

BEFORE THE
SURFACE TRANSPORTATION BOARD

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Finance Docket No. 36025

TEXAS CENTRAL RAILROAD AND INFRASTRUCTURE, INC. & TEXAS CENTRAL
RAILROAD, LLC – AUTHORITY TO CONSTRUCT AND OPERATE – PETITION
FOR EXEMPTION FROM 49 U.S.C. § 10901 AND SUBTITLE IV – PASSENGER RAIL
LINE BETWEEN DALLAS, TX AND HOUSTON, TX

REPLY IN OPPOSITION
TO
PETITION FOR EXEMPTION

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Pursuant to 49 C.F.R. § 1104.13(a), Delta Troy Interests, Ltd. (“Delta Troy”) hereby replies in opposition to the Petition for Exemption (“Petition”) filed by Texas Central Railroad and Infrastructure, Inc. and Texas Central Railroad, LLC (collectively, “TCR”) on April 19, 2016.¹ In its Petition, TCR seeks approval to construct and operate an approximately 240-mile high-speed passenger rail line between Houston and Dallas, Texas (the “Project”). Although the Project is self-described by TCR to be “significant” and the “first of its kind,”² TCR seeks to avoid the formal application process typically applied to large, novel construction projects, requesting instead authorization to proceed under the Board’s abbreviated exemption procedures. As support for its Petition, TCR relies upon one self-serving affidavit provided by the CEO of one of TCR’s affiliates, Texas Central Partners, LLC.

The Surface Transportation Board (“STB” or “Board”) should dismiss the Petition because it lacks jurisdiction over the Project. The proposed rail line would be purely intrastate in

¹ The due date for responsive pleadings was extended to May 31, 2016 in a decision served by the Board on May 5, 2016.

² Petition at 16.

scope, it would not be “part of” the interstate rail network, and its design and operations would not “tie” it to interstate commerce.

Dismissal of the Petition is also required to the extent that the true proponent of the Project has not sought authorization from the Board. Publicly available information suggests that Texas Central Partners, an entity that did not join in the Petition, will be responsible for the construction and operation of the Project.

Even if the Board determines that the Petition is properly before it, the Board should deny the requested exemption and, instead, require TCR to submit a full application for construction authority under 49 U.S.C. § 10901. TCR has failed to disclose information as to the most basic elements of the Project necessary for both this Board and impacted stakeholders to be able to undertake a meaningful evaluation of this multi-billion dollar “first of its kind” rail line. The lack of transparency regarding critical Project information, such as the feasibility of the rail line alignment and design, financing, ridership estimates, and the construction schedule, warrant the filing of a more detailed construction application. TCR’s skeletal portrayal of the Project, combined with the potential for far-reaching adverse impacts, mandates denial of the Petition and use of the Board’s application procedure to facilitate a proper analysis of whether the Project satisfies the National Transportation Policy under 49 U.S.C. § 10101 and the public interest under 49 U.S.C. § 10901.

Finally, to the extent the Board considers the merits of TCR’s exemption request, the Petition should be denied. All available information indicates that the Project is based on vague financing, unsubstantiated ridership estimates, has a flawed design and is not in the public interest. The exemption standards in 49 U.S.C. § 10502(a) have not been met.

I. IDENTITY AND INTEREST OF DELTA TROY

Delta Troy is a family limited partnership that owns and manages real estate and other investments.³ Delta Troy owns approximately 990 acres of land northwest of Houston that would be bisected and severely impacted by the current variants of the so-called Utility Corridor under consideration for the Project alignment.⁴ Papandreou V.S. ¶¶ 4, 6.

With respect to Delta Troy's property, TCR's assertion that the proposed rail line will be part of a "Utility Corridor" is misleading. The electric transmission line forming the basis of the Utility Corridor as described in the Alignment Alternatives Analysis Report issued by the Federal Railroad Administration ("FRA") does not extend over Delta Troy's property and is actually 4.5 miles east of the property. Papandreou V.S. ¶ 7. The only "utility" running through Delta Troy's land is a single, underground pipeline 30-inches in diameter that is used to transport natural gas and does not meaningfully impact Delta Troy's current or future use of its property. Papandreou V.S. ¶ 8. This is unlike the overhead electric transmission lines that make up the vast majority of the Utility Corridor.⁵

For a number of years Delta Troy has been proceeding with plans to develop its property. Papandreou V.S. ¶ 5. However, Delta Troy's ability to do so and to otherwise engage in all the normal rights of land ownership would be severely and adversely impacted by construction and operation of TCR's proposed high-speed rail line. Papandreou V.S. ¶¶ 5, 8-9. Even if the TCR right-of-way were only a few hundred feet wide, the right-of-way and rail line would bisect Delta

³ See the Verified Statement of Christina Papadopoulos Papandreou ("Papandreou V.S.") at ¶ 1 (attached as Exhibit 1).

⁴ Petition at 3.

⁵ Dallas to Houston High-Speed Rail Project, Alignment Alternatives Analysis Report, Federal Railroad Administration, p. 3 (Nov. 6, 2015).

Troy's property, preventing developments that require contiguous (uninterrupted) property, and otherwise hindering Delta Troy's ability to use, develop, and sell its land. Papandreou V.S. ¶ 8.

Delta Troy is extremely concerned about the proposed rail line, but its ability to thoroughly evaluate the Project has been hindered by the lack of detailed information and data that would corroborate the benefits alleged in the Petition. Papandreou V.S. ¶¶ 8-9. Although Delta Troy has requested documents from TCR in an effort to obtain more detailed information regarding the Project, TCR has refused to provide the requested information. Papandreou V.S. ¶ 8. Because TCR has not been forthcoming either in response to Delta Troy's request or in its filings with the Board, Delta Troy is not able to fully understand or meaningfully comment on important aspects of the Project or its impacts. Papandreou V.S. ¶ 8. Delta Troy thus requests that the Board require TCR to provide more detailed information about key aspects of the Project, such as ridership projections, cost estimates, funding sources, and economic viability. Papandreou V.S. ¶ 9.

II. THE PETITION MUST BE DISMISSED BECAUSE THE BOARD LACKS JURISDICTION OVER THE PROPOSED CONSTRUCTION OF A PURELY INTRASTATE RAIL LINE THAT WILL NOT BE A PART OF THE INTERSTATE RAIL NETWORK

As Delta Troy has already established in its Reply to TCR's Petition for Clarification,⁶ the Board should dismiss the Petition for lack of jurisdiction because the Project would involve the construction and operation of a wholly intrastate passenger rail line that neither connects with existing rail lines nor utilizes any existing passenger rail stations. When rail transportation occurs solely between two locations in the same state, the Board only has jurisdiction if such intrastate transportation is "part of the interstate rail network."⁷ Whether the Project's intrastate

⁶ See Delta Troy Reply in Opposition to Petition for Clarification submitted in this docket on May 19, 2016.

⁷ See 49 U.S.C. § 10501(a)(2).

rail line to be constructed between Dallas and Houston, Texas is part of the interstate rail network requires a fact specific inquiry.⁸ As shown herein, TCR's attempt to connect its Project with the interstate rail network is a marked failure.

A. The Project's Design and Proposed Operations are Unattached to the Interstate Rail Network

The lack of Board jurisdiction is evident from a review of the Project's ongoing environmental analysis and documents issued by the FRA. In the FRA's Report analyzing the alternative rail alignments, TCR's Project is described as a "fully sealed corridor with grade-separated crossings" and a "dedicated right-of-way."⁹ The FRA Report also states that the Project involves a "closed system" running on "dedicated high-speed rail tracks for passenger rail service only."¹⁰ The new rail line would not "travel on existing or planned freight lines or share tracks with other passenger services, such as Amtrak."¹¹ In short, this would be an insular line that "is not interconnected with any other railroad systems" and has no "connections to [the] existing railroad network."¹²

The "closed" intrastate line proposed by TCR is plainly not part of the interstate rail network. Just a few years ago, the Board made clear that the statutory language "as part of the interstate rail network" requires intrastate rail transportation to "be tied to interstate commerce"

⁸ All Aboard Florida – Operations LLC and All Aboard Florida – Stations – Construction and Operation Exemption – In Miami, Fla. and Orlando, Fla., STB Docket No. 35680, slip op. at 3 (served Dec. 21, 2012). ("All Aboard Florida").

⁹ Dallas to Houston High-Speed Rail Project, Alignment Alternatives Analysis Report, Federal Railroad Administration, p. 1 (Nov. 6, 2015).

¹⁰ Id.

¹¹ Id.

¹² Id. at 7 and 19.

before Board jurisdiction attaches.¹³ Given the characteristics of the TCR system, no conceivable “tying” with interstate commerce will occur.

A comparison of the TCR proposal to the two most recent intrastate rail passenger systems evaluated by the Board reveals that the Project is undeniably outside of the Board’s jurisdiction. Below is a chart that compares the characteristics of TCR’s proposed line and the California High Speed Rail (“CHSR”) and All Aboard Florida projects recently evaluated by the Board. Of the three systems, TCR’s proposal is by far the most separate and detached; it is clearly not part of the interstate rail network.

Project Characteristics	CHSR (FD 35724)	All Aboard Florida (FD 35680)	TCR (FD 36025)
Blended operations with existing Amtrak service	yes	no	no
Shares tracks or rail right-of-way with an STB-authorized carrier	no	yes	no
Tracks physically connect to other railroads	yes	yes	no
Uses existing Amtrak stations	yes	no	no
One station at a major commercial airport	no ¹⁴	yes ¹⁵	no
Type of funding	public	mix ¹⁶	private
Dispatching and maintenance by separate STB-authorized carrier	no	yes	no ¹⁷
Within STB jurisdiction	yes	no	TBD

¹³ DesertXpress Enterprises, LLC – Petition for Declaratory Order, STB Docket No. 34914, slip op. at 10 (served May 7, 2010).

¹⁴ The two CHSR segments approved by the Board do not include airport stations, but an airport station (Burbank) is planned for at least one future segment.

¹⁵ See <http://www.allaboardflorida.com/stations/orlando> (the Orlando Station “will be located in Orlando International Airport’s South Inter-modal Center”).

