

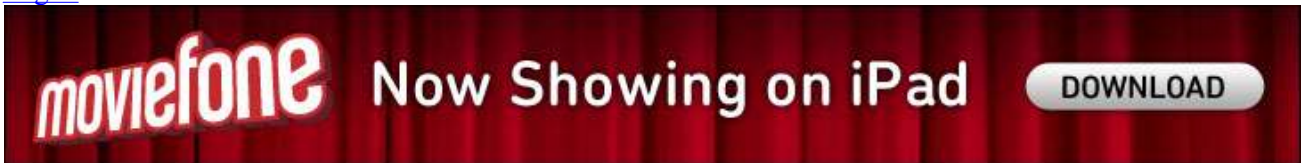
EDITION: U.S.

[CA](#) [Canada](#) [US](#) [United States](#) [UK](#) [United Kingdom](#)

- [San Francisco Restaurants](#)
- [San Francisco Around Town](#)

[More](#)

[Log in](#)



August 30, 2011



[THE INTERNET NEWSPAPER: NEWS BLOGS VIDEO COMMUNITY](#)

[Like](#)

426K

[This is the print preview: Back to normal view »](#)

California Bullet Train: Cost Of High-Speed Rail Project Balloons



First Posted: 8/29/11 01:31 PM ET Updated: 8/29/11 01:47 PM ET

React



[Amazing](#)

[Inspiring](#)

[Funny](#)

[Scary](#)

[Hot](#)

[Crazy](#)

[Important](#)

[Weird](#)

[Follow](#)



[High Speed Rail](#), [California High Speed Rail Authority](#), [California High-Speed Rail](#), [Bullet Trains](#), [California Bullet Train](#), [California Bullet Train Cost](#), [California High-Speed Rail Cost](#), [High Speed Rail Opponents](#), [San Francisco News](#)



This article comes to us [courtesy of California Watch](#).

By [Tim Sheehan](#)

For two years, the California High-Speed Rail Authority said it could build 520 miles of high-speed train tracks between San Francisco and Los Angeles for about \$43 billion.

But that figure – long derided as unrealistic by critics – went off the rails this month when the authority released detailed environmental reports for its proposed [Merced-Fresno \[PDF\]](#) and [Fresno-Bakersfield \[PDF\]](#) sections, the first two segments the agency wants to start building next year.

The authority's most optimistic estimates for the San Joaquin Valley sections alone total about \$10 billion; route choices could run the price to \$13.9 billion.

That's a far cry from the 2009 estimate of \$8.1 billion.

If projected costs can rise by as much as 71 percent in the Valley – a relatively flat, straightforward stretch – what will happen when tracks must be built through mountains and across cities in the Bay Area or Southern California?

If costs escalate statewide as much as in the Valley, the price to build the system from San Francisco to Anaheim could leap from the 2009 estimate of \$43 billion to as much as \$67.3 billion, even before buying any trains.

Some critics are saying, "I told you so," and others worry about even more cost increases in the Valley and statewide before a decade of construction begins in late 2012, as planned.

"It is about time that more realistic numbers are being used," said Elizabeth Alexis, co-founder of [Californians Advocating Responsible Rail Design](#), a group that has long doubted the authority's estimates.

Roelof van Ark, the rail authority's CEO, acknowledged last week that the earlier estimates, set forth in a [2009 business plan \[PDF\]](#) to the Legislature, were "a little bit optimistic."

Construction plans have changed in the Valley between 2009 and now, van Ark said.

He said that an updated plan due to the Legislature in October will reflect the higher costs for the Valley – and statewide.

"What you're seeing in the Central Valley, you are going to see in the other parts of the state as well," van Ark said. "Quite a few of the components (that add to the cost in the Valley) will definitely carry into other parts of the state. However, some of them could be even larger."

Why so expensive?

The higher estimates in the draft environmental impact reports for the Valley segments are the result of engineers refining the route options and gaining a better understanding of construction challenges, van Ark said.

"We know more now," said van Ark, who was hired by the authority months after the 2009 plan was prepared. "When you start designing systems like this, you look at the alignment, the cities, the rural areas, and you make assumptions. ... (But) you don't have the detail to consider what real costs are going to come about."

With that detail in hand, the authority has identified about \$5.8 billion in new costs, including:

- About 3 billion more to build about 36 miles of elevated tracks over the cities of Madera, Chowchilla and

Corcoran to avoid closing streets.

- About 844 million more for elevated structures, tunnels, bridges, overpasses and undercrossings to cross waterways, streets, highways and railroads along the route.
- About 685 million more for earthworks and retaining walls to raise the tracks above floodplains.
- About 430 million more to purchase right of way along the route and to relocate displaced homes and businesses.
- About 142 million more to realign a 2-mile portion of Highway 99 in west-central Fresno to make room for the high-speed tracks.

