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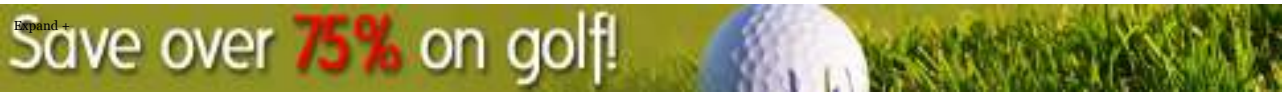
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NEWS

California High-Speed Rail Costs Skyrocket

August 9, 2011 6:57 PM

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Artist's conception of a California high-speed rail train.
(California High-Speed Rail Authority)

SAN FRANCISCO (CBS/AP) – The estimated cost of California's high-speed rail project is rising by billions of dollars.

Environmental impact studies released Tuesday and obtained in advance by The Associated Press, put the cost of building the initial segment at anywhere from \$10 billion to \$13.9 billion.

That's sharply higher than the \$7.1 billion estimate from 2009 for the Merced-to-Bakersfield section. Rail board executives say the higher costs include more elevated tracks in

the Central Valley and more specific data about property values.

[Information on public commentary for the California rail project](#)

Construction is scheduled to start next year. KCBS and Chronicle Insider Phil Matier said that projects are almost always touted as cheaper than they will actually turn out to be.

KCBS and Chronicle Insider Phil Matier Comments:

"The first thing you do when trying to build something like high-speed rail is sell it to the public. That's what they did here a couple of years back when they got Californians to approve about \$9 billion in bonds for high-speed rail," said Matier. "You're also trying to sell it to investors. The people behind the project are usually pretty enthusiastic about it, so the tendency is to undersell the cost and oversell the benefits. That's when reality starts to sink in."

Critics say the project is in danger of runaway costs at a time when tax dollars are scarce.



Reporting [Phil Matier](#)

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Supporters say the proposed route between San Francisco and Anaheim will create thousands of jobs and be cheaper in the long run than adding freeways.

Supporters are rushing to defend the project's new price tag, saying that it's the changes in the track design that have caused project costs to soar.

Every concession from high speed rail planners adds to the overall price tag, says Quentin Kopp, former chairman of the high speed rail board. For example, he says a tunnel is estimated to cost six times more than an elevated track.

"So when you make concessions to local authorities because of the clamor emanating from smaller cities along the route, you drive the cost up," said Kopp.

Kopp said the new numbers are adjusted for future inflation.

KCBS' Matt Bigler Reports:

You can hear Phil Matier's comments Monday through Friday at 7:50am and 5:50pm on KCBS All News 740AM and 106.9FM.

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FEATURED COMMENT

Is this a reasonable argument?

calvin do said:

Critics say the project is in danger of runaway costs at a time when tax dollars are scarce.

Supporters say the proposed route between San Francisco and Anaheim will create thousands of jobs and be cheaper in the long run than adding freeways.

I'm not biased, but according to this, it seems the critics are worried more on the short term effects, while supporters' reasons are more longer termed. Therefore, if we are interested in the future, I'd say give it a go.

[REPLY](#)

21 COMMENTS

Another Democratic waste of money

Get rid of this liberal, Democratic, Obama-wasteful-spending, economy busting waste of taxpayer's money boondoggle... Vote liberal Democratic money spenders out of office!!!!

August 9, 2011 at 9:14 am | [Reply](#) | [Report comment](#)

Josh Stewart

Maybe if we'd actually start BUILDING it, rather than discussing it, we can control the costs. Each year we wait, labor and material charges could go up or down (typically up). As this short article states, building additional freeways is not an option, and if we want to compete with the world, we need a viable alternative to cars. High speed rail is that alternative!

August 9, 2011 at 9:29 am | [Reply](#) | [Report comment](#)

mechanic

What the heck does this stupid thing have to do with us being competitive with the rest of the world?? If we really want to be competitive, we better learn how to get out of debt; not into more of it. People who waste big gobs of money are not competitive with anyone or anything. Do your homework, before spouting PC rhetoric.

August 9, 2011 at 10:01 am | [Reply](#) | [Report comment](#)

calvin do

Critics say the project is in danger of runaway costs at a time when tax dollars are scarce.

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give it a go.

