# Case

## Solvency

### **HSR Fails**

HSR fails – makes a **miniscule** difference in their advantages

Samuelson, ’11 [2/14/11, Robert Samuelson writes a weekly economics column, “High-speed rail is a fast track to government waste”, http://www.washingtonpost.com/wp-dyn/content/article/2011/02/13/AR2011021302203.html]

The reasons passenger rail service doesn't work in America are well-known: Interstate highways shorten many trip times; suburbanization has fragmented destination points; air travel is quicker and more flexible for long distances (if fewer people fly from Denver to Los Angeles and more go to Houston, flight schedules simply adjust). Against history and logic is the imagery of high-speed rail as "green" and a cutting-edge technology. It's a triumph of fancy over fact. Even if ridership increased fifteenfold over Amtrak levels, the effects on congestion, national fuel consumption and emissions would still be trivial.Land-use patterns would change modestly, if at all; cutting 20 minutes off travel times between New York and Philadelphia wouldn't much alter real estate development in either. Nor is high-speed rail a technology where the United States would likely lead; European and Asian firms already dominate the market.

#### HSR is useless

Rosen 11 (Michael, science and technology correspondent for American magazine, The Real Problem With High-Speed Rail, http://www.american.com/archive/2011/march/the-real-problem-with-high-speed-rail)

Everybody loves trains, especially little boys and grown men who never outgrew their boyhood love for the iron horse.And everybody loves futuristic-seeming, super-fast-moving trains that whisk us from city to city without our sufferingTransportation Security Administration-inflicted indignities. Trains are clean, quiet, and smooth. They lack turbulence, are generally spacious, are not hostile to cell phones (except in the “quiet car”), do not require you to show up hours before your departure time, and offer convenient luggage storage and retrieval. So what’s wrong with the Obama administration’s plans to implant a high-speed rail (HSR) network around the country over coming decades? High-speed rail’s problems stem mainly from implausibly rosy economic predictions followed by deeply disappointing financial results. In two words: finance and politics. In a sentence: we’re borrowing late 21st-century money to build late 20th-century technology to benefit early 21st-century politicians. One expertcallsHSRa “budget-buster,” contending that California’s high-speed costs have risen at least 50 percent. Even the model HSR networks around the globe—supposedly exemplary of the wonders of fast train travel—leave much to be desired. One observer has chronicled the multitudinous woes plaguing China’s HSR enterprise, which the administration has frequently touted as a model for our own: Cash-flow problems have pushed the price of financing significantly higher, and may well be unsustainable. Substandard workmanship is widespread, with concrete bases for system tracks deteriorating to the point where trains may have to run below rated speed in the near future. Cost overruns are anyone’s guess, thanks to China’s opaque securities reporting. Foreign firms that have worked on the projects say China is stealing their intellectual property. Others estimate that Japan’s equally illustrious HSR system has added more than 10 percent to the national debt, while cost overruns in Korea have surged into the 300 percent range. ‘High-speed railis, relative to competing uses of public dollars, a fetish object.’ But worse even than cost overrunshasbeen the political manipulation afflicting the speedy choo-choos. A recent eye-opening New York Times article revealed the cold, calculating politics behind HSR in sunny Florida, where the federal governmentpledged $2.4 billion of the total $2.6 billion cost of building an 85-mile-long high-speed track between Tampa and Orlando. The Sunshine State’s Republican governor refused the funds, however, worried that his state would have to foot the bill later for the cost overruns and excess debts that have vexed similar systems throughout the world. The route itself, it turns out, was more or less useless, as critics had contended for years. “It would have linked two cities that are virtually unnavigable without cars,” the Times article states, “and that are so close that the new train would have been little faster than driving.” So why, then, spend billions on a useless rail project? According to the article, the White House apparently believed that “simply building new futuristic trains zipping around at more than 150 miles an hour would be an accomplishment in itself, one that could lift the spirits of a recession-battered nation.” But, alas, the project’s demise will “deprive the Obama administration of what it had hoped would be a showpiece that would sell the rest of the nation on high-speed rail.” Such a shame when facts interfere with perception. National Review’s Reihan Salam, who has done yeoman’s work tracking the excesses of HSR projects, aptly notes that “HSR is, relative to competing uses of public dollars, a fetish object.” Instead, Salam writes, the billions the feds were lavishing on the Florida route could better have been spent “to encourage higher density and traffic-calming efforts in Sunbelt cities, to reduce the energy-intensity of various regional economies, reduce the number of motor vehicle deaths, improve public health, and facilitate mobility for less-affluent people.” Amen to that. The sheer politicsofestablishing ‘facts on the ground’ in California are, for high-speed rail enthusiasts, the means to a greater end: gaining a foothold somewhere, anywhere, to build momentum for further rail development. Closer to my home, in California’s Central Valley, the first leg of the vaunted San Francisco-to- Los Angeles line is expected to cost $4.3 billion to span a mere 54 miles near Fresno. This “rail line to nowhere” outstripseven the Tampa-to-Orlando route in per-mile cost and utter uselessness. Even a liberal Democratic member of the state’s High-Speed Rail Authority expressed angst over the plan. “I’m concerned this staff recommendation makes engineering sense,” former U.S. Representative Lynn Schenk told the San Francisco Chronicle, “but not common sense.” And even if HSR successfully links Los Angeles to San Francisco, ignoring significant NIMBY problems, how many Californians will opt to abandon their cars to travel from one car-dependent megalopolis to another? Even if the trip saves a few hours and a bunch of aggravation, how would passengers get around the Bay Area or the L.A. Basin without wheels? Still, the sheer politics of establishing “facts on the ground” in California are, for HSR enthusiasts, the means to a greater end: gaining a foothold somewhere, anywhere, to build momentum for further rail development. Now, none of this means that high-speed rail cannot work well in certain corners of the country. The Boston-New York-Washington corridor, of course, is ideal: several densely populated metropolitan centers that are relatively close, each of which enjoys central city cores and extensive public transit networks. It’s no surprise that Amtrak is profitable only in this corridor, and HSR appears well-suited for the region. But Americans as a whole, enthusiastic as we are about trains in general and dandy new rail technology in particular, should put the brakes on expensive, politicized boondoggles that will wind up doing little else besides saddling our grandchildren with yet more debt while foregoing the opportunity to put the money to good use. That’s a lot of baggage to carry, even at 150 miles per hour.