Van Ark said that since the first estimate, prices also have gone up for materials, such as steel, needed to build the system.

Between Merced and Fresno, the cheapest route option – now estimated at about \$3.8 billion – follows the Union Pacific freight railroad and Highway 99 between Merced and Chowchilla. It loops west around Chowchilla, then heads east to follow the Burlington Northern Santa Fe railroad around Madera to the east. The line then crosses the countryside to return to the UP tracks and Highway 99 by the time it reaches the San Joaquin River, and remains along the UP tracks through downtown Fresno.

The most expensive option is one that follows the UP tracks and Highway 99 all the way from downtown Merced through Chowchilla and Madera to downtown Fresno. At an estimated cost of \$6.7 billion, it includes the stretch of elevated tracks from north of Chowchilla to south of Madera.

Between Fresno and Bakersfield, the route roughly follows the Burlington Northern Santa Fe tracks, except for a stretch that crosses the Kings County countryside east of Hanford.

The most expensive variation, at about \$7.2 billion, would pass through the cities of Corcoran, Wasco and Shafter and the historic community of Allensworth, with elevated tracks through Corcoran.

The lowest estimated price, about \$6.2 billion, is for a route with bypasses around those towns.

The new cost projections in the Valley are about in line with what Alexis' CARRD group predicted, based on figures in the authority's application for federal stimulus funds this year.

"We had already built in the escalation to our cost figures so our current estimate is consistent with newly released information," Alexis said. "The budget numbers in the federal applications revealed the much higher price tag to those of us keeping close tabs on the project."

"Hopefully," she added, "all the cost surprises on this (Valley) segment going forward are good ones."

Increases inevitable?

Research shows that for decades, cost overruns are the rule rather than the exception for big transportation projects in general, and for big rail projects in particular. And California's proposed high-speed train system is a biggie.

"Even in the best of times, large infrastructure investments have a dismal performance record in terms of cost overruns, delays, and benefit shortfalls," Oxford University program-management professor Bent Flyvbjerg [wrote in a 2009 research article \[PDF\]](#) in the Oxford Review of Economic Policy.

In 2009, the cost for San Francisco-to-Anaheim was estimated at about \$39.3 billion, or just under \$43 billion by the time trains were purchased to run on the system.

Lynn Schenk, a former congresswoman from San Diego and a member of the rail authority's board, said the 2009 plan was created in "an atmosphere of wishes, hopes and faith, and ... was more of a sales and marketing piece" than a reliable prediction of costs.

Schenk said the October business plan will be "just about our last chance to rebuild confidence in this project, and us, that we can get this done" in the face of growing statewide concern over the rail project.

Van Ark also understands the implications of the new business plan, which will detail not only the costs for the statewide system, but also how the authority expects to pay for it.

And, he added, it will paint a much more realistic picture than the 2009 plan.

"We – I say we even though I wasn't around – we were a little bit optimistic in those days," van Ark said.

The authority's new estimates are priced to include all types of route options, "and these have all been cross-checked by a second group of costing engineers," he added. "I want to make sure I'm right when I go out and talk about these things."

Valley battleground

California has about \$6.3 billion available to start construction, a combination of federal stimulus funds and money from Proposition 1A, a \$9 billion bond measure approved by California voters in 2008. Planners decided the best place to use that first chunk of money is the Valley.

"We will build as many miles as we can out of that \$6 billion," van Ark said.

The lackluster Valley and national economies could actually favor the authority when contractors bid on the project next year.

"I'm hopeful that as the economy is down now, we will have some very competitive bidders when we go into the market next year," van Ark said.

Still, the jump in expected costs for the Valley segments have prompted renewed criticism of the project, already battered by the Legislative Analyst, the state Inspector General and others.

Concerns range from the authority's ability to manage the project, its reliance on an army of contractors and consultants, a rush to meet federal deadlines for \$3.3 billion in stimulus money, and the choice to begin construction in the Valley instead of one of the state's urban centers.

"We really need to re-examine what we're spending and what we're going to get for it," said state Sen. Alan Lowenthal, D-Long Beach. Lowenthal says he supports the concept of high-speed rail but has been fiercely critical of the rail authority, sponsoring legislation that would shift control of the project to the state's transportation agency.

Another legislator wants to ask voters to repeal Prop. 1A. "This thing is well on its way to massive cost overruns," said state Sen. Doug La Malfa, R-Willows. "The costs are starting to escalate and we need to take a timeout."

The Legislature and other state officials must approve the October business plan and its funding components before Prop. 1A money can be used.