¹⁶ AAF has applied for a \$1.6 billion loan from the FRA. See page 3 of presentation at <https://www.fra.dot.gov/eLib/details/L16033>. See also All Aboard Florida, slip op. at 3 (served Dec. 21, 2012). Additionally, AAF has benefited from \$213.5 million in state money that supported development of an Automated People Mover at the Orlando Airport. See <http://www.walterpmoore.com/projects/south-terminal-automated-people-mover>.

¹⁷ There is no specific discussion of dispatching in the Petition for Exemption, but it seems highly unlikely that TCR would permit another entity to dispatch its Shinkansen N700 technology trains on the “dedicated, grade separated, [and] secure” TCR rail line. Petition at 6.

As the above chart illustrates, the Project’s connection to the interstate rail network is even more tenuous than the system in All Aboard Florida (“AAF”) – where the Board found it did not have jurisdiction.¹⁸ In AAF, 200 of the 230 miles of the new passenger rail line would be constructed within an existing rail right-of-way owned by the Florida East Coast Railway (“FECR”) and would physically cross and connect with adjacent tracks in the FECR freight corridor that are used in interstate commerce, yet the Board declined to assert its jurisdiction. In that decision, the Board stated that “[i]t is undisputed that the proposed Line is to be used solely as an intrastate passenger service,” since “AAF would transport passengers between stations on the Line within the state of Florida, with passengers boarding and disembarking at four local stations for unspecified local travel purposes.”¹⁹ Even more instructive, the Board stated: “AAF’s plan to use tracks owned and operated by FECR is not sufficient to bring the proposed Line under our jurisdiction.”²⁰ TCR’s construction proposal similarly provides for the local transport of passengers between the two intrastate points of Dallas and Houston, Texas, with only one intermediate stop.²¹ But the Project is even **less** tied to interstate commerce than the AAF line, since it lacks any physical connections to existing tracks used in interstate operations and the tracks will not be owned and operated by an existing interstate freight rail carrier. If the system considered in AAF is outside Board jurisdiction, then the Project must be as well.

The comparison with AAF is informative for another reason. One of the four AAF stations will be located at a new Intermodal Transportation Center adjacent to the Orlando International Airport, thereby enabling easy access to AAF for interstate and international

¹⁸ All Aboard Florida, slip op. at 4.

¹⁹ All Aboard Florida, slip op. at 4.

²⁰ Id.

²¹ Petition at 2.

travelers.²² AAF has overtly marketed this interconnection in promoting its public benefits: “the Orlando station’s proximity to Orlando International Airport provides access to the world.”²³ Yet, this actual connection to interstate commerce in AAF was insufficient to trigger Board jurisdiction.²⁴ Here, the final alignment for TCR’s rail line is not even known and the rail stations are not proposed to physically connect to existing rail infrastructure. In an attempt to overcome this obvious disconnection to the interstate rail network, TCR asserts that passengers might walk or take buses to reach Amtrak Stations in Dallas and Houston.²⁵ However, the proposed station location in Houston is likely to be miles away from the existing Amtrak stations, making a “walking connection” completely impractical. Indeed, the Houston station currently under consideration would be in the northwestern part of the city, approximately *seven miles* away from the Houston Amtrak Station.²⁶ A shuttle bus service is also problematic and far too tenuous to tie the Project to the interstate rail network, since it would open up a Pandora’s box and potentially lead to endless scenarios that could trigger Board jurisdiction. Where would the Board draw the line on a shuttle service—10, 20, 50 or 100 miles? Such nebulous attachments to interstate commerce certainly are inadequate for the Board to extend its jurisdiction over the Project.

The comparison to AAF is even more instructive when one considers that the combined 2015 passenger traffic at the Dallas and Houston Amtrak stations was an infinitesimal fraction (0.166%) of the traffic at the Orlando International Airport for the same year.²⁷ If there is no

²² The Intermodal Center will be connected by a short Automated People Mover to the airport.

²³ See <http://www.allaboardflorida.com/stations/fort-lauderdale>.

²⁴ See All Aboard Florida, slip op. at 3.

²⁵ Petition at 17-18.

²⁶ See <http://www.texascentral.com/facts/> (answer to question “Where will the stations be?”).

²⁷ See Exhibit 2 and <https://www.orlandoairports.net/press/2016/02/12/record-breaking-38-8-million-passengers-at-orlando-international-airport-in-2015/>. $64,476 \div 38,809,337 = 0.0016613$.

“tie” to interstate commerce from having a rail station at an airport with tens of millions of travelers annually, then there is certainly no tie arising from a hope that rail passengers will walk or take buses to or from separate Amtrak stations with substantially fewer travelers per year.

B. TCR’s Arguments in Support of Board Jurisdiction Over the Project Have No Merit

TCR relies on five separate arguments to support its claim that the Board has jurisdiction over the Project, but these arguments are like wisps of fog on a summer morning – they evaporate under the heat of close examination.

First, TCR contends that its proposed rail line is a project of “national...significance.” This is nothing more than an unsupported, conclusory statement. According to TCR, the U.S. Department of Transportation (“DOT”) has allegedly identified Dallas-Houston as a “priority corridor” for high-speed passenger rail,²⁸ but this is plainly not true. The referenced DOT document, the Preliminary National Rail Plan from October 2009, does not show Dallas-Houston as a priority corridor or, indeed, any sort of corridor.²⁹ In support of the “priority corridor” claim, TCR cites to a map on page 11 of the Preliminary National Rail Plan.³⁰ This map reveals three lines radiating from Austin – one east to Houston, one southwest to San Antonio, and one north to Fort Worth.³¹ No corridor is shown between Houston and Dallas, not even as a “vision not fully developed.” Evaluation of yet another DOT document – the Vision for High-Speed Rail in America – reveals a similar absence of the Dallas-Houston corridor.³²

²⁸ Petition at 15-16.

²⁹ See <https://www.fra.dot.gov/eLib/details/L02695>.

³⁰ See Petition at 16 (n. 43).

³¹ See <https://www.fra.dot.gov/eLib/details/L02695>.

³² See <https://www.fra.dot.gov/eLib/Details/L02833> at page 6 (fig. 6), showing “Designated High-Speed Rail Corridors” but omitting Dallas-Houston.

Second, TCR asserts that its Project “will significantly enhance the connectivity of the interstate passenger rail network.”³³ Again, this is not true. As explained above, the FRA has described the Project as involving a “closed system” that “is not interconnected with any other railroad systems.”³⁴ Unlike the California High Speed Rail proposal that was determined to be within the Board’s jurisdiction, TCR would not use the same stations as Amtrak. In fact, the proposed station location in the Houston area would be in the northwestern part of the city, approximately **seven miles** from the Houston Amtrak Station.³⁵ The proposed Dallas station would be approximately **one-half mile** from the Amtrak Station.³⁶ TCR speculates that shuttle service or pedestrian walkways “could” connect the TCR stations to the Amtrak stations.³⁷ As explained above, however, such tenuous connections to the interstate rail network fail to trigger the Board’s jurisdiction. Moreover, other concerns over the design of the line have been raised, including that TCR’s intended use of Japanese Shinkansen technology would result in a high-speed rail service that is incompatible with other train systems.³⁸ This is further evidence that TCR has failed to establish a true connection between its Project and the interstate rail network.

Third, TCR contends that stations sites “are being evaluated...for their connectivity with existing passenger rail services.”³⁹ A mere evaluation of and a desire for connectivity does not actually result in Board jurisdiction. The simple fact is that TCR has yet to select the final station locations. Without a clear indication as to those locations, the alleged connectivity is based on nothing but conjecture.

³³ Petition at 16.

³⁴ Dallas to Houston High-Speed Rail Project, Alignment Alternatives Analysis Report, Federal Railroad Administration, p. 1 and 7 (Nov. 6, 2015).

³⁵ See <http://www.texascentral.com/facts/> (answer to question “Where will the stations be?”).

³⁶ See Petition for Exemption at 19, Figure 2.

³⁷ Petition at 17-18.

³⁸ <https://www.texastribune.org/2015/11/11/chinese-french-join-japan-texas-rail-hunt/>.

³⁹ Petition at 18.

Fourth, TCR pins its hopes on “potential” connections to possible future passenger rail systems that may or may not one day be developed in Texas by unspecified third parties.⁴⁰ If such theoretical future circumstances can create Board jurisdiction, then virtually nothing is outside the Board’s purview.

Fifth, TCR cites to the general willingness of its affiliate’s CEO to meet the needs of interstate rail passengers.⁴¹ However, such an ambiguous statement is woefully inadequate to establish the Board’s jurisdiction over the Project. Indeed, TCR’s own explanation demonstrates just how vague and premature the Petition is: “It is too early in the project to define the precise nature and scope of such potential arrangements—indeed it will be years before the Texas Central Line becomes operational.”⁴² TCR’s attempt to distinguish the CHSR and AAF projects on this point likewise falls flat (Petition at 20), since the mere willingness of TCR to consider potential cooperative interstate arrangements at some point in the future provides no basis for concluding that its proposed rail line is anything other than a purely intrastate project today.

TCR’s Petition should be dismissed based on a lack of STB jurisdiction over the Project.

III. THE PETITION SHOULD BE DISMISSED TO THE EXTENT THAT THE TRUE PROJECT PROPONENT HAS NOT SOUGHT AUTHORIZATION

Public documents reveal that an entity known as Texas Central Partners (“TCP”) “will be responsible for the high-speed rail system’s...construction [and] operation”⁴³ and “will be the ultimate builder and operator of the Project.”⁴⁴ Significantly, TCP is **not** one of the “Petitioners” described in the Petition.

⁴⁰ Id. at 19-20.

⁴¹ Id. at 20.

⁴² Id.

⁴³ See Exhibit 3.

⁴⁴ See Exhibit 4.

It is axiomatic that an entity cannot construct a jurisdictional rail line, or operate over such a line, without Board authorization.⁴⁵ The Board must dismiss the Petition for failure to include the proper parties to the extent that TCP is the actual entity that would be responsible for the construction and operation of the rail line. The fact that TCP may be an “affiliate” of TCR does not excuse this failure to disclose the true proponent of the Project.⁴⁶

IV. THE BOARD SHOULD DENY THE PETITION FOR EXEMPTION AND REQUIRE TCR TO SUBMIT A CONSTRUCTION APPLICATION TO ALLOW FOR A COMPLETE ANALYSIS OF THE PROJECT

A. Key information about the Project remains unknown

TCR seeks approval to construct and operate a “significant” and “first of its kind” 240-mile high-speed passenger rail line within the state of Texas under the Board’s streamlined exemption procedures. The Project would impact numerous landowners⁴⁷ and is projected to cost over \$10 billion. TCR claims this astronomical cost will be financed solely by private funds but has failed to disclose the source of those funds.⁴⁸ Substantial opposition to the Project has been asserted by government officials, Delta Troy, and many other stakeholders who believe the Project would actually result in adverse impacts in the state of Texas rather than the public benefits claimed by TCR.⁴⁹

Use of the abbreviated exemption process is wholly improper for a controversial proposal of this magnitude. Further, TCR has failed to provide sufficient information and data supporting

⁴⁵ See 49 U.S.C. § 10901.

