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GOP sidetracks Obama's rail plans

By: **Abby Phillip**

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President Barack Obama calls it investing in the future. And the budget he presented this week puts actual dollars behind what he is talking about — spending more on education, clean-energy research and broadband and other infrastructure — even as he cuts many government programs to reduce the deficit.

But Obama's commitment to the infrastructure of tomorrow and the politics of today may be about to collide — and nowhere is that more apparent than in his push to develop high-speed rail.

Just last week, Vice President Joe Biden joined Transportation Secretary Ray LaHood in promoting a \$53 billion plan to upgrade the nation's railroad transportation, and the administration's proposed budget allotted \$8 billion as a start. But congressional Republicans immediately targeted the plan for elimination, then on Wednesday, Florida Gov. Rick Scott pulled the plug on what had been designated by the Obama administration as its signature demonstration project: an 84-mile high-speed line between Orlando and Tampa.

Scott's decision to return \$2.4 billion in federal funds, citing the project's unrealistic projections for job creation, combined with the withdrawal of Ohio and Wisconsin from the program after the November elections, left Obama's proposal with little political constituency and huge

questions about what comes next.

"Everything is upside down," said Rob Puentes, a transportation expert at the Brookings Institution.

In a microcosm, the debate over high-speed rail illustrates some of the problems endemic to the administration's approach

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to its investment agenda.

By definition, it aims to spend in areas the private sector has been reluctant to enter. But Republicans seem genetically opposed to an expansive federal role, and the government itself is often ill-equipped to manage such investment. Meanwhile, the tangible results of the spending are so far in the future that it is difficult to generate the public support necessary to secure funding from Congress.

Other than that, high-speed rail should be a slam-dunk.

While the idea of a network of fast trains connecting American cities has been talked about for years, Obama is the first president to take steps to make it happen, launching the effort in 2009 with \$8 billion in stimulus funds. The problem is, there was no real structure in place to support the new initiative.

“To launch a whole new infrastructure-building program for a nation the size of America is a big task,” said Andy Kunz, president of the US High Speed Rail Association. “What you’re up against is the existing inertia [of federal transportation appropriations] which has not been focused on rail; you’re up against entrenched transportation interests that don’t want to see anything change; and you’re up against federal agencies that have never been about new rail projects. So those are certainly big obstacles.”

Citing projections of rapid population growth, the congested highway system and

overburdened air travel, the administration set as its goal a nationwide network of trains, some that would travel faster than 200 mph. In the meantime, however, the government would still need to spend billions on Amtrak, chronically underfunded since its inception and under constant congressional criticism for its slow service and lack of profitability.

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“What the administration touted as high-speed rail ended up as embarrassing snail-speed trains to nowhere,” House Transportation and Infrastructure Committee Chairman John Mica of Florida said in a statement, responding to the administration’s rail plans. “Amtrak’s Soviet-style train system is not the way to provide modern and efficient passenger rail service.”

But as part of the Recovery Act, the administration also distributed stimulus money to 19 states to further their own rail plans. The money funded everything from routine track improvement to building new stations and transportation systems, but in only a few states such as Florida, with its proposed Orlando-Tampa route, was the administration presented with a more or less shovel-ready plan for an actual high-speed line.

And the \$53 billion the administration would like to spend over the next six years would be distributed in much the same way. Some \$15 billion would go toward Amtrak to upgrade that system. And only about \$28 billion would go toward “true” high-speed rail — still a small amount, given the huge costs involved. The rest would be dedicated to speed improvements on existing rail lines, which probably would increase train speed by only 20 mph to 30 mph.

Inviting ridicule by lumping together funding for Amtrak and high-speed rail, some advocates say, was a critical mistake.

“The handicap that we have in the U.S. is

that [Americans] don’t understand what high-speed rail is around the world,” said Jeff Barker, deputy executive director of the California High-Speed Rail Authority. “They think of Amtrak, which is a heavily subsidized, not a modern system. Those are simply not analogous to high-speed rail.”

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Puentes compared the result with the “bridge to nowhere” debate a few years ago: If high-speed rail money appeared to be distributed to states where the economic benefits are not clear, the public may turn against it.

“It’s not that people don’t think bridges are important,” Puentes said. It’s that they opposed this particular bridge “because of where it was ” — namely, connecting an island to mainland Alaska.

At this point, the controversy over high-speed rail confronts the Obama administration with an important test of its ability to push its investment agenda. And betting that Americans will choose investments over cuts, it has played hardball with Govs. Scott Walker of Wisconsin, John Kasich of Ohio and now Scott in Florida by redistributing the federal funds they spurned.

On Thursday, LaHood huddled with the Florida congressional delegation to try to figure out a way to pressure Scott to rescind his decision or come up with another mechanism for federal funds to be used for the project without the state’s involvement.

“This move that he made was definitely a political slap to the president,” said Kunz.

The backlash in Florida against Scott’s decision has come from Republicans, Democrats and business leaders alike. Mica, who opposed the Florida project but said the money was needed to make it viable, called Scott’s decision “a huge

setback for the state of Florida” and urged him to reconsider.

But so far, Scott seems unmoved. And his decision resonates with many conservatives who have long ridiculed government efforts to subsidize passenger rail service or build new mass-transit projects. Those critics say that rail projects may fit neatly into

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Obama's vision for a green, car-free society but are a waste of money and will never attract enough riders to justify the cost.

"I can say absolutely: High-speed rail is something this country should not be doing," said Randal O'Toole, an urban planning scholar at the Cato Institute.

In the age of \$20 bus tickets between major cities like New York and Boston, high-speed rail would substitute high-cost travel with low-cost travel, O'Toole said. "We're either going to have to heavily subsidize them or we're going to have to charge fares that are onerous to anyone who rides them."

With the future of the Florida project up in the air, California is now the state that's the furthest along in planning a high-speed project. But that cost is projected to come in at \$43 billion, and nothing will be operational for at least 10 years.

Barker, of the California High Speed Rail Authority, said that although California voters have committed \$9 billion in bonds to the project, the federal investment — budgeted to make up \$17 billion to \$19 billion of the total cost — has so far fallen short. And until the federal government can be more certain about its commitment, private investors will continue to sit on the sidelines.

Private donors "haven't seen that same sign that the federal government is committed," Barker said. The Recovery Act's \$8 billion contribution to high-speed rail

"did a lot," Barker said, "but it's very small compared to the actual need."

But whether there will be more federal money coming is also not clear. The administration has yet to publicly or privately communicate where the money for its \$53 billion proposal would come from, though it says it will be offset by cuts and

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consolidations in the budget. And its options are limited.

“That’s a huge question: how you fund it,” said Justin Harclerode, a spokesman for Mica, who has said high-speed rail needs private investment to succeed. “The only shot you really have is by looking for significant private-sector involvement, and the administration hasn’t done that.”

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