

**Florida High Speed Rail Authority
Meeting Minutes
September 28, 2001
Tampa, Florida**

Call to Order:

Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority to order at 9:15 a.m. Other members in attendance included Norm Mansour, Secretary; Heidi Eddins, Esq.; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. "Doc" Dockery; and Skip Fowler, Esq.

Opening Remarks:

Chairman Dudley opened the floor for self-introductions by each of the members of the Authority. Chairman Dudley also noted the presence of the Authority's Staff Director, Nazih Haddad, and Legal Counsel, John Bottcher, both with the Florida Department of Transportation. Chairman Dudley then welcomed to the meeting former Florida State Senator and Senate Transportation Committee Chairman Jim Hargrett, Florida State Senator and current Senate Transportation Committee Chairman Jim Sebesta, former Florida State Senator and current Chair of the Hillsborough County Commission Pat Frank, and Hillsborough County Commissioner Chris Hart.

Chairman Dudley welcomed other attendees, commented on the Authority's diversity and origins of appointment, and advised of his understanding that the Florida High Speed Rail Authority may be the only rail authority that was actually created by the Florida Legislature. He explained that the Authority is charged with recommending to the Legislature ways to implement the constitutional amendment mandating construction of a high-speed rail system, along with technology selection (although the members have begun discussion about not making such a selection, at least for a while); and also, as a first charge, with looking at the Orlando-Tampa-St. Petersburg corridor, especially looking at the existing right of way. Chairman Dudley noted there are two existing right of ways if one considers the CSX right of way south of the I-4 corridor, and the I-4 corridor itself. He noted that a third option to be looked at in the environmental impact statement is no rail at all.

Chairman Dudley then opened the floor for brief comments by Commissioner Frank, Commissioner Hart, Senator Hargrett, and Senator Sebesta. Commissioner Frank welcomed the Authority, offered the County's assistance, and noted the Authority's significant challenge in creating an affordable rail system in light of the current state budget deficit and the threat of federal budget cuts. She noted that the events of September 11, 2001, have altered our perspectives, particularly with regard to air transportation, and opined that many people will be looking for alternative forms of rapid ground transportation.

Commissioner Hart noted his representation of the Hillsborough County Board of Commissioners on the National Association of Counties. He relayed the message that the board (representing the 3,000 plus counties in America) has unanimously endorsed actions by Congress to fund high-speed rail in America. He expressed his view that the counties of America understand the need for high-speed rail and fully support its development.

Senator Hargrett noted that our economy is intimately tied to international trade and international and domestic tourism and asked that those involved in transportation keep in mind Florida's location in the world, which is at the southern end of the most powerful economy in the

world with, to our south, one of the fastest growing regions in the world. He indicated that in his work in the Florida Senate he has focused on that location as an indication of what we ought to be doing in order to have a prosperous future; that is, building an integrated transportation infrastructure system to move people and goods.

Senator Sebesta welcomed the Authority to his district and expressed his support for the Authority's work. He offered the caveat that the state is already looking at a \$1 billion shortfall in the budget and expressed his opinion that the way to go is through private investment. He acknowledged that some tax dollars may be present down the road but indicated that he does not see large amount of tax dollars being available for the project.

Minutes: The minutes of the previous meeting, held on August 27, 2001, were reviewed. On motion by Mr. Dunn, seconded by Mr. Fowler, the minutes were approved. There were no corrections or omissions.

Update on Proposed Federal Funding:

At Chairman Dudley's request, Mr. Haddad provided the members with a brief update on current activities in Washington, including direct funding for high-speed rail in Florida (\$4.5 million), the High Speed Rail Investment Act, and a new proposal introduced by Representative Don Young. Mr. Haddad noted that little has changed since the last meeting with regard to the \$4.5 million direct funding, and the conference between the House and Senate is still pending. The Senate version calls for an appropriation of \$4.5 million for high-speed rail corridor studies here in Florida. The House bill has no such funding. Mr. Haddad noted that the outlook for Florida receiving the \$4.5 million is very good.

Regarding the High Speed Rail Investment Act, the legislation would create a \$12 billion investment fund funneled through Amtrak for high-speed rail projects nationwide. Given the events of September 11, the best potential for this legislation in the time remaining in this congressional session is that Congress will enact an economic stimulus package that would include tax incentives for businesses and high-speed rail activities. Mr. Haddad reported that Peter Peyser advises him that the outlook for passage of this legislation in 2001 is somewhat doubtful.

Thirdly, Mr. Haddad reported that new proposed legislation, called the Rail Infrastructure Development and Expansion Act of the Twenty-First Century (RIDE 21), was just introduced by Congressman Don Young that would make available \$71 billion over a ten-year period in tax-exempt financing and credit support for rail infrastructure projects. The support includes \$36 billion in tax-exempt bonds over a ten-year period (\$3.6 billion per year), expanded authority in Railroad Rehabilitation Improvement Financing (RRIF), and \$35 billion in direct loans or loan guarantees.

Mr. Haddad noted that the program funds could be used for passenger and freight railroad projects, with \$7 billion of the \$35 billion being reserved for short-line, smaller railroads. The RIDE 21 legislation also includes reauthorization for the SWIFT Rail Act, a grant program, at \$35 million per year, with \$25 million for corridor planning and new technology development. Mr. Haddad noted that the \$35 million under the Swift Rail Act would be the only true grant-type element of the overall \$71 billion proposal.

Under this legislation, Mr. Haddad reported that Amtrak would not be eligible to seek assistance from these programs, unlike the High Speed Rail Investment Act. He advised that only public

sector project sponsors, such as Departments of Transportation at the state level, are eligible. Other than the modest grants, Mr. Haddad noted that most of the legislation is really a credit program. Mr. Haddad advised that a combination of the concepts in these two bills might be the best approach to encouraging the development of high-speed rail in Florida and elsewhere around the country.

Chairman Dudley asked if Congressman Young's \$71 billion bill includes the \$36 billion in bonds that would not be issued through Amtrak, and that's three times the \$12 billion that the High Speed Rail Investment Act had set aside; but they were both bonds that involved the income tax credit. Mr. Haddad explained that the difference is that under Congressman Young's bill, the interest on the bonds would not be paid by the federal government but would have to be paid by the project.

Chairman Dudley noted that the \$35 billion is a loan guarantee program and does involve states incurring debt. Mr. Haddad indicated that both bills have tax-exempt bond elements allowing states to utilize such bonds to support their projects, but that the \$36 billion is specified for passenger rail projects such as high-speed rail, whereas the \$35 billion could be used for both passenger, as well as freight. All of these bonds, he advised, would be outside the cap that the states have today for issuance of tax-exempt bonds. Chairman Dudley noted his desire, with regard to the bond portion of the discussion, to be clear that someone has to re-pay the principal at some point and that some mechanism has to be available to do so.

Olympic 2012 Update Presentation:

Ed Turanchik, President and CEO of Florida 2012, Inc. (Florida's Olympic bid committee), offered comments to update the members on the progress of Florida's bid for hosting the 2012 Olympics. Mr. Turanchik reported that any doubts about the centrality of high-speed rail to the success of the Olympic bid were solidified on August 2, 3, and 4, directly between the Chairman of the site committee and Governor Bush: Without high-speed rail, Florida doesn't have a bid.

Mr. Turanchik advised that during the site committee's visit to Florida, the entire site committee was focused on high-speed rail. The committee's advice was, if Florida is to build high-speed rail, it should go from St. Petersburg to Tampa to Orlando in order to connect that region. He noted that Orlando ranks number three in the U.S. in terms of international visitors, Miami is number four, and the Tampa Bay area is number thirteen. More amazing, he noted, is the level of exchange of tourists between those areas. Having a rail infrastructure to support the tourism industry and mobility of our citizens is essential to our competitiveness at the Olympic level, but also essential to the long-term economy of our state. Funding our infrastructure, Mr. Turanchik noted, is a major issue that rises up in the context of the Olympic bid but is fundamental to the long-term sustainability of international tourism and trade.

