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A Rail Boondoggle, Moving at High Speed

By Robert J. Samuelson Monday, August 24, 2009 Advertisement » Your Ad Here

The Obama administration's enthusiasm for high-speed rail is a dispiriting example of government's inability to learn from past mistakes. Since 1971, the federal government has poured almost \$35 billion in subsidies into Amtrak with few public benefits. At most, we've gotten negligible reductions -- invisible and statistically insignificant -- in congestion, oil use or greenhouse gases. What's mainly being provided is subsidized transportation for a small sliver of the population. In a country where 140 million people go to work every day, Amtrak has 78,000 daily passengers. A typical trip is subsidized by about \$50.

Given this, you'd think even the dullest politician wouldn't expand rail subsidies, especially considering the almost \$11 trillion in projected federal budget deficits between now and 2019. But no, the administration has made high-speed rail a top priority. It's already proposed spending \$13 billion (\$8 billion in the "stimulus" package and \$1 billion annually for five years) as a down payment on high-speed rail in 10 "corridors," including Philadelphia to Pittsburgh and Houston to New Orleans.

The White House promises fabulous benefits. High-speed rail "will loosen the congestion suffocating our highways and skyways," says Vice President <u>Biden</u>. A high-speed rail system would eliminate carbon dioxide emissions "equal to removing 1 million cars from our roads," adds the <u>president</u>. Relieve congestion. Fight global warming. Reduce oil imports. The vision is seductive. The audience is willing. Many Americans love trains and regard other countries' systems (say, Spain's rapid trains between Madrid and Barcelona, running at about 150 mph) as evidence of U.S. technological inferiority.

There's only one catch: The vision is a mirage. The costs of high-speed rail would be huge, and the public benefits meager.

President Obama's network may never be built. It's doubtful private investors will advance the money, and once government officials acknowledge the full costs, they'll retreat. In a recent report, the Government Accountability Office cited a range of construction costs, from \$22 million a mile to \$132 million a mile. Harvard economist Edward Glaeser figures \$50 million a mile might be a plausible average. A 250-mile system would cost \$12.5 billion and 10 systems, \$125 billion.

That would be only the beginning. Ticket prices would surely be subsidized; otherwise, no one would ride the trains. Would all the subsidies be justified by public benefits -- less congestion, fewer highway accidents, lower greenhouse gases?

In a <u>blog-posted analysis</u>, Glaeser made generous assumptions for trains ("Personally, I almost always prefer trains to driving") and still found that costs vastly outweigh benefits. Consider Obama's claim about removing the equivalent of 1 million cars. Even if it came true (doubtful), it would represent less than one-half of 1 percent of the 254 million registered vehicles in 2007.

What works in Europe and Asia won't in the United States. Even abroad, passenger trains are subsidized. But

1 of 3 8/24/2009 10:17 AM

the subsidies are more justifiable because geography and energy policies differ.

Densities are much higher, and high densities favor rail with direct connections between heavily populated city centers and business districts. In Japan, density is 880 people per square mile; it's 653 in Britain, 611 in Germany and 259 in France. By contrast, plentiful land in the United States has led to suburbanized homes, offices and factories. Density is 86 people per square mile. Trains can't pick up most people where they live and work and take them to where they want to go. Cars can.

Distances also matter. America is big; trips are longer. Beyond 400 to 500 miles, fast trains can't compete with planes. Finally, Europe and Japan tax car transportation more heavily, pushing people to trains. In August 2008, notes the GAO, gasoline in Japan was \$6.50 a gallon. Americans regard \$4 a gallon as an outrage. Proposals for stiff gasoline taxes (advocated by many, including me) go nowhere.

The mythology of high-speed rail is not just misinformed; it's antisocial. Governments at all levels are already overburdened. Compounding the burdens with new wasteful subsidies would squeeze spending for more vital needs -- schools, police and (ironically) mass transit. High-speed rail could divert funds from mass-transit systems that, according to a study by Randal O'Toole of the Cato Institute, have huge maintenance backlogs: \$16 billion in Chicago; \$17 billion in New York; \$12.2 billion in Washington; \$5.8 billion in San Francisco. Any high-speed rail system should be financed locally; states should decide their transportation priorities.

All this seems familiar, because it's Amtrak writ large: the triumph of fantasy over fact. The same false arguments used to justify Amtrak (less congestion, pollution, etc.) are recycled. Evidence and experience count for little. Obama and Biden pander to popular prejudices instead of recognizing past failure. Boondoggles become respectable. A White House so frivolous in embracing dubious spending cannot be believed when it professes concern about future taxes and budget deficits.

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2 of 3 8/24/2009 10:17 AM

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3 of 3