

Trump Administration Cancels \$929 Million for California High-Speed Rail Project

By Ryan Beene and Romy Varghese
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An elevated section of the high-speed rail under construction in Fresno, Calif. on Dec. 6, 2017.

Photographer: Rich Pedroncelli/AP

The Trump administration says that it will cancel more than \$900 million in federal grants earmarked for an ambitious California high-speed rail project after the state's Democratic governor [said](#) he now plans to focus on completing a single segment in an interior region.

In addition, the U.S. Transportation Department said in a statement Tuesday that it was exploring legal options to recoup \$2.5 billion in federal funds already granted to the project by the [Federal Railroad](#) Administration.

Initially conceived as connecting San Francisco and Los Angeles with a high-speed train that would slash travel times and transform the state's economy, the project has been beset by cost overruns and delays causing its estimated price to balloon to \$77 billion. Governor Gavin Newsom, who took office in January, said last week that the rail as planned "would cost too much and take too long," and he would instead finish roughly 170 miles of track already under construction in the state's

Central Valley. The state agency running the project estimates that cost at \$17.5 billion.

[Earlier: California to Still Sell High-Speed Rail Bonds Despite Pullback](#)

The administration's move comes amid escalating tensions between it and Democratic leaders of the most populous U.S. state. Talks between California and federal officials on vehicle emissions and fuel economy [standards](#) have broken down without a deal, three people familiar with the matter said Tuesday. California on Monday led a group of more than a dozen states in a lawsuit to block President Donald Trump from diverting funds from the federal budget to pay for his promised border wall.

"This is clear political retribution by President Trump, and we won't sit idly by," Newsom said in a statement Tuesday. "This is California's money, and we are going to fight for it."

Trump has lambasted California's high-speed rail project, in the works for more than a decade, as wasteful and called for the state to return federal funding.

"A different deal and record cost overruns. Send the Federal Government back the Billions of Dollars WASTED!" Trump said in a tweet Wednesday morning.



[Donald J. Trump](#)

[✓@realDonaldTrump](#)

California now wants to scale back their already failed "fast train" project by substantially shortening the distance so that it no longer goes from L.A. to San Francisco. A different deal and record cost overruns. Send the Federal Government back the Billions of Dollars WASTED!

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House Minority Leader Kevin McCarthy also criticized his home state's management of the project, citing rising costs and a lack of transparency.

"It is time is to move on from the broken high-speed rail project and redirect our efforts to infrastructure projects that work for Californians," he said Tuesday in a statement.

Newsom said the state is properly using the money to finish the segment in the Central Valley, a mostly rural agricultural region. Newsom said preliminary work on the entire system would continue and that he would seek more federal and private funding. "The train is leaving the station — better get on board!" he tweeted Feb. 13.

In a [letter](#) to California officials released by DOT on Tuesday, FRA Administrator Ronald Batory said the state authority responsible for the rail project failed to comply with the terms of the \$929.6 million in federal funds.

(Updates with cost estimate in third paragraph.)

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