August 9, 2011 at 9:43 am | [Reply](#) | [Report comment](#)

mike

Thousands of jobs!? Even if it added 10,000 new jobs, it would cost the taxpayers \$1,300,000 per job and that's initial costs. What future are you people talking about? Train travel in America is a step back in to the past. This project is nothing more than a big PAYOFF for a few people and a loss for 99.999999% of Californian taxpayers. This is a true crime against all taxpayers in this state

August 9, 2011 at 7:39 pm | [Reply](#) | [Report comment](#)

Nepal

Can conservatives prove that they are talking the talk by NOT using any railways, roads, or any benefits including benefits provided by the taxpayers to the congress??? give me a break... know what you are talking out of your mouth before you open your mouth

August 9, 2011 at 9:46 am | [Reply](#) | [Report comment](#)

Michael Aschoff

Drug mules ... will use this ... Please ditch this idea ... it's a waste of time and money

August 9, 2011 at 9:46 am | [Reply](#) | [Report comment](#)

Fred P.

A couple of thoughts/comments....

1. In this state, you will NEVER get anything done without a he!! of a lot of talking.
2. The estimates developed to support this project were biased WELL towards carrying out the project (what a surprise) in estimated ridership, costs, project schedules, routes, etc... But that's not surprising – you hire a consultant to develop your program/support your position.
3. Costs do NOT go down over time – they go up. Time is money.
4. Just because other countries have high-speed trains does not mean that we should have them. There is a whole host of other factors that are/were not included in the CA study..... but that would only defeat the proponents plans. A few high-population centers with minimal stops between and the geography to support a complete installation.

Since you're so supportive of high speed rail as THE alternative, let's see your independent studies (independent of the rail authority's study) completely supporting the economics of such a boondoggle.

No? Not surprising..... it needs to be cancelled now – take the money and cut our losses while we can. Typical liberal political boondoggle!

August 9, 2011 at 9:59 am | [Reply](#) | [Report comment](#)

Steve Z

Kill the project. Far too expensive.

August 9, 2011 at 10:01 am | [Reply](#) | [Report comment](#)

Drew

The high speed rail was a pork barrel project from the get go. You have to get to the station (1 hour plus) you have to travel 4+ hours, then you have to rent a car and drive another 1-2 hours. You can drive the whole thing in less time and with the new vehicle mileages going up you can also do it for less. You might think you will probably need to rent a car when you get to your destination.

August 9, 2011 at 10:02 am | [Reply](#) | [Report comment](#)

Blut Rot

I Say Since there is no actual law saying we need to pay federal taxes. We should assert a right to put federal tax dollars into a state rebuilding fund. Our infrastructure sucks. Unemployment is high. projects like this and others on our entire freeway system will create jobs. Then when unemployment is back down to pre recession levels and the state puts in a budget overtime five years running. Then we can resume paying the feds. I call it a win win.

August 9, 2011 at 10:16 am | [Reply](#) | [Report comment](#)

HSR

Another fine CA project that NOBODY needs.

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If built, this thing will run half-empty most of the time, and it will need a bailout within a decade.

I say NAY!

August 9, 2011 at 11:57 am | [Reply](#) | [Report comment](#)

Joe Anderson

I'm so glad I'm not in f;ing Ca anymore

August 9, 2011 at 12:03 pm | [Reply](#) | [Report comment](#)

Mark

Hahaha! I told you so! Every time you run an article on this junkwagon I point out that is a white elephant that will end up costing the state BILLIONS! It's about time people started waking up to the socialistic boondoggle. No high speed rail system has EVER supported itself through fares; all are supported at great public expense. Kill it before it multiplies!!!

August 9, 2011 at 2:51 pm | [Reply](#) | [Report comment](#)

Kathy

If we can fly to L.A., Burbank, Orange Co., or Long Beach in less than an hour (not including time at the airport for security) why do we need this money pit? If they want to do something with ground transportation, improve Amtrak, or use money for local transit. This will never support itself. We do not need it!

August 9, 2011 at 8:00 pm | [Reply](#) | [Report comment](#)

Davide Florez

Yep, a \$250 Billion dollar boondoggle called California's Train to Nowhere. The corruption, graft and infighting to get your grimy paws on these billions of dollars will be epic. Kill the boondoggle before Moody's gives california's bond rating an A—, heck, we're already worse than any other US state, so let's just declare bankruptcy and hop on the choo choo train.

