

Viewpoints: Case for high-speed rail grows only stronger

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The last time many Californians thought about high-speed rail was in the voting booth. On that day, Nov. 4, 2008, more than 6 million of us voted to tell the state to get going, to build high-speed rail in California.

Now, 2 1/2 years later, the second guessing is in full swing. In recent weeks some have suggested that we should put the project on hold.

We couldn't disagree more.

California will need high-speed rail in the coming years to do something about the gridlock on our roads and at our airports. Building it is a major investment, but the most recent estimates say it would cost twice as much over the next generation to build new highways and runways just to move the same number of people. With California expected to grow by 12 million people in the next 25 years, investment in the state's transportation system is inevitable, and high-speed rail is a cost-effective alternative.

In the last 2 1/2 years the case for high-speed rail has gotten stronger, not weaker. When voters approved the plan, a barrel of oil cost about \$55; today the price is almost \$100. Unemployment was around 8 percent back then, and it is now over 12 percent statewide and even higher in many areas. Californians need the jobs.

There are bound to be questions with any project of this size. We welcome the dialogue. Last month the Legislative Analyst's Office published a report calling for at least a temporary halt to the project. The report alluded to a number of concerns about the project:

- The amount and timing of future federal funding are unclear.
- Spending state funds on rail will mean there is less money for other things.
- We do not yet know how much private investment the system can attract, or when it will come.
- Starting construction in the Central Valley is "a gamble."

Let's take the criticisms one at a time.

First is federal funding. While we don't know precisely how much we will get in future years, we've competed well up to this point. California's project has received the largest slice of federal high-speed rail funds to date – \$3.6 billion out of \$10.2 billion. This is in large part due to the extensive planning already under way at the state level and the ability to leverage voter-approved Proposition 1A funds. There is no other program where California competes so well for federal funding. We will continue to encourage additional investment – both public and private – while promoting efficiencies that allow us to stretch every dollar in creating jobs and planning for the future growth of this great state.

Second is state funding. The voters said high-speed rail was a priority and authorized spending \$9 billion in state funds. The state continues to experience fiscal constraint due to diminishing revenues, but because construction is ramping up slowly we will only need 2 percent of these funds in the coming year to keep the project on track. The amount approved by voters will be spent over many years, keeping the impact on our state's budget low in any given year.

Third is private funding. Our high-speed rail system is expected to make money and attract private investment – similar to systems in Europe and Asia. Twenty-two different funds have shown investment interest in

financing part of the system's capital costs. Demonstrating our commitment by beginning major construction and finalizing all the approvals will minimize investor risk and net the best terms for the taxpayers.

Finally, there is the matter of where to start building. Many Southern Californians have said we should give priority to their part of the state; same in the Bay Area. We know that this system will never be a success until it connects these two population centers and does so in a way that is sensitive to local concerns. But the question of where to start does not require complicated analysis. The place to start is the place where we're ready to start, and that's the Central Valley.

No one thinks we should build the line through the Central Valley and then stop. And we won't. There is a parallel to the building of the Interstate Highway System more than 50 years ago. When we started building the Interstate Highway System, the first segments to be completed were not in New York or Los Angeles. The interstate was born in the middle of the country, America's heartland, with the very first sections laid in Kansas and Missouri and then connected to the rest of the nation.

On the day that first segment of interstate was dedicated we did not know where all the money would come from to build a 40,000-mile network throughout the nation, and we did not know when it would be finished. However, it was because of the vision of those who were willing to initiate the effort that, today, America has the most extensive highway system in the world.

California and the United States need high-speed rail, so let's keep going.

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