

California High-Speed Rail's New Proposal

By John Benson

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1. Introduction

It's been a while since I wrote about my home-state's project to link our three largest metropolitan regions (SF Bay Area, Los Angeles and San Diego) with a California High-Speed Rail System (hereafter HSR) while connecting through many other major cities in the Central Valley, Inland Empire and Orange County. See the map in Section 2 for details.

My last update of this project was three years ago, but in defense of my tardiness, HSR has been making steady progress in building out the central part of the system, while transit districts in the SF Bay Area and Southern California have made progress on building bridging sections. My last report on this project is summarized and linked below.

California Rail Electrification - 2022 Update: I live in a state where we frequently walk alone, and this includes our current HSR project. However, we still continue to make progress on the initial 171-mile segment through our Central Valley. Also making progress are the Northern California connector projects that will initially connect HSR into BART, ACE and the other commuter rail systems in the San Francisco Bay Area.

<https://energycentral.com/c/ec/california-rail-electrification-2022-update>

2. A New CEO and A Newer Plan

As costs ballooned and political backlash mounted, the California High-Speed Rail Authority pivoted years ago to building its 400-mile bullet train between San Francisco and Los Angeles in segments — starting with a 171-mile stretch connecting the agricultural cities of Merced and Bakersfield.¹

Connections to the major population centers in the Bay Area and Southern California, while still part of the plan, weren't expected for decades.

But in an interview with the Bay Area News Group this week, the CEO of the California High-Speed Rail Authority, Ian Choudri, said he is pushing to build the railroad north to Gilroy and south to Palmdale simultaneously with construction in the Central Valley.

That plan, though, hinges on a major factor — California lawmakers' approval for over \$1 billion each year to fund it.

"From day one when I came on board, my goal has been to connect to the population centers as fast as we can," Choudri said.

¹ Kate Talerico, The Mercury News (TNS) via Mass Transit, "California high-speed rail has a plan to build to Gilroy, Palmdale simultaneously with Central Valley segment," Aug. 1, 2025, <https://www.masstransitmag.com/rail/infrastructure/news/55307055/ca-california-high-speed-rail-has-a-plan-to-build-to-gilroy-palmdale-simultaneously-with-central-valley-segment>



The vision: Even if the first phase of high speed-rail doesn't extend all the way to San Francisco and Los Angeles, it will at least end at stations with transit connections to those cities' downtowns.

The plan — one of several options for a buildout that the rail authority will present to lawmakers in the coming weeks — would represent the most ambitious pivot for the California High-Speed Rail Authority since Gov. Gavin Newsom announced in 2019 that the state would focus on completing the Central Valley segment. That piece is expected to be delivered in 2033.

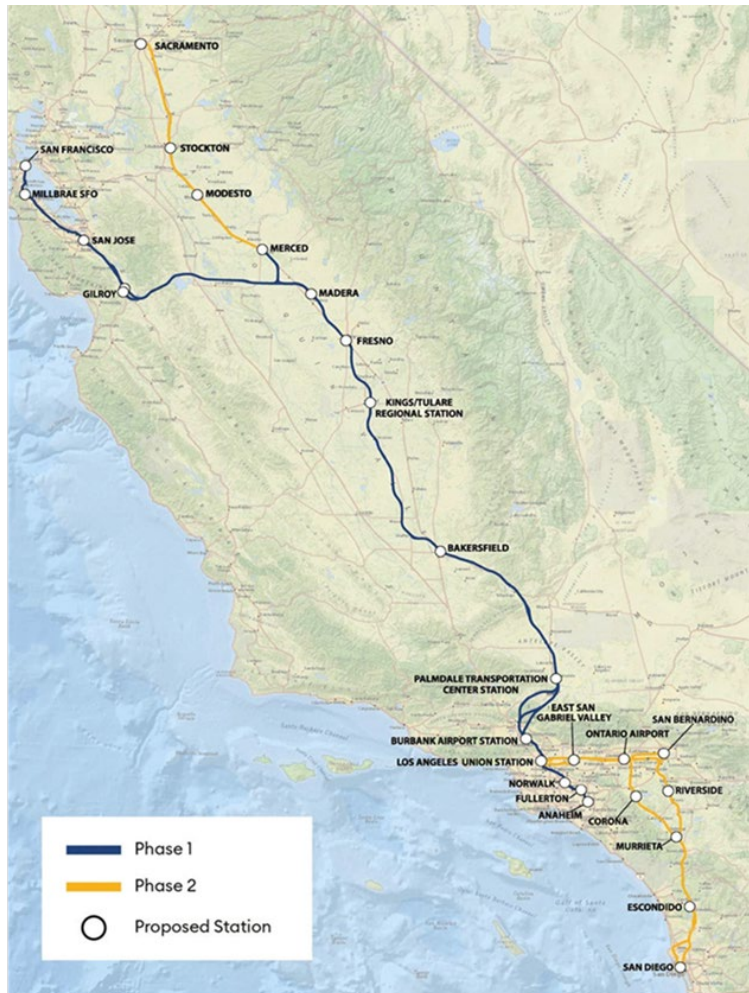
Since Choudri came on as head of the project almost a year ago, he has been pushing to finish the project in partnership with private investment. But the private industry needs the guarantee of long-term government funding if it's to put up its own money, too, he said.

