



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

BRIEFING: FEBRUARY 2010 BOARD MEETING AGENDA ITEM #7

TO: Chairman Pringle and Authority Board Members

FROM: Jeffrey M. Barker, Deputy Director

DATE: January 27, 2010

RE: Proposed Memorandum of Understanding (MOU) with the Republic of Korea

Introduction

The California High-Speed Rail Authority has been requested to enter into an information-sharing focused Memorandum of Understanding (MOU) with the Ministry of Land, Transport and Maritime Affairs (MLTM), a branch of the national government of the Republic of Korea (South Korea). The purpose of this briefing is to outline the Authority's existing MOUs, provide background on South Korea's high-speed train system, and make a recommendation to the Board regarding an MOU with MLTM. The language of the attached MOU originated with the Authority and was reviewed by MLTM.

The Authority's existing MOUs

The Authority currently has entered into MOUs with six different countries: China (2009), France (2008), Germany (2009), Italy (2009), Japan (2005), and Spain (2003). The MOUs are all focused on cooperative information sharing, and do not incur any cost to the Authority. In recent months, several of the Authority's MOU partners have made presentations to the Board regarding their systems and experience.

Background on South Korea's High-Speed Train System

Line:

South Korea opened its high-speed rail line in 2004. Known as the KTX (Korea Train eXpress), the system originates in Seoul, the country's largest city, situated at its northwest corner, travels through the heart of the country and toward the southeast coastal city of Busan (the second-largest city in the country). Currently, high-speed service is available on only approximately half of the line, with the train switching to conventional tracks on the rest of the line. Construction is ongoing and anticipated to be complete by the end of 2010. Another line, linking to the country's southwest coastal region, began construction in 2006 and is anticipated to be completed by 2017. Altogether, the system will span 631 km (392 miles).

On the portion of track capable of high-speed service, the train reaches 300 km/h (186 mph), and takes just 1 hour to travel from Seoul to Daejeon, cutting in more than half the travel time between the cities by car.



(Source: Korail Web site)

Technology:

The KTX operates with technology based on the French TGV. South Korea and France entered into a technology-transfer agreement by which South Korea was given the tools and engineering to replicate the French system. Currently, the country has developed its own version of the TGV trainset (the KTX-II), which is currently in the testing phase.

Organization:

The KTX is governed by a cooperative structure involving five entities: 1) the Korean national government, through MLTM, 2) Korail, 3) the Korea Rail Network Authority (KRNA), 4) the Korea Rail Research Institute (KRRI), and 5) Hyundai ROTEM. The government sets policy and oversees investment planning. Korail is in charge of the operations and maintenance of the system. KRNA is the planning, engineering, construction, and project management entity. KRRI is a research and development arm. And ROTEM, a subsidiary of Hyundai, is the rolling stock manufacturer.

Existing Relationship with South Korea

In November 2009, at the invitation of MLTM, a delegation from the Authority traveled to South Korea to learn about their train system, the ongoing construction, and the structure of their organization, as well as the country’s potential interest in participating in the development, construction, and/or operation of the planned California system. Authority Deputy Director Barker and San Francisco-to-San Jose section regional manager (PB) Dominic Spaethling made up the delegation.

Additionally, a number of people working on California’s project were involved in some degree in the development of South Korea’s system – including Deputy Program Manager John Harrison and Bob Doty, the Authority’s representative on the Peninsula.

Staff Recommendation

Authority staff recommends that the Board approve entering into an information-sharing MOU with South Korea’s MLMT.

Attachments:

- ✓ Proposed MOU language



MLTM

Ministry of Land, Transport and Maritime Affairs

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CALIFORNIA HIGH-SPEED RAIL AUTHORITY
AND
MINISTRY OF LAND, TRANSPORT AND MARITIME AFFAIRS,
REPUBLIC OF KOREA
FOR
THE COOPERATION IN THE FIELD OF HIGH SPEED RAIL
TRANSPORTATION**

The California High-Speed Rail Authority (“CHSRA”) and the Ministry of Land, Transport and Maritime Affairs of the Republic of Korea (“MLTM”) (hereafter referred to as a PARTY individually and as the “PARTIES” collectively) are entering into this Memorandum of Understanding (“MOU”) to pursue long-term cooperation for environment-friendly and sustainable development of high-speed rail transportation in the State of California, U.S.A.

I. PURPOSE AND SCOPE OF COOPERATION

The PARTIES intend to establish and develop long-term cooperation in the field of high-speed rail transportation by exchanging information relative to the planning, technical standards, procurement, funding, operation and maintenance.

II. METHOD OF COOPERATION

The PARTIES will make their efforts for the optimal planning and execution of high-speed rail transportation in the framework of mutual cooperation. To achieve such purpose, both PARTIES can exchange information and opinions through related bodies including authorities, research institutions and private companies which have the experience in the areas of planning, technical standards, procurement, funding, operation and maintenance. Each PARTY will bear its own costs which may occur during its activities for the cooperation.

III. TERMINATION

Each Party may terminate this MOU by giving ten (10) days' of prior written notice to the other Party.

IV. LIMITATION OF COOPERATION

This MOU calls for a voluntary exchange of public information that is not prohibited by the respective laws and regulations. This MOU does not constitute an agreement for the provision of goods or services in exchange for compensation, nor does it represent any commitment for a future agreement of that sort. This MOU is not an exclusive agreement and each Party may enter into similar agreements with other entities with interest and expertise in high-speed rail transportation.

V. CONFIDENTIALITY

No information considered confidential by each Party shall be released to the other Party unless such Party is given prior notice on the confidentiality of such information and agrees beforehand to accept such information subject to the assertion of confidentiality. This provision is intended to give the receiving Party an opportunity to determine whether its internal laws allow to maintain the confidentiality of such information.

Done at _____ on _____ in two originals, each in English and Korean language, each text being equally authentic.

For the *California High-Speed Rail Authority*

For the *Ministry of Land, Transport and Maritime Affairs, Republic of Korea*

Curt Pringle
Chairman
California High-Speed Rail Authority

Jang-Hyun CHOI
Vice Minister
Ministry of Land, Transport and Maritime Affairs, Republic of Korea