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Strickland's Folly



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Ohio Budget Short on Dollars for Slow Train to the Past

It's a Question of Priorities

by [John Michael Spinelli](#)

August 5, 2009

COLUMBUS, OHIO: Two weeks ago Ohio Gov. Ted Strickland and his Director of Transportation (DOT) were among the gaggle of governors attending the high-speed rail summit in Chicago, where a pack was entered into by eight Midwest governors to form a united front for purposes of garnering as much of President Barack Obama's \$8 billion in high speed rail funding as possible. With his DOT Director Jolene Molitoris in tow, Strickland became a signatory to a Midwest agreement to promote regional passenger rail and Ohio's 3C Corridor, an approximately 270-mile trip plan to re-establish passenger trains connecting Cincinnati to Cleveland via Dayton and Columbus that's conservatively estimated to cost a cool \$1.53 billion.

The purpose of the rail summit's memorandum of understanding is to coordinate regional efforts to secure federal funding for development of the Chicago Hub High-Speed Rail Corridor, which includes as a peripheral route the 3C Passenger Rail Plan Strickland and Molitoris have been promoting, despite hard evidence that ridership for it is even minimally plausible and that it will not further decimate a state budget that limped its way with one-time federal dollars and a variety of account gimmicks and fee increases to a state of balance.

About Me

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John Michael Spinelli is a certified economic development professional whose public service includes the Ohio Senate, The Ohio Public Works Commission and the Office of Ohio Secretary of State. Mr. Spinelli served eight years on the Franklinton Area Commission. The leader of the Chamber's Neighborhood Business Roundtable, Spinelli advocated early for The Short North, founded The Design Center and developed a Neighborhood Assistance Fund. For this work, he won two national awards for Columbus. Spinelli added his Italian heritage to the business stew that was The Red Tomato Deli & Cafe. From 2003-06, he covered politics, policy issues, leaders and lawmakers as a credentialed Ohio Statehouse reporter for The Hannah News, a trusted industry-insider publication. He has written for magazines like Cincy and Columbus CEO, and his travel articles have appeared in major Ohio newspapers, Chicago's Daily Herald and Canada's Dreamscapes. He created Profiles in Business, a popular Sunday column. Spinelli on Assignment first covered traveling to Europe in 2006, but now reflects his voice and views on state, national and world issues. Newstex.com syndicates Spinelli on Assignment.

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In 2010, when the next exercise in balancing a state budget takes place, Obama dollars may not be available like they were for this budget and expected declines in tax revenue will further exacerbate a meltdown of state finances, making it hard to justify spending any on a rail plan that would make little sense even if times were good, which they are definitely not.

"Ohio's central location makes our state the connection between the Chicago Hub to the west and the Northeast Corridor to the east," Strickland said in a media release touting why he and Molitoris are behind the push to snag some of the \$8 billion dedicated to fund high speed rail.

Ohio junior Senator Sherrod Brown also offered his support of the collaborative effort later in the day. "You can't have a nationwide passenger rail system without Ohio," he said, adding, "This agreement, coupled with new federal funds through the economic recovery package, will make the 3C corridor one step closer to becoming a reality. High-speed rail is critical to the long-term economic competitiveness of our region. By connecting Ohio's largest cities with others cities in the Midwest, we can bring jobs and economic development to our state."

Strickland and state transportation officials have said without being challenged that "restoring passenger rail service at conventional speed is Ohio's first step toward implementing a high speed rail network connecting Ohio to the Midwest and the rest of the country." While it sounds good that existing freight tracks can be upgraded to accommodate fast trains, the reality is that that cannot happen. Real high speed trains need specially designed "purpose driven" tracks to handle the speeds trains in Europe handle every day. These kind of special tracks are especially expensive, but numbers for high speed rail are rarely mentioned because they present a story of cost that states like Ohio simply cannot handle, given the state of most state budgets. Ohio officials have said that their slow passenger train to the past will only average 57 mph and only reach a top speed of 90 or 100 mph after billions of dollars of freight-rail upgrades and years to do it.