#### Union, legal, and tax issues

**Arena 12** (Richard, Advisory Board at US High Speed Rail Association, Board of Directors at National Corridors Initiative, President at Association for Public Transportation, Funding High-Speed Transportation in America with Public-Private Partnerships, <http://www.masstransitmag.com/article/10714851/funding-high-speed-transportation-in-america-with-public-private-partnerships>

Will there be complaints from the airline industryand perhaps from some members of congress for the user fee on the plane tickets? Yes. But consider this. One of the action items from the Simpson-Bowles deficit reduction committee, now being reconsidered by the senate, is a 3 percent fee on airline tickets. Not one cent of this fee would go toward transportation; all proceeds would be earmarked for deficit reduction. There already are additional fees on the tickets for 9/11 fund, facility charges, TSA funds and other taxes. The airline industry, through a steady stream of mergers and acquisitions over the past several years, has become much more concentrated, is experiencing much less resistance to fare increases especially for higher fuel prices, as many travelers will attest. Additionally, airlines are now bringing in billions of extra dollars in additional revenue for items passengers used to get for free. These “extras” include checked baggage fees, food on plane, ticket change fees, seat fees, etc. It is unlikely that the HSPT user fee will have a major impact on airline revenues, especially since airlines get a major benefit from NextGen. Another issue that will need to be worked is the acceptance by affected parties of the benefit of P3s. Some unions, frankly, do not trust them. Railroad unions, especially, are concerned that long-term benefits on labor security may be jeopardized. Construction unions are concerned that P3s will adversely impact their ability to negotiate project labor agreements (PLA), which tie all labor costs on a construction project to the union scale. Developershave a different set of concerns. Although popular in Europe and Asia, many American developers are not particularly comfortable building on land that they do not own. This will be a different model for American developers, and may necessitate longer lease terms to mitigate risk, but as long as the financials work, it should not be an insurmountable problem. Rail advocates and the public are concerned about the diversion of public assets to private corporations. There is great resistance to seeing Amtrak privatized, which could potentially lead to the discontinuance of its heavily subsidized long-distance, overnight routes. Also, many in the public are leery of political leaders to selling valuable state assets to a private company, especially if the proceeds from the sale are not used in the long-term public interest. This proposal is careful to note that the state assets are not sold; they are leased. More importantly, at the end of the lease term, the private party must return the leased asset to the state in as good a condition or better than it received it for existing assets or in full operational conditions for newly developed assets. But perhaps the thorniest issue relates to capturing value from existing property assets near new HSR train stations. General rule of thumb is that the land within a quarter mile of a train station is very attractive from a development standpoint. Some planners would go so far as a half-mile away. In some areas, this will not be a problem as the prime locations are in need of redevelopment, and the land can be acquired relatively easily and inexpensively by Eminent Domain. This would obviously not be the case with stations like Penn/Moynihan Station in New York City and Union Stations in Washington, D.C. and Chicago, Ill. It may now be necessary to enter the world of Business Improvement Districts (BID) and Tax Incremental Financing (TIF) rather than seizing properties by Eminent Domain. The risk is that BID or TIF revenue alone may not be enough to make the financials work. There may need to be legislation that would treat the private buildings near HSR stations as property tax-free entities, like hospitals or universities, with the developer receiving the property tax income and making Payments in Lieu of Taxes (PILOT) to the city to compensate the local government for city services. Depending on the situation, a portion of the rent or lease payments may also need to be allocated to the HSR builder. Why so much revenue back to the builder/developer? As indicated earlier, the best and cleanest way would be for the government to acquire all the land around the stations and lease it to the developer. This is necessary because, while HSR will cover its operating expenses, it cannot recover its capital expenses quickly enough to build out the entire rail network in a timely manner. It requires the additional financial kicker it will get from TOD revenues. These revenues will be needed to construct the thousands of miles of HSR lines, build the commercial and retail spaces around the stations, pay back the original $100 billion bond offering that was used to prime the pump, upgrade and modernize the existing HrSR speed rail lines, and continue to innovate on the HSR lines. The cities that are home to HSR stations can be expected to have concerns about the diversion of property tax, but the increase in business activity around the stations and resultant sales taxes can help to mitigate that issue.

