

Without a viable funding plan, high-speed rail goes off its tracks

By Jeff Denham Special to The Bee

“I wasn’t sure where we were going to get the rest of the money. Don’t worry about it. We are going to get it.”

Gov. Jerry Brown’s words at the groundbreaking ceremony this month for the California High-Speed Rail Authority tell us a great deal about the viability of our state’s plans. If you follow the governor’s line of thinking – “don’t worry about it” – you might manage to forget the tens of billions of dollars the authority needs to generate to come anywhere close to financing its proposal.

The authority is more than \$20 billion short of completing the initial operating segment, and \$55 billion short to build from San Francisco to Los Angeles.

Cost estimates have doubled, then tripled, and now settled at \$68 billion for completion. That \$68 billion doesn’t include segments to Sacramento or San Diego, which were promised to voters when they approved Proposition 1A in 2008. It will cost billions more to connect these two major cities and enable their residents to use the rail line.

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The backbone of the authority’s funding allocation is a collection of multiple grants authorized under President Barack Obama’s 2009 stimulus package. That bill steered \$3.2 billion to the authority and as of November, the authority had spent \$498 million of this funding.

Most of the spending so far has been on designing, building and consulting fees instead of land. The authority’s unwillingness to offer fair prices to farmers whose families have owned their property for generations has impeded the process.

Instead, the authority has resorted to using eminent domain to steal land it needs, which could take years. Breaking ground without acquiring the necessary land is likely to leave our Central Valley dotted with empty construction sites that have torn through farms, forced residents to move and cost us all billions.

On Sept. 30, 2017, the stimulus money will go away, regardless of whether the authority intends to spend it or not. To meet the deadline, the authority, which has spent \$500 million in the past six years, would have to spend \$2.7 billion in the next two years – 16 times its current rate of spending.

At the same time, the authority would have to come up with an additional \$2.7 billion in state matching dollars. This seems impossible. The stipulations of the stimulus funding are written into federal law and cannot be renegotiated by the Federal Railroad Administration and the California High-Speed Rail Authority.



Republicans in Congress will not, under any circumstance, provide more funding for this failed project. We are six years into the authority's efforts to harangue, cajole, extort, bribe or otherwise bamboozle California and the private sector for additional financing.

The best the authority could do was to convince Brown to commit \$250 million a year via the controversial cap-and-trade scheme on carbon emitters – a drop in the bucket that will be paid for by our state's highway users. No private financing has emerged, irrespective of the authority's comments that financiers are coming out of the woodwork.

Despite breaking ground recently, the authority's gamble has failed. The authority wagered that if only it could get a shovel in the ground, the inertia behind the project would be too great to turn back. And yet the opposite has occurred. Public opposition is at an all time high, no doubt due to the private citizens who are having their land removed from their possession by a state government blinded by a pipe dream and the allure of "free" federal tax dollars.

This isn't a conversation about whether or not opponents of the project support the concept of high-speed rail. Personally, I would love to see high-speed rail in this country, where and when it makes sense.

This is a conversation about priorities. Here are a few things you could pay for with \$100 billion, the total cost of building to Sacramento and San Diego:

- 10 years of the state's entire infrastructure budget, including all the money spent maintaining or constructing highways, bridges and roads.
- 800 million-plus plane tickets from LAX to SFO.
- 34 years of free tuition for every UC student.

The only sensible thing to do is to take the project, and its new estimates and costs, back to the voters to seek their approval. The authority must be honest with us about the challenges ahead, and what the true costs and deliverables of the project will be. The high-speed rail proposal no longer resembles what California voters were promised in shovel-ready jobs, ridership numbers, speeds or costs, and cap-and-trade funding is uncertain at best.

The United States has led the world in rail infrastructure for generations. Now we have an opportunity to move into the 21st century with safe and efficient high-speed rail systems. California's high-speed rail, with no viable funding plan, little support from the voters and a "don't worry about it" attitude toward the future, is no way to set an example.

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