

Hinkle: Push for rail puts costs in the hot seat

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Short of motherhood and apple pie, just about nothing seems to be able to unite widely diverse interests — business and environmental groups, liberal Democrats and conservative Republicans — as well as rail transportation can. This month, chambers of commerce from Hampton Roads and Raleigh-Durham, N.C., joined the Greater Richmond Chamber in signing a resolution supporting high-speed rail, something Kim Scheeler, president of the Richmond chamber, calls "a no-brainer." The Southern Environmental Law Center has "strongly endorsed" the use of federal money for high-speed rail in the region. Reps. Bobby Scott and Eric Cantor have presented a united front in favor of bringing high-speed rail to the region.

It's hard to find a dissenting voice in the crowd. This means one of two things. Either a renaissance of this 19th-century transportation mode is the greatest thing to come along since the personal computer, or something else is going on. The case for the first possibility has been made repeatedly elsewhere. So maybe we should look at the case for the second one. Proponents need to study the other side to firm up a successful strategy. Let's examine the counterpoints.

Train travel is very costly. Tot up all the expenses related to car travel in the U.S. — roads, sticker prices, fuel, repairs, insurance and so on — and you get roughly \$1 trillion. For that sum, Americans travel about 4.6 trillion passenger miles per year. Average cost per passenger mile: about 21 cents. Airline travel is even cheaper: 13 cents per passenger mile.

By contrast, Amtrak's \$3 billion price tag and 5.4 billion passenger miles comes to 56 cents per passenger mile. Urban rail transit is even worse: 85 cents per passenger mile. Figures like that help explain why the Obama administration last year scrapped a Bush-era rule requiring that rail projects seeking federal grants be analyzed for cost-effectiveness. In its place the administration adopted a new standard: the vague and unmeasurable "livability."

Trains rely heavily on subsidies. Drivers pay 98 percent of the costs of roadways through gasoline taxes. Government subsidies from other revenue sources amount to only a half-cent per passenger mile. Air travel is subsidized to an even lesser extent: one-tenth of 1 cent per passenger mile.

Amtrak's subsidies come to 22 cents per passenger mile, and urban rail transit subsidies average 61 cents per passenger mile. (Amtrak's new Lynchburg-to-D.C. run has exceeded ridership expectations, yet fares still haven't covered the operating costs, let alone operations plus capital costs.) New York's subway system boasts the best financial record in the country. Yet its fares cover only two-thirds of its operating cost.

Benefits don't offset the higher costs. Oscar Wilde said a cynic knows the price of everything and the value of nothing. So perhaps taxpayers get huge nonmonetary gains in return for the sums they invest in passenger rail. But they don't. According to the Cato Institute's Randal O'Toole, diesel trains "produce as much or more greenhouse gas emissions per passenger mile (as cars). ... Electric-powered transit produces fewer greenhouse gases when the electricity is from nuclear, hydro or other renewable resources. But in places such as Dallas, Denver, and Washington, D.C., where most electricity comes from burning fossil fuels, rail transit generates more greenhouse gases than driving."

Advocates also say rail eases congestion. But congestion occurs mostly in metro areas rather than between them where high-speed rail lines run. Commuter rail can ease congestion in densely populated areas. But bus rapid transit can do the same thing at a much lower price.

So why have so many jumped aboard the rail bandwagon? For some, part of the appeal may be ideological or romantic. Some of the support may rest on misperceptions about the costs and benefits. Or the mistaken belief that we should be more like train-intensive Europe. (In fact, the difference is small. Driving makes up 79 percent of Euro travel, and 85 percent of American travel.)

The biggest reason, though, is probably the hope of getting a free lunch.

A news story in November about high-speed rail in Virginia quoted Thelma Drake, head of the state's rail agency, who noted that building such a system in Virginia is "going to take a lot of money." Where will it come from? Not Virginia, which has only \$30 million or so a year for capital improvements in rail. The state will need huge federal subsidies. As another news story noted, high-speed rail between Richmond and Washington will cost nearly \$2 billion, "money the state doesn't have. That means federal funding will be essential."

A race to grab federal funds is not a national transportation strategy, and the disjunction between state and federal planning processes leaves projects sidelined (and creates bad blood in the process). In December, Virginia and Norfolk Southern inked a deal to upgrade the railroad's tracks to accommodate passenger rail. As a Times-Dispatch news story noted, the project is "funded by an \$87 million state Rail Enhancement Fund grant." However, "Virginia does not have a revenue source yet to pay for the train's operation."

No state does. Left to their own devices, probably none of the states would build expensive, extensive passenger rail systems. (California, for instance, is developing a \$43

billion high-speed rail system for which Washington is picking up half the construction cost.) This basically means rail is a zero-sum game: All of the states are dumping money into a federal pot, and hoping to hit the jackpot by getting back far more than they put in.

Virginia could be one of the lucky ones. At bottom, however, the appeal of high-speed rail in the commonwealth lies less in the fact that rail is a great deal than in the hope that someone else will pick up the tab.

Correction: Last week's column on eminent domain included a garbled sentence that should have read: "The law stipulates that property can be taken only if the property itself is blighted." (I.e., a locality can't condemn a perfectly good building just because it sits in a blighted zone.)