

STATEMENT OF
Dylan Reingold, County Attorney
Indian River County, Florida
BEFORE THE
House Committee on Oversight and Government Reform
Subcommittee on Government Operations
HEARING ON
All Aboard Florida/Brightline
Thursday, April 19, 2018

Thank you, Chairman Meadows, Ranking Member Connolly and Members of the Subcommittee, for inviting me to testify today. My name is Dylan Reingold. I am the County Attorney for Indian River County. Indian River County is located on the east coast of Florida in the Treasure Coast, south of the Kennedy Space Center and north of Palm Beach County. Indian River County has approximately 146,000 people, many located in and around the population centers of the City of Vero Beach and the City of Sebastian.

As you may know, All Aboard Florida's proposed Brightline service would be a higher speed passenger rail system proposed to travel between Miami to Orlando, with stops in Ft. Lauderdale and West Palm Beach. All Aboard Florida will zip through Indian River County, and its 31 at-grade railroad-highway crossings near schools, churches, businesses and residences, at over 100 miles per hour. Our community has significant concerns related to the safety of this project. That issue, however, will be addressed by other speakers today so I am going to focus on the financial burden All Aboard Florida's Brightline system will place on Indian River County,

the State of Florida, the federal government, and every other local government along its projected path.

In 2013, All Aboard Florida claimed to be a privately owned, privately funded project. As a conservative County, the Board of County Commissioners thought this was fair. However, after meetings with the executive team for All Aboard Florida and its parent company, Florida East Coast Industries, it became apparent that this “private company” intended to pay for its “private project” with subsidies from the federal, state and local governments. Importantly, while the U.S. DOT and the State of Florida have chosen to fund this venture, local governments, like Indian River County, are not being given a choice – and are being mandated to pay for portions of this project.

The underlying higher-speed passenger rail project is required to comply with the National Environmental Protection Act (NEPA). In the NEPA documents, the U.S. DOT expressly stated that it expects Indian River County to pay for the costs to maintain the necessary safety improvements at all of the at-grade railroad highway crossings in perpetuity without any legal basis for this conclusion. Let me say that again because it is very important...the U.S. Department of Transportation as well as this privately owned company that is ultimately owned by a Japanese hedge fund, Softbank, expects local governments like my community to pay for the maintenance of its “private” passenger rail project for eternity.

We know where this payment theory originated. Indian River County currently has license agreements with the Florida East Coast Railway for each of the at-grade railroad highway crossings within its jurisdiction. The truth is, Florida East Coast Railway has these

agreements with all of the local governments up and down the east coast of Florida because, in most cases, the railroad—built around 1925—existed before the highway and roads necessary for a population that has since grown 10,000 percent. Indian River County, like its sister communities to the north and south, has funded this arrangement with the FEC Railway for many, many years, which not particularly fair, represents the status quo.

Now All Aboard Florida wants in on this arrangement. Not only is it seeking to piggyback off of these pre-existing agreements. It wants to dramatically change the underlying terms. This cannot and should not be permitted! It is an unfunded mandate unilaterally dumped on the local taxpayers.

First of all, All Aboard Florida is not an affiliate or sister company of Florida East Coast Railway. All Aboard Florida is a separate company.

Second, the speed of All Aboard Florida's Brightline service is unlike anything ever contemplated when the FEC crossing agreements were signed. Contrary to what All Aboard Florida has told the federal government, and likely members of Congress, the existing rail corridor has never in the history of Flagler's Florida East Coast Railway seen a higher speed passenger rail system. The original passenger rail service was slow and had stops all along the corridor. It ended in 1968. This is evidenced by the current design of the Florida East Coast Railway corridor, as it has approximately 159 at-grade railroad highway crossings that traverse through populated urban areas between West Palm Beach and Cocoa, Florida. The idea of operating a higher speed passenger rail at speeds up to 110 mph through these now urban areas is simply unconscionable. It is more than three times the average speed at which the FEC

trains operate today. This steep increase in speed will result in the need for additional safety improvements at all of the at grade railroad-highway crossings. While, All Aboard Florida has promised to pay for the initial installation costs of these safety improvements, its parent company, Florida East Coast Industries, has made it clear that it will only do so in exchange for Indian River County's agreement to pay for the costs of maintaining such facilities in perpetuity. An initial calculation performed by Indian River County estimates that these long term maintenance costs will be \$8.2 million through 2030 for our community alone—a significant sum for our small County. Consequently, the local taxpayer in Indian River County will be paying for the permanent safety improvements for this passenger train, forever. Payments in perpetuity for a train that does not stop here, but does bring clear and significant threats to our community.

In closing, I want to take this opportunity to say that Indian River County prides itself on being a fiscally conservative community. The Board of County Commissioners does everything it can to keep taxes low and limit the size of government, but we will be unable to limit the future costs of this project on our local taxpayers. This is because Indian River County has no say whatsoever in how much those safety costs will be. So when you hear All Aboard Florida say that we are a bunch of NIMBYs, or that we are angry because we do not have a stop in our community, I ask that you remember two things—we are opposed to Brightline because it is not safe and because All Aboard Florida is seeking to pay its bills with taxpayers dollars from the pockets of our constituents. This is not ok. Not now. Not ever.