

Federal stimulus boosts high-speed rail backers' hopes, but train hasn't left station yet

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By Mark Lisher



Stepping out of your office in downtown Dallas, you walk to a terminal to catch a train that allows you to continue doing business electronically until 90 minutes later when it drops you off in Houston.

This scene could very well have been found on some Texas rail advocate's website, or some future plan developed by the new [rail division](#) of the Texas Department of Transportation. Or it might have been part of a pitch by the state to win some of the \$8 billion in federal stimulus seed money for a national high speed rail network.

Except it isn't. It was a vision of the very near future written by a reporter for the *Dallas Times Herald* covering what seemed like the inevitable and tantalizing breakthrough by Texas of bullet train travel in America. In 1990.

In the two decades that followed, the vision has been buried as surely as some ancient Saharan civilization. It is being unearthed by President Barack Obama's stimulus infusion and a growing interest in Texas and nationally in alternatives to building ever more expensive highways. But this archaeological dig has also uncovered the problems that doomed high-speed rail travel the first time: Who is going to pay for it, and who is going to control it?

In 1990, Texas was very close to becoming the first state in the country to offer bullet train service. Today, Texas is starting from scratch, developing a high-speed rail plan all over again. So unprepared was it during the application process that Texas received a little less than \$12 million in stimulus grants. California, with its plan to link Los Angeles to San Francisco, received \$2.5 billion; Florida, with a Miami, Tampa and Orlando plan, got \$1.25 billion; and Wisconsin, with just one statistical population area with more than a million people, got more than \$810 million.

When [Transportation Department Secretary Ray LaHood was asked by reporters](#) if Texas was being punished for its conservative lawmakers who voted against the stimulus, LaHood said simply that the state's transportation planners weren't ready. "If Texas had its act together, they would've gotten some high-speed rail money," LaHood told a *Dallas Morning News* reporter. "We don't make decisions based on their votes or what their political party is.

In the short term, the [state might look shrewd](#) for having lost out in the high-speed rail funding race. The \$787 billion American Recovery and Reinvestment Act overall has become a third rail, so to speak, in this election. In Wisconsin, Scott Walker, the Republican Milwaukee County executive comfortably leading in the race to be governor, wants to give the money back. Republican gubernatorial candidate Meg Whitman scoffed at the \$2.5 billion California received, complaining the state cannot afford the \$45 billion the one high-speed line will cost. Republicans in Florida and Ohio have made inroads vowing to kill federally funded rail in their states.

Texas, however, is planning as though high-speed rail is a necessary and inevitable part of the state's transportation system. The Legislature in the 2009 session directed that the Department of

Transportation create a rail division for the first time. The division is headed by **William Glavin**, with 30 years of railroad management and rail network design experience.

The division is expected sometime in November to approve a general plan for rail transportation in the state, including commuter rail linking the state's major urban areas in a corridor from Dallas to San Antonio and Houston, said Karen Amacker, Rail Division spokeswoman. Crucial details like the exact configuration of the corridor and cost estimates are expected to be derived from planning studies, for which the federal grants have been applied, Amacker said.

The reasons for moving ahead after decades of stagnation are stark, according to **Howard Wolf**, **chairman of the TxDOT Restructure Council**. A special committee of the Texas Transportation Commission in 2009 estimated the state of Texas needed \$315 billion, or \$14.3 billion a year, through 2030 just to keep up with the construction, planning and maintenance of the state's roads. High-speed rail in some form must lift some of what Wolf says is an untenable burden for roads from the shoulders of taxpayers.



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"Will we have high-speed rail in Texas sometime in the future? I don't know," Wolf said. "Should we have high-speed rail sometime in the future in Texas? Only if we want to have an efficient, effective transportation system in Texas."

Whether Texas has high-speed rail in its future will depend upon the ability of politicians to convince taxpayers to subsidize a form of travel several times more expensive than cars and airplanes, **Randal O'Toole**, a senior fellow who has written extensively about transportation issues for the libertarian Cato Institute.