⁴⁶ See, e.g., Railroad Cost of Capital – 2015, STB Ex Parte No. 558 (Sub-No. 19) (served Mar. 10, 2016) (correcting earlier decision which erroneously identified “CSX Corporation” as a Class I carrier; the actual carrier is “CSX Transportation, Inc.”).

⁴⁷ See Reply to Petition for Clarification filed by Texans Against High Speed Rail, Inc. (May 19, 2016) at 15 (referencing 1500 landowner statements filed in opposition to the Project).

⁴⁸ Petition at 4.

⁴⁹ Indeed, a new organization has been created for the express purpose of opposing the Project. See Texans Against High Speed Rail, Inc., www.texansagainsthsr.com.

the claimed public benefits or explaining the economic and operational feasibility of the Project. As a result, the Petition lacks the transparency necessary for the Board and interested stakeholders to fully evaluate the viability of the Project, as well as its impacts on the citizens and economy in Texas. The Interstate Commerce Commission (“ICC”) has previously rejected attempts to use the exemption process, and has required the submission of a detailed construction application, in situations substantially similar to TCR’s Project.⁵⁰ Thus, the Petition should be denied, and TCR should be required to file a detailed construction application under Section 10901.

1. *Too little is known about TCR and its investors*

If the proponent of a large, complex rail project is an unknown entity and if the financing is uncertain, agency precedent states that an application must be utilized.⁵¹ Recently, the Board explained why the ICC revoked a conditional exemption and required that a construction application be filed in the Ozark Mountain case: “**the project proponent was an entirely unknown entity that had provided no information on its investors or how it proposed to finance the construction of an estimated \$300 million rail line.**”⁵² Review of the Petition reveals the same uncertainties surrounding the Project.

TCR is an unknown private entity that was only recently formed in Texas.⁵³ TCR has no history of involvement in railroad construction projects or rail operations at the Board. The Petition lacks even basic information regarding the various TCR entities involved with the

⁵⁰ Ozark Mountain Railroad – Construction Exemption, Docket No. 32204, 1995 ICC Lexis 248 at *4-6 (served Sept. 25, 1995).

⁵¹ Id.

⁵² California High-Speed Rail Authority – Construction Exemption – In Fresno, Kings, Tulare, and Kern Counties, Cal., STB Docket No. 35724 (Sub-No. 1), slip op. at 12 (served Aug. 12, 2014) (“CHSR II”) (emphasis added).

⁵³ See Exhibit 5.

Project, let alone their qualifications and experience to construct and operate “the first true high-speed passenger rail service in the United States...that could transform how infrastructure projects of this kind are developed in the United States going forward.”⁵⁴ With regard to the financing of the Project, TCR baldly asserts that “[t]he total cost of civil construction and the core system is estimated to be over \$10 billion, which is being privately developed by Texas Central.”⁵⁵ However, neither TCR’s own financial solvency nor the investors who will supply over \$10 billion in project financing have been disclosed. The Board was appropriately concerned about the lack of information as to the proponents’ ability to finance the \$300 million rail line in Ozark Mountain. Given the astronomical and unsubstantiated \$10 billion price tag for TCR’s Project, the Petition presents even more red flags.

There are too many important questions as to the economic viability of the Project that remain unanswered. How will TCR finance the estimated (and likely underestimated) \$10 billion for the rail line construction? What is a realistic timetable for TCR to secure the financing? Who is behind the private equity cited in support of the Project?⁵⁶ Is the Project even feasible with 100% private financing?⁵⁷ The Petition fails to provide the information necessary to answer any of these questions. Thus, it completely fails to address the financial fitness standards normally assessed by the Board in rail construction cases: “In assessing the financial

⁵⁴ Petition, Keith VS ¶ 13.

⁵⁵ Petition at 4.

⁵⁶ Id. at 16.

⁵⁷ Two and a half years ago, the Texas Department of Transportation estimated that the upfront capital cost for a Dallas-Houston high-speed rail line was \$18.3 billion. See page 71 of the Statewide Ridership Analysis Report (December 2013) at <https://ftp.dot.state.tx.us/pub/txdot-info/rail/rail-ridership-report-1213.pdf>.

viability of the proposal to construct and operate a new rail line, we consider both the resources that would be required to build the line and those needed to then maintain and operate the line.”⁵⁸

The feasibility of the Project is uncertain at best given the recent history of passenger high-speed rail projects in the United States. For example, after California voters approved a bond initiative to fund part of a proposed \$33 billion high-speed rail project, the state has scrambled for additional federal and state money for its project as costs are now projected at “upwards of \$80 billion.”⁵⁹ Also, government officials in Florida and Wisconsin previously terminated proposed high-speed rail projects due to the need for state funding (even though such terminations meant turning down billions of dollars in federal grant money for the projects).⁶⁰ When the financial feasibility of a large, complex, and costly passenger rail line has been called into question, the ICC has properly directed the proponent to provide the detailed financial information required under its construction application procedures, including “projected construction costs, pro forma profit and loss statements, and funding sources.”⁶¹ Given the many unanswered questions regarding the financing of the Project, the same action is appropriate here.

⁵⁸ Norfolk Southern Corp. and Norfolk Southern Ry.—Construction and Operation—Indiana County, PA, STB Docket No. 33928, slip op. at 6 (May 15, 2003) (“Norfolk Southern”). TCR relies on Norfolk Southern in its unauthorized Rebuttal Brief In Support of Its Petition for Clarification filed on May 27, 2016, to support its position that the Board should sanction its desire to initiate premature eminent domain proceedings in Texas with respect to the Project. TCR Rebuttal at 7-8. But, in Norfolk Southern, the STB never even mentioned the eminent domain issue. Ironically, Norfolk Southern also counsels against a grant of the Petition for Exemption since it clearly demonstrates the need to file an application for controversial construction projects and for a thorough evaluation of the financial fitness of the proponents of a new rail line. Norfolk Southern, slip op. at 5-6.

⁵⁹ “High-Speed Rail Is a Fast Train to Fiscal Ruin, in California and Elsewhere,” National Review Online, May 22, 2016: <http://www.nationalreview.com/article/435703/high-speed-rail-california-boondoggle>.

⁶⁰ See <http://articles.latimes.com/2011/apr/08/business/la-fi-0409-high-speed-rail-20110408>.

⁶¹ Ozark Mountain, 1994 ICC Lexis 16 at *6-7.

2. *The alleged public benefits to be derived from the Project are based on unsubstantiated and self-serving assertions*

TCR's assertions regarding the need for and benefits of the Project are entirely unsubstantiated. The Petition contains no independent and unbiased factual support regarding these matters, relying instead on a self-serving verified statement provided by Timothy Keith, the CEO of one of TCR's affiliates, Texas Central Partners, LLC ("Keith VS"). The Board should not allow TCR to by-pass submission of a construction application given its meager evidentiary showing in support of the exemption.

The Petition cites the Keith VS as support for the assertions that TCR's service "will attract approximately four million riders annually by the year 2025"⁶² and that 20% of all Dallas-Houston travelers will choose TCR by 2026.⁶³ But TCR neglected to provide marketing studies, ridership analyses, or any other evidence that would support such assertions. Vague and speculative ridership estimates, coupled with financial uncertainties, have previously caused the ICC to require use of the construction application process instead of the streamlined exemption procedures.⁶⁴

Many of the other claimed Project benefits also lack any independent foundation and, thus, fail to provide the necessary support for the Petition. Mr. Keith posits the following economic and environmental benefits, but there is simply no meaningful way for the Board, Delta Troy, and other interested parties to evaluate their veracity:

- The Project will "improve the productivity of the many business people who travel between [Dallas and Houston] on a regular basis." (Petition, Keith VS ¶ 20)

⁶² Petition, Keith VS ¶ 18.

⁶³ *Id.*

⁶⁴ *Ozark Mountain*, 1994 ICC Lexis 16 at *15-16.

- “We expect that construction of the Texas Central Line will create more than 10,000 jobs per year during each of the project’s anticipated four years of peak construction.” (Petition, Keith VS ¶ 22)
- Once operational, TCR “will create approximately 1,000 permanent jobs.” (Petition, Keith VS ¶ 22)
- The Project could “spur a \$36 billion boost to the Texas economy from 2015 to 2040.” (Petition, Keith VS ¶ 21)
- The Project “could be the source of nearly \$2.5 billion in tax revenues” to state and local government entities. (Petition, Keith VS ¶ 21)
- TCR line “will reduce automobile traffic.” (Petition, Keith VS ¶23)
- TCR line “will reduc[e] carbon emissions.” (Petition, Keith VS ¶ 23)
- Environmental impact of train service “will be decidedly positive.” (Petition, Keith VS ¶ 24)

As an alleged foundation for certain economic impact figures, TCR has cited a report prepared by the “Insight Research Corporation,”⁶⁵ but an internet search reveals only the existence of an Executive Summary, not the report itself.⁶⁶ This Executive Summary is of little evidentiary value because it merely includes a conclusory list of economic impact figures with no calculations showing how these figures were derived.

As the petitioner, TCR has the burden to present evidence justifying the relief it seeks. Its failure to do so has prejudiced Delta Troy and other stakeholders in their efforts to analyze the Petition and prepare a meaningful reply. Parties to this proceeding should not be forced to scour the internet in search of information that underlies the alleged benefits and impacts of the Project. Indeed, it would be manifestly inequitable to grant the Petition based on TCR’s unsupported assertions.

⁶⁵ Petition at 11 (n. 33).

⁶⁶ See <http://www.texascentral.com/wp-content/uploads/2016/04/Economic-Impact-Study-Executive-Summary.pdf>.

