

Congress of the United States
Washington, DC 20515

April 15, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Secretary Buttigieg,

Since assuming leadership of the Department of Transportation (DOT) you have enthusiastically promoted construction of high speed rail projects in America, including the current development of the high speed rail line in California.¹ You support these projects on the grounds that America should “lead the world” in high speed rail.² The acting head of the Federal Railroad Administration (FRA) also praised the California high-speed rail project, declaring that DOT “looks forward to partnering with California as it leads the way to build back better.”³ Unfortunately, this praise ignores the troubling fact that the California high speed rail project is exorbitant, costly and perpetually behind schedule⁴. This venture represents a glaring illustration of poor planning and massive taxpayer waste. As such, the project should not receive funding or support from the DOT.

Since its beginning in 2008, the California high speed rail project has suffered from an endless series of delays and costly failures. The proposed Los Angeles-to-San Francisco line was originally estimated to cost roughly \$33 billion and begin operating in 2020.⁵ Since then, cost estimates spiraled upwards and out of control, with the price now estimated at around \$100 billion and no firm prediction for the start of services.⁶ Several reports over the years highlighted the serious mismanagement of the project, which include wildly inaccurate cost estimates, poor planning, and a lack of transparency in use of funds, resulting in these extensive cost overruns and project delays.⁷

¹ Matt McFarland, *Secretary Pete Buttigieg wants fast trains. He'll have to succeed where Obama couldn't*, CNN (Feb. 9, 2021), available at <https://www.cnn.com/2021/02/09/economy/pete-buttigieg-high-speed-rail/index.html>.

² Joseph Guzman, *Newly minted Transportation Secretary Pete Buttigieg wants US to lead world in high-speed rail*, THE HILL (Feb. 5, 2021), available at <https://thehill.com/changing-america/sustainability/infrastructure/537571-newly-minted-transportation-secretary-pete>.

³ Statement of Acting FRA Amit Bose on California High-Speed Rail, Feb. 9, 2021, available at <https://railroads.dot.gov/newsroom/speeches/statement-acting-federal-railroad-administrator-amit-bose-california-high-speed>.

⁴ Ralph Vartabedian, *A 'low-cost' plan for California bullet train brings \$800 million in overruns, big delays*, LOS ANGELES TIMES (Feb. 22, 2021), available at <https://www.latimes.com/california/story/2021-02-22/california-bullet-train-dragados-design-changes>.

⁵ *Id.*

⁶ *Id.*

⁷ Ralph Vartabedian, *California bullet train officials say they were told to suppress bad news and 'shut up'*, LOS ANGELES TIMES, (Mar. 20, 2020), available at <https://www.latimes.com/california/story/2020-03-09/california-bullet-train-officials-say-they-were-told-to-suppress-bad-news-and-shut-up>. See also: Auditor of the State of CA, *California High-Speed Rail Authority Its Flawed Decision Making and Poor Contract Management Have*

The project has also caused serious ongoing problems in the communities it touches. An official in Fresno, CA, complained that construction left the city with “torn up streets, blighted property and homeless encampments.”⁸ One county has struggled to acquire land needed for the line, which has proven to be a “monumental hurdle” dating back almost a decade.⁹ A recent report noted that in that one county alone, the venture must acquire roughly 264 parcels of land to continue work, with no timeline for completing such an obstacle.¹⁰ Moreover, cost overruns for the line in that county have been reported to exceed \$800 million, with construction there still incomplete.¹¹

These issues only seem to grow despite the prior investment of billions of federal taxpayer dollars. During the Obama Administration, California high speed rail received almost \$4 billion in federal grants.¹² In 2019, the Federal Government canceled \$929 million in unused federal funding for the venture due to persistent, unmitigated delays and mismanagement, which led California to file a lawsuit.¹³ The Biden Administration recently announced that it was entering into “confidential discussions” with California to resolve the litigation and determine the future of the funds.¹⁴ Releasing this money to the project despite no evidence of improved circumstances, or a clearly articulated plan for the funds, further demonstrates the reckless use of taxpayer money on this endeavor.

