



Congress may bring costly Amtrak service back to North Florida

William Patrick

April 2, 2015

After a decade of suspended service, an effort to bring Amtrak passenger rail back to North Florida is gaining momentum.

How much it would cost is unclear, but based on Amtrak's history it'll require freight loads of taxpayer support.

The plan is to restore service from New Orleans, Louisiana, to Jacksonville and down to Orlando. Doing so would complete the transcontinental Sunset Limited route that already extends westward from New Orleans to Los Angeles, California.

That might be great for rail buffs, railroad union workers, adjoined businesses and train travelers, but it might not be so great for those destined to pick up the tab.

"No Amtrak long-distance train covers its operating costs. None even come close," Randal O'Toole, a transit expert and Cato Institute scholar, told Watchdog.

According to Amtrak's 2014 Performance Report, the existing Sunset Limited service lost more than \$350 per passenger, or more than any other Amtrak train. Adding service to Florida would increase passenger rides, but would also increase costs.

Amtrak previously operated along the New Orleans to Orlando route until 2005, when Hurricane Katrina knocked out critical railroad infrastructure in Louisiana and Mississippi.

According to the Florida Department of State, that didn't go so well, either. The Sunset Limited's Gulf Coast service was one of Amtrak's "least efficient routes," and generated \$29.3 million in losses in 2004 and \$35.2 million in losses in 2005.

Put differently, every passenger in the year prior to Hurricane Katrina represented a \$433 loss.

Repairs have since been made and now federal, state and local officials in the Gulf Coast region, along with various pro-rail groups, are clamoring for restored service. Their calls have not fallen on deaf ears.

In March, the U.S. House Transportation and Infrastructure Committee, comprised of 34 Republicans and 25 Democrats, unanimously passed the Passenger Rail Reform and Investment

Act of 2015. It contains a provision to study the feasibility of reopening the rail line. One of the groups involved in the study is Amtrak.

The bill purports to reduce Amtrak's costs and make it "operate more like a business." It passed the full House last month with overwhelming bipartisan support.

But even with any proposed cuts, it's inconceivable Amtrak can come close to running like a business, unless Congress' idea of a business involves billions of dollars in government support.

According to the Federal Railroad Administration, Amtrak, a for-profit corporation, needed nearly \$10.5 billion of federal support from 2006-2010 (the most recent data available) to maintain its operations.

Watchdog contacted U.S. Rep. John Mica, R-Fla., an Amtrak critic and senior member of the House Transportation committee, but we did not receive a response.

The National Association of Railroad Passengers, a Washington, D.C.-based group advocating for a nationwide network of passenger trains, says reopening passenger service from New Orleans to Orlando would be different this time around.

In a recent newsletter, NARP said the recent House bill would improve on the old Gulf Coast route by including a broad range of new train service options, including "expanded services." How much does a leading regional proponent think it'll cost?

"Unfortunately, there is no existing cost estimate for the extension from New Orleans to Orlando," a spokesman for the Southern Rail Commission told Watchdog.

The Southern Rail Commission is composed of government appointed commissioners from Louisiana, Mississippi and Alabama. Getting Florida on board and securing federal support is its apparent end-game.

In 2012, it held a "Bring Back Amtrak" rally in Tallahassee. Ten Florida panhandle mayors have signed on.

Despite years of advocacy, a spokesman for the SRC said in an email the group is waiting on a \$1 million grant from the U.S. Department of Transportation to conduct a study before it can answer questions about "feasibility, ridership and economic impact."

"The reality is that passenger rail travel has always been very expensive relative to driving and, since airline deregulation, expensive relative to flying. The really cheap alternative is intercity bus; those who want an alternative to flying or driving should promote buses," said O'Toole.