



Why Do Conservatives Hate Trains?

By Megan McArdle

Dave Weigel asks the question, and suggests that maybe rail subsidies aren't so bad:

But conservatives hear that spiel every day. They have a response that's part economics and part culture. The economics are simple: Trains cost too much. Randal O'Toole, a Cato Institute fellow who studies transportation and is constantly cited by rail skeptics, likes to compare the total federal subsidies-per-passenger of rail to subsidies-per-passenger on highways. Amtrak got \$2.2 billion in pure subsidies in 2010 and carried 28.7 million people, for around 13 cents per passenger, although some researchers estimate the annual cost at closer to 30 cents. Highways got \$42 billion in funds in fiscal year 2010 but far more people use them; the estimate puts cost at between 1cent and 4 cents per driver.

But there is another way to look at the numbers: Amtrak passengers pay more of the cost of their transportation than do drivers on the interstate. About 62 percent of Amtrak's operating expenses, according to the Department of Transportation, comes from fares. According to the Federal Highway Administration, [the percentage of highway spending paid for by users](#)--in the form of gas taxes and tolls--is headed below 50 percent.

I've heard the same sort of argument from rail advocates, and it's true as far as it goes. But it doesn't go very far, because it compares apples to oranges. The figures Dave offers for Amtrak do indeed show that passenger fares cover a substantial chunk of Amtrak's operating costs--about \$1.9 billion out of a total of \$3.5 billion in operating expenses. But he's comparing that to highway spending which combines operating and capital costs.

Amtrak also has capital costs--as I read Amtrak's [rather confusing budget](#), capital costs were about \$1 billion in FY10, and they're requesting \$1.8 billion for the coming year. If we add that \$1 billion to the \$3.5 billion they spent on operating costs, we find that Amtrak took in \$1.9 billion in "passenger related revenue", but spent \$4.5 billion. In other words, passengers are paying less than half their costs.

(In fairness, Amtrak had some other sources of non-government revenue like commercial concessions and freight access fees--but road and highway authorities may also have these sources of revenue, like rest-stop concessions, which I assume aren't included in "gas taxes and tolls". So I think, in fairness, that we need to exclude that "extra" revenue unless we can find comparable figures for the highways.)

I myself like rail, and think that the culture-war rhetoric with which conservatives frequently reject it is out-of-proportion to its importance in the grand political scheme of things. At the same time, I don't think that rail is going to work at anything close to a decent cost-benefit ratio in most of America, and I thought that the idea of running a train from [Busch Gardens](#) to Disney was fairly insane--high speed rail takes a lot of time and energy to accelerate (and brake), so the shorter the route, the less benefit it offers to either riders or the environment.

My enthusiasm for rail tends to get turned off by stuff like this--and the insane ridership projections for the proposed California route. The advocates seem positively eager to make it clear that they don't really care about making a sound business case for rail projects; they just want to get it built, on the theory that if you build it, the development to support a major rail infrastructure will follow.

Conservatives, of course, have soncisderably more complicated anxieties about rail. But I don't think they're crazy for not wanting to test the proposition that "if you build it they will come" . . . to the tune of tens of billions of dollars.

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