On October 26, 2001, Mr. Turanchik advised that the Olympic Committee will make a decision about which cities will move on to the next level of consideration and that he expects Florida to be one of those, principally because of the constitutional amendment. The big question for Florida being designated a U.S. candidate city, he said, is that the state is going to build high-speed rail, that it is committed to building it, and that there is a funding mechanism in place for doing so.

Finally, Mr. Turanchik opined that the Olympics can't be the "tail that wags the high-speed rail dog" and high-speed rail shouldn't be built just for the Olympic Games. But assuming a project that works can be implemented, even if it involves public sector dollars, the payoff for getting the

Games is probably two to four billion dollars of incremental, new federal funds to help accelerate the entire transportation program in the State of Florida.

Mr. Dunn asked whether the Orlando-Tampa leg will be sufficient to the application without a connection to St. Petersburg. Mr. Turanchik advised that Tampa to Orlando is what is in the bid document. The Games would be easier to work logistically, he said, if high-speed rail did cross the bay to downtown St. Petersburg. Mr. Turanchik agreed with Mr. Dunn that St. Petersburg would be “icing on the cake” and create a more powerful bid because downtown is a major venue.

Ms. Nodarse questioned how Tampa Airport travel fits in, and Mr. Turanchik commented that the Tampa Airport does not lend itself to receiving high-speed rail technology for a lot of different reasons. Harry Reed, District 7 Public Transportation Manager for the Department of Transportation and Project Manager, reported extensive discussions relating to the use of exclusive bus-ways on I-275 to carry people from the airport to downtown. He noted that the airport has already indicated it has no interest in having high-speed rail come into the airport, mainly because of the constraints they have with future design of the airport. However, he advised that the local rail system does have a corridor that would go in, and that connection would be made from Westshore to the airport.

Mr. Turanchik confirmed for Ms. Eddins that his group has had extensive discussions with Amtrak to help in the Olympic bid. Mr. Turanchik advised that Amtrak was part of the site team presentation panel and expressed his group’s view that Amtrak would be the operator on the CSX line. He noted that as the Authority’s work progresses and dependent upon the outcome, his group and Amtrak have agreed to devise a train procurement program and an operation program. Amtrak is the statutory national rail carrier. If that changes, he said, of course the agreement changes, but the notion is that during the Olympic period, 40 to 50 train sets will be needed.

A great idea, Mr. Turanchik advised, would be to develop national specifications for trains that could run at both low and high speeds. The train sets would be procured nationally. While that rolling stock amounts to asking for over \$1 billion, and that stock isn’t needed solely in Florida after the Olympic Games, the rest of the country can use it. Whatever system is devised, he said, for purposes of the Olympic Games, must be capable of being ramped up for the Games. That means the rolling stock has to be utilizable by other systems throughout the country. For example, he noted, if a mag-lev system is developed, where do all the extra cars come from for moving two million trips a day between Tampa and Orlando? Mr. Turanchik expressed his view that Congress will look at the situation in a similar fashion. Thus, he opined, the relationship with Amtrak is very strategic from that perspective. He noted that the existing CSX line could be used in that same regard, although the trip time is not very good and the capital investment to get up to 90 or 1110 mph is very expensive, so you might as well have a dedicated corridor. But it will work, he said, for commuter purposes.

Ms. Eddins asked, once the investment is made, what is the viability of the leg from Tampa to Orlando after the Olympics are over? Mr. Turanchik expressed his opinion that paying for operating costs from that leg is a “no brainer – 100%.” All of the traditional ridership models should be done, he noted, but he guaranteed a market response if people are able to get from downtown Tampa, the airport, or St. Petersburg twice as fast and reliably. People will take the train because time is the most valuable commodity. So the leg will be viable because of the amount of commerce that occurs between Tampa and Orlando today.

Ms. Eddins asked whether Mr. Turanchik sees the system operating to serve commuter needs and, if it does, how can that service be priced appropriately. That, he said, is a question for the Authority. In his opinion, however, the Authority should develop a technology and a system that can operate for both intercity service and commuter service. Ms. Eddins and Mr. Turanchik agreed that local commuter needs must be addressed, too. If the high-speed system can also address regional mobility needs, you get two for the price of one. Chairman Dudley noted that Mr. Turanchik's business group is not interested in building the system solely for the Olympics, and Mr. Turanchik agreed.

Chairman Dudley asked Adrian Share to get with Mr. Turanchik's group to see if they can work out some sort of partnership between the Authority and the group to assist each other. After all, he noted, the Authority's job is to try to figure out and at least recommend how to implement the constitutional amendment. He also stated that, in fairness as the public debate continues, there is still a question of if it can be implemented. The Authority's job, he noted, is to try to come up with how it can be implemented in the best way, and one of the alternatives, he noted, may be that there is no good way to implement it.

Further, Chairman Dudley expressed the following personal thoughts: If we can build a high-speed rail linking the urban areas in this corridor, it will be well in place by 2012. Second, he said, if there is sufficient, substantial support from the private sector willing to commit the risk investment to build and operate the system, then it can be built. The question, he said, comes down to how much political will is there going to be to commit public dollars and in what amount. That question, he opined, should be answered last, not first. The first question, he said, is what is the private sector willing to bid to build and operate it, and what public commitments do they need to make it work in terms of tax incentives and the other types of environmental stimuli that the Legislature might be willing to offer. The very last question, he noted, is what does it take in terms of public money, both state and federal.

Mr. Turanchik agreed, stating that the state should be in the process of trying to maximize private sector investment and private assumption of risk of the construction. At the same time, he opined, if at the end private sector revenues have to cover 100% of the construction, rolling stock procurement, and operating costs, amortized over the most optimistic ridership projections, the end result is a ticket charge that is nonviable economically. Chairman Dudley noted his greater inclination to agree before September 11, and Mr. Turanchik agreed that the mark has moved, but what the private capital markets would expect as a rate of return results in an extremely high number. He expressed his uncertainty as to whether the private sector would "bite" on another RFP for a big system without some public willingness to backstop it. But you use the competitive process, he said, to get an actual answer. Chairman Dudley stated that the Authority should not overlook the possibility of getting in-kind contributions along the way and noted Mr. Dockery's contribution to the constitutional amendment. Mr. Dockery expressed his commitment to contributing to see that the constitutional amendment is fulfilled.

Mr. Dunn expressed his opinion that it is useful to recall from time to time that the constitutional amendment does not have an "if" statement in it; it is mandatory. He stated that the Authority should be thinking of taking the constitutional amendment at its word. It says to build a high-speed rail system and, he stated, that's what the Authority ought to be about. Chairman Dudley stated his belief that it is what the Authority is about – looking to see how it can be done – and noted his desire to make sure that the members don't overlook the fact that there is significant private interest as well.

Ex-High-Speed-Rail Chairman's' Panel:

Chairman Dudley advised the members that he invited the panel in hopes of finding some comfort, knowledge, ideas, and suggestions from John Parke Wright, former Chairman of the Florida High Speed Rail Committee; C.C. "Doc" Dockery, former Chairman of the Florida High Speed Rail Commission and current Authority member; and Jim Hargrett, former Chairman of the High Speed Rail Citizens and Environmental Planning Advisory Committee. Chairman Dudley welcomed the panel and first asked for comment from Mr. Wright.

