

# Newsom, seeking governor's office, now backs high-speed rail

**Juliet Williams, Associated Press, 10-19-16**

SACRAMENTO, Calif. — Lt. Gov. Gavin Newsom said Wednesday that he no longer opposes California's \$64 billion high-speed rail plan, after withdrawing support for the project more than two years ago.

He told the Sacramento Press Club that he would "100 percent" seek a solid public funding source for the train project if he's elected governor in 2018.

The Democratic former mayor of San Francisco is raising money for a bid when Gov. Jerry Brown is termed out then.

"I want to be honest about the concerns, and transparent about how this project's changed, and be honest about the fact that it's unlikely to generate a big surplus," Newsom said. "There's only one rail system in the world that actually generates a profit. I'm not opposed to the vision."

Newsom, once an ardent supporter of the project who campaigned for a bond measure on it with then-Gov. Arnold Schwarzenegger, a Republican, said he grew critical of the high-speed rail authority's ever-changing business plan.

It morphed from a \$33 billion plan to a \$98 billion and now is back down to a \$64 billion plan and has also changed routes since voters approved selling nearly \$10 billion in bonds for it in 2008.

Newsom became the highest-profile Democratic opponent of the project when he told a conservative Seattle radio show host in February 2014: "I would take the dollars and redirect it to other, more pressing infrastructure needs, and I am not the only Democrat that feels this way. And I've got to tell you, I am one of the few that just said it publicly."

On Wednesday, Newsom noted that when voters approved the project, about a third of the funding was to come from the state bonds, about a third from the federal government and about a third from private financing.

But the state has only received about \$3.2 billion in federal stimulus money, and Republicans in Congress have balked at providing additional federal financing. Private companies have expressed interest in running the system and operating concessions, but they have not stepped forward to offer financing while construction is ongoing.

Lisa-Marie Alley, a spokeswoman for the High-Speed Rail Authority, noted in an email that project construction is underway, jobs are being created statewide, "and we certainly welcome additional support from the state's business, community and government leaders."

Brown has been a staunch supporter, and his administration negotiated the first long-term funding source for it, which lawmakers approved as part of the 2014-15 budget. That gave the project about \$500 million a year from fees charged to polluters. It's unclear whether lawmakers will approve that funding stream for future years, and auction proceeds from those fees fell sharply this year.

"I want to give the governor the benefit of the doubt" on leveraging more money from that program, Newsom said Wednesday. "If he is successful to invite and secure the private-sector money, that's a game-changer. And if we can do that, then this thing starts to pencil out. Without that, then I remain concerned about financing."