

---

# California leaders set for high-speed rail groundbreaking Tuesday

By Robin  
Respaut

Fri Jan 2, 2015 6:38pm EST

- [inShare3](#)
- [Share this](#)
- [Email](#)
- [Print](#)

## Related News

- [Rival China trainmakers merge to boost high-speed rail push abroad](#)
- [Long-delayed U.S. high-speed rail plans may ride on Texas express](#)

## Analysis & Opinion

- [China rail merger reveals topsy-turvy reform logic](#)
- [The oil train glut shows how little the Keystone XL pipeline matters](#)

## Related Topics

- [U.S.](#) »

(Reuters) - California on Tuesday will break ground in Fresno on its ambitious but controversial high-speed rail project, marking another milestone for Governor Jerry Brown and for foreign manufacturers waiting to bid on lucrative train contracts.

The United States lags behind Europe and Asia in building both high-speed rail and its trains. The 800-mile (1,287-km) high-speed rail is expected to be the legacy project for Brown, whose unprecedented fourth inauguration will take place the day before the groundbreaking on Monday.

President [Barack Obama](#), too, wanted high-speed rail to be his signature transportation accomplishment. But in the six years since he took office, plans have lagged or been squashed. California's rail is the most ambitious project and one of the few still on track, although it has been mired in environmental lawsuits and eminent domain land disputes.

Still, the California High-Speed Rail Authority has enjoyed victories in recent months. One of seven environmental lawsuits was settled in December, after the rail authority agreed to find an alternative route through the city of Bakersfield. In October, the California Supreme Court declined to hear a lawsuit challenging the project's funding.

Funding remains a major hurdle for high-speed rail. In 2008, Californian voters approved nearly \$10 billion in bonds to kickstart the project, estimated to eventually cost \$68 billion.

For many years, that appeared to be the project's only source of money, until the legislature recently agreed to pledge 25 percent of future cap-and-trade revenues, or funds paid by companies to offset carbon emissions, plus an

additional \$650 million.

California raised nearly \$1 billion from its cap-and-trade program since 2013. That money could increase significantly next year as the program expands to cover distributors of transportation fuels such as gasoline and diesel and home heating fuels like natural gas. Still, it is unlikely to cover the full cost of the project.

In the spring, the rail authority plans to seek bids from train manufacturers. Ten companies have expressed interest, which could generate \$45 million for each train capable of traveling at speeds up to 220 miles per hour (354 km per hour). Eligible firms or their parents companies predominantly hail from abroad, including Canada's Bombardier Inc, Germany's Siemens Ltd, France's Alstom, Italy's AnsaldoBreda and China's CSR Corp Ltd. The trains must be built in the United States.

Tuesday's ceremonial groundbreaking comes months after construction started on the first phase of rail near Fresno, the largest city in California's agricultural Central Valley and a region of high unemployment.

(Reporting by Robin Respaut in San Francisco; Additional reporting by Rory Carroll in San Francisco; Editing by [Lisa Shumaker](#))

FILED UNDER:

[U.S.](#)

- [Link this](#)
- [Share this](#)
- [Digg this](#)
- [Email](#)
- [Print](#)
- [Reprints](#)

More From Reuters