Mr. Wright is currently the Florida representative for Rockefeller & Co., Inc., and a resident of Florida. He explained that Governor Bob Graham founded the Florida High Speed Rail Committee after in 1981. Mr. Wright provided to the members a copy of the findings and recommendations of the Committee from 1984. The public need for high-speed rail in Florida is inevitable, he said. It's not a question of if, but a question of when, how, and where. Mr. Wright noted discussion among the Committee relative to public funding and how, if it's so important to public safety, there has to be a public funding component. He expressed his surprise at Chairman's Dudley's remarks because, he noted, he is a member of the private sector.

Mr. Wright expressed his opinion that it is most important to talk about safety. In the Committee's findings, a key point was saving the lives of Floridians. In the eighties, he noted, the Japanese bullet train had been operating for almost 15 years, moving 100 million passengers a year without one single fatality. In addition, he noted, population growth projections are staggering. He expressed his belief that the system has to connect Tampa, Orlando, and Miami.

Mr. Wright asked the members to keep in mind that one of the things his Committee did was to guarantee that no rail rights of way would be abandoned. Significant studies were undertaken to make sure that prevailing corridors and rights of way for future transportation guideway construction were kept. Tri-Rail, he said, was simply a down payment for an advanced, elevated high-speed rail commuter service that could also, as in the case of France, Germany, and Japan, be used not only as an express system, but also as a commuter system. The adversaries of the past can be the partners of the future, he stated. He offered the assistance of many in the private sector to see the practical thought become a reality.

Chairman Dudley thanked Mr. Wright and indicated his use of part of the Committee's report as though it came out yesterday. That would be the last recommendation on the last page of the Committee's report: "That the Florida High Speed Rail System become a major priority in the State's Transportation Plan and incorporated into regional and local transportation plans on a statewide basis." That, Chairman Dudley said, was an insight 27 years ago that is as true today, if not more so, than it was then. It is amazing, he noted, that we have come so far in so long and done so little in this area.

Chairman Dudley then recognized Mr. Dockery for comments. Mr. Dockery noted that the people of Florida have been in favor of high-speed rail for twenty years now. Chairman Dudley's comment that we have come so far and done so little, he said, summarizes what got him into the proposition that a constitutional amendment was needed. At the time Mr. Dockery served on the High Speed Rail Commission, the proposition was that the project could be done totally with private sector funds in exchange for development rights in and around transit stations. He believed that proposition and, he said, fought for it fiercely. He learned later during his tenure with the Commission that high-speed rail would be no different than the other forms of transportation that we enjoy in the U.S.

In a period of 10 years, we will probably have spent \$4.5 billion on widening I-4 and, he reported, he's told by the engineers in two or three districts that it won't be any better; it will be worse. So, Mr. Dockery stated, if we do not debate that expenditure, why should we debate, without positive results, doing something else as an alternative. As another example, Mr. Dockery noted, there is little debate on spending billions of dollars in the last few days to rescue what was a failing airline industry before September 11. Why, he asked? Because it's a vital part of our transportation network in the U.S. Mr. Dockery opined that if we can spend \$4.5 billion on I-4, then certainly we can spend \$1 billion in the I-4 corridor.

Mr. Dockery acknowledged that the project will not solve the congestion problems, but it will help. Moreover, it will give people who are tired of stop-and-go traffic in the Central Florida corridor a deserved alternative. Mr. Dockery also noted his agreement with Chairman Dudley's stated approach to get to the point of deciding what will be spent by private industry, what must be spent by the State of Florida, and what must be asked for from the federal government. Further, Mr. Dockery congratulated the Authority members because, he said, what needs to be done is being done. Once those things are done, he said, then the Authority will have documents to get out to the people who will submit bids to build the system.

Finally, Mr. Dockery indicated his pleasure in working with the members of the Authority and expressed his confidence that the point will be reached for sending out proper documents to get bids from transportation builders. He noted his belief that the Authority will be surprised at the amount of equity participation such builders will be willing to contribute. However, he said, it is his firm belief that the amount that must be contributed by the governmental agencies, including the State of Florida, will still be significant.

Mr. Dockery advised Chairman Dudley that the Commission was created by Florida law under Governor Graham, who appointed the members and was very supportive of high-speed rail in Florida. That law is still on the books. Then came along the very able Governor Chiles, he said, who abolished the Commission. He reconsidered some time later, and it was resurrected. Mr. Dockery reported he was then appointed to serve on the Commission by Governor Martinez. Mr. Dockery pledged his continued support of Chairman Dudley in getting to the point of issuing a request for proposals.

Chairman Dudley then recognized Senator Hargrett. Senator Hargrett expressed his pleasure that Mr. Dudley is chairing the Authority and his confidence that whatever comes out of the Authority will be thoughtful and well documented and on point. Senator Hargrett also indicated his desire to associate himself with most of the remarks of Ed Turanchik, as he thought the remarks were right on point.

Senator Hargrett noted that a lot of money is spent on transportation infrastructure, but that only one piece of the transportation pie has a designated purpose, and that is the high-speed rail piece. He indicated his support for accomplishing as much as possible by use of the private sector but, he said, at the end of the day, a public investment will be necessary. The question becomes, he said, when you talk about being conservative and spending people's money wisely, is what are you going to do with their money that is most cost-effective? Are you going to throw it away buying hotels and office buildings and all the other buildings that are on Florida's urban right of way, or are you going to spend it moving people through corridors?

For anyone who argues against building a high-speed rail, Senator Hargrett stated, given all the documentation and public sentiment, then the burden is shifted to document why it's a bad idea. You can't say it costs too much, Senator Hargrett noted, because free roads cost more than

high-speed rail. You can't say it has to pay for itself because an airport is built with 75% federal money, in most instances, with 12.5% state money and 12.5% local money. The task is to identify who the population is going to be and how to provide them mobility, while at the same time protecting our vital interest, which is international commerce.

Mr. Dunn noted Mr. Dockery's scenario for having the public sector build the infrastructure and the private sector bringing the rolling stock and operating the system. Mr. Dunn asked whether that arrangement can result in the operation paying for some portion or all of the debt service on the bonds, and whether it might actually result in retiring the bonds for the project. Senator Hargrett responded that he likes the Chairman's approach, as modified by Ed Turanchik; that is, we push the envelope. At the same, he said, we have a model that we're comfortable with. Airlines don't supply the bulk of the money for airports; rather, the bulk of the money for airports comes from the public sector, and then the airlines have the operating issues. But we're talking about high-speed rail, he said, which is more efficient than air travel, for commuter travel, for in-state travel. So the public, he said, ought to be willing to put enough investment in it so that we can make sure that the system serves the public good, and not just the private good.

Mr. Wright added, on the point of public infrastructure dollars for high-speed rail, that the Authority's consultants will be useful in the acquisition of federal funds, and urged the use of existing resources such as the Center for Urban Transportation Research (CUTR).

Mr. Dunn asked Mr. Dockery to follow up on the comments of Senator Hargrett and Mr. Wright, and to comment on the potential for the revenue generated to actually begin to pay debt-service on the bonds and, perhaps, to retire the bonds. Mr. Dockery replied that he does think it's a possibility. Mr. Dockery opined that the transportation builders might even pick up all of the risk for ridership in exchange for the revenues from the ridership and the other miscellaneous activities, such as advertising. Mr. Dockery expressed his hope that provision will be made in the RFP's to allow creativity that will produce bids proposing a sharing of revenues in the operation of the system. On that basis, he noted, the revenues could go back to the State of Florida and help pay for the infrastructure over a long period of time. That won't, he said, negate the fact that significant dollars will be needed up front. As the entire system is built out, he opined, each segment will contribute to the overall economic viability of the whole.

