

**Teleconferences
December 20 & 28, 2001
Public Access: Florida DOT
Suwanee Room
605 Suwanee Street
Tallahassee, Florida**

Call to Order: Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority to order at 9:00 a.m. All members were in attendance via telephone: John P. Browning, Jr., Vice Chairman; Norm Mansour, Secretary; Lee Chira, Treasurer; Heidi Eddins, Esq.; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. ?Doc? Dockery; and Skip Fowler, Esq.

Consideration Draft Report to the Governor and Legislature.

Chairman Dudley announced that the purpose of the telephonic meeting was to consider, revise, and approve the Authority's report required by Section 4, of Chapter 2001-153, Laws of Florida.

The Chairman noted that written comments were received on the earlier draft report on or before December 14, 2001, from: the Coast to Coast Consortium, Parsons Transportation Group, Walt Disney World, Florida Defenders of Wildlife, the City of St. Petersburg, and Transrapid International-USA. Comments from American Maglev were received on December 18, 2001.

Mr. Share, with the Authority's General Consultant, presented the Second Draft of the report, dated December 18, and explained that, based on Authority's actions at the previous meetings, that the format for the report has been revised. The Report Sections have been reorganized and much of the technical data has separated into an appendix, which will be a technical document containing supporting information for the report. The Chairman announced that the report will include the proposed legislation, as required by the Law, in bulletized form, but an actual bill will not be presented until the Authority has had the opportunity to review it in detail at its January 11th meeting.

The first part of the report will be titled Findings, Recommendations, and Actions., which will serve as the executive summary.

In Finding # 1, Ms. Eddins, suggested substituting "may be feasible to" for "could." Without objection, the suggestion was approved.

Mr. Mansour suggested that the "Actions" subsection should include a description of the presentations received by the Authority. Mr. Share suggested that Paragraph #2 could be expanded to show the presentations. Without objection this suggestion was approved.

The Authority's PD&E consultant suggested that in Finding #2 that "will likely" be substituted for "must." Although there was a consensus that the conclusion in this finding may be correct, discussion ensued as to whether "must" would prejudice the environmental process required by NEPA. Mr. Share stated that alternatives needed to be reviewed in the PD&E process and that process needs to be followed even though the outcome will probably narrow the alternatives to I-4 or the CSX corridor. Secretary Barry pointed that the Florida Constitutional Amendment is not a reason to select an alignment without complying with the federal law requirement that

alternatives be reviewed. Without objection, the suggested change was approved.

Ms. Eddins suggested that in Finding #4, that “passenger” be inserted ahead of transportation, because freight transportation does not receive public funding. Without objection this suggestion was approved.

Ms. Eddins suggested that Finding #5 be changed so that it would read that a high speed rail system could potentially be implemented using private funds for operations and maintenance. After discussion on whether the preliminary ridership and revenue studies supported the statement, Mr. Dunn moved that Finding #5 be left as written. Mr. Dockery seconded. The motion carried unanimously.

Mr. Haddad pointed out an internal inconsistency in Finding #6. Secretary Barry suggested replacing the first sentence with: “The Authority finds that any state funding for this project shall not affect projects included in the FDOT’s adopted work plan.” Without objection this suggestion was approved.

Ms. Eddins suggested that Finding # 10 was not strong enough about the federal government’s role in allowing the use of the Interstate median and in adopting safety rules for the use of the CSX corridor. Mr. Share responded that these issues will need to be addressed. Ms. Nodarse suggested that these issues be addressed in the technical report and not in this report. By consensus the finding was not changed.

Mr. Fowler suggested that Finding # 11 needed to reflect that the Authority needs to move more quickly to conduct investment-grade ridership studies for extending the system to Miami. Mr. Dunn suggested that at least a planning-level ridership study be conducted on the Miami segment before the Authority solicits DBOM contractors. Mr. Dudley suggested adding a sentence that reads: “A similar study needs to be expedited for the extension to Miami.” Without objection this suggestion was approved. Mr. Dudley suggested that at the January Authority meeting consideration be given to commencing a planning-level ridership study for Orlando to Miami.

Ms. Eddins suggested in Finding # 16 that before “can,” “potentially” be inserted. The consensus was that without any change, the wording was consistent with Finding #5. No action was action.

