



February 22, 2019



The Honorable Elaine Chao
Secretary U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590



Dear Secretary Chao,

We, the undersigned organizations, representing millions of taxpayers nationwide, appreciate your leadership and support your efforts to de-obligate \$929 million in federal grants not yet paid to the state of California for its high-speed rail project and explore every legal option to get back an additional \$2.5 billion in funds already allocated to the state for this purpose.



Since the beginning, California has mismanaged the high-speed rail contract and failed to comply with its terms. The state has not submitted the required financial disclosure information to give federal regulators proper oversight of the project. It has fallen short by \$100 million in matching funds. After these concerns were brought to the attention of California High-Speed Rail Authority officials in 2017 and 2018, they failed to take corrective action. At its current pace, the state will fail to complete the Central Valley construction by the grant-imposed deadline of 2022.



California Governor Gavin Newsom said in his February 12 State of the State address that the “current project, as planned, would cost too much and respectfully take too long. There’s been too little oversight and not enough transparency.” Rather than cancel the entire project, he announced a new plan to build a limited operating segment between Merced and Bakersfield. Since the high-speed rail system will not be completed as proposed, the agreement under which federal funds were awarded is no longer valid.



The federal government should stop all further spending on this high-speed train to nowhere. This taxpayer-funded boondoggle is a vanity green pork project that won’t benefit the average American. It has been a fiscal disaster since work began, and the state of California has failed to comply with the terms of its agreement.



We urge you to do everything you can to revoke the grant agreement between the Federal Railroad Administration and the California High-Speed Rail Authority, rescind the \$928 million not yet paid, and recover the \$2.5 billion that has been wasted and



mismanaged by the state. We also encourage you to examine other Department of Transportation projects under which grantees may be violating the terms of their agreements, as well as other areas of wasteful spending, and recover additional funds on behalf of the taxpayers.

Sincerely,



Tom Schatz
President, Citizens Against Government Waste



Adam Brandon
President, FreedomWorks

Grover Norquist
President, Americans for Tax Reform

Phil Kerpen
President, American Commitment

Jonathan Bydlak
President, Coalition to Reduce Spending



David Williams
President, Taxpayers Protection Alliance

Seton Motley
President, Less Government



Lisa B. Nelson
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David McIntosh
President, Club for Growth

Stephen Ellis
Executive Vice President, Taxpayers for Common Sense



James L. Martin
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Rick Manning
President, Americans for Limited Government



Brent Wm. Gardner
Chief Government Affairs Officer, Americans for Prosperity

Steve Pociask
President, The American Consumer Institute

Marc Scribner
Senior Fellow, Competitive Enterprise Institute

Tom Pyle
President, American Energy Alliance