dallas via San Antonio on Amtrak. It is unlikely that passengers would take the Sunset Limited westbound from points east of Houston to Dallas via HSR when that connection would end up with them being stranded in Houston overnight 20% to 36% of the time.

Many Texas Eagle passengers would be forced to find cheaper routes between Houston and Dallas, eliminating any "through-ticketing" advantage the HSR may provide since the HSR would add between an estimated \$130 to \$260 to the cost of traveling between Houston and Chicago over the Thruways bus. Fares from Houston to Chicago for the most economic Amtrak options would be more than double at the cheapest HSR ticket. Eliminating the Thruways bus in favor of the expensive HSR does not make sense.

Travelers who have the HSR as the first leg of their trip are likely to book separate tickets instead of using through-ticketing to not endure the enforced 90-minute wait time for transfers, especially if the transfer occurs in Dallas.

For any route, passengers would be forced to haul their own luggage between the HSR and Amtrak, negating a major benefit of through-ticketing.

The FRA's fatally flawed DEIS has influenced support for this project. The DEIS includes a \$51 billion-dollar error in sales tax calculations. The DEIS relies on being given just one number from a proprietary ridership report instead of using the full report to calculate emissions. These errors are compounded because the DEIS doubles VMT (vehicle miles traveled) removed by using round-trip miles instead of one-way miles. The FRA refuses to release a supplemental DEIS, leaving these errors as fact since December 2017.

The STB, as a cooperating agency, should request the FRA use publicly available ridership/revenue reports and rescind the fatally flawed DEIS.

Texas Central did not fully respond to the STB's request for more information.

The proposed Texas Central High-speed rail is not an interstate railway. The STB should deny jurisdiction.

Supplemental Information Request 1:

The Surface Transportation Board has requested that Texas Central provide:

Projections relating to annual passenger transfers in the first, fifth, and tenth full year of operation, including: the number and percentage of Amtrak passengers on the relevant Amtrak services who would transfer to the Texas Central service and the number and percentage of Texas Central passengers who would transfer to the relevant Amtrak services. Projections should be supported by a full description of the underlying methodologies, assumptions, and data sources, together with the data on which they are based, as well as Amtrak's written concurrence in the projections.¹

While Amtrak and Texas Central do provide projections for each proposed connecting shuttle, they do not provide some of the necessary "data on which they are based". Missing data includes:

- Projected Texas Central fares used to come up with the ridership projections
- Projections for the Thruway bus service between Houston and Longview if the HSR is not built/the Thruways bus is kept in service
- Ridership projections, underlying methodologies, assumptions, data sources, and the data on which they are based for Texas Central which is necessary to come up with "the number and percentage of Texas Central passengers who would transfer to the relevant Amtrak services"
- Number of EB and WB passengers Sunset Limited passengers that would make the transfer

Texas Central HSR Fares and Ridership

Texas Central's reply does not say what HSR fares were used to calculate the proposed ridership that will transfer to Amtrak.

While Texas Central's reply does say that passengers using their proposed Amtrak connection will account for "less than 1% of Texas Central's total expected annual Ridership"², the reply does not say what Texas Central's total expected annual ridership is, nor does it say if they used the same fares in their reply to the STB as they did in calculating their total expected annual ridership. The methodologies, assumptions, data sources and data are not in the reply.

Even though neither Texas Central nor Amtrak tell us the range of prices of the HSR ticket from Houston to Dallas used in their ridership studies, Texas Central has stated that "on the high end, tickets will be competitive with the cost of flying, and on the low end, they will be competitive with the cost of driving."³

¹ [https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFD8525841F0069FF47/\\$file/46693.pdf](https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFD8525841F0069FF47/$file/46693.pdf)
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²

[https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/\\$FILE/248366.pdf](https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/$FILE/248366.pdf) p9

³ <https://www.texascentral.com/facts/> 9/4/2019

The cost of driving 240 miles between Dallas and Houston is currently \$139, based on the IRS reimbursement mileage rate or \$0.58 for 2019.⁴

The cost of a Southwest airlines flight from Houston to Dallas booked on a Friday for the following Monday on September 13, 2019 is as high as \$267.⁵