Given the unending setbacks, it is highly unlikely that the Los Angeles-to-San Francisco phase – originally estimated as operational starting last year – will reach completion by the new predicted date of 2033.¹⁵ Even assuming the project becomes operational, the rail line will likely lose money and require annual government subsidies to function.¹⁶ Reports indicate that a portion of the line potentially set to open later this decade could lose between \$40 million and \$90 million annually without government support.¹⁷

Unfortunately, it appears the only certainty for the California high speed rail project under the Biden Administration is more wasteful federal funding redirected from more

Contributed to Billions in Cost Overruns and Delays in the System's Construction, Nov. 2018, available at: <https://www.auditor.ca.gov/pdfs/reports/2018-108.pdf>.

⁸ Ralph Vartabedian, *On California high-speed rail project, Newsom to scale back consultants but push ahead*, LOS ANGELES TIMES (May 1, 2019), available at <https://www.latimes.com/local/california/la-me-bullet-train-project-update-20190501-story.html>.

⁹ Ralph Vartabedian, *Bullet train contractor warns of further two-year delay as state struggles to secure land*, LOS ANGELES TIMES (Mar. 29, 2021), available at <https://www.latimes.com/california/story/2021-03-29/california-high-speed-rail-contractor-warns-more-delays>.

¹⁰ *Id.*

¹¹ Vartabedian, *supra*, note 4.

¹² Congressional Research Service (CRS), *Improving Intercity Passenger Rail Service in the United States*, Feb. 8, 2021, available at <https://www.everycrsreport.com/reports/R45783.html>.

¹³ Federal Railroad Admin. email to Federal Railroad Admin. GA (Mar. 22, 2021), on file with the Committee.

¹⁴ *Id.*

¹⁵ *Supra*, note 12.

in the United States, Feb. 8, 2021.

¹⁶ Ralph Vartabedian, *California bullet train could end up needing subsidies, despite promises to voters*, LOS ANGELES TIMES (May 27, 2020), available at <https://www.latimes.com/california/story/2020-05-27/california-bullet-train-may-need-subsidies-despite-promises>.

¹⁷ *Id.*

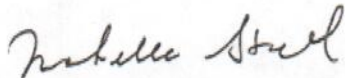
worthwhile transportation projects and programs. Instead of pursuing the frivolous desire to “lead the world” in high speed rail, this Administration should focus on providing Americans with the safe, affordable, and practical infrastructure they demand. Accordingly, we respectfully ask that you provide the following information in writing by May 5, 2021:

- 1) The amount of federal funding the California high speed rail project is expected to receive based on the DOT’s analysis of the financial records and formula grants. For this please include the financial statements and formulas utilized, including any revisions to the formula that have occurred and the guidance issued.
- 2) The justification for any reversal of FRA’s 2019 decision to de-obligate federal funding for the California high speed rail project and explanation for how the recipient has overcome these previous concerns and violations of its cooperative agreement with DOT.
- 3) The justification for applying federal funds to the California high speed rail project, beyond the desire to “lead the world” in high speed rail, and despite ongoing problems that required the rescission of federal funding in 2019.
- 4) DOT’s intended plans to ensure accountability and transparency that any federal funding for the California high speed rail project is spent responsibly and meets metrics.
- 5) The status of litigation discussions with the State of California related to the \$929 million in federal funding previously withdrawn due to project issues.

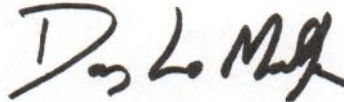
Sincerely,



Eric A. “Rick” Crawford
Ranking Member
Subcommittee on Railroads, Pipelines, & Hazardous Material



Michelle Steel
Member of Congress



Doug LaMalfa
Member of Congress



Ken Calvert
Member of Congress



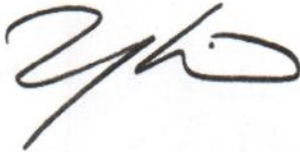
Mike Garcia
Member of Congress



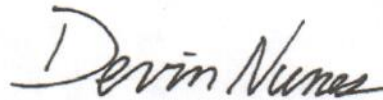
Michael Guest
Member of Congress



Darrell Issa
Member of Congress



Young Kim
Member of Congress



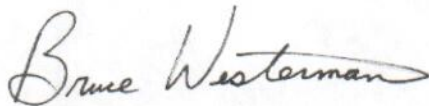
Devin Nunes
Member of Congress



Scott Perry
Member of Congress



David Valadao
Member of Congress



Bruce Westerman
Member of Congress

Cc: The Honorable Peter A. DeFazio, Chair
Committee on Transportation and Infrastructure