In Finding #16, it was agreed, by consensus, that the phrase “a first segment of” was unnecessary and could be removed.

On Recommendation #1, the Chairman suggested inserting “amended” before funding. Discussion ensued as to whether there is sufficient funding available to undertake the planning-level ridership study for the Orlando to Miami segment. Mr. Share reported that all consultant funds have been identified for use and therefore there would need to be additional funding for the study. The Chairman asked that this matter be put on the January meeting agenda for discussion. Without objection the suggestion to insert “amended” was approved.

In Recommendation #2, Mr. Fowler inquired whether the use by the Authority of DOT rights-of-way would be without payment to DOT. Mr. Bottcher explained that currently the law authorizes DOT to grant easements within state owned right of way for a high speed rail project. However, if the high speed rail is a private commercial operation, then the lessee would have to pay fair market value for the use of the right of way. The proposed legislation would clarify that the

Authority could use the rights-of-way without compensation for the term of the DBOM contract or for the time bonds are outstanding. The Authority could charge a fee for the use of the rights-of-way, the proceeds of which could be for bond payments.

Recommendation #4, without objection, was deleted.

Mr. Share explained that in the Introduction, page 1-2, the graphic map of the Vision Plan would be corrected in the final draft showing Okeechobee County being in the Southeast Florida area. After discussion of whether the map should show potential routes and cities, it was agreed to leave the cities and route lines on the map for illustrative purposes. The map legend will show that the lines represent "Potential Routes." Mr. Chira moved, with a second by Mr. Dockery, that a route line be shown going from Orlando to Daytona and from Orlando to Ft. Pierce. The motion was approved without objection. By consensus, the Authority approved a suggestion by Chairman Dudley that the phrase "as determined by the Legislature" be added at the end of the last sentence in the left column.

In the section on procurement strategies, page 2-2, third bullet, Mr. Dunn suggested deleting the reference to points being awarded by category. The decision should be based on numerous factors, including subjective judgement, rather than using a point system. In that bullet, it was agreed to change the second and third sentence to read: "This process can consider factors such as technology, which the Authority determines are important to its mission and categories that measures how compatible the proposer's technology would be with future construction legs of the system. In the next paragraph, labeled "Operation & Maintenance," Mr. Dunn inquired why there was a reference to Amtrak. After discussion, the consensus was that the first sentence be revised to say that the O&M for the system be for a stated time, and that the second sentence be deleted.

On page 2-20, in the subsection subtitled "Schedule," Ms. Eddins suggested that "any portion" be inserted before "of the initial." Without objection the insertion was approved.

In reference to Figure 2-1, page 2-3, Mr. Mansour suggested that the ridership and procurement for Tampa-Orlando be the same time frame as the ridership and procurement for Tampa- St. Petersburg. After discussion it was agreed by consensus that the Figure would be modified to show both the planning-grade ridership and the investment-grade ridership studies along with an explanatory footnote. Also, that the procurement bars be shown starting earlier (in 2002) for all phases, because the RFQ process could include all phases, and would constitute the commencement of the procurement process.

Mr. Mansour, inquired about the station locations on page 3-2 and why candidate station locations are treated differently for the four areas identified. By consensus, the following changes were agreed upon: the reference to a future extension to downtown Orlando will be deleted; in St. Petersburg only one station will be referenced with no reference to a CBD station; and the reference to a single station in Tampa will be deleted leaving the issue open as to how many stations may be located in the Tampa area.

In reference to Table 4.1, Mr. Dunn inquired as to why there was a footnote for maglev technology showing 20% contingency and not for the other technologies. Charlie Quandt answered that this percentage was added because maglev technology has not been deployed in commercial operation. It was agreed by consensus, that contingency would not be included in the dollar amount, but with a footnote that explains that other studies show that a contingency may be appropriate.

The Chairman explained that the Authority was not selecting a technology at this time and all information about each technology had to be fair, balanced, and accurate. Footnotes showing sources of information would be appropriate.

In reference to Table 4.1, Mr. Chira questioned the disparity in the cost per passenger car. When it was explained that the size and number of seats vary for passenger cars depending on technology, it was agreed that the chart should show the cost per passenger seat. Mr. Metcalf stated that would be shown and that it would be clearer to break Table 4.1 into to tables. The suggestion was approved by consensus.

