

PUBLIC COMMENT: NEXT MEETING: ALL**MYTH BUSTERS: WHO YA GONNA CALL? HYPOCRISY IN LOCAL GOVERNMENT? SUPPORTING SMALL BUSINESS BUT SUBSIDIZING PUBLIC SECTOR TRANSIT**

From: Joseph P Thompson (translaw@pacbell.net)

*See my letter 14 years ago attached.
Joe*

To: echalhoub@weeklys.com; mmoore@weeklys.com; allcouncilmembers@ci.gilroy.ca.us; editor@garlic.com; chamber@gilroy.org; president@gilroyedc.org; jane@gilroy.org; victoria@gilroy.org; cristina@gilroy.org; gary@custom-1.com; cityclerk@hollister.ca.gov; sbcsuper@supervisor.co.san-benito.ca.us; supervisorikosmicki@cosb.us; supervisorzanger@cosb.us; supervisorgonzales@cosb.us; supervisors@cosb.us; supervisorsotelo@cosb.us; info@sanbenitocog.org; speaker.rivas@assembly.ca.gov; jon@hjta.org

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Editor: Letter to Editor or Guest Editorial: Dispatch, Freelance and MH Times.

Thank you to advocates for small business, and for their many years of public service for the taxpayers, namely, small business owners.

Do you help, or hurt, small business by forcing us to pay higher taxes for government sector transit? Take one example that is heading this way: CAHSRA's Bullet Train. But the analysis applies to all other government sector transport, e.g., VTA.

CAHSRA's high speed rail is projected to need about \$1B/year in subsidies because passenger fares will be so low. Those operating subsidies will be in addition to the construction subsidies paid by taxpayers.

Do we really want another taxpayer subsidy dependent form of transport?

With socialist solutions, government support, namely, taxpayers' dollars, is needed to make it go.

What about capitalism? Are we better off building on the bedrock of capitalism than on the quicksand of socialism?

During the construction of the first transcontinental railroad, Congressman Granville Dodge, who was a Civil War General, and UPRR's top civil engineer, was summoned to the White House. He relates his conversation with Lincoln in his seminal **"How We Built the Transcontinental Railroad."**

He was fed-up with internal conflicts at UPRR's upper management. So, he says he told the President that the government ought to own the UPRR. Lincoln said, "no." It must be in the private sector, or words to that effect.

So, with grants for construction, the transcontinental railroads were built. The grant were repaid. Under Section 22 of the original Interstate Commerce Act, taxpayers actually made a profit on the land grant railroad deal, hundreds of millions of dollars in profit, measured in 1940 dollars. (Ken Burns was wrong in his contrary statement in his documentary movie.)

Although the railroads were nationalized during WWI by the Wilson Administration, Congress reversed that in the Transportation Act of 1920, which de-nationalized the railroads.

During debate in the House in 1970 on creation of the National Railroad Passenger Corporation ("Amtrak"), Members proclaimed that "it would be self-sufficient in three years."

Never happened. By 9/11/01 Amtrak subsidies, stacked in \$100 bills, was higher than the World Trade Centers stood before the terrorists took them down.

It has only gotten worse since then.

County Transit, all Counties, is ten times worse in orders of magnitude. Yes the SEIU and public sector unions are happy with the gang-rape of the motorists, but we do not have sound, sustainable, or fair transport funding policy, rail or highway. Motorists are paying about 102% of the cost of our transport (including highway construction and maintenance), while transit riders pay only about 1% of the fully amortized cost of their transport (including capital & fixed costs).

The transit agencies cover-up the full extent of their losses by using non-GAAP accounting methods, "off-book" accounting, like Enron did, like Bernie Madoff did.

So, unelected transit agency directors do not even know the full extent of their insolvency. They don't ask. They don't want to know. I know. I've tried for ten years to get SBCCOG's Directors to tell the truth in transportation, but never made it to first base. They refuse to put private-sector transport options on their agenda. They are not alone. All the Counties do the same thing. Why? To feather the nests of the powerful vested interests who control them, e.g., SEIU.

With Prop. 1A we voted for self-sufficient high speed rail. We did not vote for a supersized Amtrak, CAHSRA's high speed rail slow motion train wreck, who have us on the same route taken by the USSR.

Instead of demanding more subsidies from taxpayers, higher gas taxes, why don't we say what Lincoln said to Congressman Dodge: "No."

If we used the profit you get moving intermodal tonnage (COFC & TOFC) instead of taxpayers' dollars, then we would not need to ask taxpayers for a dime for high speed rail.

As the late Honorable Norman Y. Mineta said in 1995, at the Institute that now bears his name at SJSU, "The crucial question in transportation today is: What should government do, and what should it leave to others?"

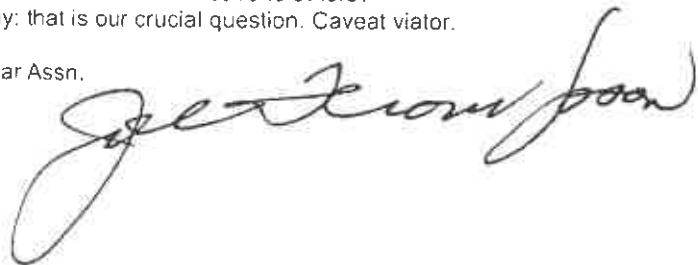
Secretary Mineta was right then, and he is right today: that is our crucial question. Caveat viator.

Joe Thompson

Past-President, 1999-2001, 2006, Gilroy-Morgan Hill Bar Assn.