Chairman Dudley asked Mr. Wright to identify the responses to the RFP sent out by his Committee. Mr. Wright replied there were seven responses submitted by American High Speed Rail Corporation; American Mag-Lev; Bombardier; Budd Company; Guideway International, Inc.; TGV; and U.S. Research Laboratories, Inc. His members wanted to see if there was enough private sector interest to go forward with their recommendations to the Governor and Legislature for enabling legislation, and that became the Florida High Speed Rail Transportation Commission Act.

With regard to possible federal funding, Chairman Dudley noted his unfavorable view of federal loans. He noted that his concern, principally, is with state dollars and expressed his view that if the federal government is willing to contribute significantly to the construction of high-speed rail, he is in favor of taking the money; but, he said, he's not sure if he would be willing to take it, if he were still a Legislator, under terms where it would have to be re-paid. Further, he said, if he were the federal government, he would certainly tie any grants in aid of construction into the ability, willingness, and commitment of the private sector because the real test of a project is how the private work sees the economics of it.

Mr. Fowler then asked Mr. Wright why none of the seven proposals were accepted, and Mr. Wright noted that his Committee recommended that legislation be put in place to create a High-Speed Rail Commission. The legislation was created, he said, another RFP was put out under the new legislation, and four corporations were the winners of that franchise. As to why they failed in their partnership with the State of Florida, he said, is a very in-depth discussion. Asked to capulate the issue, Mr. Wright reported that the newly elected Governor Bush denied the funding for the project in January of 1999.

Mr. Fowler then asked whether it would be fair to say that all of the proposals, going back to 1984, as well as the more recent ones, were unsuccessful because of the level of funding was unacceptable to the person in charge at the time? Wasn't the requirement for public money, state money in particular, he asked, unacceptable to the decision makers? And, he asked, if it wasn't the reason, what was? Mr. Wright replied that there was, for some years, \$70 million a year allocated within the budgetary process that was the basis of the state's contribution. So that \$70 million per year and the partnership was fully engaged at the time. Within one week of taking office, he reported, the administration was swayed quickly to de-rail the project at that time.

Mr. Fowler noted that Mr. Wright's comments were directed to the current administration but noted that Mr. Wright's RFP was received in 1984. Mr. Fowler stated that he wasn't suggesting that the decisions were necessarily correct, but expressed his understanding that they all ended up in the same position for the same reason – that the level of funding required of the state was too high in the opinion of those people who had to make that decision.

Senator Hargrett noted his desire to take exception to the statement that the level of funding required was too high. It may have been, he said, that the package may have included some risk that may have to be minimized. It was based on using development rights to fund a part, along with ridership. That model, he said, just wouldn't work after the real estate market collapsed in the eighties.

Senator Hargrett went on to say that in 1982 to 1990, one effort was to change the Florida Department of Transportation from a road-building agency to a transportation agency. He reported that when funding was provided in the 1990 compromise that went through the Legislature, there was a new paradigm where public transportation had a piece of funding that could not be used for roads. As one of the principal authors of that legislation, he said, the \$70 million was intended in large measure to go to high-speed rail.

Senator Hargrett advised that he chaired the advisory committee that recommended Fox. One of the issues, he said, was that in examining the competition, Fox was the only one that had a proven technology that was competitive with air travel. He reported his belief that a fundamental point is that if you're going to build high-speed rail, it must be competitive in time with air travel to be successful.

Mr. Fowler pointed out that whatever caused the failure the first, second, or third times, he'd like to be told what the failure was so that he can focus on it. Senator Hargrett reported that there was no debate when the project was canceled and, therefore, he cannot say for certain that he knows why it was canceled. Conclusions, he said, must be drawn from a reading of the Executive Order; but if it was unacceptable risk, it certainly wasn't the \$70 million because that money was dedicated for that purpose.

Chairman Dudley noted that, in trying to look back, his sense of it was that the \$70 million per year for a high-speed rail statewide system became \$70 million per year at four percent growth for one corridor. Over 30 years, that ended up to be \$210 million per year, and that was one link: Orlando to Tampa. As important as the first link is to a number of the people in attendance, he said, it is important to keep in mind Mr. Dunn's point that it is but a small part of a major transportation system throughout the State of Florida.

Mr. Dockery pointed out that the \$70 million was intended to provide debt service for a leg from Tampa to Orlando to Miami. Still, the Chairman noted, it was not the entire build-out of a high-speed rail system, and Mr. Dockery agreed. Apparently, however, Mr. Fowler asked, the \$70 million was insufficient? Senator Hargrett advised that \$70 million was all that was initially intended. When it came to the negotiations, he said, a 4% growth factor was needed to make it work.

Chairman Dudley asked whether his committee picked the technology, and Senator Hargrett responded that his committee picked the corridors and the locations and had an evaluation of technology. They also, he said, looked at which system served Florida best and selected that vendor for the Department to negotiate with. Mr. Wright advised Chairman Dudley that the RFP's referred to in his report were not truly requests for dollar proposals but elicited conceptual responses, designed to reveal whether there was really a heavy body of interest.

Mr. Wright suggested one important point might answer Mr. Fowler's question: While the best and the brightest in Florida, in the Legislature, in the DOT, in the private sector, and in every community that wanted to be on the high-speed rail system was doing its very best, there was another group that was the best, the brightest, and the toughest at protecting its own business. He drew attention to the Texas high-speed rail project and expressed his surprise at how an airline mobilized and organized, and how quickly and efficiently, to absolutely cut the project off.

That being the case, Mr. Fowler asked, what has changed so as to prevent Chairman Dudley from being the next member of the Ex Chairman's panel? Chairman Dudley pointed out that Mr. Dockery did something that everyone should understand; that is, he identified some major opponents and worked out some major compromises. To his credit, said the Chairman, he was able to go to the road builders to assure them that the project would not threaten their livelihood. He expressed his thought that those who are interested in a high-speed rail are going to probably try to steer clear of tapping the funds set aside by law to build roads. The airlines, he noted, are a different story. So in answering what's changed, Chairman Dudley said, the road builders have become an ally, he believes, and the airlines are going to become a partner at some point or be hushed up. Mr. Dockery noted his agreement. With that assurance and their knowledge that probably around 70% of the dollars involved in building the infrastructure of a high-speed rail system will go to their members mitigated any fears or apprehensions.

Mr. Dockery further noted that he is frequently asked how the current project differs from Fox. The difference in that approach and the current approach is that no PD&E process was completed for the Fox proposal, and the ridership study was commenced after Fox was selected, not before. In this instance, he noted, the PD&E process and the ridership study are being done to give somewhat of a blueprint. This will allow us to ask for bids on building, operating, and maintaining the blueprint, along with elements allowing the provision of equity contributions.

Mr. Mansour noted a lot of discussion about the \$70 million that now resides in the Transportation Outreach Program, as well as information that there's going to be a big effort in

this coming year for those who now have to seek funds to re-do airport security and seaport security, etc. Also, he said, there is the issue of the expected deficit, which is currently unquantified. Nonetheless, he pointed out for Mr. Fowler, one thing that is different is that there is a public mandate, a constitutional amendment that says build it.

On a different point, Mr. Mansour noted two strikes against mag-lev: One when Ed Turanchik said that his proposal would not include mag-lev because of the extra mag-lev equipment that would be needed and, two, when Senator Hargrett commented that mag-lev was relatively untested at the time of consideration of the Fox proposal. In the past weeks, Mr. Mansour noted, one company, American MagLev, has said that if the Authority would allow them to go forward and build a first link, their backers would front-end at least the first segment, with the idea of partnering up afterwards.

