



Rail Coalition Takes Issue With Report on Passenger Rail Subsidy Costs

Date: November 9, 2009

Inquiries To: John Boffa
Boffa and Associates
(202) 234-5758
Ron Adams
(608) 267-9284

WASHINGTON, DC — The States For Passenger Rail Coalition is challenging a recently released study, sponsored by Pew Charitable Trusts, that criticizes Amtrak for costing U.S. Taxpayers \$32 each time a passenger boards a train.

Subsidyscope, an arm of Pew Charitable Trusts, conducted the study.

Coalition members argue that all forms of transportation, including highways and aviation, receive very large annual subsidies from the federal government. The total federal subsidies received by aviation and highways substantially exceed the \$1.3 billion in federal support Amtrak receives.

“Why Amtrak was singled out in this study is a mystery,” Coalition Chair Frank Busalacchi, who is also Wisconsin Secretary of Transportation, said. “The fact is all forms of transportation require federal support. A national transportation system cannot exist without all modes receiving support from the federal government. The irony in this study is that it singles out passenger rail, which receives the lowest level of support.”

Many of the benefits of passenger rail service are not easily quantified on a dollar basis, but are widely recognized in transportation circles, and by the traveling public.

The General Accounting Office released a report this March 19 titled, “High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role.”

This report cited distinct advantages of passenger rail service. The following benefits are excerpted from the report:

Travel time savings: Travelers using alternative modes may experience travel time savings as a result of reduced highway traffic and airport use by travelers shifting to high speed rail.

Environmental benefits: Environmental benefits could result from reducing pollution and carbon dioxide emissions, to the extent that rail service reduces congestion on highways or at airports and makes use of fuel-efficient technology (i.e., high speed rail service using diesel locomotives would provide less environmental benefit than service that is electrified, all else being equal.)

Traffic safety: Benefits from increased traffic safety include reduction in traffic accidents, to the extent that the rail service reduces congestion on highways.

Economic development, land use, and employment: A high speed rail system that encourages relocation of houses and firms, and in cities where passenger rail stations are located, could experience growth of population and business presence — increasing retail sales, rental income, and property values.

“As the debate on the future of our nation’s transportation system moves forward, we ask that the many benefits of passenger rail service be seriously considered.” Chairman Busalacchi said. “We need to look at the big picture, and focus on how we can move people and freight more efficiently, by advancing the vision of developing a better transportation system for America, in which high-speed passenger rail service plays a significant role.”