Ms. Eddins inquired about Appendix A, which was referenced on page 4-2. Mr. Share explained that the appendix would be included in the technical document that accompanies the report. Ms. Eddins stated that the key assumptions needed to be included in the report. By consensus, it was agreed that an appendix will be included in the report that detailed the key assumptions.

In Table 4.3, Mr. Dunn questioned why the trip from Tampa to Orlando for the 250 mph technology was only 6 minutes faster than the 120 mph technology. The consultants explained that because of physical constraints, such as curves, in the corridors the actual speed of the 250 mph technology will be much less. It was agreed that a footnote explaining this would be appropriate.

Secretary Barry reported that the Governor's Office has serious concerns about some of the revenue and cost assumptions in the report. The Governor, through his staff, reiterated that as early as possible, a real assessment be determined as to what the private sector would be willing to invest in a high speed rail system. The report makes assumptions as to the public share including the federal share of needed capital, but does not examine the potential for substantial private investment.

The Chairman mentioned that he had received the same concerns from the Governor's Office. He stated that while there is agreement that private investment must be maximized and public funding minimized, the Authority does not have sufficient information to determine the true potential for private sector investment. This information will not be available for several months or until the Authority receives responses to an RFQ, which needs to be developed and issued as quickly as possible. In the meantime, the Authority needs to resist being pinned down on a specific level for state funding. Ms. Eddins pointed out the Authority needs to give the Legislature enough information to evaluate what to do next, and that the level of private contributions to infrastructure still needs to be examined fully.

In reference to Table 4.6 several members questioned why there would be such a significant increase in ridership for the 250 mph technology if the trip-times were relatively the same. Mr. Metcalf explained that for the faster technologies the frequency of trips increased. With the increase in trips providing service the ridership increases. It was agreed that this explanation needed to be included in the report.

The Authority took a lunch break at 1:10 p.m. and returned on line at 2:10 p.m. Vice Chairman Browning did not join the teleconference in the afternoon.

Ms. Eddins asked when the technical report will be available, because review of the information in it would be necessary in order to support the tables and conclusions in Section 4 of the

Report. Mr. Share responded that the Technical Document will be available next week. Ms. Eddins stated that the assumptions used to develop the ridership revenues needed to be available before the Authority approves the Report. There was considerable discussion about the information underlying the assumptions and methodology used to develop the ridership revenue numbers. It was agreed that these issues would be addressed in the Technical Document, but that the key assumptions would be included in an Appendix so that readers would at least be alerted to the issues.

In reference to Section 5 of the Report in the list of federal funding sources, at the suggestion of Secretary Barry, it was agreed to include the scale or amount of the funds that may be available from each of the sources. The Chairman suggested that a list of potential state economic incentives be included.

The table, on page 5-5, showing two potential funding scenarios was discussed. Ms. Eddins pointed out that the Authority should explain that funding scenarios and a detailed business plan for any high speed rail system needed to await the completion of an investment-grade ridership study and the refinement of cost information before it suggested any specific funding possibilities. Other members agreed that until the private sector contributions are better defined, identifying funding scenarios is premature. Potential private investment would not be ascertainable until the results of the investment-grade ridership study and responses to an RFQ were known. Mr. Dunn moved, seconded by Ms. Eddins, that the funding scenario table be deleted from the report. The motion was approved without objection.

The meeting was continued until 9:00 a.m. on December 28, 2001.

On December 28, Chairman Dudley called the meeting back to order at 9:00 a.m. Other members in attendance via telephone were: Norm Mansour, Secretary; Lee Chira, Treasurer; Heidi Eddins, Esq.; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. ?Doc? Dockery; and Skip Fowler, Esq. John P. Browning, Jr., Vice Chairman, was not in attendance.

The Chairman described the documents that were to be considered. These were the Third Draft of the Authority's Report to the Legislature, a cover letter to transmit the Report, the draft Technical Report. Also the Authority had received written comments by Mr. Dunn, correspondence from Mr. Lewis of Walt Disney World, correspondence from Transrapid International, an E-mail from Mr. Goodwin of the City of St. Petersburg and responses thereto, and a document listing economic incentives prepared by counsel.