The rising price tag has not deterred Gov. Jerry Brown from expressing continued support for the project. Brown told The Fresno Bee's editorial board this month that now is not the time to pull the plug on the high-speed electric trains.

High-speed rail "could reshape the Valley," he said. "But it is expensive. ... The numbers look big." Brown said those costs, however, pale in comparison to the state's economic productivity over the expected life of the trains. California, he said, needs to "look to the future instead of the past."

"Important countries are investing in high-speed rail," he said, citing examples in Europe and Asia. "I'm doing my best to keep this train running."

Authority officials are aware of the stakes for the October business plan and its cost projections.

"I have growing confidence that this is the document we need, with all of the warts, with all of the risks," Schenk said last week. "It's been truth-tested with some of our major critics ... people who have legitimate concerns and questions, and we're able to address those, or say that we can't."

Van Ark said the new cost projections have to be on the money and still account for inflation.

"I know some people are pointing fingers at us and saying, 'Every year the cost of this is going to go up by leaps and bounds,' " he said last week. "That's not the intent of a good engineering estimate. An engineering estimate must be right. ... We've got to stabilize these costs now."

The Associated Press contributed to this report. Tim Sheehan is an investigative reporter for California Watch, a project of the non-profit Center for Investigative reporting. Find more California Watch stories [here](#).

[PHOTO GALLERIES](#)



• [PHOTOS: Which U.S. Cities Have The Most Gay...](#)



• [Why Alice Matters: The Book Of Chez Panisse](#)



• [PHOTOS: Legendary Designer's Exhibit Opening Soon](#)

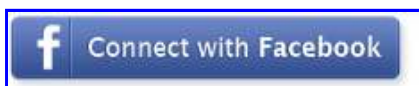


• [PHOTOS: High-Tech Grilled Cheese Utopia Coming...](#)

FOLLOW US

-
-
-
-
-
-
-
-

Connect with your friends
Check out stories you might like,
and see what your friends are sharing!



[Most Popular on HuffPost](#)

t4bx31NY3dTpZNVtYDKcg1%2FaYsWUH3IO8KYft89c7gDnHEbwnGV%
2Bpb9RmMOQiAUFadJJqJaucgKC0zzjqGiW8wQ9y3YqS3lg bO2R0mENuxmserFGXKH6rZnO%
2BYyZniu4FcM9xvNo23ANZqbcwv0ORXJp1eXir%2B2qr7BP43Yum2%2FF8pylgH%2FUU9d5qaSirQyY
1 of 2



[LOOK: Pictures Of Hurricane Irene Devastation](#)

[Recommend](#)

3K



[PHOTOS: Beyonce Flaunts Baby Bump On VMA Red Carpet](#)

[Like](#)

2K



[Beyonce Is Pregnant!](#)

[Like](#)

2K



[AOL TV: Kris Humphries Finds Out Kim Was Married Before on 'Kardashians' \(VIDEO\)](#)

[Like](#)

292



[AOL TV: Jon Cryer Dishes On Charlie Sheen-less 'Two and a Half Men'](#)

[Like](#)

245



[4 Misconceptions About The Simple Life](#)

[Like](#)

363



[Robin Koerner Ron Paul Can Win](#)

[Like](#)

2K



[Noisecreep: BulletBoys Drummer Johnny Giosa Dies in Car Accident](#)

[Like](#)

691



[Spinner: Olivia Newton-John Almost Didn't Release 'Physical' Because of Its Sexy Tone](#)

[Like](#)

480

Don't Miss HuffPost Bloggers

1 of 5



Tavis Smiley

[Questions About the Deficit Super Committee](#)

Gary Hart

[Who Is Standing on the Airhose?](#)

- [FRONT PAGE](#)
- [POLITICS](#)
- [BUSINESS](#)
- [ENTERTAINMENT](#)
- [TECH](#)
- [MEDIA](#)
- [LIFE & STYLE](#)
- [CULTURE](#)
- [COMEDY](#)
- [HEALTHY LIVING](#)
- [WOMEN](#)
- [LOCAL](#)
- [MORE](#)

FEATURED

- [Advertise](#) |
- [Log In](#) |
- [Make HuffPost your Home Page](#) |
- [RSS](#) |
- [Careers](#) |
- [FAQ](#)

- [User Agreement](#) |
- [Privacy](#) |
- [Comment Policy](#) |
- [About Us](#) |
- [Contact Us](#)

- Copyright © 2011 TheHuffingtonPost.com, Inc. |
- "The Huffington Post" is a registered trademark of TheHuffingtonPost.com, Inc. All rights reserved.

- Part of **HuffPost News • HPMG News**