El Palo Alto's possible killer isn't old age. It's high-speed rail. The tree stands just a few feet from train tracks where, if all goes as planned, trains will be whizzing by at more than 100 mph within a decade. Rail officials are aware of El Palo Alto's significance and are hopeful they can design the track to avoid doing any harm. Dave Dockter, an arborist and environmental planner for Palo Alto, is skeptical. "It's inconceivable," he says, "that you could do this without really serious risks to the tree."As California advances with what is easily the nation's most ambitious high-speed rail project – and, Californians say, the largest public works project in the United States' history – El Palo Alto's uncertain fate is just one hint of the complexities of building 800 miles of new infrastructure in a heavily developed, densely populated state. How does a state pay for such a system? Who operates it? Where do you put the tracks and stations? And how do you minimize disruptions to the environment and to communities that suddenly will have trains speeding through them at up to 220 mph?With all the enthusiasm for high-speed rail in Washington, D.C., it would be easy to miss that California does not yet have answers to all of these questions. What's more, answers the state does have are making many people unhappy – nowhere more so than in Palo Alto. The United States may be on the cusp of a high-speed rail renaissance, but if that's going to happen, California must make all the right moves over the next decade.

#### Better alternatives

Lopez 12 (Steve, writer for the Los Angeles Times, High-speed rail ... or fail?,http://articles.latimes.com/2012/feb/04/local/la-me-0205-lopez-hispeed-20120205)

Richard said the railroad authority has to build a better model and convince lawmakers it's a wise investment, and a big piece of that is finding ways to lure private investment. He hopes to draw $11 billion to $20 billion of the construction cost from private sources and then essentially have private companies run the railroad once it's completed. Why would investors be interested? Because in other parts of the world, Richard said, high-speed systems have operating profits, not counting the initial investment. "If California is going to have 20 million more people in the next 20 or 30 years," said Richard — a projection that is speculative — "how do they move around? One choice is, we don't make the investment. We say the heck with it and suffer the congestion and we suffer more air pollution." Those who question public investment in a railroad have to remember that there are public subsidies for airports and highways, too, Richard said. "We think this is much cheaper than alternatives." But that's hard to prove. I told Richard I'd heard from lots of readers who worried that we might be investing in a railroad whose technology is outdated, if not obsolete, when it's finally finished. High-speed, computer-programmed driverless carsare no longer the stuff of science fiction. And then there are cheerleaders for high-speed Maglev trains, a magnetic levitation system that's already in use in Shanghai, among other places. "I'm not going to say there's not a risk," Richard conceded, "but from everything I've heard, there's not a significant risk" that such technologies will be widely available or preferable. But will enough drivers get out of their cars in 2033, or give up on air travel?Will millions of people who don't live near a high-speed station, and can't easily get to one because of heavy traffic and inadequate regional transit, ever ride the bullet? We don't know what jet fuel will cost, or how long airport security check-in will take in 2033. High-speed rail folks say the projected cost of a train ticket from Los Angeles to San Francisco — a trip of 2 hours and 40 minutes — will be 83% of the cost of a plane ticket. But like everything else, that's speculative. At its best, Richard argued, high-speed rail can create jobs, offer travelers and commuters another option and become a national model. "I am a guy who believes society has to invest in people and physical infrastructure … and high-speed rail is very high-tech and could spawn a support industry," Richard said. His idea of stepping back first, to figure out whether it all makes sense, is the right move for now. Some of us who want to be believers need a lot more convincing.

#### If trains are forced to meet expectations, they will crash

Gilligan 12 (Andrew, Andrew Gilligan is London editor for the Sunday Telegraph. He writes, among other things, about London, Westminster and politics, High speed rail link 'at risk of derailment' because of 225mph trains, http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/9090727/High-speed-rail-link-at-risk-of-derailment-because-of-225mph-trains.html,)