Transformative improvements in transportation have always come when more people can move faster or more conveniently or cheaply than with the previous technology. Reverting back to trains does none of this for the majority of Americans and, in particular, a state as spread out as Texas, O'Toole says.

This current air of cautious optimism is a flicker compared to the crackle generated by the bullet train in the early 1990s. Foreign companies vied to build it, promising speeds of 200 miles an hour, fares a fraction of the cost of airplane tickets and a jobs and business boom throughout the corridor. What's more, these companies said they could build the entire system connecting Houston, San Antonio, Austin and Dallas for between \$5 billion and \$7 billion, a fraction of the \$45 billion California says it needs for a single line.

"This is one of the best things that could possibly happen to this state," Ray Perryman, then a Baylor University economist, told the *Chicago Tribune* in 1991. "It will fundamentally change the economic landscape to the point where we can't even remember what it was like before we had it."

Such a rail system might put Southwest Airlines out of business, founder Herb Kelleher told state authorities. Kelleher had beaten back the major carriers to connect Texas cities by air, and he wasn't about to be trumped by a mode of transportation that had been dying since the 1950s.

"This train is not going to be a leap into the 21st century," Kelleher told the *Tribune*. "It's going to be a

backwards somersault into the 19th century."

"Southwest Airlines killed high-speed rail for the reasons you might expect," Amacker said.

Bullet train boosters failed to raise private money

While Southwest was certainly the loudest voice in the argument, it was the state legislature that had the last word. From the beginning, TGV, the French and American consortium chosen to develop the Texas bullet train, insisted it could do the job by itself. "No state funds, no nebulous public-private partnerships, no shortfalls for the public to pick up," TGV attorney Ace Pickens said at the time.

The group failed to raise even the first \$170 million privately. At the same time, the General Accounting Office produced a report that said no high-speed rail line in America could be built without huge infusions of federal tax dollars. The study also said the costs in Texas were being underestimated by more than \$2 billion. The Texas Legislature had passed a law saying the state would not fund a penny of the project.

Amacker says she believes the climate for high-speed rail today is much different. Oddly, it was environmentalists worried about the despoiling of miles of land with new track that had joined with Southwest to battle high-speed rail. With the reduction of carbon emissions at the forefront of the environmental movement, mass transit of all kinds is in vogue, Amacker said.

This time, the state's preliminary rail plan calls for trains running at less than half the 200 mph speed of a bullet train, on existing tracks that need only improvement, Amacker said. The rail division plans to move slowly and deliberately this time, she said.

"I think we need to be specific and emphatic on this point," Amacker said. "People should not expect to see a high-speed rail line, not even a line on a rail map for a few years yet. It's going to take some time."

Rail supporter sees 'change in thinking'

The legislature in this next session will have its hands full with a budget shortfall some have pegged at \$18 billion and with redistricting, which promises to be politically agonizing, said Peter LeCody, director of [Texas Rail Advocates](#), a citizen's group strongly in support of commuter rail. It may take the rail division two or three years to develop detailed plans and cost estimates, LeCody says.

LeCody pointed to the success cities like Dallas has had with Dallas Area Rapid Transit's Trinity Railway Express and Houston with its METRORail system in nurturing rail popularity and ridership. Trinity, which is a heavy rail commuter line, has a daily ridership of about 8,400 people, according to [American Public Transportation Association figures](#). METRORail is an all light-rail system with a daily ridership of about 35,000, according to the association.

Meetings to discuss the state's rail plan have been full and lively, LeCody says.

"I really think you are starting to see a change in thinking," LeCody says. "People are starting to realize the problem trying to fund more and more miles of highway is only going to get worse. I think there is a can-do spirit here that says we may not have a lot to work with right now, but let's get a start."