So far, that hasn't materialized. Beyond the initial \$9 billion bond that voters approved for the project in 2008, funding has come in fits and spurts. Earlier this month, the Trump administration announced it would pull \$4 billion in federal grants slated for the project, citing cost overruns and limited progress. Newsom was quick to respond with a lawsuit, arguing the decision was motivated by President Donald Trump's "personal animus" toward the project.

Choudri, for his part, has quickly accepted that the federal government can't be counted on. Litigation around the federal funding could take years to resolve. The constant uncertainty over funding is a major reason for the procurement delays, stop-and-start construction and issues with contractors that have led costs to skyrocket to over \$100 billion for the complete L.A. to San Francisco route, three times its initial cost estimate.

With the federal government bailing, Choudri is appealing to the state to increase funding that high-speed rail currently gets from the cap-and-trade program, in which polluting companies bid for credits that allow them to emit greenhouse gases.

Other Democrats are concerned the state has already invested billions with little to show for it and are wary of funneling more money into the project. Rebecca Bauer-Kahan, a state Assembly member who represents the East Bay, said at a budget hearing in April that her constituents "overwhelmingly believe" high-speed rail spending "has been irresponsible."



California High-Speed Rail System

Currently, the rail authority receives a 25% cut of the cap-and-trade annual revenues, an amount that fluctuates from year to year. In 2024, high-speed rail received \$1 billion from the program, but that was a good year. (Since the cap-and-trade program's inception in 2013, it has appropriated \$7 billion to high-speed rail.)

California's cap-and-trade is only authorized through 2030 though, and lawmakers, the governor, environmental groups and pollution-generating companies are in the midst of negotiations over whether to reauthorize the program, and how to divvy up its revenues.

Newsom has proposed extending the program through 2045, with \$1 billion of the program's funding going to the High-Speed Rail Authority each year. (This upcoming fiscal year, it's projected to generate \$4.8 billion.)

That's expected to be enough to finish the Central Valley segment, from Bakersfield to Merced— but not to extend the line all the way to Gilroy and Palmdale. Choudri declined to provide an exact dollar figure, but said that the rail authority is set to release those figures in official proposals that will be published in the next few weeks.

“What I’m asking for is longer-term funding — and a little bigger number of dollars — to build all of it simultaneously,” Choudri said.

He’s got an uphill legislative battle ahead of him. More money for high-speed rail means less money for other programs that use cap-and-trade funds — like clean air initiatives and habitat restoration projects.

A few lawmakers and the governor seem to be coalescing around the \$1 billion figure.

“Real tracks are being laid ... so I want to get it done,” Newsom said at his budget briefing in May.