The Board must deny TCR's uncorroborated Petition or, alternatively, require TCR to support its assertions by filing a Section 10901 construction application. An application would require the submission of more detailed information relevant to the evaluation of the Project's feasibility and ensure that "the public...[is] able to understand this project and comment on their concerns."⁶⁷ It would also enable the Board "to make an informed decision in this proceeding."⁶⁸

3. *Because TCR has failed to furnish sufficient information as required by the Board's exemption procedures and there is significant public opposition to the Project, the Board should require the submission of a construction application*

It is obvious that TCR has utterly failed to comply with its obligation under the Board's exemption procedures to provide "its case in chief, along with its supporting evidence, work papers, and related documents" as part of its Petition.⁶⁹ This failure is especially problematic because the Board and the public are not able to evaluate the impact of the requested exemption. In such situations, the Board has exercised its discretionary authority under 49 C.F.R. § 1121.4(d) to require the submission of additional information that would remedy the information gaps. This rule states:

If the impact of the proposed individual exemption cannot be ascertained from the information contained in the petition or accompanying submissions, or significant adverse impacts might occur if the proposed exemption were granted, the Board may, in its discretion:

- (i) Direct that additional information be filed; or
- (ii) Publish a notice in the *Federal Register* requesting public comments.

⁶⁷ Ozark Mountain, 1995 ICC Lexis 248 at *4-5.

⁶⁸ Id.

⁶⁹ See 49 C.F.R. § 1121.3(a).

TCR's lack of transparency as to the Project design, financing, ridership estimates, and public benefits certainly justify the issuance of an Order requiring TCR to furnish additional information in a construction application that is needed to properly evaluate the Project. Moreover, when a rail construction project is controversial and strongly opposed by the citizens who live in the area, agency precedent favors submission of a construction application rather than use of the exemption process:

[The exemption] procedure works well in noncontroversial construction cases. But we have not employed it in cases where significant opposition has been expressed to the proposed project. In controversial cases, the applicant typically has filed a formal application.⁷⁰

In the Ozark Mountain case, the ICC actually revoked a previously granted conditional exemption and required submission of the more detailed financial information required in construction applications that would assist in determining if the project was consistent with the public convenience and necessity:

Our decision to revoke the conditional exemption should not be construed as a conclusion that the proposed construction and operation is inconsistent with the rail transportation policy. **It merely reflects the fact that we have received information raising serious concerns about the impact of the project on the people who live in the area. This information indicates that the application process, rather than the exemption process, is the more appropriate vehicle for the Commission to use in considering whether to approve the proposed construction and operation.**⁷¹

Given the substantial similarities between Ozark Mountain and the Project, the Board should require submission of a construction application here as well. It is clear that substantial

⁷⁰ Ozark Mountain, 1995 ICC Lexis 248 at *15, citing Construction and Operation—Indiana & Ohio Ry. Co., 9 I.C.C.2d 783 (1993); Tongue River Railroad Co.—Rail Construction and Operation Application, Docket No. 30186 (Sub-No. 2), 1992 ICC Lexis 57, slip op. (March 23, 1992).

⁷¹ Ozark Mountain, 1995 ICC Lexis 248 at *15.

opposition to the Project exists.⁷² Numerous filings opposed to the Project have already been made at the Board, including by Congressman Joe Barton (filed May 10, 2016) and Congressman Kevin Brady (filed May 13, 2016). Statements from numerous landowners and other interested parties have been submitted in opposition to the Project.⁷³ Litigation in state court has also been initiated.⁷⁴ It is important for the Board to ensure that all interested parties, and especially parties opposed to the Project, have access to sufficient information that would permit a complete evaluation of the Project’s impacts.

Moreover, a comparison of other key factors considered by the Board in requiring submission of a construction application in the Ozark Mountain proceeding to the circumstances involved with the Project confirm that TCR should be required to file an application for its Project. The table below summarizes the Ozark Mountain factors and similarities to the Project:

Factors triggering need for an application in <u>Ozark Mountain</u>⁷⁵	TCR Project
“estimated cost of the project is high”	over \$10 billion
serious concerns raised about “whether Ozark would be able to bring this project to fruition”	no information on funding sources; unsubstantiated cost and ridership estimates
project consisted of new passenger railroad as “part of a huge development plan”	TCR admits that “an independent development company” is the true moving party, and that TCR is planning development of areas “surrounding” the Dallas station locations with Matthews Southwest, a “private real-estate development company” ⁷⁶

⁷² See www.texansagainsthsr.com.

⁷³ For example, see the Reply to Petition for Clarification filed by Texans Against High Speed Rail, Inc. (“TAHSR”) in this docket on May 19, 2016, at page 1 (“TAHSR is an organization dedicated to opposing TCR’s proposed high-speed rail line... TAHSR’s members include citizens, private property owners, farmers, ranchers, business owners, interested organizations, and elected officials...”).

⁷⁴ Several lawsuits are cited in a letter filed by Rick Welch in this docket (filed May 17, 2016).

⁷⁵ Ozark Mountain, 1995 ICC Lexis 248 at *4-6.

⁷⁶ See Exhibit 3.

Factors triggering need for an application in Ozark Mountain	TCR Project
“project is very controversial”	significant opposition exists, with state court litigation already occurring
“legitimate questions of financial viability have been raised”	no details regarding source of \$10 billion, how TCR will survive without public funds, or origin of ridership projections

Accordingly, the Board should deny the Petition and require TCR to file a construction application.

B. The lack of public information about the Project is in stark contrast to recent Board exemption cases

The absence of public information about the Project contrasts greatly with the initial segment of the California High-Speed Rail project, where “extensive scrutiny from a number of Federal, state, and local officials” had already occurred before the Board considered the CHSR Authority’s Petition for Exemption.⁷⁷ The CHSR I project received such a high-level of scrutiny prior to Board review for many reasons, not the least of which is that the CHSR Authority is a state government entity with all the concomitant obligations to hold public meetings, supply the public with information, and otherwise provide opportunities for public involvement.

Consideration of high-speed rail in California was also subject to the inevitable debate that accompanies any public vote, as the initial \$9 billion in CHSR Authority funding came from approval of a state-wide ballot measure known as Proposition 1A in November 2008.⁷⁸ Partial funding also came from the FRA, which evaluated several applications submitted by the CHSR Authority under the American Recovery and Reinvestment Act of 2009 and the Department of Transportation Appropriations Acts of 2008 and 2009.⁷⁹ Finally, the FRA completed its entire

⁷⁷ California High-Speed Rail Authority – Construction Exemption – In Merced, Madera and Fresno Counties, Cal., STB Docket No. 35724, slip op. at 19 (June 13, 2013) (“CHSR I”).

⁷⁸ Id., slip op. at 3.

⁷⁹ Id., slip op. at 4.

environmental review of the CHSR I segment, issuing a Record of Decision in September 2012, over six months prior to the CHSR Authority's filing of its Petition for Exemption at the Board.⁸⁰

These details stand in stark contrast to the TCR proposal, which is **not** led by a government agency, has **not** been the subject of a state-wide vote, was **not** the subject of an FRA funding application, and is **nowhere near** finished with FRA environmental review. As already demonstrated, many important questions remain unanswered concerning such basic issues as ridership estimates, financing, and commercial viability. TCR's perfunctory Petition fails to disclose any meaningful details about the Project and should be rejected.

V. THE PETITION FAILS TO SATISFY THE EXEMPTION STANDARDS AND SHOULD BE DENIED

A. Application of 49 U.S.C. § 10901 is necessary to carry out the National Rail Transportation Policy of 49 U.S.C. § 10101

To grant TCR's requested exemption, the Board must find that regulation of the Project under Section 10901 "is not necessary to carry out the rail transportation policy of 49 U.S.C. § 10101."⁸¹ Consideration of the national rail transportation policy ("RTP") reveals that an exemption is not warranted. The RTP has fifteen (15) separate elements, but TCR has only addressed six (6) in a short three-page section of its Petition.⁸² The simplistic showing by TCR comes nowhere close to justifying an exemption given the substantial uncertainty and local opposition associated with the Project.

⁸⁰ *Id.*, slip op. at 9.

⁸¹ See 49 U.S.C. § 10502(a). In addition to a finding under the rail transportation policy, the Board must also find either that the transaction or service is limited in scope, or regulation is not necessary to protect shippers from the abuse of market power. *Id.* However, if TCR fails to satisfy the first standard concerning the rail transportation policy, it is not necessary for the Board to undertake any further analysis, and the exemption must be denied.

⁸² Petition at 23-25.

A comprehensive evaluation of all fifteen RTP elements reveals that the exemption should be denied; nine (9) of the elements strongly counsel against granting the exemption, while the other six (6) elements are either inapplicable or have not been addressed in the Petition.

Evaluation of each of the elements follows:

10101(1): This policy concerns allowing competition to establish reasonable rates. TCR would not be competing with other passenger railroads on its Dallas—Houston service and has made no concrete assertions about the prices it would charge. Thus, this policy is inapplicable.

10101(2): This policy aims to minimize the need for Federal regulatory control over the rail transportation system and requires fair regulatory decisions. However, it would not be a “fair...regulatory decision[.]” if the exemption were granted because the Board’s ability to issue an informed decision has been hindered by TCR’s lack of transparency as to the financial and commercial feasibility of the Project. TCR asserts that this policy supports the exemption due to the policy favoring minimized regulatory control (Petition at 24-25). But, as the Board recognized in its California High-Speed Rail decision, any decision to reduce regulation would implicate this “self-fulfilling” policy, and reducing regulation over rail construction is most appropriate when there is a “significant amount of public information and prior government analysis regarding the Project that is available to the Board....”⁸³ Here, numerous policy objectives require the Board to exercise its regulatory authority; namely, ensuring that (1) the public and the Board can adequately evaluate the proposed Project, (2) Board decisions are adequately supported by concrete data and facts, and (3) the powerful force of federal preemption is applied only when warranted. Thus, this policy actually supports **denial** of the exemption.

⁸³ CHSR I, slip op. at 23.

10101(3): This policy concerns the earning of adequate railroad revenues and their role in promoting safety and efficiency. TCR has made no specific assertions about revenue adequacy concerns or the prices it would charge. Thus, this policy is inapplicable.