Mr. Mansour asked Senator Hargrett whether he would consider that type of risk, to have someone else put the money up with a mag-lev program, and he responded that his advisory committee actually ranked mag-lev number one on a number of factors. However, Senator Hargrett said, they had a caveat that they guarantee their technology. That was the issue that knocked that particular mag-lev out of the running, because it had not been tested. However, if it met safety issues and they guaranteed their technology through an acceptable means, he said, the answer is yes. Mr. Wright noted that a key question is how deep is the pocket of the investor. If it's a major corporate entity that's going to invest in proven technology, that's the key to success.

Chairman Dudley recalled previous discussions about underlying assumptions, one of which is to take a look at the idea of not picking the technology. Keeping the options as flexible as possible, the Chairman opined, would allow the Authority to write the operating, safety, and environmental standards and then ask for bids that meet the constitutional requirements and the written standards, including how much it will cost and how much the bidder is willing to invest in it. Mr. Mansour noted his agreement and explained that his question to Senator Hargrett was intended to give him an opportunity to understand so that the members wouldn't exclude that technology as an option.

Mr. Dunn noted in the late 1980's to early 1990's, he was assigned to the sole remaining applicant for a franchise from the committee that Mr. Dockery chaired. He noted that not only was the real estate market softening, but the bigger problem was that the Legislature had given something called development rights and never said what those were. So there was really no way to cash in on those development rights, he said. So, Mr. Dunn stated, the real estate development angle just didn't play out, combined with the fact that real estate was shrinking. A package was delivered to the High Speed Rail Commission, he said, and that package basically admitted to the fact that the real estate angle wasn't going to work and disclosed the fact that substantial public funding was going to be needed for the project. The \$70 million was what was thought necessary to finance the public portion of the project; that is, the building of the infrastructure, and that was the equivalent of one penny of gas tax statewide. The escalation clause, he said, was really nothing more than the natural escalation of the revenue that would be produced by one penny of gasoline tax. Mr. Dunn reported traveling to Europe with people from the DOT to look at trains and asking for a quick decision. The decision, he said, was that the public sector build the infrastructure and that the private sector operate the trains, without subsidy, and that eventually the private sector would begin to pay a fee for operating on the public infrastructure. That proposal, he said, was thought by then-Secretary Ben Watts to be a very promising proposal but said that it was too different from what had been advertised in the RFP to allow simply changing to that direction. Mr. Dunn reported that Secretary Watts felt it

was necessary to put out a new RFP, which was the RFP that the Fox project was responding to. His consortium decided not to come back because it cost a lot of money, as they were expected not only to pay their own costs, but also to make contributions to pay the state's costs.

Chairman Dudley thanked the panel members for their comments and encouraged them to offer their continued input.

(The meeting was recessed at 12:49 p.m. and reconvened at 2:04 p.m.)

Chairman Dudley opened the floor for comments by former DCA and DOT Secretary, Tom Lewis. Mr. Lewis offered brief comments on behalf of Steve Mitchell, Chairman of the Coast to Coast Rail Consortium, and briefly described the Consortium and its members, as well as its focus on studying the connection between the sun coast and the space coast. He also introduced the new Executive Director, Gary Brosch, and advised the members to be looking for their final report. Mr. Brosch offered brief comments explaining his participation as an on-going employee of the University of South Florida. He offered his continued support of the private sector and thanked the Authority for the opportunity to speak. Chairman Dudley expressed his interest in developing an official link with the Consortium so as to create a working relationship and invited the Consortium to participate by having a designated representative at each of the Authority's meetings for the purpose of providing feedback. Mr. Lewis also introduced Shannon Gravitz, representing Universal, who thanked the Authority for the opportunity to speak and echoed Mr. Lewis' offer of assistance to the Authority.

Chairman Dudley also welcomed Dr. Steven Polzin, Ph.D., CUTR's second in command. Dr. Polzin welcomed the members to Tampa and offered comments describing CUTR's composition, creation, and particular focus on public transportation. He indicated CUTR's desire to be recruited as Mr. Dockery suggested at a previous meeting to provide assistance to the Authority. Dr. Polzin deferred his further comments due to the arrival of U.S. Senator Bill Nelson.

Chairman Dudley welcomed Senator Nelson. Senator Nelson expressed greetings from Senator Bob Graham and reported that he and Senator Graham had just left a meeting at the Miami Airport regarding the effects of the events of September 11. Senator Nelson remarked on the current extraordinary time and noted that one of the benefits of the tragedy is the coming together of the nation's political representatives to quickly enact legislation and take necessary steps. As an example, he noted the "lightening speed" with which the airline financial package was enacted the previous Friday. Senator Nelson described further legislation aimed at responding to the terrorist attacks.

All of this, Senator Nelson noted, reminds us that we ought to be looking at mass transit. September 11 was not needed to remind us just how integrated the transportation infrastructure systems are with the economy of this country. He noted a number of congressional members that are arguing for mass transit in general and high-speed rail in particular. He also noted his belief that we will get the money, although it is anyone's guess what the money will be. It could be, over many years, in the range of \$50 to \$70 billion, and could be part of the stimulus package to be negotiated over the course of the next few weeks. It is reasonable, he said, for the Authority to assume that part of the stimulus package is going to affect our world.

Aside from that, Senator Nelson asked, what do we do to get high-speed rail to Florida? He expressed his belief in a growing acceptance of the fact that we can't build our way out of our

transportation problems with highways. There is a recognition that we must start thinking about new ways that are really old ways in other parts of the world. Tampa Bay to Orlando becomes an obvious corridor, he said, because of the volume of traffic.

To that end, Senator Nelson advised that he and Senator Graham are seeking \$4.5 million for the Authority. He reported that the House bill has zero, but the conferees are being urged to accept the Senate position. He also expressed his excitement at imagining the re-design of I-4 to accommodate the high-speed rail system and serve as the beginning of what ultimately could be a statewide network connecting our high-density urban populations as a supplement to how we get around now. Senator Nelson reported his optimism for the future and expressed his belief that high-speed rail is important to the quality of life in Florida. Finally, Senator Nelson thanked the members for their public service.

Mr. Dunn thanked Senator Nelson for his attendance and asked whether there's a chance that the idea of a national initiative, similar to Eisenhower's interstate highway program, has any improved chance in today's setting for seeing the light of day. Senator Nelson noted his belief that there is a chance. Issues such as traffic jams and security delays make alternatives such as mass transit, in particular high-speed rail, very attractive

Mr. Dockery also thanked Senator Nelson for attending the meeting and for his optimistic comments regarding high-speed rail. Senator Nelson stated that it is his privilege to have the opportunity to represent Florida in Washington.

Chairman Dudley asked Dr. Polzin to return to the speaker's podium. Dr. Polzin advised of CUTR's experience in the high-speed rail area and reported CUTR's interest in being involved in the process. Chairman Dudley noted that he has asked that some of the research and help offered by CUTR be utilized. He agreed with Mr. Dockery that the Authority should involve Florida's institutions of higher learning. He advised that Adrian Share has agreed to work to find a way within the schedule of work to utilize some of the CUTR staff on the Authority's report to the Legislature, and he asked for the members' approval to do so. Mr. Dunn so moved, and Mr. Mansour seconded the motion, which carried unanimously.

Discussion of general consultant contract and scope of service:

Mr. Haddad recapped the September 4 signing of a contract with HNTB, the General Consultant, as well as the issuance of the two task orders, one of which is to begin developing the report to be submitted to the Legislature by January 1, in the amount of \$384,250. Part of that amount (\$350,000) is for consultant fees to be paid on a lump-sum basis, and part is for travel and expenses (\$34,250) to be paid on an actual cost basis. Both are "not exceeding" figures. The second task order deals with the general consultant's oversight of the PD&E consultant work, for \$250,000 on a not-to-exceed basis, also to be paid on an actual cost basis.

