

**California State Transportation Agency
Secretary Brian Kelly
High-Speed Rail Authority Board Meeting
Tuesday, September 10, 2013 10:00 a.m.
Sacramento, California
Remarks As Delivered**

Thank you Mr. Chairman and good morning Members of the Board. I appreciate the opportunity to be here this morning. I thought I would take a few minutes to address the Board to update you and the public on recent changes in the governance of the transportation system, which affects my agency and me personally.

I wanted to spend a few minutes on the goals and objectives of the new Agency and the very important part that this project plays in meeting those goals and objectives. During the confirmation process in the State Senate I was asked to describe in a word the goals for transportation policy in California and the word I chose was “modernize.”

There are many parts of our system that need modernization. This includes the statutes that govern our transportation policy, the governance itself of our transportation policy, funding of our transportation policy and—very relevant to what you do—how we invest in our transportation infrastructure in California.

The new State Transportation Agency itself was created effective July 1st under the Governor’s Reorganization Plan 2 last year. Before that we were known as the Business, Transportation and Housing Agency. In that construct we had 12 departments ranging from transportation-related departments to housing to business oversight to corporations to financial institutions and we even served on the invasive species council. We were a very

broad agency and I think some criticism of that was that the Agency lacked focus. That is the case no more.

The State Transportation Agency as of July 1st has seven departments boards and commissions in its jurisdiction including: High-Speed Rail Authority, California Transportation Commission, California Department of Transportation, California Highway Patrol, Department of Motor Vehicles, Office of Traffic Safety, New Motor Vehicle Board and Board of Pilot Commissioners.

Under the new Agency we described our goals as helping guide state transportation policy through its current stage of transition to a place where the state is well-positioned to meet not just mobility and safety objectives but also our sustainability objectives. I really think this is a new call and a new duty of transportation policy in California. For years and years we built a transportation system focused heavily on mobility and safety but increasingly with the passage of laws like AB 32 and AB 375 we also have to meet important sustainability objectives. I think the high speed rail project is an important part of that.

We're also working to stabilize the state's transportation funding system and reform transportation departments to place a greater emphasis on customer service and stewardship of taxpayer dollars. In that vein we started an external review of the California Department of Transportation to update and improve the functionality of that department.

We are partnering with our regional agencies to implement programs designed to improve air quality and curb greenhouse gas emissions. And a key objective in that plan is to integrate the high-speed rail project into the state's existing transportation system, including connectivity to and modernization of regional and urban rail providers.

I just want to make a comment on that and how important I think this project is for modernizing our system. Today in California and for the past 30 years, public transportation ridership has been fairly flat. Year-over-year you see ridership improvements of about one percent. We need a game changer to move people more efficiently and to move people in a way to meet the air quality objectives we have. And really that is where this project is so important.

We have rather sophisticated commuter rail and bus systems in the urban centers in California in both the northern and southern parts of the states. But what is missing is an efficient, fast and clean interregional system to connect those two regions. And that is the promise of this project: to offer a viable alternative for travel between those areas in a way that is fast and clean and meets sustainability and mobility objectives.

I do want to commend you Mr. Chairman and the Board for the direction you have taken this project toward a more cooperative view as you work with local government and federal partners. There has been no shortage of momentum that the Authority has achieved through your leadership.

The Authority has strengthened its organization by bringing in talented new employees and working with other state departments and agencies. The Authority completed contract selection for the first construction segment, with a winning bid that saved taxpayers hundreds of millions of dollars. The Authority has resolved challenges to the project including reaching an agreement with Central Valley agricultural interests to preserve agricultural land and mitigate environmental impacts from the project. The Authority executed its first construction contract with the joint venture of Tutor Perini, Parsons and Zachary for construction from Madera to Fresno.

Even former critics like the State Auditor and the Independent Peer Review Group have commented favorably on the progress of this project. Most recently, the federal GAO found the revised ridership and cost methodologies to be reasonable and sound. That's important momentum for a very important project.

I appreciate the opportunity to be here today and comment on how important this project is for the objectives we're trying to meet in transportation and I commend you for your leadership.