

Opinion: Calif. high speed rail is a boondoggle

By Ted Gaines

If you thought the Bay Bridge construction fiasco would reign forever as California's worst, most unsurpassable example of a government project running wildly over budget, you are in for a bitter surprise. High speed rail is on pace to be the grand champion money waster in California history and needs to be stopped before our citizens take an unprecedented fleecing.



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As a reminder, the Bay Bridge was initially slated for a retrofit after its dramatic and tragic failure during the 1989 Loma Prieta earthquake. In 1995 the cost estimate stood at \$250 million. By 1997 it was \$1.3 billion. In 2001, \$2.6 billion, and finally \$6.5 billion at completion, but even that estimate doesn't include interest costs, which could push the final cost to \$13 billion.

Now comes high speed Rail (HSR), whose initial \$33 billion total cost estimate has already ballooned to more than \$60 billion, and the story is about to get worse. With construction in its infancy, the California Rail Authority is facing potential cost overruns of \$400 million dollars on just the first 29 miles of the 500-plus mile project. And this is on the flat and sparse Central Valley. What will the cost overruns be in the infinitely more crowded and complex Bay

Area, LA and San Diego?

We shouldn't view this overrun as an anomaly, but a preview. It's further proof that every HSR number should be disregarded and that the state is really obligating itself to build a project with an open-ended cost, taxpayers be damned.

Their own, recently updated business plan shows that they've identified only \$20.7 billion in funding for their \$64.2 billion in costs (and there is zero chance that \$64.2 number doesn't explode into something drastically higher). Where will the rest of the money come from? They are hoping for some more federal funding and for continued "cap-and-trade" revenue, but those are hardly guaranteed. The cap-and-trade program is scheduled to expire in 2020.

Moving forward with such an unrealistic and unlikely financing scheme is really a leap of bad faith on the part HSR. They are playing a cynical game where they will waste \$20 billion, in hopes that the state (read: taxpayers) will have to see the fantasy project through to the end after sinking so much money into the "investment."

It should speak volumes that private investors, required under the terms of the initial HSR plan, have stayed completely on the sidelines. No investors will risk their own money on the project, but politicians gambling tens of billions of your tax dollars is just fine.

On April 4 I attended an oversight hearing on the updated HSR business plan, where legislators and bullet train representatives went back and forth on the new timelines, routes and funding proposals. One group did not have a seat at the table: The opposition. They did not get to speak. On a project this big, with a brief but conspicuous history of wildly inaccurate cost estimates, the critics should be more than a silent ATM.

Every assumption used to justify the initial high speed rail

proposal approved by the voters in 2008 proved to be overly optimistic at best, purposely misleading at worst. The ridership projections have been slashed, the train speed cut, and, predictably, the updated cost estimate looks nothing like the 2008 version.

This is not the "Train to Nowhere" as it's been derided – we should be so lucky. Its last stop is in the political hall of shame. To build it is to rob Californians of the desperately needed roads, water storage, and other meaningful infrastructure projects those tax dollars could buy. To build it is to doom taxpayers to perpetual subsidies to prop up the ultimate green vanity project.

State Sen. Ted Gaines represents the 1st Senate District, which includes all or parts of Alpine, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra and Siskiyou counties.