10101(4): This policy seeks development of a sound rail transportation system based on effective competition among rail carriers and with other modes of transportation to meet the needs of the public and the national defense. However, approval of the Project would not “ensure” the development of a sound rail transportation system. It is far from certain whether the Project is even viable and self-sustaining, given the unsupported ridership and cost estimates as well as the indeterminate financing projected at over \$10 billion. TCR contends that its Project will introduce a “safe, efficient, comfortable and convenient transportation option” (Petition at 23), but this is marketing puffery without any concrete factual support. Moreover, as shown below, the location of the Houston station is poorly conceived and, thus, inconsistent with a sound rail transportation system. See Section V.B. below. Accordingly, this policy supports denial of the exemption.

10101(5): This policy requires the Board to “foster sound economic conditions in transportation....” For the same reasons as noted above, the Project is not compatible with this policy because of the lack of data and information that is needed to evaluate the financial and operational viability of the Project. If this Project turns out to be a commercial failure, it would have far-reaching adverse impacts on landowners and other stakeholders and result in an enormous waste of resources. Additionally, rail projects would receive a “black eye” in public perception that could cause investors to be reluctant to support future rail construction projects. Given the serious concerns that have been raised, it would not serve the public interest for the Project to become mothballed partway through construction or soon after operations begin.

TCR asserts that this policy supports the Project because the rail service will be “cost-competitive” and will “improve productivity.”⁸⁴ Again, these are empty promises and ambiguous statements. It is not clear whether the reference to “cost” means the prices that TCR will charge its passengers or the cost to TCR of providing rail service. Nor is it obvious exactly how TCR will improve productivity (or whose productivity will be improved). Moreover, the phantom “link” to Amtrak has already been addressed in this Reply. Thus, this policy is not fostered by the exemption request.

10101(6): This policy concerns the Board’s role in ensuring “reasonable rates” where there is no “effective competition.” Currently, this policy is inapplicable, and it was not addressed by TCR.

10101(7): This policy concerns “reduc[ing] regulatory barriers to entry into and exit from the industry.” Where public information is limited or indicates that a rail construction proposal is ill-conceived, a reduction in regulation is **not** warranted. Indeed, one of the main purposes of the Board is to ensure that regulatory approval is only granted to rail projects that are not inconsistent with the public interest.⁸⁵ TCR cites this element in support of its Project, but only to reiterate that it seeks to move forward as quickly as possible.⁸⁶ If there were ever a case where the Board should exercise caution, it is this Project. This policy does not support a grant of the exemption.

10101(8): This policy requires operation of “transportation facilities and equipment without detriment to the public health and safety.” Although TCR neglects to mention this policy, it is obvious that the construction process itself could harm human health through noise,

⁸⁴ Petition at 23-24.

⁸⁵ See 49 U.S.C. § 10901(c).

⁸⁶ Petition at 25.

dust, emissions, and greater use of resources (such as water, fuel, steel, etc.). These impacts, coupled with significant uncertainties regarding the Project's commercial viability, reveal the importance of careful Board evaluation before the Project is authorized.

10101(9): This policy concerns "honest and efficient management of railroads," and there is no evidence that the Project would facilitate these objectives. Honest management is an unknown due to the little public information that exists regarding TCR's background and experience in railroad matters. Efficiency of the proposed TCR operations is a huge question mark given the lack of support for the asserted cost and ridership estimates, as well as the flaws in the Project design and concept.⁸⁷ Thus, this policy is not supported by the exemption.

10101(10): This policy concerns the preference for railroads to implement individual rate increases as opposed to "general applicability" rate increases. This policy is largely a holdover from a bygone era and is inapplicable.

10101(11): This policy seeks "to encourage fair wages and safe and suitable working conditions in the railroad industry." In its Petition, TCR did not address the salaries or working conditions of its future employees. Thus, there is no basis to find that this policy would support the Project.

10101(12): This policy seeks "to prohibit predatory pricing and practices, to avoid undue concentrations of market power, and to prohibit unlawful discrimination." This policy is more applicable to a rail merger or other combination and is not implicated here.

10101(13): This policy is "to ensure the **availability** of accurate cost information in regulatory proceedings, while minimizing the burden on rail carriers of developing and

⁸⁷ Flaws include the location of the Houston station and the belief that it is "convenient" for TCR passengers to walk or take buses for one-half mile (Dallas) or seven miles (Houston) to reach the "connected" Amtrak service. See Petition at 16 and 23.

maintaining the capability of providing such information.” (emphasis added). Notably, TCR is not a “rail carrier,” meaning that it cannot claim that its burden in supplying complete and accurate information should be “minimized.” Indeed, TCR has a regulatory obligation to provide all supporting evidence, work papers, and documents in support of its exemption request.⁸⁸ Moreover, as already established, the Petition fails to promote this policy because it is woefully deficient in disclosing detailed cost, ridership, and other basic information about the Project.

10101(14): This policy aims “to encourage and promote energy conservation.” TCR contends that the Project will “reduce carbon emissions” based on mitigation of traffic congestion (Petition at 24), but the Petition has not substantiated either the ridership estimates or the assertion that future TCR travelers will be former users of automobile and plane transportation. TCR also fails to address the concept of induced travel. An increase in transportation options between Dallas and Houston could actually lead to more travel between the two cities, resulting in an increase in energy consumption.⁸⁹ Without better data and evidence to support TCR’s energy conservation claims, the Board should not grant the exemption.

10101(15): The final rail policy aims “to provide for the expeditious handling and resolution of all proceedings required or permitted to be brought under this part.” Although TCR

⁸⁸ 49 C.F.R. § 1121.3(a).

⁸⁹ Induced travel is based on economic supply and demand principles: an increase in transportation capacity generally causes the “cost” of travel to be reduced (whether monetary cost or time required), thereby increasing the usage (or demand) for such travel. Induced travel “counteracts the effectiveness of capacity expansion as a strategy for alleviating traffic congestion and offsets in part or whole reductions in GHG emissions that would result from reduced congestion.” See Exhibit 6.

cites to this policy in support of its Petition,⁹⁰ TCR only does so to emphasize its desire to move forward with the construction Project as quickly as possible. However, as previously explained, use of the Board's expedited exemption procedures is not appropriate for a large, controversial construction project, the proponent of which has failed to disclose financial and operational details necessary for the Board to make an informed decision as to whether the Project is consistent with the RTP and the public interest.⁹¹

B. The location of the Houston station casts doubt on the Project's viability

TCR contends that its service will be convenient due to placement of stations near "employment centers with high ridership capture."⁹² It is unclear if this statement means that TCR expects workers to travel to their jobs in the "employment centers" using high-speed rail; or that TCR means the station locations are in high-density areas where there are many people who will occasionally need to travel between Dallas and Houston.⁹³ Regardless, the location proposed for the Houston station undermines TCR's claim of convenience.

According to the TCR website, the Houston station would be "along the 610 Loop between 290 and I-10."⁹⁴ The station location would likely be on the outside (west side) of I-610.⁹⁵ Publicly available maps reveal that this is a low-rise, light industrial and mixed-use area in the northwestern part of the city, bounded by interstate highways on the northeast, east, and

⁹⁰ Petition at 25.

⁹¹ Ozark Mountain, 1995 ICC Lexis 248 at *15.

⁹² Petition at 7.

⁹³ TCR is also apparently planning a station in the Brazos Valley (Grimes County), but there is very little reliance placed on this station in the Petition for Exemption. See Petition at 2.

⁹⁴ See <http://www.texascentral.com/facts/> (response to the question "Where will the stations be?").

⁹⁵ See, e.g., Last Mile Analysis Report: Dallas-Houston, Texas, High-Speed Rail Project (Mar. 27, 2015) at Figure B4. Located at <http://www.texascentral.com/wp-content/uploads/2015/11/Last-Mile-Analysis.pdf>.

south, approximately seven miles from downtown Houston.⁹⁶ These maps show a wide variety of land uses occurring in this area. From north to south, some of the major land uses in the area are:

- Various high school athletic fields, including a small football stadium, a track-and-field stadium, and two baseball fields.
- The central office of the Houston Independent School District.
- Northwest Mall, a large shopping center, with tenants such as Thompson's Antique Center, College of Healthcare Professionals, All Shoes \$9.99, and Bundt Cake-A-Holic.⁹⁷
- Mayco Wellchem, an "upstream oil and gas chemical manufacturer" that manufactures products such as Fracturing Fluid Crosslinkers.
- Tex-Tube, a manufacturer of steel pipes.
- Senox Corporation, a manufacturer and supplier of seamless gutter products for residential and commercial construction.
- New Process Steel, a manufacturer, distributor, and processor of flat rolled steel products.
- Target Specialty Products, a wholesale distributor of specialty agricultural chemicals (such as pesticides), application equipment, and related supplies.
- A Wal-Mart Supercenter.
- An IMAX movie theater.
- The Awty International School, a 1,500-student private school with students from Pre-K through 12th grade.
- The Beth Yeshurun Cemetery.
- The Northwest Transit Center, a "sheltered waiting area" for various local bus routes of the Houston Metro transit agency.⁹⁸ These buses operate only intrastate, in the Houston metropolitan area.

Interspersed through these larger institutions can also be found:

- Many one-story small scale light-industrial businesses.
- Various warehouse-type buildings.
- Some residential buildings and houses.

It is certainly conceivable that someone from Dallas would take the high-speed rail to Houston in order to visit one of the manufacturers or wholesalers in the area, attend a high-school football

⁹⁶ See <http://www.google.com/maps/@29.7930004,-95.4606645,15z>;
<http://www.google.com/maps/@29.7988288,-95.4555576,17z>;
<http://www.google.com/maps/@29.7930563,-95.4566627,17z>;
<http://www.google.com/maps/@29.7862871,-95.4599564,17z>.

⁹⁷ See <http://www.northwest-mall.com/directory>.

⁹⁸ See <http://www.ridemetro.org/Pages/TC-Northwest.aspx>.

game, or, perhaps, even visit the antique shop in the Northwest Mall, but it just does **not appear likely** that such trips would fill dozens of trains per day.⁹⁹

TCR does tout the adjacent Northwest Transit Center as a place where Houston passengers “would have ready access to the Houston Amtrak station via a scheduled, short bus transfer.”¹⁰⁰ Even accepting this as true, it would seem to generate very few passengers for TCR, given that the Houston Amtrak Station only had 19,857 passengers in all of 2015,¹⁰¹ far short of the 4 million passengers annually that TCR expects.¹⁰²

It may be the case that TCR expects the low-rise, mixed use, and light industrial area around the Houston station to be transformed into a high-density “employment center[] with high ridership capture,” but there is no explanation in the Petition regarding how such a transformation might occur. There is also no indication whether current landowners in the area would willingly participate in such a transformation. Again, the Petition raises far more questions than it answers, and the Board should require TCR to explain the feasibility of the Project in much greater detail in a construction application.