Texas Eagle

“To ensure passengers make their connections, neither carrier will sell ticket combinations with a transfer window smaller than 90 minutes for transfers between Texas Central’s and Amtrak’s terminals in Dallas and Houston”.⁶ Passengers that have the HSR as the first leg of their journey may opt to skip through-ticketing to avoid the 90-minute transfer window between the HSR and Amtrak, particularly if the transfer occurs in Dallas. Furthermore, since the agreement does not require Texas Central to sell through-tickets, travelers may not purchase through-tickets.⁷

Loss of Thruways bus from Houston to Longview

“The connection via Texas Central replacing the Thruway bus service Amtrak operates between Houston and Longview, Texas to connect with the Texas Eagle.”⁸ Eliminating the Thruways bus will hurt people unable to afford the HSR ticket price.

Ticket prices on Amtrak’s website on 9/4/2019 for show tickets from Houston to Chicago on 9/23/2019 ranging from a low of \$106 for the Saver and a high of \$377 for the Premium. Tickets for the same date from Longview to Chicago show the Saver as \$99 and the Premium as \$368. The biggest difference in price between Houston to Chicago and Longview to Chicago is \$16 for the Flexible. The effective price of the Thruways service between Houston and Longview varies between \$7 and \$16.⁹

The cost of driving (\$139) – Texas Central’s “low end” ticket price - is more than both the Saver (\$106) and Value (\$133) Amtrak Houston – Chicago fares that use the Thruway bus to Longview. The cost of flying (\$267) – Texas Central’s “high end” ticket price - is more than all but the Premium. Many if not most passengers would see the cost of traveling between Houston and Chicago via Amtrak double.

⁴ <https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2019>

⁵ <https://www.southwest.com> 9/13/2019

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[https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/\\$FILE/248366.pdf](https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/$FILE/248366.pdf) p17

⁷

[https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/b5fe5c580e1d44b685258283006b44d1/\\$FILE/245671.pdf](https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/b5fe5c580e1d44b685258283006b44d1/$FILE/245671.pdf) Exhibit 2, p2

⁸

[https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/\\$FILE/248366.pdf](https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/$FILE/248366.pdf) p11

⁹ <https://tickets.amtrak.com/itd/amtrak> 9/4/2019

How many Texas Eagle passengers will have to make alternate arrangements to the expensive HSR to get from Houston to Dallas and from Dallas to Houston, thus negating the through- ticketing benefit?

Supplemental Information Request 2:

The STB requests the following information regarding transfers:

Details on the physical connection for any transferring passengers who may choose to walk between the Texas Central and Amtrak stations in Dallas, which, according to the petition, are approximately half a mile apart. (See Texas Central Surreply 9, June 20, 2016.) Please indicate what infrastructure would be available to a transfer passenger walking between the stations (e.g., a dedicated, connecting walkway or public sidewalks) and what, if any, arrangements would be made for transferring luggage?¹⁰

Passengers will have to haul their own luggage between the HSR and Amtrak, thus negating a major benefit of through-ticketing.

Supplemental Information Request 3:

The STB requests the following information regarding transfers:

Details pertaining to the proposed connecting transfer service between the Texas Central and Amtrak stations in Dallas (approximately half a mile apart) and Houston (approximately seven miles apart). For example, how frequently would any such service operate? Would the service adjust based on delays or schedule changes? Please also include projections concerning the average and maximum wait time for passengers transferring between Texas Central and Amtrak rail service by using the proposed connecting transfer service and by other means, including walking.¹¹

Texas Central's reply does not include average and maximum wait times, possibly because 20% to 36% of the time EB Sunset Limited passengers who except to catch the HSR to Dallas upon arrival in Houston will be spending the night in Houston instead.

Sunset Limited

Amtrak currently does not provide Thruway bus service between Dallas and Houston for the Sunset Limited, which makes sense as few passengers would use this service based on Amtrak's projections for passengers using the proposed HSR and the Sunset Limited.