Sen. Dave Cortese, a Santa Clara County Democrat who represents the South Bay and heads the Senate Transportation Committee, also backs the \$1 billion.

“Choudri is eager to get into Gilroy and down to Palmdale because the ridership revenue really takes off at that point,” Cortese said in a text message on Wednesday.

From Gilroy, a rider can get to San Francisco via Caltrain in about two hours, with a stopover in San Jose. From Palmdale, a rider can reach L.A.’s Union Station in two hours on Metrolink, or transfer to the private Brightline railroad currently under construction between Rancho Cucamonga and Las Vegas.

With so many stopovers, the Gilroy to Palmdale train isn’t likely to become a replacement for air travel between San Francisco and Los Angeles. But it could still be useful to commuters. In Merced, San Joaquin and Stanislaus counties, nearly one in 10 people have commutes of more than 90 minutes, according to a 2022 University of California, Davis study.

Higher ridership figures would also help bring in private investment that Choudri says is needed to finish the project. During a panel discussion with Choudri at the American Public Transportation Association conference last month in San Francisco, executives from across the private sector endorsed the route extension.

“If you can get the system ... to Gilroy or down to Palmdale, then you can really unlock what people are willing to pay for the service,” said David Blaisdell, an executive with global infrastructure developer Bechtel Enterprises.

3. Other Creative Proposals

With the clawing back of \$4 billion in federal grants to support it, the Trump Administration seems hell bent on ensuring that California’s high-speed rail project ends up as precisely the “train to nowhere” the President lambastes it as. Gov. Gavin Newsom is suing to keep the money, but the train’s new CEO has big ideas for saving the priciest U.S. infrastructure project. They include new long-term funding, private partnerships and even turning to one of California’s newest “natural” resources: The AI data center.²

² Alan Ohnsman, Forbes, Aug 17, 2025 “How AI Data Centers Could Save California High-Speed Rail,” <https://www.forbes.com/sites/alanohnsman/2025/08/13/how-ai-data-centers-could-save-california-high-speed-rail/>

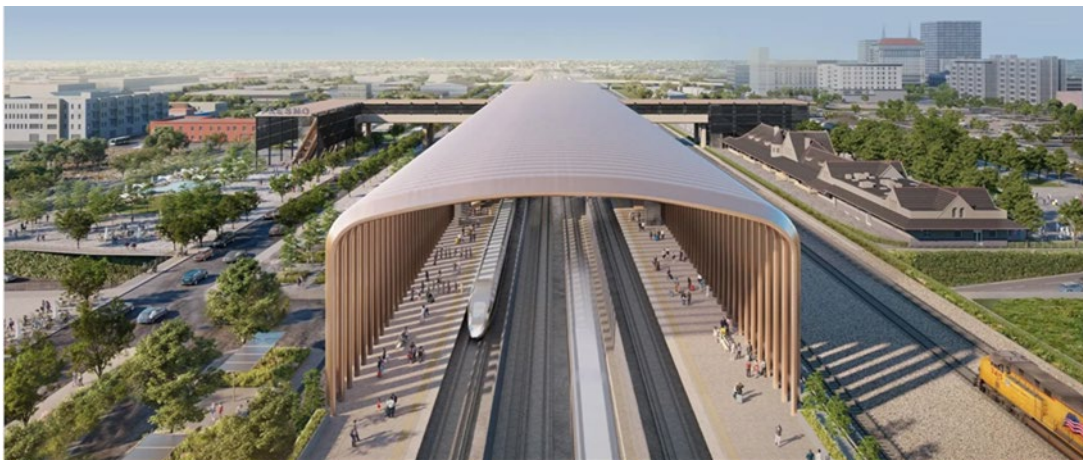
Ian Choudri, who spent decades working on global mega-infrastructure projects for major engineering firms Bechtel, Alstom and Parsons before taking the high-speed rail job last September, is on a mission to convince skeptics that after years of slow progress, the Golden State's bullet train from San Francisco to Los Angeles can be built— perhaps for less than its \$128 billion price tag and even without federal support.

