

Congressional Republicans want to take back high-speed rail funds

By Ralph Vartabedian, Los Angeles Times

November 23, 2011

California's proposed bullet train, the nation's largest public infrastructure project, has become the focus of an intense federal funding battle that could undermine its survival, as Republican leaders in Congress attempt to claw back as much as \$3.3 billion in federal grants already approved for the start of construction next year.

The case against the bullet train is being led by a group of California Republicans, including Rep. Jeff Denham (R-Atwater) and Rep. Kevin McCarthy (R-Bakersfield), the House majority whip, who have argued the project is deeply flawed and has become unaffordable as the cost has spiraled to \$98.5 billion.

Denham, a subcommittee chairman on the House Transportation and Infrastructure Committee, said he believes all of the project's grants can be rescinded by Congress and should be reallocated to highway construction in the Central Valley. Republican staffers are formulating plans to grab the bullet train money, which they said has not been spent or put under contract.

"We can't afford it when we have a \$15-trillion debt that continues to grow and California is broke," Denham said. "The cost of it continues to balloon out of control with no private investors willing to put money into it."

The threat is serious enough that the Obama administration, which strongly backs high-speed rail development, is attempting to secure the money for the California project through a step known as "obligating."

On Tuesday, the California High Speed Rail Authority said it had signed a cooperative agreement with the Federal Railroad Administration that "secures" through the obligation process remaining portions of the \$3.3 billion needed to start construction. That action covers \$928 million set aside for the project last year.

The agreement shows that the state's funding to start construction "is identified, committed and we are moving forward," said Thomas J. Umberg, chairman of the rail authority.

Denham said he doubts that obligating money that hasn't actually been spent can stop Congress from recouping the funds.

Any attempt to take back the federal money would face an uphill fight in the Democratic-controlled Senate. But the effort demonstrates the growing opposition to the California project by House Republicans, and weakening support across the board.

Denham once voted for the bullet train as a state senator but now says the program's worsening outlook makes it a "bait and switch." And last week, both houses of Congress voted to strip all high-speed rail funds from 2012 spending legislation.

If California were to lose the money, it could put the project — the only remaining high-speed train proposal in the country — in jeopardy. State voters approved a \$9-billion bond for the project in 2008, based on a commitment that federal and private money would pay the balance.

Gov. Jerry Brown said he intends to ask the Legislature to provide approvals necessary to start construction next year. The state plans to start building an initial 130-mile segment of track from Chowchilla to Bakersfield next year with \$6 billion, including \$3.3 billion in federal money and \$2.7 billion from the bonds. The completed system, stretching from the Bay Area to Southern California, is supposed to begin operating in 2033.

Brown has said that a new business plan released this month by the California High Speed Rail Authority provides a sound blueprint for moving forward with the project and issuing the state bonds. In Brown's view, the bullet train will lay a foundation for economic growth with a transportation system that can accommodate millions of additional Californians in future decades.

The bullet train has been largely exempt from congressional oversight. Next month, however, a federal spotlight will be turned on the project for the first time when the House Transportation and Infrastructure Committee convenes an oversight hearing.

House Republicans see the bullet train as poorly planned and out of control. McCarthy has introduced legislation that would freeze federal funding for the project and subject it to a comprehensive federal audit.

Even if the House were to rescind all or a portion of the California funding, the U.S. Senate would have to agree. Sen. Dianne Feinstein (D-Calif.) has been a resolute supporter of the project. One political strategy that has surfaced to entice votes from East Coast Senate Democrats is to propose reallocating the California funds to passenger rail projects in their states.

The upcoming House hearing will be chaired by Rep. John Mika (R-Fla.). Mika has often expressed support for the concept of high-speed rail, citing the East Coast as having the necessary population density and urban environment to support it. California officials say Mika supports high-speed rail, but he has never endorsed the state's project and now appears to have joined the skeptics.

In a statement, Mika did not rule out an effort to take back the California money, saying he "is reserving judgment." But an aide on Mika's committee said, "Any money that would come back to Washington would be much better spent by bringing high-speed rail to the Northeast Corridor