



States to be engine that drives high-speed railway

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WASHINGTON - President Barack Obama's plan for a high-speed railway network is leaving the station, albeit slowly and with states that want seats on the funding express in dire fiscal straits.

On Wednesday, the Department of Transportation will issue guidance to states on how to apply for a share of the \$8 billion in federal funds for investment into the new railway system. After an intensive bidding process, grants are to go out by the end of September. Obama has also pledged an extra \$1 billion a year for the next five years, adding up to a total federal commitment of \$13 billion.

Obama announced plans for the network in April, saying it would create jobs, cut dependence on automobiles and conserve energy.

With federal funds in hand, states would upgrade existing rail lines so that trains can travel faster. A high-speed train is one that goes 110 miles per hour or more, according to the Federal Railroad Administration. There's only one such line in the United States now, Amtrak's Acela Express running between Boston and Washington, a densely populated corridor sometimes identified as the BosWash megalopolis.

But the catch for strapped states is that they'll also need to chip in - a point Vice President Joe Biden, an avid rail passenger, underscored in a June 3 meeting with some governors. That could slow down Obama's high-speed plans. "We know your state budgets are strained," Biden told the governors, including Pennsylvania's Ed Rendell and Michigan's Jennifer Granholm.

A recent report from the National Governors Association and the National Association of State Budget Officers found that state general-fund expenditures in fiscal 2009 saw their first decline since 1983, falling 2.2 percent, and recommended budgets for fiscal 2010 represent a 2.5 percent decrease in spending. If that advice is heeded, it would be the first time state spending has fallen two consecutive years.

Ponying up funds for trains might seem unrealistic in such an environment, but Biden said the payoff of investment in highspeed rail will be significant, and at least some seemed to agree.

"I see this as a means of creating jobs - jobs building the system and jobs building those railcars, which right now are predominantly made in Europe," Granholm told reporters after meeting with Biden, according to Reuters.

But if Michigan and others are to lay high-speed tracks, it's clear the states will need to come up with a lot of money on their own. The White House says the \$13 billion for

railways will "jump-start" what could become a world-class passenger rail system.

Consider California, where the first phase of a high-speed corridor between Los Angeles and San Francisco is expected to cost \$34 billion - far more than the entire federal purse up for grabs.

In April, Obama identified 10 corridors that have the greatest potential for high-speed rail, ranging in length from 100 to 600 miles. Included are an eastwest line in New York and a Gulf Coast line from eastern Texas to western Alabama. Chicago is to be another hub.

Whichever states' favored projects get the money, though, many prospective high-speedrail riders face a long wait. The federal government's money has to be spent by September 2017. By that measure, progress on some high-speed projects could be eight years away.

Meanwhile, as governors look for money in their tight budgets, critics say Obama's high-speedrail plans will sock taxpayers at the expense of few users.

Randal O'Toole of the libertarian Cato Institute said White House plans leave out 17 states and regions centering on the major cities Denver, Las Vegas and Phoenix.

"Reaching additional areas could push costs close to \$1 trillion," O'Toole wrote earlier this month. "While all taxpayers will share these costs, no more than 1 percent of American travel is ever likely to be by high-speed rail."

And yet, despite the costs required of states and the lengthy timelines involved in getting high-speed systems up and running, Obama and Biden are apparently winning some converts.

Georgia Gov. Sonny Perdue, a Republican who reportedly had been a high-speed-rail skeptic, is now more enthusiastic, according to a report in The Atlanta Journal-Constitution.

"He was certainly very pleased with the discussion ... and I think he was heartened to hear that there is seemingly a commitment," from Biden and Transportation Secretary Ray LaHood, Perdue spokesman Bert Brantley told the newspaper.

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