



July 2017 Update

Citizens Against Rail Expansion in Florida (CARE FL) continues to actively pursue all appropriate legal, political and public communication channels to stop the ill-conceived All Aboard Florida (AAF)/Brightline rail project that threaten the public safety and current way of life of communities throughout the Treasure Coast.

Washington, D.C. Update

Counties and CARE FL Work Together to Present Updated Financial Information to DOT in Light of AAF Seeking New Taxpayer-Subsidized Loan

On July 24, Martin County, Indian River County and CARE FL sent a letter to the United States Department of Transportation (DOT) outlining their concerns that a potential \$1.75 billion Railroad Rehabilitation and Improvement Financing (RRIF) loan for the proposed AAF project might default, putting U.S. taxpayer dollars at risk.

The Counties and CARE FL point out that AAF has repeatedly gone to market with offering plans to sell tax free private activity bonds and has not been able to find buyers for these bonds, even at interest rates far higher than investment-grade tax-exempt debt. This is not surprising. In February 2015, John Friedman, Ph.D. of Economics and former White House National Economic Council Special had concluded that even making all optimistic assumptions to favor AAF, the project would generate annual losses of more than \$100 million and would be unable to service its debt burden.

Further uncertainty is created for the AAF project by the recent split in ownership between AAF's parent company, Florida East Coast Industries (FECI), now owned by SoftBank, and Florida East Coast Railway (FECR) which is now owned by Grupo Mexico. CARE FL and the Counties urge DOT to consider that AAF only has an easement to use the corridor and will not own the

tracks, even if paid for by the RRIF loan. The Department should also consider the financial health of Grupo Mexico.

Finally, the Counties and CARE FL point out publicly for the first time that the AAF project creates safety risks to President Trump due to the close proximity to the Mar-a-Lago resort. From a safety perspective, the U.S. Secret Service and others responsible for the safety of the President should be asked to consider the safety implications that could result from speeding up freight trains (carrying hazardous and dangerous substances, including LNG) interspersed with fast moving AAF passenger trains on the same tracks.

Counties and CARE FL Request Supplemental EIS, Citing New Environmental and Safety Concerns

On July 26, the Counties and CARE FL sent a second major letter to DOT, this time focusing on the environmental and public safety developments that warrant the publication of a Supplemental Environmental Impact Statement (SEIS) before any RRIF loan is issued.

The 24-page letter requests that DOT prepare an SEIS prior to the issuance of a Record of Decision (ROD) under the National Environmental Policy Act (NEPA). The letter contains two key sections. First, it reviews deficiencies in the August 2015 final environmental impact statement (FEIS), noting that it was “grossly deficient” at the time it was issued. The Counties and CARE FL focused on a number of the FEIS’ shortcomings, including that it did not take a hard look at the AAF project’s noise and vibration impacts, that it misstated the Counties’ obligation to maintain at grade crossings (reiterating that the Counties have no agreed to do so) and that it failed to adequately address concerns related to the Loxahatchee and St. Lucie Bridges.

The second section of the letter sets forth significant new circumstances and information that have occurred or developed since the issuance of the FEIS that merit careful examination in an SEIS. The Counties and CARE FL point out that the FEIS is nearly two years old and note that the underlying NEPA process—which began in 2014—has become “stale and aged through the passage of time and changes in circumstances.”

The new circumstances and information included in the letter include, but are not limited to:

- New developments regarding public safety, including a July 2016 report from rail safety expert Mr. Gavalla focused on a safety analysis of grade crossings
- That the FEIS did not consider an additional AAF station in Brevard County

- That the FEIS was based on an unrealistic timetable
- The significant environmental and safety uncertainties with respect to the new ownership of FECI and FECR
- Freight updates, including the environmental and safety concerns of FECR trains carrying LNG and Panamax cargoes
- The FEIS' complete omission of a potential alternative route known as the "K Branch".

Federal Advocacy

CARE FL continues to be grateful for the leadership that U.S. Congressman Brian Mast (R-FL-18) has shown on this important issue. His continued recognition of the threats that the AAF project poses to his constituents is something that we should thank him for every day.

