

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 445 (Wiener) – As Amended July 17, 2025

Policy Committee:	Transportation	Vote:	10 - 3
	Utilities and Energy		10 - 4
	Local Government		8 - 2
Urgency: No	State Mandated Local Program: Yes	Reimbursable: No	

SUMMARY:

This bill directs the High-Speed Rail Authority (HSRA), in consultation with specified entities, to develop both internal rules governing HSRA's engagement of specified utilities to ensure coordination and cooperation in relocating utility infrastructure and regulations governing local agency permits and approvals.

Among other things, the bill:

- 1) Defines utilities, for purposes of this bill, as electrical and gas corporations (IOUs), local publicly owned utilities (POUs) and private telecommunications providers.
- 2) As part of its development of internal rules, requires the HSRA to identify, in coordination with the California Public Utilities Commission (CPUC), existing processes within the CPUC that may provide a similar process and outcome for disputes with utilities regulated by the CPUC instead of processes HSRA may develop pursuant to this bill.
- 3) Requires HSRA to hold at least two public hearings regarding the internal rules and the regulations before adopting either.
- 4) Makes the internal rules and the regulations inoperative until the HSRA Office of the Inspector General (HSRA-OIG) determines the HSRA has completed development and implementation of a process to review third-party agreements in a timely manner.
- 5) Directs the HSRA-OIG, beginning one year from the operative date of the internal rules and the regulations, to evaluate the extent to which the HSRA is meeting its review deadlines and other requirements and to determine the extent to which the internal rules and the regulations have been effective in limiting delays associated with third-party agreements.
- 6) Requires the HSRA and the specified utilities, by December 1, 2026, to identify existing barriers and agree to preferred solutions to ensure utility relocations do not result in unnecessary or foreseeable project delays, including agreeing to a definition of "betterments" that prohibits requirements or conditions unrelated to health, reliability and safety standards.

FISCAL EFFECT:

This bill will require HSRA to undertake significant analytical and regulatory efforts, with resulting costs likely in the millions of dollars (special fund). HSRA estimates costs in the low millions of dollars and describes the associated work as drafting and adopting regulations and

related policies and documents, conducting research and engaging external stakeholders. HSRA assumes a 12-month timeline to complete this work and that it will need to contract with outside experts to do so.

COMMENTS:

- 1) **Purpose.** The author views the high-speed rail projects as “essential for an abundant, affordable, zero-emission future” and contends it is “imperative to help the project cut through permitting and approval-related red tape in order to prevent project cost increases and accelerate project delivery.” To that end, the author intends this bill to place in code recommendations of the HSRA-OIG that, the author asserts, will “cut red tape, streamline the project delivery process, curtail veto-points, and reduce and contain project costs.”
- 2) **Background.** Statute in 1996 created the HSRA to plan and construct a high-speed rail system that would link the state’s major population centers. In November 2008, voters approved Proposition 1A, which authorized the state to sell \$10 billion in general obligation bonds to partially fund the system, as well as related projects.

Over the years, the project has faced challenges, including inadequate funding (despite more than \$14 billion in expenditures) and delays caused by right of way acquisition and utility relocations. To date, no high-speed train operates on the line.

In 2022, the Legislature created the HSRA-OIG. The Legislature provided the HSRA-OIG with broad oversight authority and assigned to it several specific duties, among them: (a) conduct independent fiscal estimates and reviews of HSRA’s plans and estimates for project advancement and make findings of their reasonableness, (b) conduct audits and investigations, (c) identify best practices and recommend policies to HSRA and (d) review HSRA’s contracts and contracting practices to determine whether they are executed consistent with state and federal laws and policies and are conducted in a fair and reasonable manner, providing the state with valued services at reasonable cost.

In February of this year, the HSRA-OIG released a report (“Report 25-R-01”) on its review of the HSRA’s progress on the Merced-to-Bakersfield segment of the high-speed rail corridor and the likelihood HSRA would complete the segment by the target set by HSRA, 2033. The HSRA-OIG warned of “the potential for significant uncertainty and risk” and concluded “staying within the 2033 schedule envelope is unlikely.” In a subsequent report published that same month (“Report 25-R-02”), the HSRA-OIG found HSRA “lacks leverage to help ensure that third parties do not themselves needlessly delay negotiations” and recommended HSRA work with the Legislature “to implement changes to state law to improve its ability to resolve third-party delays in a timely manner.”

- 3) **Support and Opposition.** The author gutted-and-amended this bill after it left the Senate, and it then was heard by three Assembly policy committees—Transportation, Utilities and Energy, and Local Government. Several sources have indicated the author plans substantial amendments to the bill. This committee does not know how any such amendments, should they occur, would affect the position of various organizations. The following reflects support for and opposition to the bill when it was heard by the Assembly policy committees the second week of July.

This bill was supported by Streets for All and California YIMBY, the latter of which writes:

The transportation sector is the largest contributor to greenhouse gas emissions in the state, making the need for clean, sustainable transportation projects critical. However, these projects are often plagued by delays as lead agencies...navigate a balkanized post-environmental permitting and construction process. Permitting and other delays – such as utility relocations – result in increased project costs, and less transit being built at a greater cost.

SB 445 addresses these delays by imposing timelines on 3rd-party permit or other project construction activity permissions or approvals, and empowers lead agencies to be self-permitting and advance work should the timelines not be met.

In contrast, the bill was opposed by a long list of local governments and related associations, which described the bill as “leading to the near-total erosion of local authority to manage public infrastructure/assets.” In addition, USTelecom—The Broadband Association and the California Broadband & Video Association (CalBroadband) together described the bill as “confusing and complex,” “a solution in search of a problem” and “an ideal candidate to become a two-year bill, which will allow for more thoughtful analysis.”

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081