

Communities want rail service, but Amtrak route to St. Louis is in jeopardy

By: Dave Helling – May 12, 2013

Gantri Dennis smiles broadly as his railroad car seat gently sways beneath him.

Seven months ago the 46-year-old building inspector lost his job, sold most of his belongings and hopped on the railroad to see his country. This weekday morning he finds himself on the Missouri River Runner, Amtrak's twice-a-day Kansas City-to-St. Louis run.

"It's very relaxing," he says as the train clanks out of Union Station.

"Plus the luggage. You get two 50-pound bags for free. Try that on a plane."

After years of financial struggles and public skepticism, America's major passenger rail company, Amtrak, has good news to report. It had more riders last year than ever before. On-time performance has improved. Passengers, lured by the romance of the rails and the prospect of travel without a metal detector, report increasing satisfaction with train service.

"Amtrak is reinventing itself," the Brookings Institution concluded in a March study.

But reinvention isn't cheap. Taxpayers spend \$1.5 billion a year to subsidize passenger train travel, and the federal government — weary of a four-decade effort to keep the company afloat — wants to move more of Amtrak's costs onto states and riders.

That means Missouri faces important decisions in the near future. Without further taxpayer help, the Missouri River Runner might grind to a stop.

Fare fair

Start with this: It costs about \$9,600 for Amtrak to drive this train from Kansas City to St. Louis. That covers fuel, crew and office costs, renting the track and other operating requirements.

But ticket sales don't cover even half of those expenses: Combined, riders pay just \$3,600, on average, to jump aboard one KC-to-St. Louis leg of the Missouri River Runner.

Missouri taxpayers are supposed to pay the rest, at a cost of about \$8.5 million each year. The state contracts with Amtrak to operate the line, which carries roughly 200,000 passengers annually.

But squeezed by a poor economy, Missouri has come up short in its Amtrak payments since 2010. State transportation officials say they owe Amtrak more than \$2 million in overdue payments, plus the annual \$8.5 million subsidy, for this year's service.

So far Amtrak hasn't forced the issue. That could change.

"At some point, states need to be relatively current with us," said Marc Magliari, media relations manager for Amtrak in Chicago.

State officials say lawmakers eventually will have to make Amtrak whole or face the loss of the cross-Missouri Amtrak run.

"They're going to have to make a decision," said Eric Curtit, railroad administrator for the Missouri Department of Transportation. "Certainly the service provides a valuable resource to the state."

The Missouri General Assembly took a step toward making up the shortfall last week, agreeing to spend \$8.9 million for passenger rail service in the next fiscal year.

If Gov. Jay Nixon agrees, the Amtrak debt will shrink. Similar payments may be required for years to come.

The budget compromise reflects a rare cross-party consensus in a Republican-dominated state legislature. Amtrak enjoys fairly broad political support in the state, even from lawmakers whose districts don't directly benefit from the service.

Of course, a push from legislators on the rail line always helps.

"I'm a fan," said Sen. David Pearce, a Republican from Warrensburg, a stop on the line. "We need to be looking at all types of multi-modal transportation in the state."

Democratic Rep. J.J. Rizzo of Kansas City agrees. "We are so far behind the curve," he said, "when it comes to transit."

Amtrak even enjoys unlikely backing from some conservatives. David Stokes of the Show-Me Institute, the conservative think tank founded by millionaire Rex Sinquefeld, says state rail support is justified.

"It's a small subsidy," he said, "all things being told."

There is another chance, though, that Missouri's costs for Amtrak could grow next year, further clouding its political future.

A 2008 federal law requires Amtrak to standardize and more fully recapture its operating costs from states with shorter-distance runs, starting this October. The Missouri River Runner is on the list.

No one knows for sure how much more the state will have to pay to meet the new law. It could cost nothing or could mean millions of extra dollars every year.

State officials are now negotiating with Amtrak.

Assessing Amtrak

Those talks won't cover Amtrak's two other trains in Missouri, including the popular Southwest Chief linking Chicago with Los Angeles through Kansas City. Amtrak's long-distance national service is subsidized by Washington, not the states.

Those subsidy costs have bedeviled some lawmakers for decades.

During last year's presidential campaign, GOP nominee Mitt Romney said federal Amtrak subsidies should end. Rep. John Mica, a Florida Republican, has been even more

aggressive: “Amtrak is a highly subsidized, Soviet-style rail system,” he said late last summer. “Despite every ticket being underwritten nearly \$50 by the taxpayers, Amtrak is an absolute failure.”

Other critics point out that most Amtrak customers — 31 million people last fiscal year — travel for leisure, not business. While such travel is important, they say, it doesn’t justify taxpayer support.

An informal survey on the Missouri River Runner last week suggested almost all of its passengers were traveling to visit friends and relatives, not to close a business deal.

“Amtrak is an insignificant mode of travel,” Randal O’Toole wrote for the libertarian Cato Institute last November. “The average American flies close to 2,000 miles a year and travels by car around 15,000 miles a year but rides Amtrak only about 20 miles a year.”

Yet communities still clamor for passenger rail service.

Friday, mayors Sly James of Kansas City, Carl Brewer of Wichita and Mick Cornett of Oklahoma City released a letter seeking service linking Newton, Kan., through Wichita, to Oklahoma City. If built, Kansas City would have a passenger rail link with San Antonio, Texas.

All modes of transportation are subsidized by taxpayers, Amtrak supporters say. Streets and highways are built in part with general tax dollars. Ticket taxes don’t pay the entire cost of running the nation’s aviation system, including air traffic control and security.

Congress is expected to address these issues later in the year, when the Passenger Rail Investment and Improvement Act expires.

Rail riders

Riders on the Missouri River Runner like the subsidy approach.

They crowded into Union Station’s Amtrak waiting room last week, then rode the rails east.

Terri Teter of Lawson, Mo., was traveling to Hermann, Mo., with friends.

“I love the train,” she said. “You can party, or you can sleep.”

Michael Sharp of Buckhorn, Mo., called his first train ride a great experience.

“I’ve traveled across the U.S. at least 100 times,” he said. “This is one of the best trips I’ve ever been on.”