

RESULTS MEMORANDUM

TO: Interested Parties

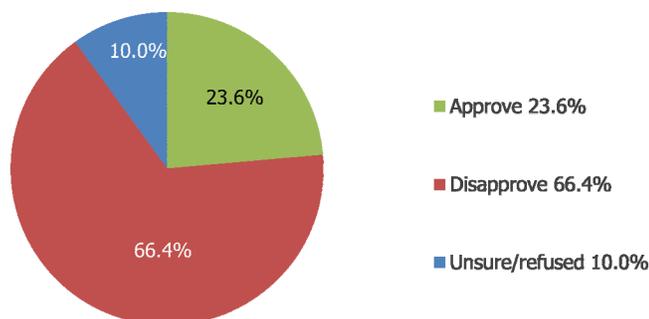
FROM: Adam D. Probolsky
Probolsky Research LLC

SUBJECT: California Voters on State Spending and High-Speed Rail

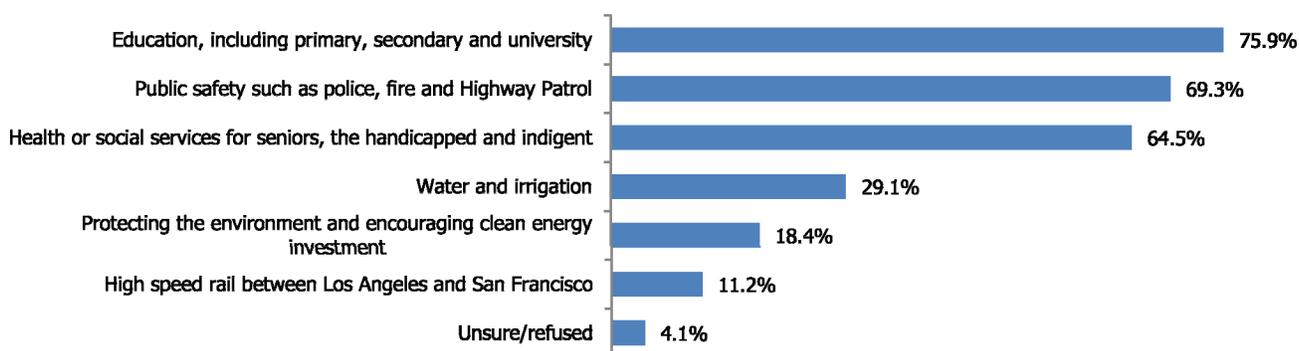
DATE: September 28, 2011

California Voters Disapprove of How Sacramento Spend Their Tax Dollars, Voters Sour on High-Speed Rail

Our research revealed that of California voters, a **sizable majority (66.4%) of Californians disapproves of the way that California's state government spends their tax dollars.**¹



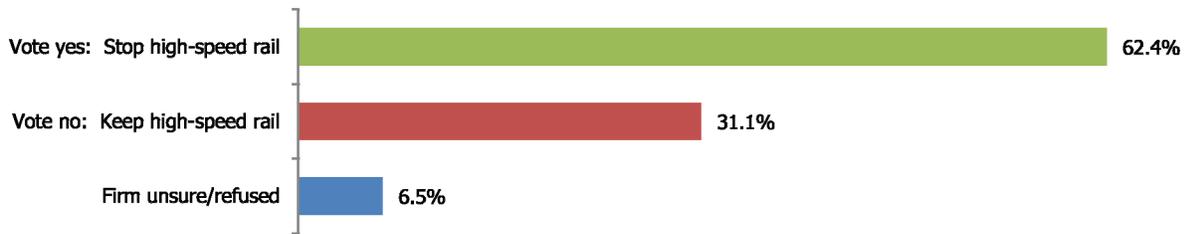
When asked how they would prefer that state government spending was prioritized given limited state funds, voters overwhelmingly selected Education, Public Safety and Health/Social Services.² **High-speed rail between Los Angeles and San Francisco ranks last.**



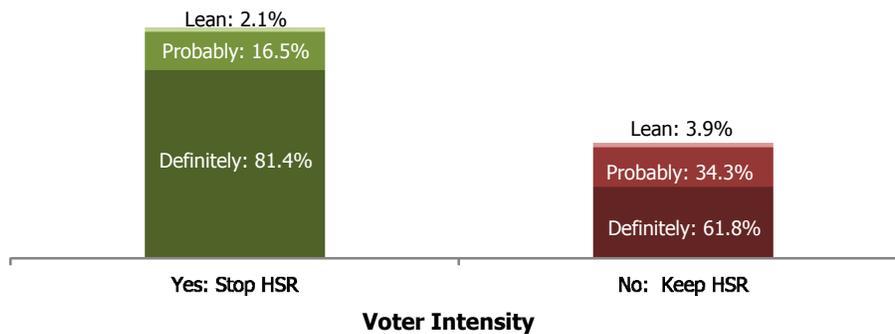
¹ Question: *In general, do you approve or disapprove of the way that California's state government spends your tax dollars? [RECORD] [IF YES OR NO>>>] And would you say that you strongly or somewhat (approve/disapprove)?*