Professor Peter Woodward, one of the world's leading experts on the geo-engineering of railways, said that high-speed running created "new problems" in track which "may threaten the stability and safety of the train". In papers lodged with the Government's Engineering and Physical Sciences Research Council (EPSRC), Prof Woodward warned that speeds as high as those proposed by HS2 could trigger "significant amplification of train-track vibrations" causing "rapid deterioration of the track, ballast and sub-ballast, including possible derailment and ground failure". High-speed rail in the West has a fairly good safety record, but experts are worried that HS2 plans to run trains faster than any other line in the world.Trains will travel at 225mph, rising to 250mph within a few years. Most high-speed lines, including Britain's existing Eurostar, run no faster than 186mph and the world's current fastest rail-based trains, France's TGV Est, travel at 200mph. Some trains on the new Chinese high-speed network used to run at 220mph, but were reduced to 186mph last year on safety grounds. Prof Woodward declined to answer questions about his work. However, he told The Engineer magazine that he was worried about "ground waves" of vibration, known as Rayleigh waves, developing in the rail at a certain speed. "The analogy is that of an aircraft going through the sound barrier," he said. As "critical track velocity" was approached, the track would "start to undergo strong ground vibrations," rippling visibly along the rails in front of the train. "It is possible that if the train was allowed to run at this critical track velocity it would derail at high speed," he warned. Professor Woodward, who is professor of railway geo-technical engineering at Heriot-Watt University in Edinburgh, and a colleague, Prof Mike Forde of Edinburgh University, have now been awarded almost £500,000 by the Government to investigate the issue. Using a purpose-built test track bed, they are trying to find out what the danger speed is and whether HS2 will exceed it. Emails released under the Freedom of Information Act show that Andy Went, HS2's head of track, now a senior engineer at Network Rail responsible for HS2, is closely involved in the research. HS2, Professor Woodward and academics at Southampton University are also set to obtain Government funding for a further and larger but secret research project on the same subject. The emails show that Hs2's chief engineer, Prof Andrew McNaughton, was closely involved in drawing up the new research proposal. Heriot-Watt refused Freedom of Information Act requests about the new project, saying that releasing any information on it would cause "substantial prejudice to the effective conduct of public affairs". HS2's involvement in the Edinburgh and Southampton projects calls into question Prof McNaughton's assurance to MPs on the Transport Select Committee that a 225mph service can run safely on current forms of track. "We do not consider it requires technology development to achieve [the proposed service] at 225mph and we believe that only limited, foreseeable development would be necessary for [250mph]," he said. Another expert in the field, Professor Victor Krylov of Loughborough University, who produced an influential early academic paper on the subject, said the danger was of a "ground vibration boom, similar to a sonic boom" which caused a sudden and "very large" increase in generated ground vibrations. "What matters is when you cross the [speed] barrier," he said. "If you do that, ground vibrations can increase twenty, thirty times." Professor Krylov said the effect was greatest in soft ground and had been observed in trains travelling as slowly as 110mph in Sweden, across alluvial soil. "The most straightforward way to improve the situation is just to make the ground stiffer – by injection of concrete, or by piling," he said. "But the best or cheapest measure you can do is just to reduce the speed." However, HS2 needs to run at 225mph if it is to meet its ambitious business case and capacity claims. Its planned two-track core route between London and the Midlands is supposed to be able to handle the traffic currently served by three separate main lines, to destinations including Birmingham, Manchester, the East Midlands, Sheffield, Leeds and Scotland. HS2 claims it will be able to run up to 18 trains an hour – one every three minutes 20 seconds - along the core route, more than on any other such high-speed line in the world. If the trains had to be slower, frequencies would have to be reduced, putting at risk the promised service to many destinations. Running at the industry standard of 186mph would cut the £34 billion scheme's already shrinking benefit-cost ratio by 15 per cent. A spokesman for HS2 said: "It is nonsense to suggest that we would design a railway that did not take into account the effects of Rayleigh waves. "We are designing HS2 so that there is no possibility that Rayleigh waves would lead to any problems such as derailment. "We will continue to work closely with and support leading researchers such as Prof Woodward to develop and design safe and efficient high speed train operations in the UK."

#### Doing the plan quickly means HSR won’t be effective

Reisman 12 (Will, Reporter at San Francisco Examiner, Putting high-speed rail on fast track may just slow down train, http://www.sfexaminer.com/local/transportation/2012/04/putting-high-speed-rail-fast-track-may-just-slow-down-train)

California’s high-speed rail would cost $30 billion less and arrive in the Bay Area sooner than once projected under a new business plan released Monday, but some observers fear the system will no longer meet the service standards expected by voters. In response to a directive from Gov. Jerry Brown to make the project “better, faster and cheaper,” the California High-Speed Rail Authority has reduced the system’s estimated cost from $98 billion to $68 billion, and sped up completion of the system between Los Angeles and San Francisco to 2029 instead of 2033. At a news conference Monday, authority board member Mike Rossi called the new business plan “credible, reasonable and transparent.” The cost savings stem largely from heavier reliance on pre-existing rails. Instead of building costly new raised viaducts and underground tunnels, the high-speed trains would run where possible on existing lines, such as Caltrain’s Peninsula infrastructure. Yet the new approach may conflict with speed, service and funding standards that California voters agreed upon in 2008 when they approved Proposition 1A, a $9.95 billion bond measure to support the project. That initiative stipulated that trains must run every five to six minutes during peak times and be able to go between Los Angeles and San Francisco in two hours and 40 minutes. It also barred the project from relying on state operating subsidies. “This isn’t high-speed rail,” said Quentin Kopp, a former state senator who helped create the rail authority. “High-speed trains have separated tracks.That’s how they could achieve speeds and travel times promised to voters in the 2008 ballot measure.” Instead of using dedicated four-track networks, the new proposal is for high-speed trains to share two-track lines with local transit operators in the Bay Area and Southern California. By sharing the network with slower local lines, it is unclear whether high-speed trains can reach the speed and service standards set by Prop. 1A. Daniel Krause, executive director of Californians For High Speed Rail, argues that Prop. 1A only required that rail networks be capable of carrying fast-moving trains. When demand is there, the authority can modify the rail system’s design to better accommodate high-speed trains, he said. But Kopp said Attorney General Kamala Harris could recommend withholding funds from the project if it doesn’t meet the legal mandates required by Prop. 1A. The authority is seeking $2.7 billion in such funds this year. William Grindley, an economist who has co-authored several research papers opposing the rail plan, noted that system ridership projections have plunged from 55 million in 2008 to just 26 million in the new plan. Since ridership has dropped without any corresponding fare increases, he believes the plan is now financially untenable. Every other high-speed rail system in the world is funded through operating subsidies, Grindley said, and there is no way California’s can be different. The authority will consider the revised plan at its April 12 meeting.