“We’ll show that it becomes less cumbersome on taxpayers because it’s generating revenue,” he told Forbes, without providing financial details. In addition to future ride revenue, he thinks the system can make money by letting tech firms build data centers on its land, powering them with solar farms that will also propel its trains. Other ideas include selling the rights to telecom companies to lay fiber optic cable along the train’s path, and promoting real-estate development projects on its route, particularly in the lower-priced Central Valley region.

“We’re getting contacted by Silicon Valley investors now asking, ‘Hey, can we move data centers into Fresno and plug into your power grid that’s renewable?’” Choudri said. “If I combine all those ancillary revenue sources, roughly it’s going to be 30% to 40% of the farebox revenue.”

He’s submitting a revised plan next week that maps out steps to complete an initial 119-mile segment through California’s Central Valley by 2033, and then expand service north to San Francisco and San Jose and south to Palmdale in Southern California as soon as 2039, with Los Angeles to follow later. His focus is on sequencing construction phases to maximize revenue as quickly as possible, making the project less dependent on government money...

“Build the initial sections where you can. Start using the service. Have the highest impact on the economic transformation of the towns and cities that are getting connected, and then add more value by monetizing all the assets you have along the corridor,” said Choudri, sitting in a conference room overlooking the copper-topped California Capitol building in Sacramento. “That’s so critical in our new approach because it offsets a lot of this demand for continuous funding—whether federal, state or a combination of both— because your system goes live and becomes a corridor of opportunities for everybody.”



Rendering of Fresno's high-speed rail station. California High-Speed Rail Authority

The plan is a massive change from the project's past. But it hinges on critical legislation: a long-term funding plan proposed in May by Newsom would provide an additional \$20 billion, or \$1 billion a year through 2045, along with a bill to speed up permitting for High-Speed Rail Authority construction work and relocate portions of roads and utilities that are in the way.

State Senator Scott Wiener of San Francisco, who authored the permitting bill, isn't certain the funding plan will be authorized in the current session that ends on Sept. 12. But he thinks support for the project is improving.

"People want to see a solid plan to deliver the project in a timely manner," he said. "And people are looking for new approaches, creative approaches, to deliver the project more efficiently and more quickly."

4. Caltrain to Gilroy

Many believe California is a "young" state. This is one of many incorrect assumptions about my home-state. A deep history of (what is now) Caltrain emphasize this.

January - 1851

A line connecting the trading center of San Francisco with California's first state capital, San Jose, was proposed.

1860

San Francisco and San Jose Railroad incorporates. Financing for a railroad between those cities comes from three counties -- San Francisco, San Mateo and Santa Clara.

October - 1863

Regular service between San Francisco and Mayfield (now California Avenue in Palo Alto) begins. The trip takes two hours. At Mayfield, passengers have to board a stagecoach to get to San Jose.

Jan. 16, 1864

The line is completed to San Jose. Within a short time, two trains operate each way weekdays between San Francisco and San Jose. The San Francisco terminal initially is located at 18th and Valencia streets.

1870

San Francisco and San Jose Railroad is absorbed into Southern Pacific.

1915

San Francisco terminal moves to Third & Townsend streets. The station has been built to handle crowds for the Panama Pacific International Exposition (see site linked below).

https://en.wikipedia.org/wiki/Panama%E2%80%93Pacific_International_Exposition

December - 1935

A new terminal opens on Cahill Street in San Jose, now known as San Jose Diridon Station.

May 1, 1971

Amtrak takes over operation of the nation's intercity passenger trains. The northern terminal of the Coast Daylight to Los Angeles is changed to Oakland from San

Francisco. Southern Pacific's Del Monte, which ran from San Francisco to Monterey, is discontinued. As a result, commuter trains become the only rail passenger service between San Francisco and San Jose.

1977

Southern Pacific petitions the state Public Utilities Commission (which says "no") and then the Interstate Commerce Commission to discontinue the Peninsula Commute Service. A bitter fight follows. After long months of negotiation, the three counties through which the Peninsula Commute Service runs and the California Department of Transportation (Caltrans), reach an agreement with Southern Pacific. SP would become the contractor and the public agencies would cover most of the operating costs.