The Chairman explained that the Report would be transmitted to the Governor, the President of the Senate, and the Speaker of the House with a cover letter signed by the Chairman. After review, the Authority approved the cover letter without objection.

Mr. Share explained that the Third Draft addresses all the comments on the Second Draft and includes the changes requested by the Authority.

Ms. Nodarse pointed out that a lot of attention will be paid to Station Locations on page 3-2. She suggested inserting "preliminarily" before "identified" in the opening paragraph. The suggestion was approved without objection.

Mr. Share noted that Transrapid had sent letters on both the second draft and third draft of the report that said several of its concerns had been addressed, but that it still disputed the trip times and the capital costs for the 250 mph technology. Mr. Dunn expressed that the trip times

for maglev continue to be perplexing. He said it is difficult to understanding now a technology with the speed, acceleration, and deceleration capabilities of maglev only shows a small improvement in trip times, but added that there is not enough information to change the report. As to capital cost, the Authority decided not to make any changes because of the absence of any definitive information that contradicted the material relied upon for the report.

The WDW letter expressed concern that the Report and the Technical Document should use uniformity in values and level of detail for all options, so there would be no inference of favoring one option. Mr. Share explained that for illustrative purposes more detail was provided for an example technology and station option. After discussion it was decided to delete the paragraph after 7.5, the introduction to Section 7.3 and the paragraph after Table 7.6 in the Technical Report.

The Chairman suggest reordering the Findings thus: #16 to become # 1; #1 to become # 2; #12 to become # 3; #6 to become # 4; #5 to stay as # 5; and the other items be renumbered accordingly. Without objection, the suggestion was approved.

Mr. Dunn suggested in Finding #5 that the term “exclusively” be inserted after funds. Ms. Eddins suggested adding “and on-going capital requirements” at the end of the sentence. Both suggestions were approved without objection.

Ms. Eddins suggested that in Finding #6 (now # 4) the word “shall” be changed to “should.” There was consensus as to this change and, after realizing that the paragraph was a recommendation and not a finding, to relocating the paragraph into the Recommendations section as Recommendation # 3.

Mr. Dunn pointed out that in reference to Bullet # 10 on page 1-4 that the Report still does not include an estimate of the value of the I-4 median. Mr. Share replied that this will be addressed by changes to page 5-5 along the lines suggested by Mr. Dunn. On page 2-2, third bullet, Mr. Dunn’s suggested changes were approved without objection.

In reference to Table 4.7, on page 4-6, Ms. Eddins questioned how the 250 mph technology could have 500,000 more riders than the 120 mph technology when the trip times were essentially the same. Mr. Metcalf explained that higher service levels and more trains for the 250 mph technology will result in the additional ridership. It was pointed out an explanation was added to page 4-4. However, Mr. Fowler suggested that the explanation should be attached to the table. Without objection it was agreed that an explanatory footnote be added to the table.

In Section Five, Mr. Share explained that the scale of the federal sources has been added. Mr. Haddad pointed out that all funds under the Magnetic Levitation Transportation Technology Deployment Program have been committed, and without further congressional action there was no funding available for Florida high speed rail. It was agreed to delete this reference.

The Chairman suggested that a list of potential state economic incentives be extracted from the document titled “Economic Incentives for High Speed Rail” and included in the Report. Without objection the suggestion was approved.

In reference to page 6-3, Ms. Eddins pointed that it was unprecedented for a high speed rail to be built in an Interstate median and that FRA would have to adopt a rule of particular applicability to address the safety issues involved. The report should disclose that such rulemaking may take years. It was agreed by consensus that the Report needed to reflect this

concern and that Mr. Share would add an explanation to the paragraph.

The Chairman announced that any member who wished to add comments to the report, could submit them (preferably not more than one page) to the Chairman, Mr. Share, and Mr. Haddad before c.o.b., Monday, December 31, 2001, and they would be bound with the report.

Mr. Chira moved, and Mr. Mansour seconded, a motion to approve the report. All members voted in favor of the Report, except Mr. Browning who was not in attendance.

The meeting was adjourned at 11:28am.