(408) 848-5506

E-Mail: TransLaw@PacBell.Net



JOSEPH P. THOMPSON
Attorney at Law
8339 Church Street, Suite 114, Gilroy, CA 95020
Post Office Box 154, Gilroy, CA 95021-0154
Telephone (408) 848-5506; Fax (408) 848-4246
E-Mail: TransLaw@PacPell.Net

Fax (408) 842-2206
Editor and Editorial Board
The Dispatch
6400 Monterey Road
Gilroy, CA 95020

February 18, 2010

Re: MyBulletTrain: Profitable for who?

Dear Editor,

Bullet Train blitzkrieg, multi-million dollar campaign, using taxpayers' money to sell them on the boondoggle claims that it will be profitable. Yeh, but for whom? The planners, consultants, ad men, bond salesmen, foreign equipment manufacturers. The bankruptcy of all State-owned railroads in the USA in 1830's ought to tell us something about the right way to build a railroad. The American experience with nationalization of the railroads in 1918, the collapse of the USSR, and the world-wide privatization revolution of the 1990's should teach us a valuable lesson in railroad building. The insolvency of Amtrak, Caltrain. The bankruptcy last month of the Las Vegas Monorail, etc.—lessons abound from our history, but will we learn from them?

Sustainable rail transport hinges on the bottom line on the balance sheet; do revenues exceed costs? If we use VTA government-style accounting methods, like Enron did, like Bernie Madoff did, we won't see an unsustainable Bullet Train—we'll be given a snow job like County Transit snow jobs, concealing the truth about their insolvency.. We must use the same accounting used by the world's most successful railroads, UP, BNSF, CSX, etc., America's Class One Railroads. If you lose money moving passengers, then you have to make-up your losses by moving freight. Intermodal tonnage on Bullet Trains, moved on separate trains during non-peak commute hours, is how I've told the California High Speed Rail Commission, now High Speed Rail Authority, to do it. If the taxpayers purchase the infrastructure for the Bullet Train's owners, it will be like financing the Interstate Highway System, and the State Highways, for the trucking industry.

Transport me as a tourist, and I'll need a 99% fare subsidy. But transport me as a deceased traveller, and my estate, or relatives, have to pay 100% of the cost of moving the dead freight. So, to create a sustainable Bullet Train, you have to think like railroaders, not horizontal elevators in communist nations. *Caveat Viator!*

Why do our leaders want to grow bigger government, when common sense people, e.g., Editorial Board of Gilroy Dispatch, say we should be doing just the opposite? Do we have leaders who give a damn about the harm their decisions inflict? Why do we tolerate such hypocrites?

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

Member, Executive Committee, Debtor-Creditor-Bankruptcy Section, SCCBA

Member, Legislation Committee, Transportation Lawyers Assn.

Member, Association for Transportation Law, Logistics & Policy

Candidate, American Society of Transportation & Logistics

Winner, AST&L's Best Research Paper Award 1997

President, Gilroy-Morgan Hill Bar Assn.

Post-Doctoral Student, Transportation Law & Policy

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From: Joseph P Thompson <translaw@pacbell.net>
Sent: Thursday, September 5, 2024 10:36 AM
To: Michael Moore; supervisorkosmicki@cosb.us; supervisorzanger@cosb.us; SBC Board of Supervisors; Supervisor Bea Gonzales; supervisorsotelo@cosb.us; Angela Curro; Roxy Montana; Monica Gomez; cityclerk@hollister.ca.gov; r wells@edcsanbenito.org; Speaker Rivas
Subject: PUBLIC COMMENT: NEXT MEETING; REAL OR VIRTUAL; REGULAR OR SPECIAL; STUDY SESSION OR PRIVATE RETREAT

Dear Friends,

Please accept this for public comment at your next meeting, real or virtual, regular or special, study session or private retreat, and include it in the official record of proceedings so that future generations will know that we were warned.

(Michael, I tried posting this as a Letter on your Website.)

Ah mon ami,

Public or private? Build on quicksand of socialism, or on the bedrock of capitalism?

If JPA (joint power authority) was the right way to go, then how do we explain the insolvency of JPA COG? How do you like all those empty bus seats being transported, for whose benefit? If we believe that we ought to give away rides, then the taxpayers would be much better off if the riders took Uber, Lyft, taxis, shuttles, rickshaws, skateboards and lunar escalators, than public-sector transit bankrupt boondoggles like COG.

The fraud, waste and abuse at the transit agencies is concealed from the voters by using illegal accounting methods, what former Supervisor & COG Chairman Anthony Botelho told me at a COG meeting late one night, "Joe, it's not GAAP (legal accounting everyone is required to use by IRS regs), its "government accounting." So, they omit capital and fixed costs, to cover up the true level of their insolvency. Like Enron did, like Bernie Madoff did. "Off-book accounting" covers-up insolvency.

Any other JPA will do the same fatal-to-taxpayers thing, regardless of where the socialists stick it in the community.

Joseph P. Thompson, Esq.,

Charter Member, SBCCOG Citizens Transit Task Force;

Charter Member, SBCCOG Citizens Rail Advisory Committee,

Past-Chair, Legislation Committee, Transportation Lawyers Assn. 408-848-5506;

Past-President, 1999-2001, 2006, Gilroy-Morgan Hill Bar Assn.

Post-doc student transportation law & policy, Norman Y. Mineta International Institute for Surface Transportation Policy Studies,

SJSU; Transportation Research Board, Georgetown U.; and Library of Congress

E-Mail: TransLaw@PacBell.Net