Progress report and schedule for completing report: Adrian Share began by assuring the members that HNTB's intent is to meet with as many individuals and groups as they can, time permitting for producing the report. A second note of clarification, he said, relates to Mr. Turanchik's comments regarding the two levels at which the Olympic bid committee had looked, one being the Olympics itself and the other being transportation studies that they've done that will benefit the entire Florida transportation system. Mr. Share noted that it is in the latter role that makes most sense for HNTB, as the Authority's General Consultant, to recommend working with the Olympics folks, as they are not focused on the two-week period. He noted, however,

that HNTB certainly welcomes the partnership with the Olympics committee and with CUTR and with any other entity that the Authority thinks makes sense.

Chairman Dudley suggested that he and Mr. Share and Mr. Haddad prepare a “one-pager” before the next meeting of what they see as the best way to make that work and bring it back to the members for approval before any official creation of partnerships.

Chairman Dudley noted receipt of a letter from Parsons asking that the Authority reverse its decision regarding certain team members. He noted his recollection that when Parsons submitted its general consultant bid, a conflict existed under the Authority’s position that no team member on the general consultant team can also be on the PD&E team because part of the general consultant’s duties are to supervise PD&E. Chairman Dudley asked Mr. Share to advise of the two or three team members that need to be shifted around and to re-assure the Authority there is no conflict of interest.

Mr. Share reported that HNTB and Parsons actually co-wrote the letter. He advised that HNTB and Parsons had three “common sub-consultants” on each of the teams. Early on, he noted, it was not apparent what exactly the scope of work for each of the entities was going to be. Now that the scope is better defined, the recommendation to the Authority is that of the three common sub-consultants, Public Financial Management would remain with the general consultant team; and then Geotechnical Environmental Consultants and Quest Corporation will be assigned to the PD&E consultant. Chairman Dudley and Mr. Share agreed that this arrangement leaves both consulting groups with no overlapping members. Ms. Nodarse moved, and Mr. Dockery seconded, approval of the described arrangement.

Mr. Dunn asked what will be done about replacing the re-assigned members on the general consultant team, and Mr. Share advised that HNTB has geotechnical capacity within the firm. Their role, he said, is primarily reviewing the work of others, and they certainly have the expertise for that. Quest Corporation was brought on board for public involvement, he said; but the Carey Company remains with HNTB, and HNTB has its own resources to assist with public involvement. Mr. Share advised there is no void on the general consultant team as a result of the recommendation. Mr. Share agreed with Chairman Dudley that both teams are still fully equipped and staffed to perform the contracts that have been signed or that are being negotiated.

Mr. Fowler noted his recollection that it was Mr. Chira, who was not present, whose position it was that whatever team the members picked should stay in place and ought not to be switched after the fact. Chairman Dudley agreed and noted that’s why he brought the issue back before the board. Mr. Fowler stated he personally is not in favor of modifications afterward unless it’s for the members’ pleasure and, he stated, he doesn’t know that he’s pleased by a change. He expressed his suspicion that Mr. Chira would not be pleased and also noted Mr. Browning’s absence. Mr. Fowler suggested that the members wait until those who expressed a strong opinion are present to make their position known.

Mr. Share indicated that he had met with Mr. Chira on Monday at his request so that he could be briefed on the recommendation to re-assign team members. Mr. Chira’s comment when the letter was brought up, said Mr. Share, was that the Authority should address it. He did not, he said, state a strong preference one way or the other. He said that Mr. Chira was under the impression that it was an issue that was addressed at a previous meeting, but that it was something that the members as a whole needed to act upon. Mr. Share advised Chairman Dudley that the letter did not go to everyone but just to the Chairman. Chairman Dudley

suggested that Mr. Haddad put such communications in the members' meeting materials in the future and asked whether there is any harm in deferring the issue to the next meeting. Mr. Share indicated his belief that there is no harm.

Chairman Dudley then suggested that the issue be deferred until all of the members are present. Ms. Eddins indicated her comfort with deferring as long as the General Consultant advises that doing so won't interfere with their work product. Mr. Share advised that the two re-assigned team members would not participate in the report preparation. Mr. Mansour asked whether there would be any impact to the PD&E group, and Chairman Dudley noted that no contract with the PD&E firm had yet been signed, although it could occur today. Howard Newman, Project Manager for Parsons, advised that the work under proposed Task Order #1 does not involve either of the two firms. He reported that as development of the PD&E scope and fee are developed, the input will be needed to generate the fee estimate.

Ms. Nodarse asked the members to recall there was a lot of discussion about the overlap of services and the potential for creating confusion. She expressed her opinion that the confusion required going back to sort out putting the right people in the right places. The two firms are more appropriately placed as recommended, she said. Chairman Dudley agreed and announced, without objection, deferral of the motion. He directed the issue be placed under Old Business at the top of the next meeting's agenda.

Mr. Dockery asked whether, in the unlikely event that either or both members (Mr. Chira and Mr. Browning) are absent from the next meeting, whether the Chairman or Mr. Haddad could meet with them to go over the issue? Chairman Dudley directed Mr. Haddad to send a copy of the letter to each of the members and tell them it is subject to a pending motion for approval to be taken up under Old Business at the next meeting. If someone can't be at the next meeting, they will have had an opportunity to review the letter and to notify Mr. Haddad of any objection.

Mr. Share then provided the members with a progress report by reviewing the proposed schedule for completing the required report. Chairman Dudley asked whether an outline could be done at the October meeting. Mr. Share advised that an outline could be presented but that he wasn't sure he could be prepared to address every item in the outline. Chairman Dudley expressed his understanding and asked for an outline of the legislation, the subject matters, and some order that HNTB thinks will make sense for the report, and Mr. Share agreed.

Mr. Dunn asked Mr. Share to tell him what leg his work address, the full limits from Miami to St. Petersburg, or simply the Orlando-Tampa route. Chairman Dudley noted that the answer is neither. We're looking at it first of all, he said, from Orlando – Tampa/St. Petersburg; that's what the legislation says. Mr. Dunn noted his belief that the legislation says that the report should be for "the cities designated in paragraph (1)(b)," which identifies St. Petersburg, Tampa, Orlando, and Miami. Mr. Share advised that all three will be addressed but, given the existing time constraints, what his team is trying to do is create a model between Tampa and Orlando that is applicable to the two others.

Mr. Dunn noted his concern that the Authority presents a picture to the Governor and Legislature that includes consideration for costs and revenue projections for the entire system, rather than for one piece. Mr. Share advised that will be done.

Mr. Share further advised that a draft submission will be ready for the members' review on December 1. Further, he said, given the amount of time needed to produce the number of reports going to the Legislature, he expects final submission on December 20. Mr. Share noted

that the dates present an ambitious schedule for the members in terms of reviewing and commenting. He noted a meeting scheduled for December 10 and a teleconference scheduled for December 20.

Chairman Dudley noted his testimony before the House Transportation Committee on September 11 and his scheduled appearance before the Senate Transportation Committee. He invited the other members to attend any committee meetings.

Mr. Share then offered comments describing HNTB's scheduled work plan and the general contents of the report (a business plan outline, refinement of the alignments, station locations, broadly addressed technology, state or federal statutory applicability or modification, and a preliminary operating plan). He also commented on progress to date, including extensive data collection, field trips, and coordination with other relevant entities such as Amtrak, FRA, and CSX).

Mr. Charles Quandel also offered comments describing work progress, including his concentration on items such as the route analysis and infrastructure and right of way costs utilizing their "Right Track" interactive software and leading to the financial feasibility assessment and resulting in a business plan. He further commented on consideration of three ranges of technology, including fossil fuel (120-135mph), the electrified (150-200mph), and the magnetic levitation (240-300mph).