#### **There are better ways to reduce carbon than high speed rail**

Plumer 12(Brad, a reporter at the Washington Post writing about domestic policy, particularly energy and environmental issues, High-speed rail isn’t the most efficient way to cut carbon emissions, The Washington Post, http://www.washingtonpost.com/blogs/ezra-klein/post/bullet-train-not-the-best-way-to-cut-carbon-emissions/2012/04/19/gIQA311nTT\_blog.html)

Some rough numbers help show this: The California High Speed Rail Authority claims that by 2030, if the train ran entirely on renewable energy, then it would start reducing the state’s carbon emissions by about 5.4 million metric tons per year. That would mean the rail network would cut California’s emissions at a cost of, at the very low end, $250 per ton of carbon dioxide over the ensuing 50 years, given the system’s current price tag. (This is being extremely generous, since it ignores the energy used to build the system — by some estimates, high-speed rail would actually increase emissions in its first few decades.) And that’s a pricey way to cut carbon. To put this in perspective, research has suggested that you could plant 100 million acres of trees and help reforest the United States for a cost of somewhere betwen $21 to $91 per ton of carbon dioxide. Alternatively, a study by Dan Kammen of UC Berkeley found that it would cost somewhere between $59 and $87 per ton of carbon dioxide to phase out coal power in the Western United States and replace it with solar, wind and geothermal. If reducing greenhouse gases is your primary goal, then there are a slew of more cost-effective ways to do it than building a bullet train.

#### **Squo Solves the aff- already investing in high speed rails**

Page 11 (Julie, reporter for the Huffington Post, U.S. Unveils $53 Billion High-Speed Rail Plan, Huffington POst, http://www.huffingtonpost.com/2011/02/08/us-high-speed-rail-plan\_n\_820234.html#)

President Barack Obama is calling for a six-year, $53 billion spending plan for high-speed rail, as he seeks to use infrastructure spending to jump-start job creation. An initial $8 billion in spending will be part of the budget plan Obama is set to release Monday. If Congress approves the plan, the money would go toward developing or improving trains that travel up to 250 mph, and connecting existing rail lines to new projects. The White House wouldn't say where the money for the rest of the program would come from, though it's likely Obama would seek funding in future budgets or transportation bills. Obama's call for increased spending on high-speed rail projects is nothing new. He's long seen the sector as an area of opportunity for creating jobs and improving the nation's transportation system. His administration awarded $10 billion in federal grants for high-speed rail projects last year, including $2.3 billion for California to begin work on an 800-mile-long, high-speed rail line tying Sacramento and the San Francisco Bay area to Los Angeles and San Diego; and $1.25 billion to Florida to build a rail line connecting Tampa on the West Coast with Orlando in the middle of the state, eventually going south to Miami.

#### **HSR takes too long to solve econ.**

Johnson 12 (Fawn, correspondent for National Journal, covering a range of issues including immigration, transportation and education, High-Speed Rail in a Coma, The National Journal, http://transportation.nationaljournal.com/2012/01/highspeed-rail-in-a-coma.php)

Policymakers' appetite for high-speed rail seems to be dwindling to almost nothing. It is old news that congressional Republicans are not fans of President Obama's high-speed rail initiative. They view it as a waste of taxpayer dollars at a time when belt-tightening is of the highest order. The national conversation has not advanced much beyond that point, perhaps because the biggest fans of high-speed rail are distracted by other problems. Democrats in Congress raised only a faint protest when the fiscal 2012 appropriations bill cut funding for the Transportation Department's high-speed rail program. Republicans who ostensibly like high-speed rail said the cuts will allow rail enthusiasts to start over from scratch. High-speed rail investments aren't like economic stimulus programs, which are intended to jump start shovel-ready projects that can immediately inject money into a local economy while delivering jobs and paved roads. The initial costs of developing high-speed rail lines are high, and the yield time is years or decades. Is the country ready for long-term investments like that? Or would it make sense to take a break and allow the economy to recover before proposing big new rail projects? What would make policymakers more receptive to high-speed rail? What critiques of high-speed rail are the most in need of a response?

#### **America is too Fast Paced For the High Speed Rail**

Grothman11(Max, Staff Columnist at Carthage University, Are high-speed rails a viable transportation option for the United States' future?, The Current, http://current.carthage.edu/articles/are-high-speed-rails-viable-transportation-option-united-states-future)

The latest addition to the budget deficit includes a proposition to add high-speed rails all across America. This proposal will cost millions of dollars and can be justified in theory but this is something that America should stay away from. Mass transit is often justified to the public by saying that it lowers fuel costs, eases high traffic areas and curtails pollution. However, this thought does not factor in the most important aspect, that of economic feasibility: what the people want and will utilize. The thing that the most people in America have in common is not a need to get to one specific place, it is that they are busy or in a rush. This is why the automobile has become the dominant standard in America. No matter what the cost Americans will still prefer to have transportation on their terms. Americans want to leave when they want to leave and return when it's most convenient for them. For mass transit to pass the convenience test, there would have to be an immense schedule of trains, thus reducing ridership on each train and increasing cost per mile on top of the shockingly high capital cost to put a system in place. The bottom line is that Americans want their commute to leave their house at a specific time to get to work. Leaving their house early to get to a station to spend an extra thirty minutes each way waiting for transportation eliminates an hour from the individual's day. With the change in times and increase in everyone's schedule, America is too fast paced for this high-speed train. The proposed plan has advantages but does not include measures to combat the fact Americans need the flexibility and time effectiveness to fit in their schedule.