VI. CONCLUSION

For the foregoing reasons, the Board should dismiss the Petition for lack of jurisdiction or, in the alternative, require TCR to submit a detailed construction application under 49 U.S.C. § 10901. Dismissal is warranted because the proposed Project is not within Board jurisdiction, and the true Project proponent has not sought Board authorization.

Nonetheless, if the Board finds that jurisdiction does exist, the substantial uncertainties regarding this privately-funded, “first of its kind” proposal fail to support use of the Board’s

⁹⁹ See Petition at 2 (proposing up to 34 trains per day in each direction).

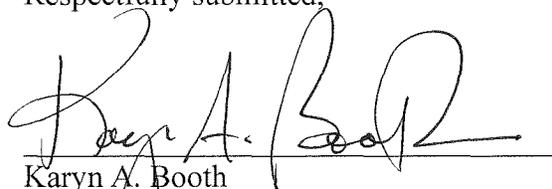
¹⁰⁰ Petition at 18.

¹⁰¹ See Exhibit 2.

¹⁰² See Petition at 8.

abbreviated exemption procedures. Both the public and the Board only have tiny snippets of information regarding the financial and operational feasibility of the Project that raise more questions than they answer. A comprehensive Board process is vital to determine if the Project is in the public interest, and requiring an application is necessary to carry out the rail transportation policy of 49 U.S.C. § 10101.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karyn A. Booth", written over a horizontal line.

Karyn A. Booth

David E. Benz

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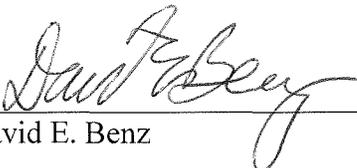
(202) 331-8800

Attorneys for Delta Troy Interests, Ltd.

May 31, 2016

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of May 2016, I served a copy of the foregoing upon all parties of record via U.S. first-class mail, postage prepaid.



David E. Benz

EXHIBIT 1

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 36025

**TEXAS CENTRAL RAILROAD AND INFRASTRUCTURE, INC. & TEXAS CENTRAL
RAILROAD, LLC – AUTHORITY TO CONSTRUCT AND OPERATE – PETITION
FOR EXEMPTION FROM 49 U.S.C. § 10901 AND SUBTITLE IV – PASSENGER RAIL
LINE BETWEEN DALLAS, TX AND HOUSTON, TX**

**REPLY IN OPPOSITION
TO
PETITION FOR EXEMPTION**

VERIFIED STATEMENT OF CHRISTINA PAPADOPOULOS PAPANDREOU

1. My name is Christina Papadopoulos Papandreou, and I am the Managing Member for Delta Troy Interests, Ltd. (“Delta Troy”). Delta Troy is a family limited partnership that owns and manages real estate and other investments.

2. In my role as the Managing Member for Delta Troy, I am responsible for asset management, acquisitions, and dispositions. I have worked in my current position at Delta Troy for nine years. Prior to assuming my current role, I was the corporate counsel at Delta Troy for twelve years. I have a Juris Doctor from Tulane University School of Law and a Bachelor of Arts from Tufts University. I also hold a Texas Real Estate Broker’s License.

3. I am submitting this Verified Statement (“V.S.”) in support of the Reply in Opposition (“Reply”) being submitted by Delta Troy to the Surface Transportation Board in the above-captioned docket. The purpose of this V.S. is to introduce Delta Troy and express Delta

Troy's grave concerns about the rail line proposed and the relief being sought by Texas Central Railroad and Infrastructure, Inc. and Texas Central Railroad, LLC (collectively, "TCR").

4. Delta Troy owns approximately 990 acres of land (the "Property") in the extraterritorial jurisdiction of the City of Houston in northwestern Harris County, Texas. The Property was purchased by C.N. Papadopoulos in 1990 and conveyed to Delta Troy in 2002.

5. The Property adjoins the north and south lines of U.S. Highway 290, a major highway between Houston and the City of Austin. It is currently leased for farming. However, as development has extended westward along the U.S. 290 corridor toward the Property, it has become apparent that the highest and best use of the Property is a mixed-use development incorporating a variety of commercial and residential uses. Recognizing this, for a number of years Delta Troy has been proceeding with plans for its development. Specifically, in 2006, Delta Troy engaged a land planning consultant to begin preparing development plans for the site. Then, in 2011, Delta Troy was able to secure the enactment of legislation forming Harris County Municipal Utility District No. 524, which encompasses the Property and will facilitate its development by allowing the issuance of bonds to finance the construction of roads, utilities, and other infrastructure. As a result of these efforts, Delta Troy is ready and able to proceed with the implementation of its development plans for the Property, but it is now unable do so due to the significant uncertainty associated with TCR's proposed rail line.

6. The environmental analysis currently being performed by the Federal Railway Administration ("FRA") is considering only one alignment through Grimes, Waller, and Harris Counties — the three southernmost counties through which TCR is proposing to construct its rail line. That alignment would bisect the Property.

7. The consideration of this alignment has been justified with the assertion that it is a part of a “Utility Corridor.” That assertion, however, is misleading. On page 3 of its Alignment Alternatives Analysis Report, the FRA states:

Through the corridor alternatives analysis, FRA determined that the Utility Corridor be retained for further investigation of potential route alternatives during the next stage of the alternatives analysis. **The Utility Corridor follows the CenterPoint Energy and Oncor Electric Delivery high-voltage electrical transmission lines (345 to 500 kilovolts (kV)). The utility easement does not extend into downtown Dallas or downtown Houston.** The easement originates near Palmer and terminates near Hockley to the south. Therefore, between Dallas and Palmer, the Utility Corridor follows and uses the Union Pacific Railroad (UPRR) Corridor to the downtown Dallas area. **Between Hockley and Houston, the Utility Corridor follows and uses the UPRR Eureka Subdivision into downtown Houston.** (Emphasis added.)

Neither the referenced electric transmission line nor the Union Pacific rail line crosses the property. In fact, the transmission line intersects with the rail line more than 4.5 miles east of the Property.

8. At present, the only utility that crosses the Property is a single 30-inch diameter underground pipeline used for transporting natural gas. There are thousands of miles of such pipelines in Texas, and they are regularly incorporated in developments such as that contemplated for the Property. TCR’s proposed rail line, on the other hand, would have a significant negative impact on both the potential uses for the Property and the configuration of any development. Even if it were only a few hundred feet wide, the TCR right-of-way and rail line would bisect the Property, preventing developments that require contiguous (uninterrupted) property, and otherwise hindering Delta Troy’s ability to use, develop, and sell its land.

9. Given its plans for the Property, Delta Troy is extremely concerned about the proposed rail line and has been closely following TCR’s efforts to push the project forward. In an effort to learn more about TCR and the project, Delta Troy has requested documents and information regarding TCR, its claimed status as a railroad under Texas law, its assertion that it

is vested with the power of eminent domain, the proposed routing of the project, environmental analyses associated with the various corridors and routes that have been considered, other parties that may be involved in the development and operation of the rail line, and the financing of the project. TCR has refused to provide any of the requested documents, and it has not included in its filings in this proceeding any detailed data and information supporting the various assertions regarding and claimed benefits of the project. Because TCR has not been forthcoming either in response to Delta Troy's request or in its filings with the Surface Transportation Board, at this point Delta Troy is not able to meaningfully comment on key details of the project, such as ridership projections, cost estimates, funding sources, and economic viability.

10. As TCR has attempted to invoke this agency's authority to advance its project, Delta Troy believes the Surface Transportation Board should insist that TCR offer more than a self-serving affidavit from its chief executive officer to support a project that will significantly impact Delta Troy and hundreds of other similarly situated landowners between Dallas and Houston.

VERIFICATION

I, Christina Papadopoulos Papandreou, verify under penalty of perjury that I have read the foregoing Verified Statement, that I know the contents thereof, and that the same are true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this statement.

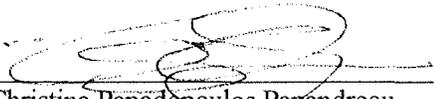
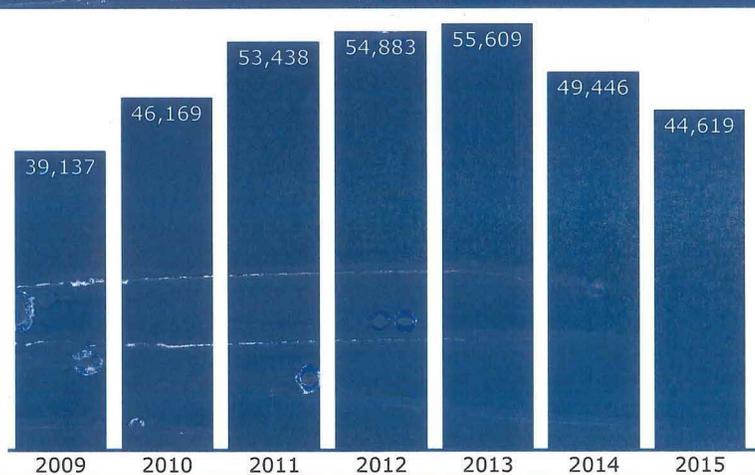

Christina Papadopoulos Papandreou

EXHIBIT 2

Passengers using this station, 2009-2015

(arrivals and departures)



Quick recap, 2015 (arrivals and departures)

	Coach/ Business	First/ Sleeper	Total
Passengers	38,141	6,478	44,619
Average trip	452 miles	873 miles	513 miles

Top city pairs by ridership, 2015

1. Chicago, IL*	991 mi
2. Longview, TX	127 mi
3. Austin, TX	232 mi
4. San Antonio, TX	325 mi
5. Marshall, TX	151 mi
6. St. Louis, MO	707 mi
7. Temple, TX	159 mi
8. Los Angeles, CA	1,737 mi
9. Fort Worth, TX	31 mi
10. Mineola, TX	79 mi