² Question: *As you may know, the State of California faces a severe budget deficit. Legislators in Sacramento are making difficult decisions about how to spend limited funds. If you had to prioritize spending for the State of California, which of the following expenditures would you say are the three most important? Pick three.*

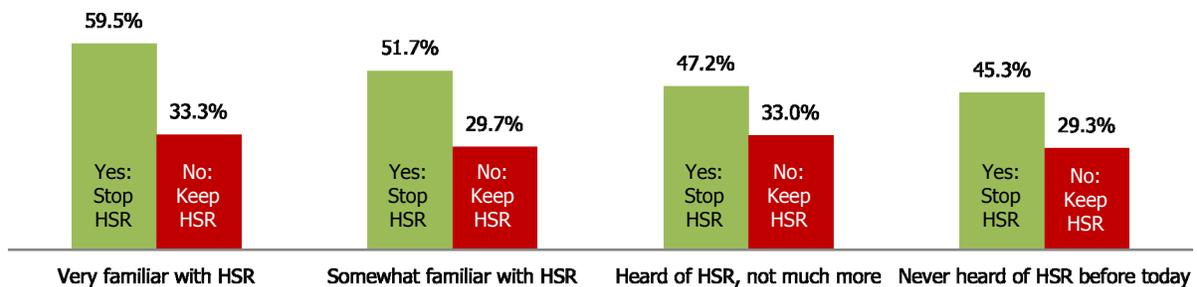
When put to the test, **62.4% would vote to stop California's high speed rail (HSR) project.**³



Voter intensity concerning the topic is high, with **81.4% of those who would vote to stop the project saying they would "definitely" vote to halt high-speed rail in California:**



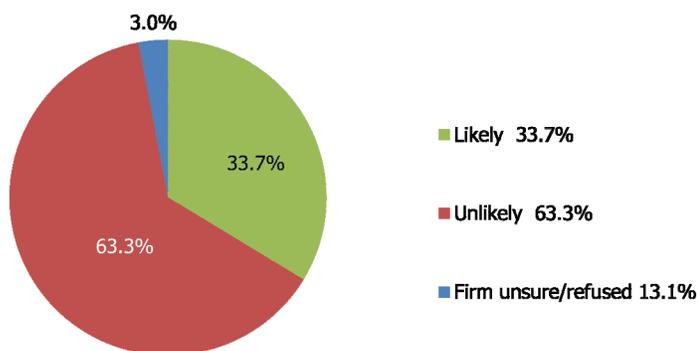
Opposition to the project doesn't appear born of ignorance of California's high-speed rail endeavor. The more voters know about high-speed rail, the more they are likely to vote to stop the project:



Percent Who Would Vote Yes To Rescind Prop1A Relative to Knowledge about HSR

³ Question: *Voters passed Proposition 1A in November 2008, authorizing the State to issue new debt in the form of bonds, up to nine billion dollars to help finance high-speed rail between Los Angeles and San Francisco. When the State takes on bond debt, it can cost up to double the borrowed amount in interest and principal to pay it back. The Proposition required that the bond funds must be matched by funds from the Federal Government or private sources before they can be issued. So far, the Federal government has committed three billion dollars, so the State can issue an equal amount of bonds for high-speed rail. The original construction cost estimates have doubled from 33 billion dollars to 66 billion dollars. With only six billion dollars committed, the project faces at least a 60 billion dollar shortfall. If an election were held today to stop the proposed high speed rail project in California, would you vote yes, in favor of stopping California's high speed rail project or no, against stopping California's high speed rail project? [RECORD] [IF YES OR NO>>>] And would you say that you would definitely or probably vote (yes/no)? [IF UNSURE>>>] And would you say that you would lean one way or the other?*

High-speed rail ridership: 63.3% of voters say they are unlikely to ever travel on the high-speed train between Los Angeles and San Francisco.⁴



From Wednesday, August 10 through Monday, August 15, 2011 Probolsky Research conducted a telephone survey of likely June, 2012 Primary Election California voters. A total of 750 surveys were collected. A survey of this size yields a margin of error of +/- 3.7% with a 95% degree of confidence. Interviews were conducted in English and Spanish. Interviews were conducted with voters on both landline and cell phones.

Probolsky Research LLC specializes in opinion research on behalf of government, corporate, political and media clients.

⁴ Question: Thinking ahead to when high speed rail is available in California, how likely are you to travel on the high speed trail between Los Angeles and San Francisco? And would you say that you are very or somewhat (likely/unlikely) take the high speed train?