#### HSR Fails

O’Toole 09– senior fellow with the Cato Institute and author of *Gridlock: Why we’re Stuck in Traffic and What to Do about It* [Randal O’Toole, August 24, 2009, “High-Speed Fail,” <http://www.cato-at-liberty.org/high-speed-fail/> ]

In a four-part series on the New York Times Economix blog, Harvard economist Edward Glaeser scrutinized high-speed rail and concluded that the benefits are overwhelmed by the costs. After making generous assumptions regarding the costs, user benefits, environmental benefits, and effects on urban development, Glaeser concludes that all the benefits of high-speed rail would still be less than half the costs. As Washington Post writer Robert Samuelson observes, the Obama administration’s vision of high-speed rail is “a mirage. The costs of high-speed rail would be huge, and the public benefits meager.” Yet even Samuelson falls victim to the common assumption that high-speed rail “works in Europe and Asia” because population densities in those places are higher than in the United States. The truth is that high-speed rail doesn’t work in Europe or Asia either. Japan and France have both spent about as much on high-speed rail as they have on their intercity freeway systems, yet the average residents of those countries travel by car 10 to 20 times as much as they travel by high-speed rail. They also fly domestically more than they take high-speed rail. While the highways and airlines pay for themselves out of gas taxes and other user fees, high-speed rail is heavily subsidized and serves only a tiny urban elite. Obama uses the fact that France, Japan, and a few other countries are racing one another to have the fastest high-speed trains to argue that we need to join the race. That’s like saying we need to spend billions subsidizing buggy whip or horse collar manufacturers or some third-world country will beat us in those technologies. The fact is that high-speed trains will never be as fast as flying on long trips and never be as convenient as driving on short trips, and there is no medium-length trip in which high-speed rail can compete without heavy subsidies. The rail advocates go ballistic whenever anyone questions their fantasies, mostly engaging in ad hominem attacks (“you must be paid by the oil companies!”) or accusing skeptics of lying about rail. The reality is that Glaeser (like me) “almost always prefer trains to driving.” If anything, he was too generous in many of his assumptions about high-speed rail. For example, Glaeser built his case around a hypothetical high-speed line between Dallas-Ft. Worth and Houston, the nation’s fifth- and sixth-largest urban areas which together house close to 10 million people and are located about 240 miles apart, supposedly an ideal distance for high-speed trains. If the numbers don’t work for this market, how are they going to work for Eugene-Seattle, Tulsa-Oklahoma City, New Orleans-Mobile, St. Louis-Kansas City, or any of the other much smaller city pairs in the Obama high-speed rail plan? The rail nuts don’t want to hear Glaeser’s (or Cato’s) numbers because they fantasize the Field of Dreams “build it and they will come” myth; that building rail will “create the demand for the rail lines.” That may have been true in nineteenth-century America, when no alternative forms of transportation could compete with rail. But it wasn’t true in twentieth-century France or Japan (where heavily subsidized high-speed rail carries only 4 to 6 percent of passenger travel), and it won’t be true in twenty-first-century America. Building high-speed rail will be like standing in the chilly vestibule of an Amtrak train in mid-winter Chicago and burning million-dollar bills to keep warm. But that’s what happens when you base your transportation policies on a slogan from a Kevin Costner movie rather than on real data.

### Ridership Will Be Low

#### Predictions are exaggerated

Connel and Weikel 10– LA Times [Dan Weikel and Rich Connell, July 02, 2010, “High-speed rail project's prospects called unpredictable,” <http://articles.latimes.com/2010/jul/02/local/la-me-high-speed-rail-20100701>]