¹⁰ [https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFDF8525841F0069FF47/\\$file/46693.pdf](https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFDF8525841F0069FF47/$file/46693.pdf)
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¹¹ [https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFDF8525841F0069FF47/\\$file/46693.pdf](https://www.stb.gov/Decisions/readingroom.nsf/UNID/4DC7AF731266EFDF8525841F0069FF47/$file/46693.pdf)
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Most of the 3,900 to 4,400 Sunset Limited transfer passengers in the 2035 ridership estimate would logically be travelling between Houston and points east, as Amtrak already provides a connection to points west from the Sunset Limited to Dallas via San Antonio. It is unlikely that anyone would travel from San Antonio to Houston via Amtrak and then to Dallas via HSR for an extra \$139 to \$267 when they could continue to take Amtrak to Dallas.

Texas Central and Amtrak have made no accommodation for passengers arriving in Houston if the Sunset Limited (WB) is late. From September 7, 2018 to September 8, 2019, the Sunset Limited (WB) has arrived 10pm or later 20% of the time, making it impossible for passengers to catch the last HSR of the day to Dallas, which departs at 10 pm. For the same period, the Sunset Limited (WB) has arrived after 8:30 pm 36% of the time, which is outside the 90-minute window established by Texas Central and Amtrak for connections.¹²

Texas Central and Amtrak will leave 20% to 36% of the Sunset Limited (WB) passengers stranded overnight in Houston with no accommodation, other than booking them onto an HSR at 5:30 the next morning.

It makes little sense that “Amtrak also concurs that the connecting times should provide reliable connections even if transfer buses are delayed by traffic or trains arrive late.”¹³ Furthermore, the only accommodation Texas Central will make “In the event of an Amtrak service delay, Texas Central will adjust to Amtrak’s schedule. Because Texas Central provides more frequent train services, it can automatically rebook passengers arriving on delayed Amtrak trains onto the next available Texas Central train.”¹⁴

Financing

Texas Central states “The Great Lakes Basin company only had \$150 to its name, which the Board found patently insufficient” and that “Texas Central will not rely on public funding, has raised over \$450 million in capital commitments”.¹⁵ The Great Lakes Basin company had \$150 in a bank account, but where is the “\$450 million in capital commitments” that Texas Central claims? Does this include money that has already been spent? Does this include “free engineering”? How much money does Texas Central currently have? \$450 million is less than 3% of the FRA’s projected \$19 billion¹⁶ cost, so no more impressive than GLTB’s \$150.

Why does Texas Central state they “will not rely on public funding” when they will seek federal loans? “As for federal loans, the project will explore all forms of capital available to private companies to finance debt for the project, including federal loan programs like RRIF and TIFIA.” Texas Central also

¹² https://juckins.net/amtrak_status/archive/html/history.php

¹³

[https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/\\$FILE/248366.pdf](https://www.stb.gov/Filings/all.nsf/d6ef3e0bc7fe3c6085256fe1004f61cb/9624ee8dee0f382f8525845e003b1120/$FILE/248366.pdf) p19

¹⁴ P20

¹⁵ P46

¹⁶ <https://www.permits.performance.gov/permitting-projects/dallas-houston-high-speed-rail>

states “These loans are *like* private financing” (emphasis added) – which means they know these loans are *not* private financing.¹⁷

The cost of the project has doubled since April 19, 2016 when Tim Keith stated in a verified statement to the STB: “The total cost of civil construction and the core system is estimated to be over \$10 billion”. A September 13, 2019 press release by Texas Central states “The project’s total investment is expected to be approximately \$20 billion”.¹⁸

Why has the cost of project doubled in less than three and half years?

Fatally Flawed DEIS Influences Support for Project

As the STB footnotes in their June 20, 2019 decision on page 1, US Rep (since retired) Ted Poe has supported Texas Central in their bid to reopen the STB’s previous decision to deny oversight and even wrote an editorial in the Houston Chronicle in support of Texas Central.¹⁹

Rep. Poe states “But the Bullet train could take 14,630 cars off of I-45 every day, according to the Draft Environmental Impact Statement published by the Federal Railroad Administration. This would save an estimated 81.5 million gallons of gasoline per year. “ However, Rep. Poe bases his argument on the bad data from the DEIS – part of the issue with the 81.5 million gallons of gasoline saved per year is that the DEIS doubles the VMT (vehicle miles traveled) removed due to using round-trip miles when they should have used one-way trip miles.