The questions that won't be answered for a while are where and how to start. The most sophisticated commuter rail systems are being run by a handful of the largest cities, with no coordination. Right now, the state has no active role in moving people around the state. And the **Federal Railroad Administration** has, for almost 20 years, had in place a plan that expects states to think regionally about commuter travel.

There are **11 designated federal high-speed rail corridors**. One of them, the South Central corridor, looks like a wishbone starting in San Antonio, forking at Dallas/Fort Worth to Tulsa through Oklahoma City and to Little Rock through Texarkana. Houston is the westernmost city in the Gulf Coast corridor, east to New Orleans and Mobile, north to Meridian, Miss. and onward. There is no Houston to Dallas connection on the federal map.

The federal map is at odds with the two plans favored by high-speed rail advocates. The so-called **Texas T-Bone** connects the four largest population centers in Texas in a self-described shape, with a line running from Dallas/Fort Worth to San Antonio and from Houston connecting to the other line at Temple and Killeen. The Texas Triangle includes the same Dallas/Fort Worth to San Antonio leg, but runs from there to Houston and from Houston north to Dallas/Fort Worth.

Amacker said the differences with the Federal Railroad Administration plan cannot be ignored because of the needed funding. The Rail Division can plan for a Dallas-to-Houston line, but there is no guarantee that the federal government will support it, she says.

Karen Rae, deputy administrator for the FRA in Washington, D.C., did not return calls to Texas Watchdog.

Wolf believes that getting a state agency to bring local, state and federal high-speed rail planning together might be the most important and daunting challenge. Wolf hinted that the job might best be done by reverting authority from the Department of Transportation to the state commission that already has rail in its name.

"When you have all these moving parts there are going to be power struggles and contests for funding," Wolf says. "There is a vacuum in the domain of rail leadership in Texas, and as everybody knows a vacuum exists to be filled. To oversee the vision, the planning and the execution of high-speed rail the vacuum must be filled."

Election sentiment could point to rail's viability

Everyone involved in the issue seems to agree that no matter how high-speed rail is run, it will have to be done as a private partnership with government. How much state government will be willing to participate will probably depend upon the state economy and the budget. At what level the federal government will continue to support high-speed rail may depend upon the voters in November.

O'Toole said taxpayers considering high-speed rail must be prepared to pay for most of the costs to build and maintain the system. There is no such thing as a major self-sustaining commuter rail system in the world, he says. A cost-and-benefit analysis done by Harvard economist Edward Glaeser in [four installments for the New York Times](#) last year showed just how expensive high-speed rail could be - Dallas to Houston alone could cost as much as \$24 billion to build - anywhere in the country.

"I can't see a case for high-speed rail anyplace in the world," O'Toole says. "To the true believer, no transportation system pays for itself, nor should it have to pay for itself."

All these many years later, Perryman, now the head of the Waco-based economic analyst [Perryman Group](#), remains enthusiastic about the public good of high-speed rail. He is not, however, confident that the state and the federal government will give rail in Texas the needed funding any time in the near future.

"The expense of getting a new one (rail system) off the ground, irrespective of the long-term economic benefits, would be very difficult in the current political and budgetary situation," Perryman says. "I would not expect a lot of momentum in the immediate future."

And although Amacker, LeCody and others have said they believed that over time Southwest Airlines has changed its mind or will remain neutral about high-speed rail, Olga Romero, an airline spokeswoman in Dallas, told Texas Watchdog that any effort to give rail a financial priority over the American aviation system is absurd. History, of which Southwest played a significant role, has shown that high-speed rail cannot survive without "massive infusions of taxpayers' money, which is not at all how the nation's commercial air system is funded."

"There may be a place for high-speed rail long term, depending on whether it can overcome the daunting challenge it has in recouping its costs without massive taxpayer subsidies," Romero said. "As a significant taxpayer in our communities, we believe that taxpayers are entitled to know how much their taxes might increase before being asked to take a position on such a project. We do not think high-speed rail should take a financial priority over modernizing the U.S. air traffic control system."

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