2024

Caltrain launches electrified service on the San Francisco to San Jose line. The electrified service currently (2025) only extends to San Jose

I spent several hours looking for information on any plans to electrify the electrified train-service between San Jose and Gilroy, and could not find anything. This service now uses diesel trains, and is probably planned to continue this until some new funding-source becomes available to perform the electrification-upgrade.

5. Metrolink to Palmdale

The commuter rail service the for Los Angeles and Inland Empire (east of Los Angeles) is Metrolink. Although Metrolink has been pushing for lower and even zero-emissions trains, it will not be able to electrify its entire system anytime soon.

Transit activists are lauding a Bay Area passenger rail service for switching from diesel to electric and urging Southern California's Metrolink to follow its lead.³

But Metrolink officials are pumping the brakes on any plans to electrify its system in the near future.

A Metrolink spokesperson tells KTLA that there are practical challenges with bringing electrification to the Southern California region that Caltrain up north simply didn't face.

For one, Metrolink's entire system is vastly larger than Caltrain. While Caltrain serves about 77 miles of tracks, Metrolink has more than 545 total service miles across six counties.

The price tag for electrification would be significantly higher than the \$2.4 billion that Caltrain spent, which also included funding help — \$700 million — from the California High-Speed Rail Authority.

Complicating the matter further, unlike Caltrain, not all of the service area is outright owned by government agencies.

Metrolink owns the right-of-way of about 350 miles of its system, which it purchased from freight companies that have the right and continue to use the tracks utilizing diesel trains. More than 200 miles of the Metrolink service area is still owned entirely by these freight companies, including Union Pacific and BNSF.

³ Travis Schlepp, KTLA5, "Don't expect Metrolink to go electric any time soon, officials say," Aug 22, 2024, <https://ktla.com/news/local-news/dont-expect-metrolink-to-go-electric-any-time-soon-officials-say/>

But Metrolink insists it is still working to modernize its system while keeping reliability and the environment in mind.

Metrolink is working to replace 12 of its older diesel locomotives with new “Tier 4” locomotives.

“Tier 4 is an EPA category designation for the cleanest operating diesel rail vehicles, reducing particulate matter and nitrogen oxide emissions by up to 86% and 84%, respectively, compared to previous generations of locomotives,” Metrolink officials say.

In total, Metrolink currently operates and maintains 40 of those Tier 4 locomotives and it says it was the first passenger rail service in the U.S. to make the switch.

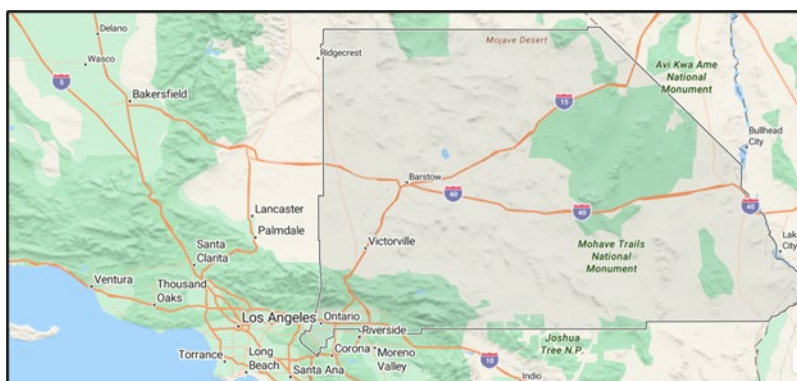
In 2022, Metrolink transitioned from using traditional diesel and petroleum fossil fuels to renewable fuel derived from “recycled natural fats and vegetable oils,” which it says slashes carbon dioxide emissions by about 60 percent.

With the help of the South Coast Air Quality Management District, Metrolink is also in the process of purchasing some new “zero-emission” rail vehicles, and officials say it’s yet to be determined if those vehicles will be hydrogen-powered or will utilize a different technology.