Ridership forecasts for the California high-speed rail project are so unreliable that it is difficult to predict whether the proposed bullet train would be profitable or suffer severe revenue shortfalls, according to a report released Thursday by transportation experts at UC Berkeley. The analysis by the Institute of Transportation Studies challenges the optimistic ridership forecasts by the California High-Speed Rail Authority that indicate the 800-mile system from San Diego to San Francisco would not be a drain on taxpayers. Predictions of ridership are crucial to the $42-billion project because they form the basis of ticket income, public funding, and the number and size of trains and stations required. Revenue forecasts tied to ridership estimates are being closely scrutinized by political leaders because when voters approved the bullet train, they prohibited any taxpayer subsidy of its operation. The authority estimates that the system would have between 88 million and 117 million passengers a year by 2030. However, under various scenarios offered by the agency, the number of passengers could be as low as 40 million a year. "The forecast of ridership is unlikely to be very close to the ridership that would actually materialize if the system were built," said SamerMadanat, a civil engineering professor and the institute's director. "As such, it is not possible to predict whether the proposed high-speed rail system in California will experience healthy profits or severe revenue shortfalls." The study was requested by state Sen. Alan Lowenthal (D- Long Beach), who chairs the Senate Transportation and Housing Committee that oversees the project. Funded by the rail authority, it is the first academic analysis of the project's ridership forecasts. Those projections were included in the state's successful application for federal economic stimulus money, which resulted in a $2.25-billion award from the Obama administration in January. The extent of long-term federal support of the project remains uncertain. The institute "concluded that what we have [in ridership forecasts] is not worth very much and that we need to start over," Lowenthal said. "Their review is very damning, another example that the rail authority needs to get its act together and do a better job." Lowenthal added that he wants to address the ridership forecasts at a future committee hearing. University researchers concluded that there are problems in the statistical model used for the forecasts, including methods that exaggerated the importance of frequent train service, faulty assumptions about which stations travelers would use, and inadequate sampling of long-distance travelers that was compensated for by using a technique that has been deemed obsolete.

#### Their evidence uses outdated and biased methods to calculate ridership data

Weikel 11– LA Times [Dan, July 29, 2011, “Report casts doubt on forecasts for California high speed rail,” <http://articles.latimes.com/2011/jul/29/local/la-me-high-speed-ridership-20110729>]

The new critique comes as the authority is racing to complete a business plan for the Legislature and break ground next year on an initial segment in the Central Valley. The analysis echoes some of the concerns of transportation experts at UC Berkeley. They concluded last July that the patronage models were so unreliable that they could not accurately predict whether the train would be profitable or run severe deficits. Within days of the Berkeley report, rail officials and their consultants went before the authority's board to defend the forecasts as realistic and state-of-the art. The agency's five-member peer review panel has found that projections prepared by consultant Cambridge Systematics Inc. are well-founded in many respects but suffer from "important technical deficiencies." Additional peer review reports are planned in the months ahead as part of an ongoing effort to reexamine the project's patronage and financial forecasts. Panelists said they cannot draw more definitive conclusions about the agency's forecasts until issues they have raised are resolved. Ridership forecasts are crucial for the project's 500-mile first phase, which would link Los Angeles and San Francisco. They form the basis of calculating ticket income, the amount of public funding required, stations needed, as well as the size and number of trains to be purchased.Rail officials said Thursday that the new study is no cause for alarm and that the forecasts would be revised in time to complete the business plan by October. "The purpose of peer review is to identify issues," said Tom Umberg, a former Orange County legislator who chairs the high speed rail authority board. "If the peer review group is raising issues that we need to address, that is helpful. Do we need to refine our ridership figures? Yes, and we are doing that." Critics of the project said the peer review report is another indication that the authority's forecasts are unreliable."Not only is it bad; there is so much missing information that the review panel can't fully give their opinion on the original study," said Elizabeth Goldstein Alexis of Californians Advocating Responsible Rail Design. "You should not rely on these numbers." Among other things, the panel stated that Cambridge used a now-obsolete survey method, made unrealistic assumptions, failed to properly analyze what would happen to ridership for varying levels of train service, and did not consider the impact of airline competition.



#### pixelNeed to connect the urban sprawl to keep up ridership

Poole 10 – Director of Transportation Studies, Reason Foundation [Bob, 7/6/2010, “HSR Benefits Largely Illusory,” http://transportation.nationaljournal.com/2010/07/will-highspeed-rail-drive-busi.php]

Third, and perhaps least appreciated, is what’s in the fine print of the study. “In all four cities, the ultimate impact on regional economic growth depends on the effectiveness of connections between HSR stations and the surrounding area.” That’s a grudging admission that **the large majority of hoped-for HSR trips will not be from station to station, but from one suburban location to another suburban location. That’s because of the past 50 years’ suburbanization not only of housing locations but also of job locations.** So station-to-station HSR trip times are only part of the story; **whether there will be net trip-time savings compared with driving depends on comparing door-to-door travel times.** That’s certainly the case for the report’s claimed benefits of facilitating very long commutes such as Palmdale to Los Angeles or Lakeland to Orlando. A footnote to one table makes it even more clear that the **potential economic benefits depend on “. . . supportive public policies and infrastructure investments to allow the benefits of HSR to be realized**, and the projected additional business development to occur.” What it’s trying to say is that **unless metro areas spend additional tens or hundreds of billions on a region-wide rail transit network, connecting everywhere to everywhere, much of the economic benefit** will not materialize.

