



The Great Railroad Fantasy

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The Amtrak crash outside of Philadelphia was an invitation for practically every politician in the Northeast and every transit expert in America to complain about lack of funding for the country's infrastructure. They didn't even wait to know what was the cause of the tragedy to take to the airwaves, and weren't deterred when it emerged that the engineer had been going twice the speed limit around a tight curve when Amtrak Train 188 derailed.

They cared only for reciting the usual litany of laments for our "crumbling" infrastructure and our lack of high-speed rail, which is supposedly a stinging indictment of our shortsightedness and barbarity compared with our betters in Europe and Japan.

What these advocates rarely do is take account of Amtrak as it actually exists. It is a test case of a highly subsidized — and politicized — rail system. Hideously inefficient and wasteful, Amtrak is rail brought to you by the federal government, with the results about what you would expect. Amtrak is the DMV in an Uber world.

The system was slated for profitability in the 1970s, after a brief period of public subsidy. Not surprisingly, the profitability has never come, and the subsidy has never ended. All told, the taxpayers pour about \$1 billion into it a year.

Amtrak's unionized employees made on average more than \$90,000 a year in wages and benefits as of a couple of years ago. Outside of the Northeast and a few other places, it serves uneconomical routes that account for the bulk of its losses (although Congress insists on those routes for political reasons). Amtrak can't even sell food and drink to a captive audience at a profit. It loses \$80 million a year on its food service, perhaps as much as \$7 million of that lost to simple theft.

If Amtrak is the future of American transit, American transit has no future. Yet visions of high-speed rail dance in the heads of liberal rail enthusiasts, who believe that what we need is Amtrak, only more so. President Barack Obama is a devotee, urging on the country to match the high-speed rails of Europe and Asia and backing his vision with billions in federal dollars.

The problem with high-speed rail in this country is that few places outside the Northeast have the population density to support it, so the economics don't work. Ridership won't come close to recouping the massive capital expenditures involved, which is a formula for endless Amtrak-like subsidies. High-speed rail is one thing in a densely populated Japan; it is another thing altogether in the sprawling continental United States.

Although it's not as glamorous, we already have an extensive transit system that can take people door to door pretty much anywhere they want to go — i.e., roads. If people don't want to drive themselves between cities, they have the option of buses, which are cheaper than trains even if they don't have the same romance. And, of course, airplanes are faster than trains. Randal O'Toole of the libertarian Cato Institute points out that the travel patterns of Americans don't support the soaring ambitions of the passenger-rail enthusiasts. As of 2012, highways accounted for 87 percent of passenger travel and airlines 12 percent, but Amtrak only 0.14 percent. It is a rounding error on American transportation.

It's not as though the country can't do rail. It's just that we are good at moving goods rather than people. Our freight-rail system is world-class. Deregulated by the 1980 Staggers Rail Act, the freight sector has benefited from abundant private investment. Cheap and efficient, freight rail is doing booming business. No one brags about freight rail, though, because it lacks the appeal of grandiose public infrastructure projects and doesn't entail envy of France.

Amtrak may be many things, but it is emphatically not an argument for more government investment in passenger rail.