

O'Toole: The Great Train Con

Randal O'Toole // The Michigan View.com

When U.S. Secretary of Transportation Ray LaHood announced this week that he was awarding Michigan nearly \$200 million for high-speed rail, he [claimed that the project](#) would bring "trains up to speeds of 110 mph on a 235-mile section of the Chicago to Detroit corridor, reducing trip times by 30 minutes." But Michigan's own [grant application](#) says the \$196.5 million will only increase average speeds from 60 to 64 mph - with the top speed remaining unchanged at 79 mph. That is, travelers will save a mere 12 minutes - not 30.

Why the discrepancy between the claimed 110 mph-and-30 and the real 79 mpg-and-12?

Advertisement Page 12 of the grant application tells the tale: After spending the \$197 million, the state is applying for *another* grant that will require hundreds of millions more to increase speeds to 110 mph.

Together with Michigan's senators and governor, LaHood's press conference was an exercise in high-speed deception.

Last year, about 480,000 people rode the Chicago-Detroit trains, which are some of the biggest money-losers in the Amtrak system. Can anyone really believe that saving 1,315 people 12 minutes a day is worth \$196.5 million? The state will have to spend a lot more money to have trains reach top speeds of 110 mph (which means average speeds of around 75 mph). Michigan's 2009 Chicago-Detroit rail plan [projected costs](#) of more than \$1.3 billion, of which the state has less than \$400 million so far. So bringing the tracks up to 110-mph standards will cost at least \$900 million more.

This doesn't count the cost of locomotives and railcars, which the plan projects will be more than \$350 million for enough trains to make 20 daily round trips. Last Monday, the federal government also gave \$268.2 million for locomotives and railcars to five Midwestern states. Assuming a third of that goes to the Michigan corridor, the state still needs some \$250 million more.

In short, anyone who thinks they will soon see bullet trains in Michigan has been misled.

The state needs at least a billion additional dollars before you will see those trains. Given current economic conditions, those dollars won't be available for a long time - if ever. And the costs won't stop there. Last year, Amtrak lost \$19 million running three round trips a day between Chicago and Detroit. Amtrak fares start at \$31 and the subsidy per ride is almost \$40. Increasing the number of trains to 20 per day could cost taxpayers as much as \$100 million a year on top of the capital costs.

By comparison - with virtually no subsidies - Megabus carries people between Chicago and Detroit at fares of \$15 to \$18. While Amtrak takes 6-1/2 hours, Megabus takes just 5-2/3 hours, mainly because it stops only in Ann Arbor, while Amtrak trains stop 8-9 times.

The best way to save people time is to simply end Amtrak subsidies, [which unfairly compete](#) with buses, airlines, and other relatively unsubsidized forms of transportation. Megabus or some other bus company would no doubt step in and provide non-stop service from Chicago and Detroit to Lansing, Kalamazoo, Battle Creek, and other Michigan cities. That would serve those 1,315 Amtrak passengers, saving them time and the taxpayers money.

Back in 2007, the congressionally chartered [National Surface Transportation Policy and Revenue Study Commission](#) urged the federal government to invest heavily in passenger trains. But it also warned that, before making such investments, the government should do "a rigorous quantitative analysis" comparing trains "with alternative approaches [including] intercity bus, aviation, and highway modes."

Of course, the administration [conducted](#) no such analysis.

Congress has zeroed out funding for high-speed rail in 2011 and it appears unlikely that the federal government will give Michigan any more grants to upgrade its track to 110 mph. This means the \$350 million or so dedicated to this line so far is almost a complete waste - but not as much of a waste as spending another billion to get trains that are a little faster than a bus but far more expensive to ride.

Randal O'Toole is a senior fellow with the Cato Institute and author of [Gridlock: Why We're Stuck in Traffic and What to Do About It](#).