In his role on the House Committee on Transportation and Infrastructure—which includes a Subcommittee on Coast Guard and Maritime Transportation—Rep. Mast has been focused on all aspects of the proposed AAF project, including AAF's insatiable quest for government subsidized financing, various public safety issues, and the numerous concerns related to the antiquated Loxahatchee and St. Lucie bridges and the project's dire effect on maritime navigability. Please let the Congressman know you appreciate his support on this issue.

Public Relations and Public Affairs Update from Tallahassee

This month, CARE FL submitted a guest column to [The TC Palm bylined by Chairman Brent Hanlon](#), *We're exposing truth about All Aboard Florida's play for public money*. The column, once again, highlights AAF's unquenchable quest for public dollars. CARE also expressed support for Cong. Brian Mast on Facebook after he was criticized in published stories for asking some tough questions at a recent congressional hearing on rail. This month, we also decided to have a little fun with an AAF when we came across an [Orlando Sentinel article](#) about Sprint Communications suing AAF for defaulting on a payment for services rendered by the communications giant. The story was also picked up by several other Florida publications including the TC Palm, Palm Beach Post, South Florida Business Journal and soon will be in The

Bond Buyer. The Sprint Communications v. AAF story was also shared on Facebook and received quite a few shares and comments by our followers.

Additionally, Nick Schaus, CARE FL member and longtime Brevard County resident, worked with our team to respond to a recent story in the *Wall Street Journal*. The one-sided story, that featured AAF and its supporters, was written as though the highspeed passenger rail project was truly a privately funded venture. Mr. Schaus's piece clearly explains that it is anything but!

We also worked on responding to a media inquiry from the *Palm Beach Post*. [The story ran online on July 22](#) and appeared in the Sunday paper on July 23.

CARE FL's Facebook page continues to grow and see considerable engagement from followers. The page currently has nearly more than 5,300 likes and is updated on a regular basis with relevant articles and breaking news to keep supporters apprised of our efforts and progress. In fact, the Sprint Communications v. AAF stories that we shared during the week of July 17th – 22 reached more than 23,000 Facebook supporters.

And to round out our activities this month, we just distributed two media releases highlighting concerns that CARE FL, along with Indian River and Martin County, expressed in the above-discussed letters to DOT Secretary Elaine Chao.

Brightline foes' new twist in fight against loan — President Trump

<http://www.mypalmbeachpost.com/business/new-brightline-foes-new-twist-fight-against-loan-president-trump/1yM81rjiwL0ajpkwuxqMXI/>

All Aboard Florida has requested \$1.75B federal loan, would likely default, opponents say

<http://www.tcpalm.com/story/news/local/shaping-our-future/all-aboard-florida/2017/07/26/all-aboard-florida-has-requested-1-75-b-federal-loan-would-likely-default-opponents-say/512576001/>

WPEC - Treasure Coast leaders say Brightline a danger to Trump

<http://cbs12.com/news/local/treasure-coast-leaders-say-brightline-a-danger-to-trump>

Trump Looped into Passenger Rail Dispute

<https://nsfblogs.com/2017/07/28/trump-looped-into-passenger-rail-dispute/>

Letter to USDOT: Federal Loan for All Aboard Florida Is Too Risky

<http://www.sunshinestateneews.com/story/letter-usdot-federal-loan-all-aboard-florida-too-risky>

Interested in Helping?

Winning this fight continues to be up to us! CARE and the residents of the Treasure Coast have the most to lose from this project, and we hope you will continue to oppose AAF by standing with CARE.

To get the latest or to sign up for our monthly updates, please visit our [website](#) or you can like our [Facebook page](#). You can also follow us on Twitter.

WE NEED YOUR HELP NOW MORE THAN EVER

Our opposition is positioning themselves to jeopardize our safety and quality of life. We need your donations to protect our citizen's safety and quality of life for the future and our children's future.

We would love to hear from you and if you care to make a contribution we've made it easy – just [click here!](#)

Please continue to share these updates with your family, neighbors and friends. There will be additional developments to report on in the coming weeks, so please keep an eye out for our monthly updates and possible calls to action.

Thank you for your continued support.

Together We Can Make A Difference.

Brent P. Hanlon
Chairman, CARE FL