THE BOND BUYER

Buttigieg pressed to drop support for California high-speed rail

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Caitlin Devitt

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The bipartisan infrastructure law lacks big-ticket funds for high-speed rail, but the Biden administration still hopes to see the technology developed in certain areas, Transportation Secretary Pete Buttigieg told lawmakers Tuesday.

The comments came during Buttigieg's testimony at a U.S. House appropriations panel hearing on the Department of Transportation's FY23 budget, where Buttigieg faced questions about California's embattled high-speed rail project.

"In California, we've got what I call Frankenrail," California Republican Rep. Mike Garcia told Buttigieg. "It's meandering through all the towns and villages and scaring the hell out of the locals."



"We continue to want that project, as we want any project, to succeed. But I would emphasize the portfolio of investments that we have here that doesn't concentrate all of our hopes around high-speed rail or any rail in a single geography or a single project," Buttigieg said. Oliver Contreras/Bloomberg

Despite years of pledges from different presidential administrations, the U.S. lacks any high-speed trains, which are considered, by some definitions, trains that move at least 180 miles per hour. Lobbyists last year pushed for high-speed support in the bipartisan infrastructure bill, and an early House version included \$25 billion. The final bill provided a \$12 billion bucket for "intercity rail service, including high-speed rail." The stalled Build Back Better bill includes \$10 billion for high-speed rail.

A \$30 billion project in Texas between Dallas and Houston that aims to be the nation's first bullet train has been sidetracked by lawsuits. Brightline, which operates a Florida train that runs slower than a true high-speed train, has struggled to ramp up amid COVID-19 shutdowns, though its officials say they are on track to finish construction between West Palm Beach and Orlando by the end of this year.

Brightline is also trying to <u>develop a line</u> between Las Vegas and Southern California.

Amtrak's Acela, averaging less than 80 mph between New York and Washington, falls short of the definition of high-speed rail.

Tuesday's House hearing saw the revival of the ongoing debate over California's high-speed project, which carries a price tag of \$105 billion. Launched with a \$10 billion state bond measure in 2008, the project has struggled with missteps and cost overruns. The state's Democrats are now <u>divided over spending</u> the last \$4.2 billion of the \$10 billion on the project. Releasing the funds would "signal continued support by the state of California, giving the Biden administration an incentive to provide significant federal investments to the project," said a May 4 letter from a coalition of former transportation officials, advocates and union leaders to California's legislative leaders.

The California project is "not high speed, it's not cheap, it's not effective, it's not low emission," Garcia told Buttigieg. "This is a project that should have died a few years ago."

Garcia urged the administration to direct federal money to other rail projects like Amtrak, Metrolink or the Redlands Passenger Rail Project in southern California.

"This high-speed rail comes at such a cost that we're cannibalizing these meaningful rail projects," he said. "I would just ask that you continue to look at this."

Buttigieg noted the administration's general support for high speed rail, without singling out California for specific support.

"We continue to want that project, as we want any project, to succeed," he said. "But I would emphasize the portfolio of investments that we have here that doesn't concentrate all of our hopes around high-speed rail or any rail in a single geography or a single project. Because, you know, high speed rail is so new in the U.S. that we haven't yet seen at scale what we might call the winning technology or a project delivery mechanism, although we're hopeful that through this infrastructure law we can establish in at least two or three geographies – not

a full national network, but two or three geographies – something that will demonstrate that we can do it just as well as anybody else in the world here."

Litigation is the real obstacle blocking the project, said California Democrat Rep. Norma Torres.

"The demise of high-speed rail in California is not the lack of demand or the lack of interest from our population," Torres said. "The demise is the constant lawsuits, the gumming up the processes, that they have been able to not only increase the price but delay a project that is desperately needed in California."