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Commentary

High-Speed Spending on High-Speed Rail

By Randal O'Toole

On June 17, the Federal Railroad Administration (FRA) asked states for proposals for spending the \$8 billion of stimulus money that Congress allocated to high-speed rail. Which raises a question: Would you pay \$1,000 so that someone – probably not you – can ride high-speed trains less than 60 miles a year?

That's what the FRA's high-speed rail plan is going to cost: at least \$90 billion, or \$1,000 for every federal income taxpayer in the country.

That's only the beginning. Count on adding \$400 for cost overruns. Taxpayers will also have to cover operating losses: Amtrak currently loses \$28 to \$84 per passenger in most of its short-distance corridors.

The FRA plan also has huge gaps, such as Dallas to Houston, Jacksonville to Orlando, and the entire Rocky Mountains. Once states start building high-speed rail, expect local politicians to demand these gaps be filled – at your expense. And don't be surprised when the government asks for billions more in 30 years to rebuild what will then be a worn-out system.

What would we get for all this money? Unless you live in California and maybe Florida, don't expect superfast bullet trains. In Georgia and most of the rest of the country, the FRA is merely proposing to boost the top speeds of Amtrak trains from 79 miles per hour to 110 mph.

A top speed of 110 mph means average speeds of only 60-70 mph, which is hardly revolutionary. Many American railroads were running trains that fast 70 years ago.

The pro-rail Center for Clean Air Policy predicts that, if the FRA's system is completely built, it will carry Americans 20.6 billion passenger miles a year in 2025. That sounds like a lot but, given predicted population growth, it is just 58 miles per person.

Georgia's portion of the plan will cost at least \$1.8 billion, or close to \$200 for every Georgia resident, plus tens of millions more per year in operating subsidies. For that, the average Georgian will take a round-trip on the train only once every 17 years.

Most of the rest of your \$1,000 will go to California, which wants to you to help pay for a costly bullet train. Even this train will do little to relieve congestion or save energy; mainly it will just fatten the wallets of rail contractors.

Who will ride these trains? We can get an idea by comparing fares between New York and Washington, D.C.

As of this writing, \$99 will get you from Washington to New York in two hours and 50 minutes on Amtrak's high-speed train, while \$49 pays for a moderate-speed train ride that takes three hours and 15 minutes. Meanwhile, relatively unsubsidized and energy-efficient buses cost \$20 for a four-hour-and-15-minute trip with leather seats and free Wi-Fi. Airfares start at \$119 for a one-hour flight.

Who would pay five times the price to save less than 90 minutes? Those wealthy enough to value their time that highly would pay the extra \$20 to take the plane. The train's only advantage is for people going from downtown to downtown.

Who works downtown? Bankers, lawyers, government officials and other high-income people who hardly need subsidized transportation. Not only will you pay \$1,000 for someone else to ride the train, but that someone probably earns more than you.

Nor is high-speed rail good for the environment. The Department of Energy says that, in intercity travel, automobiles are as energy-efficient as Amtrak, and that boosting Amtrak trains to higher speeds will make them less energy-efficient and more polluting than driving.

An expensive rail system used mainly by a wealthy elite is not change we can believe in. Georgia should use its share of rail stimulus funds for safety improvements such as grade crossings, not for new trains that will obligate taxpayers to pay billions of dollars in additional subsidies.

This commentary was written for the Georgia Public Policy Foundation by Randal O'Toole (rot@cato.org), a senior fellow with the Cato Institute and author of "Why Georgia Should Not Build High-Speed Rail." For the full report, click on <http://www.gppf.org/pub/transportation/gahsr090622.pdf>. The Georgia Public Policy Foundation is an independent think tank that proposes practical, market-oriented approaches to public policy to improve the lives of Georgians. Nothing written here is to be construed as necessarily reflecting the views of the Foundation or as an attempt to aid or hinder the passage of any bill before the U.S. Congress or the Georgia Legislature.

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