The future of California's high speed rail system has arguably never been as perilous as now. Otherwise-supportive legislators are now openly mulling raiding high speed rail funds meant to complete the first leg in the Central Valley for rail improvements in the more densely populated parts of California, namely the San Francisco Bay Area and Los Angeles to Anaheim, as the Los Angeles *Times* recently <u>reported</u>. Governor Newsom also expressed a lack of confidence in the system during his "<u>State of the State</u>" speech, in which he offered an abrupt scaling back of the state's vision for its signature infrastructure project.

Following that February speech, the governor appointed Lenny Mendonca as the new California High Speed Rail Authority chair, whom I'll interview tonight on <u>City Visions</u> on NPR affiliate 91.7 FM <u>KALW</u> radio in San Francisco, from 7-8pm. (For those out of the area, you can stream it or listen to the archived broadcast after the show <u>here</u>.) Mendonca has since laid out a <u>vision</u> for a down-sized "building block" segment from the Central Valley cities of Merced to Bakersfield, which could temporarily serve diesel-powered Amtrak trains until funding materializes for a segment from Merced to the Bay Area — and one day through the Tehachapi Mountains to Los Angeles.

This scaled-back plan is in some ways a simple nod to fiscal reality. There aren't enough funds right now to complete the project beyond this initial phase in the Central Valley. Voters approved roughly \$10 billion in bond funding in 2008, the 2009 federal "stimulus" bill offered another \$3.5 billion (\$1 billion of which the Trump Administration is now trying to cancel), and former Governor Jerry Brown and the legislature dedicated about 25% of the state's cap-and-trade auction proceeds to continue building the system. But that's not enough money to connect the Central Valley portion through the Pacheco Pass into San Jose, where it could then connect to the soon-to-be-electrified Caltrain into San Francisco. And it's nowhere near the multiple billions of dollars needed to tunnel through the Tehachapis to connect to Southern California.

Despite cost overruns and some controversial decision-making by some state leaders, the key stumbling block has mostly been the federal government. Republicans in control of Congress from 2011 to 2019 were unwilling to match the state's investment with federal dollars. If California had received at least a 50% match in federal funds (the typical match rate for urban rail transit projects), the rail system would have the money today to connect to the Bay Area, while at least making critical rail improvements in the Southern California section, if not starting the tunneling effort to Los Angeles.

So will high speed rail supporters ultimately need a change in leadership in Congress and the White House to get the necessary funds to complete the project? Will the California Legislature abandon the project and use the remaining dollars on local rail improvements

instead? How useful will the scaled-back "building block" segment in the Central Valley be, absent further rail connections?

I'll ask Chair Mendonca for his thoughts on these questions <u>tonight</u>, as well as for an update on the current status of the project. Listeners can call in at 866-798-TALK or email question as well. With the future of the nation's only high speed rail project under construction now in the balance, and a new governor and leadership team at the helm, this project is truly at a major crossroads.