Top city pairs by revenue, 2015

1. Chicago, IL*	991 mi
2. Los Angeles, CA	1,737 mi
3. St. Louis, MO	707 mi
4. Longview, TX	127 mi
5. San Antonio, TX	325 mi
6. Normal, IL	867 mi
7. Austin, TX	232 mi
8. Springfield, IL	806 mi
9. Marshall, TX	151 mi
10. Little Rock, AR	357 mi

Union Station

400 S Houston St
Dallas, TX 75202-4848

Population served by this station

Within 25 miles:
Within 50 miles:

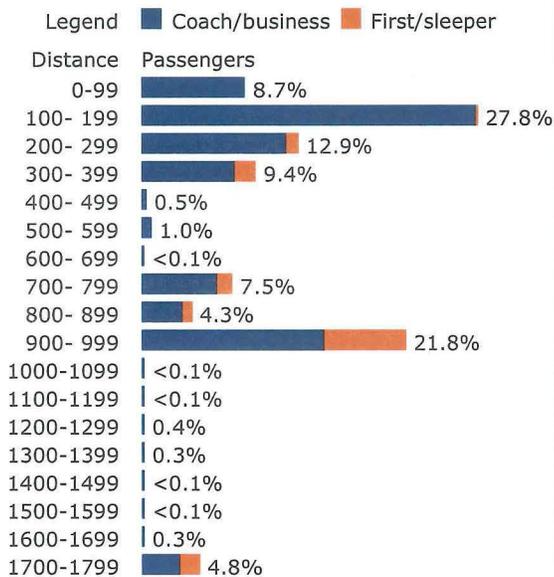
30th congressional district

Eddie Bernice Johnson (D)
(202) 225-8885

Current Amtrak presence

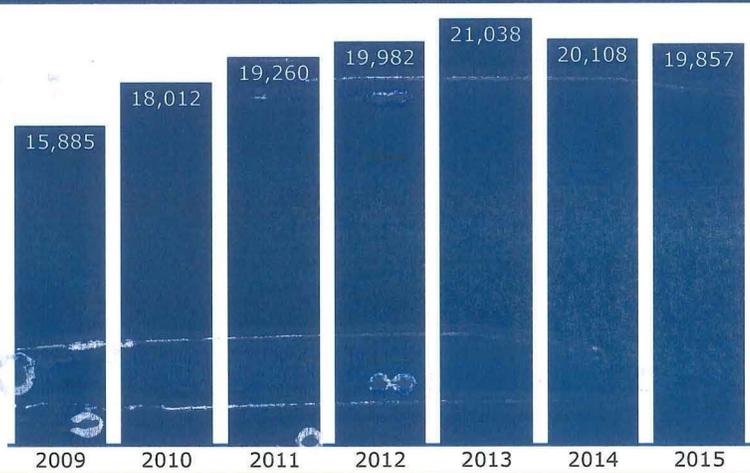
Long Distance: 44,619
Texas Eagle: Daily service

Trips by length, 2015



Passengers using this station, 2009-2015

(arrivals and departures)



Quick recap, 2015 (arrivals and departures)

	Coach/ Business	First/ Sleeper	Total
Passengers	15,843	4,014	19,857
Average trip	669 miles	969 miles	729 miles

Station also handled 10,851 passengers to/from 2 cities on connecting Thruway bus service.

Top city pairs by ridership, 2015

1. New Orleans, LA	362 mi
2. Los Angeles, CA	1,633 mi
3. San Antonio, TX	210 mi
4. Lafayette, LA	217 mi
5. Alpine, TX	597 mi
6. El Paso, TX	815 mi
7. Tucson, AZ	1,131 mi
8. Lake Charles, LA	143 mi
9. New Iberia, LA	235 mi

Top city pairs by revenue, 2015

1. Los Angeles, CA	1,633 mi
2. New Orleans, LA	362 mi
3. Alpine, TX	597 mi
4. Tucson, AZ	1,131 mi
5. El Paso, TX	815 mi
6. Maricopa, AZ	1,217 mi
7. San Antonio, TX	210 mi
8. Lafayette, LA	217 mi
9. Ontario, CA	1,594 mi

Amtrak Station

902 Washington Ave
Houston, TX 77002-1541

Population served by this station

Within 25 miles:
Within 50 miles:

18th congressional district

Sheila Jackson Lee (D)
(202) 225-3816

Current Amtrak presence

Long Distance: 19,857
Sunset Limited: 3 trains/wk

Trips by length, 2015

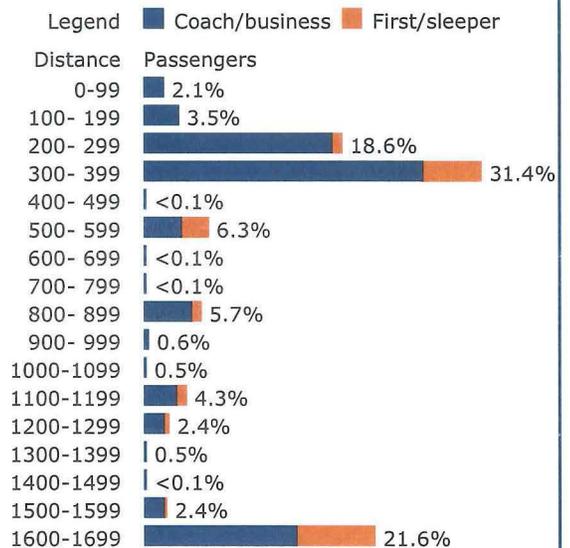


EXHIBIT 3



Texas Central Railway Selects Two Possible Dallas Station Locations

- Sites include access to Dallas Central Business District and South Side
- Confirms related agreement with Matthews Southwest to serve as site developer in Dallas
- Station alignment allows for future connectivity to Arlington and Fort Worth

Dallas – February 6, 2015 – Texas Central Railway (TCR) today announced that it has selected two locations as potential candidate sites for the Dallas high-speed rail station. As part of the federally mandated National Environmental Protection Act (NEPA) process, TCR identified seven areas as possible station locations in Dallas. Today's announcement highlights two of the seven sites as TCR's preferred locations.

One candidate terminal site is currently undeveloped land located in the South Side on Lamar area and includes the 10 to 20 acres of land TCR estimates is needed for the terminal station, parking and space for future transit oriented development. The second candidate site would extend over Interstate 30 and includes a portion of the first candidate site as well as property next to the Dallas Convention Center.

TCR also confirmed that Texas Central Partners (TCP), an independent development company that will be responsible for the high-speed rail system's design, finance, construction, operation and maintenance, has reached an agreement with Matthews Southwest to serve as the development partner of the Dallas high-speed rail station and surrounding areas for transit oriented development. Matthews Southwest, led by Dallas area real estate developer Jack Matthews, is an award winning, full-service, private real-estate development company that has two decades of experience building various projects.

The location of either of the candidate Dallas high-speed rail stations will allow for future connectivity with the separate, public high-speed rail project currently under active consideration that would connect Dallas, Arlington and Fort Worth.

TCR has not yet announced a preferred station location in Houston. The project's NEPA process is still underway, and a variety of station locations are still under consideration, including an intermediate station serving Bryan/College Station and Huntsville.

Quotes

"After assessing no less than seven sites, running from Union Station at the north to I-45 at the South, and using criteria of connectivity, accessibility, visibility, cost, customer service, ease of parking and future economic development surrounding the station, we have determined that these two locations are best suited for our priority consideration. As we have seen in other cities around the world, the high-speed rail stations will become the focal point of development that provides connectivity to other forms of transportation. Either of these locations will allow for a high-speed rail station location and design that will become iconic to the Dallas skyline. TCR expects the final station



location selection process will require several weeks to complete based on close coordination with all parties involved in the NEPA process. We appreciate all the help we have received to date, and we will continue to rely on input from the community and coordinate closely with other interested stakeholders.”

-- Richard Lawless, Chairman and CEO of TCR

“High-speed rail has proven to be transformational wherever it is deployed. These two candidate Dallas station locations will serve as a tremendous catalyst for growth in Dallas, specifically South Dallas, while also serving as a building block for high-speed rail connectivity into Arlington and Fort Worth. The selection of a final station location will be a first step towards the creation of a safe and efficient system that will connect generations of Texans who live and work in the state’s largest and most vibrant metropolitan areas.”

-- Jack Matthews, President of Matthews Southwest

“Jack Matthews has already made his mark on Dallas. From the revitalization of the Cedars area to the Omni Hotel and beyond, Jack’s vision for Dallas is incredible. Either of these two potential station locations are ideally suited for Texas Central’s high-speed rail station in Dallas. The project’s partnership with Matthews Southwest ensures that we will be able to turn this vision into a reality. We are thrilled that the project now has such a highly-regarded partner in Dallas.”

-- Judge Robert Eckels, President of TCR

“I am excited about high-speed rail moving ahead. Both options have the possibility of serving as catalysts for tremendous growth in the City, and I am extremely interested in seeing a deck over Interstate 30, bridging these two vibrant areas of our city and further enhancing what could be an iconic addition to the City of Dallas.”

-- Mike Rawlings, Mayor of Dallas

“Since my time as mayor of Dallas, I have seen a real resurgence in downtown Dallas and in South Dallas. Either of these two station locations would complement and accelerate the growth in these areas, connecting Dallas residents not just to Houston, but also to other parts of their city that previously seemed far away or cut off from one another. The high-speed rail system will transform the state, and either of these station locations will be truly transformational for the city. It’s a great and exciting time to live in Dallas, as we approach a time when many of our vibrant areas – Victory Park, Uptown, Deep Ellum, Cedars, Southside on Lamar, and the Trinity Groves area – are all accessible by vehicles, sidewalks and transit.”

-- Ambassador Ron Kirk, former Mayor of Dallas and Senior Advisor to TCR

“This is a big day for all of us who want to bring high-speed rail to North Texas. Either of these locations will stimulate the revitalization of downtown Dallas and allow for the future expansion of a line to Fort Worth and Arlington. Both of those things were important to us in finding a location site, and I think we have achieved that today.”

-- Ambassador Tom Schieffer, Senior Advisor to TCR



"Locating the high speed rail station in Downtown Dallas provides the greatest flexibility for travelers since they will have access to all of DART's bus and light rail network and the Trinity Railway Express commuter rail connecting to Ft. Worth. Just as it has in cities across the world, this convergence of transit choices in the city center should help attract development and create even more activity in downtown."

