

THE HAYRIDE

Hither and Yon: Cato Expert Throws Poo-Poo On The Choo-Choo

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Louisiana's top Bad Idea Which Will Not Go Away took it on the chin over the weekend as Randal O'Toole, the CATO Institute's expert on transportation policy, penned a guest column at the Baton Rouge Advocate savaging the idea of a passenger train line between Baton Rouge and New Orleans.

We've addressed the issue here at The Hayride in the past and been no friendlier to it, but O'Toole came armed with the feasibility study prepared for the rail project and applied the study's numbers to do violence to it.

They might as well have called it an unfeasibility study.

Based on a feasibility study prepared for this project, trains between New Orleans and Baton Rouge will take less than 2 percent of the cars off Interstate 10 and require subsidies of at least \$44 per ticket. This subsidy is so great that taxpayers could just as easily buy a brand-new Toyota Prius every year for anyone who rode the train round trip every weekday.

The study concluded it would take 10 years and cost nearly \$450 million to get the tracks in shape to run trains at a top speed of 110-miles per hour (but a much lower average speed). It also found passenger fares would only cover about a third of operating costs, so taxpayers would have to spend an additional \$16 million a year subsidizing operations.

Studies like these always are optimistic about costs and ridership. Government-subsidized rail projects have ended up costing an average of 50 percent more than originally projected, carrying an average of 30 percent fewer passengers than projected. But, for the sake of argument, let's use the study's numbers.

The study predicts that when completed, the eight round trips per weekday and four on weekends will attract 886,400 passengers per year. That works out to 1,420 people (or 710 round trips) per weekday.

By comparison, the Louisiana Department of Transportation records an average of 50,000 vehicles per day on I-10 between Baton Rouge and New Orleans, numbers that are likely to grow significantly in the next few years. Assuming the people taking the train would have otherwise driven in cars with an average of 1.4 people per car, this means the trains will carry less than 2 percent of the traffic between the two cities.

The plan calls for fares of \$13 per trip, but these will not come close to covering costs. Rail infrastructure tends to have a 30-year lifespan, and amortizing the project's capital costs at 3 percent (a typical rate for federal transportation loans) results in a \$23 million annualized cost.

Add this to the \$16 million operating cost and you get a subsidy of \$44 per ticket. This means the annual subsidy for someone who took the train round trip every weekday between New Orleans and Baton Rouge would be nearly \$23,000 per year, or roughly the price of a Toyota Prius.

O'Toole also makes the point that train travel can be competitive with auto travel only in corridors between 200 and 600 miles, or from New Orleans to Houston for example. Even then you'd need a lot denser population than you actually have to make it feasible here. An 80-mile corridor is hopelessly short for a project like this; it's an hour drive from Baton Rouge to New Orleans, and with gasoline prices where they are it's cheaper to drive than pay \$13 for a (heavily-subsidized) train ticket. That's before you'd need to secure ground transportation once you're at your destination; assumedly if you're going from Baton Rouge to New Orleans you'll be doing something other than hanging around the train station.

The cost of the project is probably much larger even than the study indicates, because none of the existing rail lines will work for it.

Previous pushes to get it off the ground have boasted that the Kansas City Southern line could carry the train if the federal government were to capitalize the improvement of the tracks – particularly KCS' trestle over the Bonnet Carre spillway. Turns out, as we're reliably told, KCS has zero interest in doing that deal; its infrastructure improvements are built on a schedule of its own making and not the government's, and its trestle suits its current needs just fine. And that railroad has a timetable for carrying profitable freight on that line which is quite robust; saddling those tracks with passenger trains making eight round trips per day would cut into the freight timetable. If you think KCS would allow that kind of damage to its bottom line without demanding compensation, think again.

For some reason, there are people who have latched on to this idea with passion. We're not among them; we regard the squandering of capital built through the productive application of someone's hard work as a grievous sin. And a sin is what this idea is – those pushing it are guilty.

Thanks to O'Toole for bringing an objective outsider's perspective. Hopefully his words will shame the Choo Choo Train enthusiasts into abandoning this boondoggle so we can move on.