The regional rail service says it is committed to pursuing “climate-conscious solutions” across its system to provide clean and sustainable service. But right now, its focus is on its zero-emission vehicles and/or hydrogen power.

The San Bernardino County Transportation Authority recently acquired new hydrogen-powered zero-emission vehicles for Metrolink’s Arrow service, which travels nine miles between downtown San Bernardino and the University of Redlands...

Final author’s comment: San Bernardino County is northeast of the Los Angeles Metro Area. *San Bernardino County is a diverse public service organization serving America’s largest county. We are governed by an elected Board of Supervisors and dedicated to creating a community where nearly 2.2 million residents can prosper and achieve well-being*⁴ San Bernardino County is pretty huge, stretching to the state’s eastern border. See the map below. The shaded area in the map is San Bernardino County.



A few weeks before this paper was scheduled to post, I came across an AP article that largely agreed with it. It is linked below.

<https://www.msn.com/en-us/news/us/californias-long-delayed-bullet-train-slated-to-run-in-the-central-valley-by-2032-report-says/ar-AA1L3alc?ocid=BingNewsBrowse>

⁴ <https://main.sbcounty.gov/>

6. Late News

The following excerpt is from August 25, and is referenced below. You can see the full article through the link in this reference.

The California High-Speed Rail Authority (CHSRA), which is currently constructing a high-speed rail line in the Central Valley, on Friday published updated plans which its CEO Ian Choudri said could connect the region to population centers in the state "by 2038 to 2039..."⁵

The supplemental published by the CHSRA on Friday, and presented to the California State Legislature, lays out three possible visions for what the completed network could look like.

The simplest option is a 171-mile high-speed rail line linking Merced in Merced County to Bakersfield in Kern County across the California Valley. This project has already been approved by Californian lawmakers and construction is currently underway. According to the CHSRA, this line is estimated to cost \$36.75 billion and should begin service on January 1 2032.

Once completed, the authority forecasts usage from 1.6 million to 2.2 million passengers annually, and revenue of \$39.3 million to \$55.6 million—though this is less than the \$120.6 million-\$122.1 million operating and maintenance costs.

The second scenario suggested by the CHSRA would extend the high-speed rail line to Gilroy in Santa Clara County, linking to through services to San Francisco and Sacramento.

This segment is estimated by the CHSRA to cost \$54.4 billion and, if approved, "would be operational by early 2038." The authority projects an annual ridership of 8.7 million to 11.8 million with annual passenger revenue of \$623.7 million to \$882.9 million.

The final and most expansive proposal would see the line extended south to Palmdale, Los Angeles County, where it would link to a regional connection to Los Angeles itself.

According to the CHSRA this option would likely cost \$87.1 billion to construct, after which annual passenger revenue of \$1.1 billion to \$1.6 billion should be expected from 12.5 million to 17.4 million passengers.

Under this proposal the California high-speed rail line could be connected to Brightline West, a high-speed rail line currently under construction that is intended to connect Las Vegas to southern California. This connection would be made through the so-called "High Desert Corridor," an additional high-speed rail line linking Palmdale to Victor Valley, though this has yet to receive regulatory approval.

Further to the above paragraph see the link regarding High Desert Corridor in the reference here.⁶ This proposed project would link the California High Speed Rail with the Brightline West Project.⁷ See map on slide 3 of reference 6 site.

⁵ James Bickerton, Newsweek, "California high-speed rail shares plan for 2039," August 25, 2025, <https://www.msn.com/en-us/news/us/california-high-speed-rail-shares-plan-for-2039/ar-AA1Lb5tF?ocid=BingNewsBrowse>

⁶ High Desert Corridor Joint Powers Agency Presentation, September 2024, <https://highdesertcorridor.org/wp-content/uploads/2024/09/HDC-High-Speed-Rail-Project-Briefing-with-ALignmnet-Maps-Sept-2024.pdf>

⁷ <https://www.brightlinewest.com/overview/project>