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Letter: Rail will boost Michigan economy

Randal O'Toole of the Cato Institute claims Michigan "cooked the books" in assessing the benefits of improved passenger rail service, but his critique is deeply flawed ("The great train con," May 12).

However, rail is a good deal for the state.

In his column, O'Toole said using the well-established economic concept called "consumer surplus" as a rail benefit makes the case look better than it really is. In so doing he falsely defines the term and neglects to mention that it is frequently used in assessing benefits from highways and other facilities. The Federal Highway Administration's assessment, for example, "calculates user benefits based on changes in consumer surplus for travelers."

Estimating consumer surplus is a legitimate, time-tested way of predicting value. And as the United States begins to modernize its rail system, the value of those improvements is becoming clearer every day. We now have real cases in which upgraded rail access is demonstrating value to riders and to local and regional economies.

The 10-year-old Amtrak Acela, for example, is the closest thing to high-speed passenger rail in the United States. It has allowed Amtrak to nearly double its share of Washington-New York air and rail travelers, from 37 percent in 2000 to 69 percent in 2010. In contrast to conventional Amtrak trains, which at best break even, the upgraded Acela brings in a 40 percent operating profit.

The Downeaster, an Amtrak-operated route, runs from Boston to Portland, Maine. Between 2005 and 2011, service was increased from four to five daily round trips, and travel time cut by 20 minutes.

These were relatively modest upgrades, but results were not. Ridership more than doubled, to a half-million a year.

Closer to Michigan, work is under way on Midwest routes targeted by O'Toole.

Normal, Ill., is on Amtrak's Chicago-St. Louis route. Even before the national rail effort began in 2009, Illinois had added service on the line, resulting in a 207 percent ridership increase between fiscal year 2006 and fiscal year 2010.

In Normal, improving service and a new train-bus station, set to open in 2012, is spurring an estimated \$200 million in private downtown development, including a large hotel and a publicly funded conference center.

In general, based on these preliminary examples, plus experience with other transportation facilities here and abroad, it's clear that upgraded rail service will create economic value by providing new access and connections across Michigan, the region and the nation.

Better options for travelers, increased access and productivity for businesses, and growth in jobs — that's the promise of Michigan's rail project.

Congratulations to the state of Michigan for choosing the right course on behalf of its citizens.

Allen D. Biehler, former secretary of the Pennsylvania Department of Transportation; executive committee member of the State Smart Transportation Initiative at the University of Wisconsin

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