Mr. Quandel also commented on current highway construction going on in the area and advised of needed coordination with that work at specific locations. Potential routes and connections at various locations were discussed. Potential engineering concerns, including horizontal and vertical geometry issues, were highlighted. Mr. Quandel noted other challenges; for example, such as greater spiral lengths and greater tangents between curves at higher rates of speed. Mr. Quandel explained at Mr. Dunn's request that as you go around a curve, you super-elevate it. For passengers, you can super-elevate six or seven inches, but you can't just drop off as you come around the curve; you have to take the curve down off the spirals and reduce it until you get down to where you're completely tangent – your two tracks are of equal height. With high-speed trains, he said, you have the issue of passenger comfort, but you also have to make sure that the train doesn't oscillate or jerk as it comes down. The spiral lengths control speed, not curves, he said. The shorter the spiral, the shorter the train has to go.

Mr. Dunn noted that spiral lengths are a very critical problem when trying to build high-speed rail in a highway right of way. They are, he noted, very incompatible. Mr. Dunn asked that Mr. Quandel help the members understand what the incompatibilities are. Mr. Quandel agreed. Further, he noted, alignment really drives the technology selection. Additionally, he noted for example, one technology may be efficient on the Tampa to Orlando alignment, but it may not be the most efficient technology for the Miami to St. Petersburg leg.

Ms. Eddins asked whether speed reductions, based on the alignment, using the same technology can also work. Mr. Quandel responded that intuitively, spirals lengths ought to be able to be reduced. Mr. Dunn stated that super-elevation is the amount of tilt on the track, and tangent is straight track, as opposed to curved track. Ms. Eddins noted that the reason for her question is that Amtrak uses the same technology, the same train set that goes very different speeds. Mr. Quandel responded that spiral lengths should be able to be reduced by the tilting mechanism. The spiral, he said, will be determined by the technology selection, and that will require flexibility on the part of the PD&E consultant.

Mr. Quandel also commented on various anticipated report contents.

Celia Pew provided comments updating the members on operational analysis and ridership. She described work accomplished to date, primarily focusing on data collection, and work anticipated in the near future, as well as a look at the constitutional amendment in an effort to decide what it really means for this particular project. Mr. Dunn advised that in looking for answers, she should look only to the High Speed Rail Act because some of the answers are answers that only the Legislature can give. He suggested that she should not be trying to anticipate what the Legislature will do. Mr. Dockery pointed out with regard to speeds that the constitutional amendment says "capable of speeds of 120 mph or greater." Ms. Pew reported seeing the primary goal for her group's work as having sufficient information for advising the Authority as to whether or not high-speed rail in this particular corridor is really a viable idea. An essential part of the goals, she said, will be a careful review of the other consultants' work.

Chairman Dudley noted his thought that fewer trains would be needed with faster speeds. Ms. Pew advised that is not the case due to the expense. The point is that the project is supposed to pay for itself. The per mile cost at the highest speeds is astronomical, she said, so you'd have to have many more passengers and many more trips to make the project viable. Mr. Dunn asked why is it that train frequency isn't driven by ridership? One of the basic differences when trying to estimate demand, she said, is what are peoples' attitudes toward time and money. The business traveler is interested in time and convenience and doesn't really care how much it costs except as a secondary concern. If you're a student or a tourist, for example, and it takes a little longer to get there, you don't care as long as it's cheap. Mr. Dunn disagreed. Chairman Dudley stated his thought that Ms. Pew is saying you have to have more trips, assuming you've got a pretty high occupancy rate, to pay for a given technology. Finally, Mr. Share noted that the budget planning spreadsheet is unchanged from the last meeting.

Ms. Eddins noted, with respect to overhead bridges and making clearance improvements, that the order of magnitude can be gigantic, ranging from the ability to undercut, jack, or completely replace. What level of analysis, she asked, is being done so that the Authority can report a meaningful number back to the Legislature? Mr. Quandel reported that a range of technologies will be given and a minimum needed clearance. But, Ms. Eddins noted, the solutions can be one dollar or ten million. Mr. Quandel noted that his report will define the geometric envelope, assisted by Parsons. Ms. Eddins noted that sometimes you can't undercut or raise the bridge but must replace the whole structure. She noted her experience with estimates on projects that end up being deficient by a multiple of ten. Mr. Quandel acknowledged that this is one issue presenting a challenge being worked on by his group.

Ms. Eddins also pointed out that the existing ridership numbers are inconsistent, and Ms. Pew agreed. Ms. Eddins noted that she didn't see pricing discussed during the presentation. Ms. Pew acknowledged she did not discuss fare issues but reported it is part of her work.

Public Comment:

Mr. David Goodstein stated that the reason for failure of high-speed rail development in '98-'99 was a question of risk. It seemed to him that ridership would not pay for it and all of the risk would fall on the State of Florida. There was some question as to what exactly that amount would be for the reasons highlighted by Ms. Eddins relating to cost estimates. That the state might have to absorb this unknown risk was the primary reason for failure and was the primary concern of the people in southern Palm Beach County. Mr. Goodstein advised that the Governor said to the West Boca Community Council that he wants a sharing of the risk. He also reported resolutions of three organizations (West Boca Community Council, Alliance for Delray,

and Cobra – West Boynton Beach) asking that after the Authority's report, the Governor and Legislature will ask to go back to the people and let the people vote again in November 2002 to see whether this is the kind of way they want to spend their money. If this is transit for the masses, intended to take traffic off the highways and reduce congestion, he said, the people will vote for it. He thanked the Authority for the opportunity and advised he would attend the next meeting. Chairman Dudley advised the meeting has been changed from October 18 to October 24 in Orlando at the Convention Center.

Mr. Wilfred Sergeant advised that Mr. Quandel's statements left him thinking that it is almost essential that the train have tilting bodies to accomplish balance. Without tilting, he said, you have unbalance on the curves. Chairman Dudley agreed that tilting is important. Mr. Sergeant asked whether Mr. Quandel felt that going to seven-inch super-elevation essentially requires tilting bodies. Secondly, Mr. Sergeant noted that financing really comes from the development it encourages; in this case, he said, it encourages land development, which increases the ad valorem revenue. It also increases business levels, he said, which increases the income from business taxes. Also, he said, it increases the population so that there's an increase in sales taxes. He opined that the project pays for itself through all the side benefits that come from it.

Mr. Neal Cosentino (sp?), President of Bayworld Public Trust, urged the Authority not to use the Olympics as a vehicle for obtaining high-speed rail. He cautioned that a fair and accurate assessment of a high-speed rail project in Florida depends largely on the national government defining what the entire system will be. He stated that his group is not against high-speed rail but noted that Governor Chiles "saw the elephant" when he discontinued the project. He opined that the members will similarly "see the elephant" when they see the cost estimates. He opined that the cost is simply too high for speeds above 120 mph. Lastly, Mr. Cosentino expressed his view that a system absorbing a great deal of money while serving little of the public need is not the way to go. Chairman Dudley agreed, citing this as one reason why the members have attempted to stay away from making certain decisions, such as technology selection.

Mr. Lew Oliver, representing American MagLev, urged that the members continue to hold the point of view that they will not pre-judge the technology. He noted that American MagLev was ranked highest at the time of Senator Hargrett's participation on the Citizens Advisory Committee and noted that Senator Hargrett had accurately identified the fatal flaw that stopped the project going forward at that time. The fatal flaw, he said, was that his team could not guarantee the technology, its price, or its performance. At this time, Mr. Oliver stated, his company can answer yes: Yes, you can ride a test track and, yes, American MagLev will guarantee its price and performance. He advised that American MagLev will build the first segment at its own risk and expense and asserted the ability to demonstrate that the cost is about one-third. Mr. Mansour state, for the record, that his questions were not intended to be viewed as a promotion of any one technology over any other.