August 9, 2011 at 8:50 pm | [Reply](#) | [Report comment](#)

Davide Florez

Here is California Governor Brown's future if he plugs his nose, and ignores the stench coming from the CA HSR project: 43 dead already in China, and death toll rising from China's massive high speed rail collision on 7/23/2011: <http://www.guardian.co.uk/world/2011/jul/25/chinese-rail-crash-cover-up-claims> and <http://www.theaustralian.com.au/business/opinion/inside-chinas-high-speed-cover-up-of-weekend-disaster/story-e6frg9if-1226104581026> and <http://www.independent.co.uk/news/world/asia/chinas-media-makes-rare-show-of-defiance-after-rail-crash-coverup-2330209.html>

And, image the terrorist target the 800 miles of unprotected train tracks in California would look like, assuming the magical money fairy came along and gave hundreds of billions to California to build this money suck of a project. One bad explosion, either from IED's near the tracks along those 800 miles of unprotected tracks, or lack of security checking of bags going onto the trains, would end the project, but only after \$200 plus billion has been wasted, and our state is bankrupt and in shambles.

August 9, 2011 at 8:51 pm | [Reply](#) | [Report comment](#)

Davide Florez

California Treasurer Bill Lockyer, the California politician responsible for selling these CAHSR bonds, said on March 14, 2011 to an LA news reporter that no one is interested in buying CA HSR bonds because the CAHSR is more interested in issuing bad PR, rather than coming up with a sound business plan. Until there is a sound business plan, or even a half-baked one, then no one will invest in this stinker of a project. Interviewer asks: "so are investors saying we're interested, but it doesn't look like you guys [CAHSR Authority] know what you're doing" & Lockyer responds: "that's what they're saying"; Interviewer: "what do you think?" & Lockyer responds: "well, I think the same thing." Lockyer also says "we don't have a [business] plan that makes sense" and "I don't think the State of California can sell these bonds", and even though voters authorized the bonds, the bonds don't need to be sold and the project can be cancelled in 2011 or 2012. – see interview here:

http://www.nbclosangeles.com/on-air/as-seen-on/NewsConference___California_Treasurer_Bill_Lockyer_Part_3_Los_Angeles-117841823.html

August 9, 2011 at 8:51 pm | [Reply](#) | [Report comment](#)

Kathy H.

There is a mega project expert called Bent Flyvbjerg who has studied 100's of mega projects over the world. It is very common to minimize cost numbers, maximize ridership and maximize revenue and most of the time all these numbers are dead wrong. Oh and he says the jobs thing is always pushed out there and is wy overestimated. Why? In order to get government grants. We need a solid review of

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all the base numbers in the ridership model and the business plan to see if it's possible to build this project and follow the law. People concentrate on the vote only, but in fact under a 4% margin won the ballot. The other parts of the ballot are being ignored which call for fiscal responsibility. Zero money is to be added above the 9 billion for HSR- no financial subsidy.

Answer this, if the feds aren't coming up with the money and HSRA says without it, no private investor will have the confidence to invest, what in the heck are we doing, starting this. By the way today's statement of federal money is old news, they are just announcing the signing of the contracts between Cal and Feds of previous granted money.

There is no way any sane person could say that there will be no subsidy when there is no money to build it and the ridership issues have been a joke.

The Authority's own ridership panel just said, they can't make a decision about the model until they have more data run. They said there were serious technical flaws. They agree with UC Berkeley, Insitute of Transportation on several issues. And that's with Parson Brinckerhoff watching them and with directions to basically look ahead and not backward. Van Ark said the numbers were good enough for environmental review. I beg to differ with him. If the numbers are about 20\$ of what was originally forecast years ago, one has to wonder if this is a prudent project.

August 9, 2011 at 9:33 pm | [Reply](#) | [Report comment](#)

Mel

If we can barely afford to get on a plane, how on earth are we gonna afford to ride this train, which will probably cost WAY MORE than a plane ticket?! Waste of money, which we don't have in the first place! We do not need to dig a deeper hole. Stop this madness!!

August 10, 2011 at 9:41 am | [Reply](#) | [Report comment](#)

John R

This financial diaster is slated to run through my several of my neighbors property causing them to lose thier homes at "fair market value"...there is no such thing when your life's dreams are dashed away. I will be left with a 200 mile an hour train less than 60 yards away from my house roaring by. No one thinks of the personal cost to individuals " for the greater good" when nightmares like this are voted in. Of course Calvin you are "willing to give it a go" what you are giving up for the high speed rail? The value of your home in these dire economic times?

August 10, 2011 at 12:34 pm | [Reply](#) | [Report comment](#)

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