

High-Speed Rail Factsheet

When Japan launched its bullet train (Shinkansen) service between Tokyo and Osaka in 1964, it revolutionized fast train travel with average speeds of 150 to 200 miles per hour (mph). Following Japan, France launched its national high-speed rail program in 1981 with the Paris-Lyon route. Germany and Spain opened their first high-speed lines in 1992, with other European and Asian countries constructing high-speed rail lines in the following decades. The Acela Line in the Northeast corridor is the closest the United States has to high-speed trains. Acela trains have a top speed of 150 mph, though they average only 70 mph.

In 2008, California voters approved Proposition 1A, which allows the state to sell \$9 billion in general obligation bonds to partially fund the development and construction of a high-speed rail system from the City of San Francisco to Anaheim through the Central Valley and Los Angeles. The state proposed that the remaining funding for the system's construction and operation come from federal and local governments, as well as the private sector. At the time, the state projected the cost of constructing the new line to be roughly \$33 billion and that it would be operational by 2020.

In 2009 and 2010, the federal government allocated roughly \$3 billion to the state for the proposed rail line. Since that time, Congress has not appropriated any funds for high-speed rail.

In its 2014 business plan, the California High-Speed Rail Authority (HSRA), charged with developing and implementing the high-speed rail system, defined the first phase of the project as a 520-mile system connecting the San Francisco Bay Area to the LA Basin. This first phase is now projected to cost \$68 billion and be operational by 2028.

In conjunction with the Federal Railroad Administration, HSRA determined that the best place to begin the new system was down the Central Valley between Merced and Bakersfield. In 2013 HSRA awarded the first significant construction contract for this backbone segment, a 29-mile stretch from north of Fresno to the city center. HSRA executed the \$985 million design-build contract with Tutor Perini/Zachry/Parsons, a joint venture, with construction to begin by the end of 2014 and finish in 2017.

HSRA is currently in the process of awarding the second design-build contract for construction of the line from Fresno to just north of the Kern County line. HSRA expects this contract to cost \$1.5 to 2 billion and will award the contract before the end of 2014.

In 2014, recognizing the absence of funding necessary to continue moving the high-speed rail project forward, the Legislature continuously appropriated 25% of all revenues generated from the state's cap-and-trade program¹ to the project beginning in 2016. Some estimates suggest this may provide to the project between \$200 and \$300 million annually, and the administration believes this revenue stream will unlock significantly larger sums of funding from the federal government and the private sector through loans and matching grants.

¹ AB 32 (Nuñez), Chapter 488, Statutes of 2006, requires the California Air Resources Board (ARB) to adopt regulations necessary to reduce the state's greenhouse gas emissions to 1990 levels by the year 2020. Among other measures, ARB has implemented a market-based mechanism to help accomplish this aim, commonly known as the cap-and-trade program, which creates an emissions market and the opportunity for the state to raise revenue through the auction of allowances to regulated entities.