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10.05.2009 6:17 pm
Blogger rebuts rapid-rail study
 By David Nicklaus
 St. Louis Post-Dispatch
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Randal O'Toole is a scholar at the conservative **Cato Institute**. The **Daily Kos** is a liberal blog. You wouldn't expect them to agree on much, and they certainly disagree on the subject of high-speed rail. In a lengthy post yesterday, the Kos attacks a **Show-Me Institute** study in which O'Toole argues that Missourians would lose money on a rapid-rail program. The Kos' main arguments are that O'Toole uses statistics on urban light rail systems to draw conclusions about intercity rail, which isn't the same thing; and that **Amtrak's** existing Acela service in the Northeast runs an operating surplus. Here's a sample assertion from the Kos:
 For intercity rail, the more likely truth is, "If High Speed Rail covers its operating cost in the most crowded intercity transport market in the US, we should find some corridors that can do even better."
 Kos blogger **Bruce McF** also makes some ad hominem attacks on O'Toole's scholarship, but as far as I can see, he doesn't challenge O'Toole's important assertion about high-speed rail's capital costs. O'Toole says the train system would cost about one-fifth as much as building the interstate highways (in inflation-adjusted dollars) while serving far fewer travelers.

★☆☆☆☆ (1 votes, average: 1 out of 5)
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 7 comments
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 Blog Comments: Rules of the Road

A train system is not the same thing as a highway. A train system's cost includes the vehicles. A highway's cost does not. Does your car make an operating profit?
 — lonely pedant
 6:39 pm October 5th, 2009
 The piece in question isn't written by "the kos". Pieces by "kos" are written by kos.
 It was written by a community member, one of over 200,000 on the site. Thanks, kos
 — kos
 12:10 am October 6th, 2009
 It is quite true that I did not challenge each and every shaky assertion by O'Toole.
 I did, of course, attack O'Toole's scholarship, but clearly attacking someone's scholarship is by definition not an *ad hominem* attack.
 The specific attack I made was focused on a specific claim by O'Toole that used 2001 data and combined conventional speed and higher speed rail together in order to claim that higher speed rail lost money on the Northeast Corridor, and then used an entirely unsupported claim to extend that result nationwide.
 Why pool the conventional speed and higher speed rail services together? Why use 2001 data instead of the most recent data?
 From O'Toole's own source, if you do not pool conventional rail and the higher speed rail together, then the higher speed rail covers its operating costs and yields a surplus.
 And if you pool the two, but take more recent data, from FY 2008, then the higher speed rail and the conventional rail combined cover their operating costs and yield a surplus.
 And finally, intercity rail is not mass transit - with stations thirty to fifty miles apart, it does not require local population all along the corridor density in order to succeed. So the claim that O'Toole makes that the Northeast Corridor is the upper limit of what is possible nationwide is simply an unsupported assertion.
 The essay was, however, not a critique of O'Toole as such - it was a critique of that particular misconception, and when I was looking for an example of that misconception, I happened to it represented in O'Toole's writing.
 As far as the issue you raise regarding capital costs of high speed rail, the answer is quite simple: if it does not provide public benefits in excess of its capital subsidy, do not subsidize it. However, if it does provide public benefits in excess of its capital subsidy, and it provides transport capacity in a more capital efficient way than an equivalent investment in roadworks, it should be chosen.
 Clearly the strongest case for a bullet train system in the US is California, due to the populations of the Northern California and Southern California regions, close enough to be connected effectively by a bullet train system, but too far apart to be connected effectively by a Rapid Rail system. Inter-regional road and air capacity in California face increasing cost per passenger-mile of transport capacity, and providing the inter-regional transport capacity required to cope with projected population increases can be done most cost-effectively with a bullet train corridor.

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about the author



David Nicklaus has covered St. Louis business for more than 25 years. His column appears three days a week on the Post-Dispatch business page.

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However, here in the Midwest, there is a large number of destination-origin pairs within the 100 mile to 300 mile frame of Rapid Rail, and a number of trunk corridors can be formed that connect city pairs to form useful trunk corridors. And since Rapid Rail in our terrain will be one fifth the cost per mile of bullet train systems, or less, it is prudent to focus on trunk Rapid Rail projects.

If the conclusions of scholars such as O'Toole are correct, despite the multiple flaws in their arguments, then the capital subsidy will be self-limiting, since they will never achieve operating surpluses and will never be in a position to generate revenue bonding to provide additional state matching funds to expand the system beyond the trunk corridors.

By contrast, if the conclusions of scholars such as O'Toole are as flawed as the arguments advanced to support them, and the trunk corridors do in fact reach a position of generating operating surpluses that can be devoted to funding revenue bonds for system expansion, the system expansion will be a result of system success.

Following this strategy, it is not possible for the systems to cost as much as O'Toole predicts while providing as limited transport benefit as O'Toole predicts, since the systems can only be built out beyond their trunk corridors by proving O'Toole wrong in his arguments regarding the transport benefits of the corridors.

— BruceMcF

12:31 am October 6th, 2009

I'll also confirm what kos wrote - Daily Kos is his site, I just crosspost blog essays there on occasion. The essay in question was originally drafted at my own blog and then crossposted to various community blogs, including The Hillbilly Report, Docudharma, and ProgressiveBlue, before appearing at Daily Kos.

— BruceMcF

1:02 am October 6th, 2009

The flip side of "ad hominem" is appeal to authority. Is O'Toole's argument more valid because he's a "scholar"?

— lonely pedant

8:33 am October 6th, 2009

Mount City Money author (David Nicklaus) - perhaps you can go back and correct your post? Otherwise people have to read the entire comment thread to find out that you did not research your post before properly posting it.

— stl reader

8:41 am October 6th, 2009

Bruce makes a very compelling case, and I would like to highlight one point:

"if it does not provide public benefits in excess of its capital subsidy, do not subsidize it. However, if it does provide public benefits in excess of its capital subsidy, and it provides transport capacity in a more capital efficient way than an equivalent investment in roadworks, it should be chosen."

This applies to roads, and air travel, as much as rail transit. We spend how many billions on roads and highways, with absolutely no 'direct' return on investment? And why? Because the indirect return is considered worth the expense. Same with trains.

Even if bullet trains and rapid rail run at a modest loss (and there are indications they will make a modest profit), the value of intermediate speed travel (faster than cars, slower than planes), particularly in the 100 to 500 mile routes, where at 100 to 150 mph trains are faster than airplanes (accounting for travel to airport, security, check-in, waiting at gate, waiting in airplane, and travel from airport).

I think there is a combination of factors at work in the anti-train movement;

1) from the 1880's to the 1920's train companies were arrogant, fiercely competitive with each other, and squeeze(sp?) every penny out of their systems with little regard for passengers or surrounding communities. By the time they saw the light the auto industry and the ICC combined to push them down. The vestiges of that era are still in some peoples minds.

2) There are some people who do not like dealing with other people socially when travelling. That's fine, but train travel is all about being social, and I think these anti-social travellers equate 'social travelling' with 'dangerous and bad' and therefore are against trains in general.

Contrasting with these themes is the fact that Amtrak has surpassed ridership every year for the last six(?) years in a row.

Trains are a part of a balanced transportation network (god, I sound like a cereal commercial); just as important as road and air travel. Don't let the nay-sayers fool you.

— reality check

8:52 am October 6th, 2009

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