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Right on time, it's all-aboard for more Amtrak billions

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Of history's three most famous love affairs — Abelard and Heloise, Romeo and Juliet, Joe Biden and Amtrak — only the third teaches a civics lesson. If President Biden has his way, taxpayers will give Amtrak yet another \$80 billion; it received more than \$100 billion in subsidies in its first 50 years. Nevertheless, it is remarkably efficient. Not as a railroad, but as an illustration of how many permutations of waste the government can generate when it goes into business.

Amtrak was born in 1971, when its supporters convinced Congress — wishful thinking thrives there — that a national passenger railroad would be a for-profit enterprise after receiving start-up billions from private sector railroads eager to unload their money-losing passenger trains. So, Amtrak, which almost certainly never will operate without government subsidies, began as a government subsidy for freight railroads. Since quickly using up those railroads' money, Amtrak has received annual federal subsidies of \$1.5 billion to \$2 billion (in 2021 dollars).

The Cato Institute's Randal O'Toole has succumbed to the romance of railroading — “I love passenger trains” — without abandoning arithmetic. He says federal, state and local subsidies to air and highway travel average around a penny per passenger mile. In 2019, Amtrak subsidies per passenger mile were 34 times larger. That year, while Americans were traveling an average of 15,000 miles by automobile, 2,100 miles by plane and 1,100 miles by bus, they traveled less than 20 miles per person on Amtrak. Americans bicycle non-recreationally — to work, to appointments, to shop — 2 billion more miles than they ride on Amtrak, which is supposedly vital to the economy.

In the early 1970s, Amtrak's share of U.S. passenger travel was approximately 0.16 percent. In 2019, it was 0.10 percent. Yet it stands to receive 26 percent of the transportation dollars in Biden's infrastructure bill.

In the 1950s, Johnny Cash sang that “the Rock Island Line, she's a mighty good road.” Midwesterners agreed. But to improve prospects for a merger with another railroad, Rock Island began deferring maintenance expenditures. By the time Washington approved the merger, O'Toole says, “Rock Island's tracks were so decrepit that its passenger trains ran as slow as 10 miles per hour.” The merger proposal collapsed; so did the Rock Island.

To protect investors, Washington began requiring railroads to include depreciation among their operating costs. Amtrak does this in financial accounts, O'Toole writes, but “never mentions it in its press releases about its finances. In 2019, depreciation amounted to \$868 million, increasing

total losses to \$1.13 billion — 38 times as much as claimed.” The Boston-D.C. corridor, which will get much of Biden’s \$80 billion, and that Amtrak has often claimed to be profitable, has, O’Toole says, “a \$38 billion maintenance backlog.” And Amtrak’s creative bookkeeping counts states’ subsidies (in 2020, Amtrak got \$342 million in operating subsidies from 17 states — not counting \$294 million for capital improvements) as “passenger revenues.”

In April, O’Toole wrote, Amtrak’s locomotives produced 167 grams of carbon dioxide per passenger-mile, buses about 60. “The airlines emit about 174 grams per passenger-mile, but before the pandemic they were improving faster than Amtrak. I suspect that air travel will recover faster than train travel so that, after the pandemic ... flying will be greener than Amtrak.”

A hidden subsidy to Amtrak is the law giving it priority over freight trains on tracks privately owned by freight railroads — more than 70 percent of Amtrak miles are on such tracks. If the increased preference for Amtrak, which Biden proposes, causes freight rail to lose business to trucks, which haul tonnage with much higher carbon emissions than freight trains, this will increase Amtrak’s environmental damage.

Amtrak’s plan for new connections to some cities makes more political than transportation sense. O’Toole: “It currently has no trains at all into Wyoming; adding a line to Cheyenne will potentially get it two more votes in the Senate.” Los Angeles to Las Vegas? Trips by four bus companies, leaving about every half hour, cost as little as \$20. Fares also begin at \$20 for the eight airlines offering, together, about two flights an hour.

Amtrak is, however, a gift that keeps on giving by demonstrating government’s propensity for perpetuating its mistakes. The year after Amtrak was born, Arlo Guthrie recorded a song about the Illinois Central’s “City of New Orleans” passenger train: “This train’s got the disappearing railroad blues.” Actually, this train still loses money three times a week running (a scheduled) 19 hours each way between New Orleans and Chicago. Amtrak will never disappear, but this year’s tranche of billions will, and so will subsequent subsidies by the billions.