



October 28, 2009

[The High Cost of High-Speed Rail](#)

During the drive home from work yesterday, I listened to [a discussion of high-speed rail](#) on NPR's "Marketplace." Mitchell Hartman discussed [a new report from the Pew Research Center](#) reminding us that high-speed rail depends on federal assistance. Pew calculated that Amtrak receives a \$32 subsidy per ticket, on average, from taxpayers. Amtrak, however, estimates that the size of the subsidy is \$8. From the show's transcript:

The difference is Pew includes all the costs of running a railroad, like depreciation — that's wear-and-tear on tracks and trains — and overhead, like the legal and HR departments. Taxpayers pick up those costs too. Amtrak got \$1.3 billion in funding last year.

The program even quoted [Randall O'Toole](#), a Cato Institute senior fellow and self-described "[Anti-planner](#)":

Best thing we can do for mass transportation would be to privatize it, let the private operators respond to the market, and then we'll have a more efficient system that might be attractive to more people.

O'Toole has written [several policy studies](#) for the Show-Me Institute on the subject of high speed rail and its free-market alternatives. His most recent, "[Why Missouri Taxpayers Should Not Build High-Speed Rail.](#)" was published late last month.

High-speed rail is relevant to Missouri, particularly as officials consider upgrading the tracks from Saint Louis to Kansas City to accommodate high-speed trains. As [David Stokes testified](#) before the Joint Committee on Transportation Oversight earlier this month:

For Missouri to build true high-speed rail — the type that American tourists ride in Europe at 150 mph — would cost Missouri taxpayers billions more, all to serve the small percentage of the population that uses passenger rail.

Posted by Christine Harbin at 9:57 a.m. in [Media](#), [Privatization](#), [Transportation](#) | [Permalink](#) | © 2009 [Comments \(3\)](#)

3 Comments [»](#)

1. As if our roads are not subsidized? Who pays for their upkeep and repair. Who pays for their expansion? Who paid for the Eisenhower era Interstate Highway build? Not even do tolls cover the total cost using the Pew standards of accounting — which I think is the best approach. Admittedly we shouldn't have HSR everywhere, there needs to be reasonable ridership to warrant such public investment, but come on stop the picky, naive point of view that rail is the only U.S. mass transportation system that is subsidized.

Comment by [Larry](#) — October 29, 2009 @ [7:05 a.m.](#)

2. Thanks for the comment, Larry.

By focusing on HSR, my intention was not to imply that it's the only mass transportation program in the USA that relies on taxpayer subsidies. Roads are funded through additional sources such as gasoline taxes and tolls, which function more like user fees. My point is that there are more cost-effective ways to provide mass transportation than HSR. Dave Stokes made a post on this blog on this subject today.

I agree with your statement that there needs to be reasonable ridership to warrant such public investment. The proposed project in Missouri would not have this ridership. In Mr. O'Toole's recent paper, he found that the average Missouri resident would only use it

only once every six years.

Comment by [Christine Harbin](#) — October 29, 2009 @ [12:23 p.m.](#)

3. Larry,

Thank you as well for your comment. First of all, I fully support much greater use of tolling on highways and bridges to move away from road subsidies toward increased direct user fees. But the gas tax does do a decent job of making sure the people who drive pay for the roads, and I have no objection to increasing the gas tax if necessary.

But with road subsidies, 100% of the people pay for something that 98% of the people regularly use and which benefits 100% of us (delivery of goods on trucks, etc.) With rail, 100% of the people pay for something that only a very small percent of the population uses and benefits from. (Freight rail, as compared to trucks, is one of the least subsidized transportation markets.)

I have no objection to the \$8 million a year Missouri gives to Amtrak, nor the \$40 million they are now spending on upgrades to the current route (not part of a high-speed rail plan), because I think the benefits of that outweigh the costs. But when we get into a new, bells and whistles high-speed rail plan, I think the costs greatly outweigh the benefits. Who in their right mind is going to take high-speed rail from Kansas City to Chicago (one of the major proposed routes, going through St. Louis) when the trip will still take you about 8 hours and you can fly there in an hour and twenty minutes? The answer is hardly anyone.

Comment by [David Stokes](#) — October 29, 2009 @ [1:06 p.m.](#)

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