Mr. John Pooheck (sp?) from Orlando stated that the events of September 11 tell him that a long-term view is needed. He opined that we need to get away from oil dependence. In evaluating technologies and other recommendations, he suggested a focus on energy usage. He recommended consideration of those technologies that use less, rather than more, energy. He also suggested keeping an eye on environmental impacts, citing Atlanta's inability to get federal funding for roads due to air pollution, and urged consideration of technologies that reduce air pollution. Chairman Dudley asked for his recommendation on technology if, for example, the primary concern is oil; would he choose electricity? Mr. Pooheck responded that fossil fuel is definitely oil. He would not pick fossil fuel. He explained that he's not an engineer but has been told that mag-lev is the most energy efficient. Chairman Dudley asked whether

that's because it uses no fossil fuel at all, and Mr. Pooheck responded that he doesn't know that. He does believe that it uses the least amount of energy, according to the Fox reports. Chairman Dudley noted that the issues raised by Mr. Pooheck could be incorporated into the Authority's environmental standards; for example, minimize air pollution, ground water pollution, or minimize the use of fossil fuel. Mr. Pooheck agreed. He also agreed that this would be entirely different than picking a particular technology.

General Consultant and staff analysis of PD&E proposal: Mr. Haddad reported that, since the last meeting, both he and the general consultant have met with Parsons Transportation Group. Because the full scope of the PD&E work could not be established until the PD&E consultant had the opportunity to go back and review all of the research and data already prepared on high-speed rail, the general consultant, the PD&E consultant and he agreed to present to the Authority a proposed contract on a task order basis. The first phase would be for Parsons to go out and review all of the previously prepared work.

Mr. Bill Nevel of Parsons advised Chairman Dudley that he understood correctly Parsons' desire, rather than to build on materials not reviewed or generated, to first review the previously prepared material. Chairman Dudley asked what Parsons would do if after the review the belief is that the materials are not appropriate, not accurate, or whatever. Mr. Nevel advised that Parsons would bring it to the Authority's attention.

Chairman Dudley asked Mr. Cole whether the fees are established, and Mr. Cole replied affirmatively, recommending actual salaries with multipliers defined in the contract; but with the proviso that at each task assignment, the quantity of the work would be negotiated and, in addition, that extra vigilance would be applied to ensuring that the appropriate level of people would be involved. Chairman Dudley asked whether all of the costs for each of the individuals are within the range of what DOT would normally pay for those services on an individual basis, and Mr. Cole replied that they have people both within and without the range. It varies with the task and the level of expertise needed, he noted. Chairman Dudley asked Mr. Cole whether he's satisfied that the Authority is prepared with the information available to conclude negotiations by signing a contract that designates Parsons as the PD&E consultant? Mr. Cole advised that he is satisfied and has a comfortable feeling for the maximum amount that should be established for Task Order #1, which is \$111,237.00 for review of the previously generated materials.

Mr. Dunn asked Mr. Cole to identify the cost multipliers for the PD&E contract, and Mr. Cole advised that the overheads were very reasonable. He recommended a 14% operating margin for the prime consultant, and 12% for the subs, both of which are identical to those found in the general consultant contract. Mr. Dockery moved authorizing Chairman Dudley to sign the contract designating Parsons Transportation Group as the Authority's PD&E consultant, and Ms. Eddins seconded the motion, which carried unanimously.

In addition, Mr. Dunn moved authorizing the Chairman to enter into a contract with Parsons for Task Order #1, covering review of prior records and documents of previous studies (limited to the material provided by DOT), for \$111,237.00. Mr. Dockery seconded the motion.

Mr. Dunn noted that Task 1 will get Parsons up to speed. He asked what's next, and when? Mr. Share advised that it was the General Consultants recommendation to undertake this extra step. He reported that Parsons came in with a scope for the whole PD&E process; yet, in discussion, it became apparent that Parsons hasn't had the opportunity to review all the extensive materials done in the past. Mr. Share recommended giving this review opportunity so that Parsons can not only report their evaluation of the materials but also provide a scope for

the remainder of the project that reflects the material that's been done before. He advised that Parsons was also asked for a work plan that describes how to get from the beginning of this next phase all the way through the completion of the PD&E work that will help everyone monitor progress. Parsons will do that, he said, as part of the deliverable for Work Order #1, which will include the materials evaluation, a work plan, a fee proposal for the remainder of the project, an outline of the public involvement plan, and some aerial photography.

Mr. Dunn asked whether, given the 18 boxes of material, the consultant can be ready by the next meeting? Mr. Nevel noted that the plan is to have a scope by October 9. Mr. Newman advised a technical memorandum will identify what's in the boxes and its usability, so that the general consultant and Mr. Haddad can use the information to base the effort that will be detailed in the full PD&E scope. That, he said, would be turned over to HNTB on October 9. Mr. Newman advised Mr. Dunn that the Authority will be able to look at a Task 2 proposal at the next meeting and decide on continuing services.

There being no further questions or discussions on the pending motion to approve the Task Order #1 contract at a price of \$111, 237.00, the motion carried unanimously.

Mr. Nevel advised the Authority that Congressman Young's proposal for \$71 billion is a monumental first step. He noted the importance, physically if possible, of providing testimony at upcoming hearings. Chairman Dudley noted he wouldn't mind someone providing testimony that says the Authority is generally supportive of the idea of greater funding for states to decide, for themselves, to what extent they want to have a high-speed rail system. He expressed his reluctance to express particular support of the bill without further knowledge of the details. Ms. Eddins noted her desire to make it clear that this is a debt bill; there is no federal grant in the bill at all. Mr. Nevel advised that the bill may be a combination of both bills, and this may be the kind of position the Authority would want to take in its oral or written testimony. Ms. Eddins noted her agreement.

Chairman Dudley suggested that Mr. Haddad draft a letter for his signature stating the Authority's preference that the money be provided in the form of a grant, as opposed to a debt, in light of the fact that Florida is a "donor state."

Mr. Fowler reported his occasion to be in Geneva and meet with the TGV people. He reported his experience as a passenger on the TGV and recommended the experience to the other members. Mr. Fowler stated that the experience made a believer out of him. Chairman Dudley suggested the possibility of a multi-country tour after the next Legislative session.

Chairman Dudley also referenced correspondence from Congressman Mica, who was invited to attend the meeting but was unable to do so due to the events of September 11. The Chairman expressed his desire to re-extend the invitation to Congressman Mica. Chairman Dudley also noted the possibility of Senator Graham addressing the Authority in Miami, perhaps in January.

Mr. Dunn suggested choosing a given day beginning in February, perhaps the second Tuesday of every month, for regular meetings and pointed out that at some meetings, having every member present is impossible. Chairman Dudley directed Mr. Haddad to poll the members for dates when all members can be available.

Chairman Dudley also requested that DOT's Aviation Office provide a report on how airports are funded so as to arrive at an understanding of the public subsidy issue. Mr. Dockery suggested it would be appropriate to include seaport information. Mr. Haddad offered to supply the DOT's

Primer, a document that breaks down DOT funding and its specific uses. Mr. Eddins opined that a look at how other communities have funded intercity rail systems is in order. Mr. Mansour suggested working with Bill Ham of the Florida Transportation Commission for similar information.

Chairman Dudley closed by thanking the hosts of the Authority's meeting.

Adjournment: The meeting was adjourned at 4:49 p.m.