-- Gary Thomas, President/Executive Director of Dallas Area Rapid Transit

About TCR

Texas Central High-Speed Railway (TCR) is a private, Texas-based company, promoting the development of high-speed passenger rail between Houston and Dallas. The deployment of the same safe, efficient, comfortable and fast high-speed rail technology that boasts the world's safest record after more than 50 years of flawless operation in Japan will transform the way business travelers and families alike move between the state's largest metropolitan areas. Formed in 2010, a primary purpose of TCR is to secure environmental and technological regulatory approvals required to advance subsequent phases of the project.

About TCP

Texas Central Partners (TCP) is a private, Texas-based company that will develop the high-speed passenger railway and associated facilities. TCP and its affiliated entities will be responsible for the system's design, finance, construction, operation and maintenance. The proposed project will not request or require grants or operational subsidies backed by taxpayers for its eventual construction and operation.

About Matthews Southwest

Matthews Southwest (MSW) is a full-service private real-estate development company headquartered in Lewisville, Texas, with additional offices in Dallas, Texas; Calgary, Alberta; and Mississauga, Ontario. Since 1988, MSW has acquired, built and managed the development of hotel, office, mixed use, retail, residential, and industrial developments. MSW has development projects in the United States, Canada and Mexico. From conception to completion, MSW brings together financial resources and experienced management to form profitable relationships focused on creating projects of lasting excellence and enduring benefit.

EXHIBIT 4

LEARN THE FACTS

ABOUT TEXAS CENTRAL PARTNERS

What is the high-speed rail project that you want to bring to Texas?

+

How is this project different from past and current high-speed projects and what will make it succeed?

+

What is the relationship between Texas Central Railway and Texas Central Partners?

+

Texas Central High-Speed Railway (TCR) and Texas Central Partners, LLC (Texas Central) are independent companies involved with the Project. TCR has led the feasibility phase of the project, which includes completion of the EIS. Texas Central Partners, LLC is the project developer and will use the EIS results and other selected information produced or provided by TCR, as well

<http://www.texascentral.com/facts/>

5/14/2016

as information, designs, and engineering produced by Texas Central itself, to develop the high-speed rail system ("the Project"). Texas Central will be the ultimate builder and operator of the Project.

EXHIBIT 5



Franchise Tax Account Status

As of: 05/14/2016 03:35:41 PM

This Page is Not Sufficient for Filings with the Secretary of State

TEXAS CENTRAL RAILROAD & INFRASTRUCTURE, INC.	
Texas Taxpayer Number	32049767638
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	12/20/2012
Texas SOS File Number	0801704184
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC- LAWYERS INCORP
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701



Franchise Tax Account Status

As of: 05/14/2016 03:35:02 PM

This Page is Not Sufficient for Filings with the Secretary of State

TEXAS CENTRAL RAILROAD, LLC	
Texas Taxpayer Number	32049797429
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	12/28/2012
Texas SOS File Number	0801707701
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC- LAWYERS INCORP
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701



Franchise Tax Account Status

As of: 05/14/2016 03:33:43 PM

This Page is Not Sufficient for Filings with the Secretary of State

TEXAS CENTRAL RAILROAD, LLC DBA TEXAS CENTRAL HIGH-SPEED RAILROAD, LLC

Texas Taxpayer Number	32053171396
Mailing Address	1212 NEW YORK AVE NW STE 700 WASHINGTON, DC 20005-6149
Right to Transact Business in Texas	FRANCHISE TAX ENDED
State of Formation	DE
Effective SOS Registration Date	02/11/2014
Texas SOS File Number	0801931245
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E 7TH ST SUITE 620 AUSTIN, TX 78701

EXHIBIT 6



National Center
for Sustainable
Transportation

Increasing Highway Capacity Unlikely to Relieve Traffic Congestion

Susan Handy
Department of Environmental Science and Policy
University of California, Davis

Contact Information:
slhandy@ucdavis.edu

Issue

Reducing traffic congestion is often proposed as a solution for improving fuel efficiency and reducing greenhouse gas (GHG) emissions. Traffic congestion has traditionally been addressed by adding additional roadway capacity via constructing entirely new roadways, adding additional lanes to existing roadways, or upgrading existing highways to controlled-access freeways. Numerous studies have examined the effectiveness of this approach and consistently show that adding capacity to roadways fails to alleviate congestion for long because it actually increases vehicle miles traveled (VMT).

An increase in VMT attributable to increases in roadway capacity where congestion is present is called “induced travel”. The basic economic principles of supply and demand explain this phenomenon: adding capacity decreases travel time, in effect lowering the “price” of driving; and when prices go down, the quantity of driving goes up.¹ Induced travel counteracts the effectiveness of capacity expansion as a strategy for alleviating traffic congestion and offsets in part or in whole reductions in GHG emissions that would result from reduced congestion.

Key Research Findings

The quality of the evidence linking highway capacity expansion to increased VMT is high. All studies reviewed used time-series data and sophisticated econometric techniques to estimate the effect of increased capacity on congestion and VMT. All studies also controlled for other factors that might also affect VMT, including population growth, increases in income, other demographic factors, and changes in transit service.²

Increased roadway capacity induces additional VMT in the short-run and even more VMT in the long-run. A capacity expansion of 10% is likely to increase VMT by 3% to 6% in the short-run and 6% to 10% in the long-run. Increased capacity can lead to increased VMT in the short-run in several ways: if people shift from other modes to driving, if drivers make longer trips (by choosing longer routes and/or more distant destinations), or if drivers make more frequent trips.^{3,4,5} Longer-term effects may also occur if households and businesses move to more distant locations or if development patterns become more dispersed in response to the capacity increase. One study concludes that the full impact of capacity expansion on VMT materializes within five years⁶ and another concludes that the full effect takes as long as 10 years.⁷

Capacity expansion leads to a net increase in VMT, not simply a shifting of VMT from one road to another. Some argue that increased capacity does not generate new VMT but rather that drivers simply shift from slower and more congested roads to the new or newly expanded roadway. Evidence does not support this argument. One study found “no conclusive evidence that increases in state highway lane-miles have affected traffic on other roads”⁸ while a more recent study concluded that “increasing lane kilometers for one type of road diverts little traffic from other types of roads”.⁹

Increases in GHG emissions attributable to capacity expansion are substantial. One study predicted that the growth in VMT attributable to increased lane miles would produce an additional 43 million metric tons of CO₂ emissions in 2012 nationwide.¹⁰

POLICY BRIEF

Capacity expansion does not increase employment or other economic activity. Economic development and job creation are often cited as compelling reasons for expanding the capacity of roadways. However, most studies of the impact of capacity expansion on development in a metropolitan region find no net increase in employment or other economic activity, though investments do influence where within a region development occurs.^{11, 12}

Conversely, reductions in roadway capacity tend to produce social and economic benefits without worsening traffic congestion. The removal of elevated freeway segments in San Francisco coupled with improvements to the at-grade Embarcadero and Octavia Boulevards has sparked an on-going revitalization of the surrounding areas while producing a significant drop in traffic.¹³ Many cities in Europe have adopted the strategy of closing streets

in the central business district to vehicle traffic as an approach to economic revitalization,¹⁴ and this strategy is increasingly being adopted in cities the U.S., from New York City to San Francisco.

Further Reading

This policy brief is drawn from the “Impact of Highway Capacity and Induced Travel on Passenger Vehicle Use and Greenhouse Gas Emissions” policy brief and technical background memo prepared for the California Air Resources Board (CARB) by Susan Handy (University of California, Davis) and Marlon Boarnet (University of Southern California), which can be found on CARB’s website along with briefs and memos on 22 other land use and transportation strategies that impact vehicle use and GHG emissions. Website link: <http://arb.ca.gov/cc/sb375/policies/policies.htm>

¹ Noland, R.B. and L.L. Lem. (2002). A review of the evidence for induced travel and changes in transportation and environmental policy in the US and the UK. *Transportation Research D*, 7, 1-26. <http://bit.ly/1jZb1E>

² Noland, R.B. and L.L. Lem. (2002).

³ Noland, R.B. and L.L. Lem. (2002).

⁴ Gorham, R. (2009). Demystifying Induced Travel Demand. Sustainable Urban Transport Document #1. Transport Policy Advisory Services on behalf of the Federal Ministry of Economic Cooperation and Development, Bonn, Germany. <http://bit.ly/1MsZHfq>

⁵ Litman, T. (2010). Generated Traffic and Induced Travel: Implications for Transport Planning. Victoria Transport Policy Institute. <http://bit.ly/1WXC258>

⁶ Hansen, M. and Y. Huang. (1997). Road Supply and Traffic in California Urban Areas. *Transportation Research A*, 31(3), 205-218. <http://bit.ly/1ZvLOOK>

⁷ Duranton, G. and M.A. Turner. (2011). The Fundamental Law of Road Congestion: Evidence from US Cities. *American Economic Review*, 101, 2616-2652. <http://bit.ly/1MsZTeD>

⁸ Hansen and Huang. (1997).

⁹ Duranton and Turner. (2011).

¹⁰ Handy, S. (2005). Smart Growth and the Transportation-Land Use Connection: What Does the Research Tell us? *International Regional Science Review*, 28(2): 1-22. <http://bit.ly/1NCeeSP>

¹¹ Handy, S. (2005).

¹² Funderberg, R., H. Nixon, M. Boarnet, and G. Ferguson. (2010). New Highways and Land Use Change: Results From a Quasi-Experimental Research Design. *Transportation Research A*, 44(2): 76-98. <http://bit.ly/1LqYhfD>

¹³ Cervero, R., J. Kang, and K. Shively. (2009). From Elevated Freeways to Surface Boulevards: Neighborhood and Housing Price Impacts in San Francisco. *Journal of Urbanism*, 2(1), 31-50. <http://bit.ly/1LF8eSq>

¹⁴ Hajdu, J.C. (1988). Pedestrian Malls in West Germany: Perceptions of their Role and Stages in their Development. *Journal of the American Planning Association*, 54(3). 325-335. <http://bit.ly/1LqYnUy>

The National Center for Sustainable Transportation is a consortium of leading universities committed to advancing an environmentally sustainable transportation system through cutting-edge research, direct policy engagement, and education of our future leaders.

Consortium members: University of California, Davis; University of California, Riverside; University of Southern California; California State University, Long Beach; Georgia Institute of Technology; and The University of Vermont

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