As for the governors who did sign the memorandum of understanding -- Illinois Governor Pat Quinn, Michigan Governor Jennifer Granholm, Iowa Governor Chet Culver, Wisconsin Governor Jim Doyle, Missouri Governor Jay Nixon, Minnesota Governor Tim Pawlenty, Indiana Governor Mitch Daniels and Chicago Mayor Richard M. Daley -- more voices are emerging that think they are the ones who will be taken for a ride.

Even though the media has performed as a dutiful lapdog for the hollow talking points of train advocates who overemphasize the benefits and downplay the costs to all taxpayers, some contrarian voices can be found that paint a far less rosy picture, one everyone should be aware of.

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Steve Staneck, a research fellow at the Chicago Heartland Institute, recently wrote in the [Alberta Lea Tribune](#) that "If there truly were enough consumer support for high-speed rail, governments would not be involved. Private companies would provide the service and pocket the profits." Noting that the combined state deficits of the governors who signed the Midwest rail summit pack is over \$28 million, Staneck chides the federal government for telling everyone not to worry about its \$2 trillion budget deficit this year, and a national debt that has more than doubled to \$11 trillion in the past eight years. "The government will print the money, or borrow it, or tax for it, future generations be damned," he shouts.

Another naysayer voice, that of [Randal O'Toole](#) from the CATO Institute, says of what happens when the dog catches the car: "Once we start building high-speed rail, you can expect local politicians to demand these gaps and others be filled at your expense. And don't be surprised when the government asks you for another \$1,000 or so in about 30 years to rebuild what will then be a worn-out system." O'Toole asks what all this money will produce. "Unless you live in California," he says, "don't expect super-fast bullet trains. In Florida the FRA (Federal Railroad Administration) is considering trains with top speeds of 125 miles per hour. In most of the rest of the country, the FRA is merely proposing to boost top speeds of Amtrak trains from 79 to 110 m.p.h. A top speed of 125 m.p.h. means an average speed of only 75 to 85 m.p.h., which is hardly revolutionary. Many American railroads were running trains nearly that fast 70 years ago."

Even the [Gray Lady](#) is starting to discuss the realities of real high speed rail and what it means to all of us in a multi-part series that reveals the high cost of Euro-speed trains.

The ride Strickland and any other governor vying for a taste of federal high speed rail dollars cannot afford to take is the real cost of building Euro-style train systems. Ohio's rail plan says in clear language that it cannot happen if any contribution from the state would have a negative impact on the general fund budget of the state. In coming to terms with Republican leaders in the legislature, Strickland had to agree to a \$3.2 billion budget patch that included \$933 million in revenue from adding video slot machines to Ohio's seven racetracks that some critics say is an over estimate. Republican legislators criticized Strickland for using about \$7 billion in one-time federal stimulus dollars, and said the next budget will be further out of whack and won't be able to rely on more federal funding.

With the specter of losing 30-40,000 more jobs, as agencies cut back staff because their state funding was cut back, the question of priorities needs to be raised. For every \$1 Ohio would spend for its Harry Potter magic trick of a train system, its one less dollar that can be spent on social safety net services or any other service important to the state. Whether the 3C becomes a campaign issue in next year's race for governor is a matter of speculation. But the rising tide of dissatisfied

voters who see high speed rail as a boondoggle that will only benefit consultant and lobbyists for status quo rail stems is a sign that the more voters learn about it the less they think it's a priority.

State transportation officials have already said the system will never break even and in fact will need a yearly public subsidy, an amount they say they are looking to find. Current sources for that subsidy, which is pegged on the low end at \$10 million annually, may come from usurping revenue vendors pay ODOT to have their business name on highways signs and from charging exorbitant prices to riders for food and beverage sold on-board the train.

[John Michael Spinelli](#) is a Certified Economic Development Financing Professional, business and travel writer and former credentialed Ohio Statehouse political reporter. He is registered to lobby in Ohio and is the Director of Ohio Operations for Tubular Rail Inc. [Spinelli on Assignment](#) is syndicated by Newstex.com, can be followed on [Twitter @OhioNewsBureau](#) and available for subscription to Kindle owners. To send a news tip or make comment, email ohionewsbureau@gmail.com