



American politics

Democracy in America

High-speed rail

Tres grand vitesse, tres grand cost overrun

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CALIFORNIA'S high-speed rail project looks set to go [way over budget](#), and [Kevin Drum](#) says "Sacramento needs to pull the plug on this, and they need to pull it now."

I'm sorry HSR lovers. I love me some HSR too, but this project is just a fantastic boondoggle. It didn't even make sense with the original cost estimates, and it's now plain that it's going to cost three or four times more than that. What's more, the ridership estimates are still fantasies and it won't be able to compete with air travel without large, permanent subsidies. This is just too much money to spend on something this dumb. It's the kind of thing that could set back HSR for decades.

That's probably right. But I think it's worth putting a couple of qualifiers on the universally jeering response this cost-overrun news has received. First, major infrastructure projects around the world, whether they involve rails, roads or "fixed-links" (airports, bridges, tunnels, etc), usually run way over budget. Among the favourite researchers of high-speed rail opponents are the Danish team of Bent Flyvbjerg, Mette Holm and Soren Buhl. In [a study they ran](#) on over 250 major infrastructure projects going back to 1927, they found that nine out of ten went significantly over estimates; the mean cost escalation on rail projects was 45%, with a substantial number running 60-100% over budget. So while the estimated rise from \$6.8 billion to \$10-13.9 billion on the Merced-to-Bakersfield link of the California high-speed rail project is huge, it's not unheard-of. The Intercity-Express (ICE) high-speed rail link from Frankfurt to Cologne, for example, [ran 116% over budget](#). The London-Paris Chunnel went 69% over. Road projects generally do better, the Danish team found, but they, too, went over budget by an average of 20%. This is bad, because it means that taxpayers are being obliged to kick in for expenses they never really agreed to. But it also implies that if we were going to cancel infrastructure projects when they start to run more than 25% over budget, we'd never build any infrastructure.



Even so, the Merced-Bakersfield cost overrun projections are way on the high end of the scale, and construction hasn't yet started. But it's worth looking at just where these new projected cost overruns are coming from. The pro-project [California High-Speed Rail Blog](#) provides some details.

As to the cost estimates themselves, these are not the product of a general increase, but of the specifics of the various alternatives still under study. For example, about \$3.8 billion of the cost increase is due to proposals to build over 40 miles of viaducts through Fresno and other locations, especially if a Union Pacific/Highway 99 route is used. No wonder the Authority began [looking at an at-grade option](#) earlier this year.

As I understand it this doesn't account for the whole cost increase; the viaducts account for the difference between the \$10 billion and \$13.9 billion estimates. And I tend to expect that American infrastructure projects are going to overrun their cost estimates by at least [the 50%-plus overrun of the F-35 fighter project](#), because it seems like everything in America just gets completely screwed up lately. But to the extent projected cost overruns are a result of NIMBY

problems and farmers insisting on having the trains fly over their arugula fields, the lesson here may be different.

My overall feeling as a frequent user of European high-speed rail is that the main reason for scepticism about the California version is not so much construction issues as the state's overwhelmingly car-oriented transit grid. The Bay Area has very solid public transit, but Los Angeles is going to have a lot of trouble plugging passengers who arrive via high-speed train into its local transit system in a fashion that keeps them happy, especially the types of affluent passengers who can afford high-speed rail tickets. That seems to augur low ridership. European high-speed rail lines are the pricey flagships of rail networks that already blanket the continent in impressive depth, and are hooked into extensive local public transit systems in every major city. When you arrive at almost any stop on the TGV or ICE (Amsterdam, Antwerp, Brussels, Lille, Paris, Lyon, Frankfurt, Cologne, etc), you can get around easily without a car—often more easily than with one. I'm not sure it can work to simply plug in the fancy high-speed line without the supporting network. I wouldn't rule it out entirely; I took high-speed rail from Brussels to Avignon this spring, stepped off the train, rented a car, and had a generally airport-like experience that I could imagine replicating in California. And obviously this is a chicken-egg problem: California's effort to shift away from its maxed-out freeway system is going to have to start somewhere. But it's always seemed to me that there's one dead-obvious high-speed rail route in the United States to start with, Washington-New York-Boston, and if there's a route we ought to be willing to bite the cost-overrun bullet on, that's the one.

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