The 7.2 million ridership number was provided from TCRR from their proprietary ridership report. “As estimated by the proprietary market demand study undertaken by TCRR, the build year forecast for HSR ridership in 2026 is 4.4 million passengers per year. The long-term forecast for HSR ridership in the 2040 analysis year is 7.2 million passengers per year.”²⁰

Furthermore, since the authors or the DEIS could not use Texas Central’s proprietary ridership report, they made bad guesses at two other numbers that go into the number of cars taken off the road which then feeds into the VMT removed and the emissions calculations. (It boggles the mind that the FRA allowed the DEIS to use any data at all from this secret report.)

The 14,630 cars per day comes from the following calculation: 7.2 million riders x 89% estimated percent diverted from cars, then divided by 1.2 people per car. Then, inexplicably, they use round-trip miles to calculate VMT removed, instead of one-way miles.²¹

Calculating cars removed and gallons of gasoline saved per year using ridership data from Reason Foundation’s Texas High Speed Rail: Caution Ahead from February 2017,²² only 816 cars would be

¹⁷ <https://www.texascentral.com/rumors-vs-reality/project-financing/>

¹⁸ https://www.texascentral.com/wp-content/uploads/2019/09/JOINT_Salini-TC-Announcement-Press-Release.pdf

¹⁹ <https://www.houstonchronicle.com/opinion/outlook/article/Poe-Bullet-Train-builds-a-better-future-for-Texas-12759638.php?t=f63bcbe9b9>

²⁰ <https://www.fra.dot.gov/eLib/Details/L19232> p71

²¹ <https://www.fra.dot.gov/Elib/Details/L19196> p3.2-13

²² <https://reason.org/issue-brief/texas-high-speed-rail-requires-caution/>

removed from I45 per day and only 2.3 million gallons of gasoline would be saved per year – not 14,630 cars per day and 81.5 million gallons of gasoline as the DEIS states.

The 89% is also provided by TCRR, but that is the “percent of the existing travel for the Dallas-Houston corridor currently occurs by car (private vehicle)”, not the percent that was diverted from passenger cars that was used to calculate the 7.2 million riders.²³ The percent of current travelers by car of all travelers is not the same as the percent of projected HSR ridership that transfers from cars to HSR. For example, Reason has 86% of passengers currently making the trip between Dallas and Houston and only 38% of their total 2035 ridership has been diverted from passenger cars.

Reason uses 1.8 passengers per car, while the DEIS uses 1.2 passengers per car, because “1.2 passengers per car that was used to derive the numbers of cars that would now be expected to show up at HSR stations.”²⁴ Passengers per car between Dallas and Houston is not the same number as passengers per car going to the HSR station. The authors of the DEIS do not know the number of passengers per car that TCRR used to calculate the 7.2 million riders.

AECOM, the contractor who prepared the DEIS, should not have had to guess the percent of the 7.2 million riders that came from cars or the number of passengers per car. AECOM should have said that they could not calculate the cars removed, VMT or emissions calculations without access to the full ridership report instead of randomly inserting numbers into calculations.

This is not the only egregious error in the DEIS. The DEIS states that the project could generate \$51 billion in sales taxes for the state of Texas and local governments from ticket sales.²⁵ This is preposterous as there is no sales tax on transportation in Texas, the amount of sales tax generated would be \$0.

As a cooperating agency with the FRA, the STB should request that the EIS be based on accurate, public data, not secret ridership reports that produce unbelievable numbers. The STB should request that the DEIS be rescinded.

I certify that I have this day served copies of the document upon the Parties of Record in this proceeding, by U.S. Mail or E-mail

Signature



Date

10/4/19

CC: All Parties of Record

²³ <https://www.fra.dot.gov/Elib/Details/L19196> p 3.2-13

²⁴ <https://www.fra.dot.gov/eLib/Details/L19230> p 35

²⁵ <https://www.fra.dot.gov/Elib/Details/L19196> p 3.14-29