#### Decentralization of American means European and Japanese models don’t apply

Lane 12 – Washington Post Editorial Writer [Charles, 1/9/2012, “California’s high-speed rail to nowhere,” http://www.washingtonpost.com/opinions/californias-high-speed-rail-to-nowhere/2012/01/09/gIQAZQDamP\_story.html]

**LaHood and other boosters marvel at bullet trains in Europe and Japan**, insisting simplistically that we need them, too. **But the sprawling, decentralized cities of the United States do not make convenient destinations for train travelers.** International experience shows that high-speed rail entails expensive debt service and large operating subsidies. This would likely be the case here as well, since, for better or worse, **rail must compete with well-established air and car options. Business travel is one ostensible purpose of bullet trains in California, but increasingly people meet via video conference.** For these and other reasons, high-speed rail in the United States would lower carbon emissions and reduce traffic far less cost-effectively than would alternative solutions. It’s especially odd for a Democratic president and governor to saddle California with the cost of bullet trains when the state is facing chronic deficits, tax increases and social spending cuts. Maybe this is why **polls show that a majority of Californians have turned against the project. It’s still not too late to hit the brakes.**

#### At best there is only a 10 percent switchover

O’Toole 2008 - senior fellow with the Cato Institute and author of The Best-Laid Plans: How Government Planning Harms Your Quality of Life, Your Pocketbook, and Your Future and "High-Speed Rail: The Wrong Road for America". [Randal, 10/31/2008, “High-Speed Rail The Wrong Road for America,” http://www.cato.org/pubs/pas/pa-625.pdf] Lockwood

**Planners estimated that the rail line would divert 11 percent of people who would otherwise drive between Orlando and Tampa.** 28 Since most of the traffic on Interstate 4 between the two cities has other origins or destinations, **the train would remove only about 2 percent of cars from the least-busy segment of I-4, and smaller shares from busier segments.** 29 Traffic on I-4 is growing by more than 2 percent per year, so the rail line would provide, at most, about one year’s worth of traffic relief. **As the EIS itself noted, the traffic “reduction would not be sufficient to significantly improve the LOS [levels of service] on I-4, as many segments of the roadway would still be over capacity.” 30**

### HSR Kills mobiity

#### High speed rail hinders mobility of Americans – hurting economic benefits of the proposed system

O’Toole 11– senior fellow with the Cato Institute and author of *Gridlock: Why we’re Stuck in Traffic and What to Do about It* [Randal O’Toole, February 14, 2011, “High-Speed Pork,” <http://www.cato.org/publications/commentary/highspeed-pork>]

President Obama's high-speed-rail proposal will, over the course of six years, pour $53 billion of taxpayer money into a megaproject that produces little value for the vast majority of Americans. It uses the classic pork-barrel strategy of starting a program small and then expanding it after Congress, prodded by special-interest groups, is fully committed. Secretary of Transportation Ray LaHood admits Obama's 25-year plan to extend high-speed train service to 80 percent of Americans will cost $500 billion, which means after six years, spending will have to increase to $24 billion a year. While this will please construction and engineering firms, the rest of us will get little other than the satisfaction of knowing our trains go as fast as those in France and China (though less than half as fast as planes). The real value of any new transportation technology comes from the new mobility it creates. For example, the average American travels 4,000 miles and ships 2,000 ton-miles of goods per year on interstate freeways, virtually none of which took place before the interstates were built. That new mobility helped people reach jobs and other opportunities and ship products that might never have existed without the interstates. In contrast, high-speed trains will produce almost no new mobility — in fact, they could suppress freight mobility, which is why the freight railroads are resisting government plans to use their tracks for high-speed passenger trains in North Carolina, Virginia, and Washington. The Florida Department of Transportation predicts 96 percent of the people riding its proposed Tampa-to-Orlando high-speed train would otherwise drive; only 4 percent will be new travelers. With 50 million people visiting Central Florida each year, high-speed rail will increase business by less than .25 percent. Similarly, the California High-Speed Rail Authority predicts 98 percent of the riders on its proposed San Francisco–to–Los Angeles high-speed trains would otherwise drive or fly. With only 2 percent new travel, the trains will create almost no new economic opportunities.Far from serving 80 percent of Americans, Obama's trains will serve only about 8 percent. High-speed rail's main market is downtown-to-downtown travel. But little more than 7 percent of Americans work in big-city downtowns, and fewer than 1 percent live there. Few aside from this fairly wealthy elite will regularly ride high-speed trains. For the few who use it, high-speed rail will substitute an expensive form of travel for much more affordable forms. Fares on Amtrak's Acela average nearly 75 cents a passenger mile, compared with average airfares of 13 cents per passenger mile and bus fares that are even lower. New York–to–Washington tickets on the Acela start at $139; JetBlue starts at $39; and Megabus averages less than $15. Americans spend an average of 35 cents a vehicle mile on driving, and cars in intercity travel carry on average more than two people, so the cost per passenger mile is around 15 cents. Subsidies to airports and highways add only about a penny per passenger mile to these costs. The Acela's high fares explain why it carries only 2 percent of passenger travel in the Boston-to-Washington corridor. Unlike the interstates, which were paid for exclusively out of gasoline taxes and other highway user fees, all of the capital costs and much of the operating costs of high-speed trains will be subsidized by taxpayers who will rarely ride the trains. This is the way it works in France and Japan, where — despite having population distributions much more conducive to rail travel — residents ride high-speed trains an average of less than 500 miles a year. Nor will high-speed rail offer any environmental benefits. The average intercity auto trip today uses less energy per passenger mile than the average Amtrak train. While it takes a lot of energy to move trains 150 miles per hour or more, autos are getting cleaner and more energy-efficient every year, so by 2025 the average car will be greener than the most efficient train. High-speed rail will do little more than drain our economy. It is foolish to ask taxpayers to spend hundreds of billions on trains that few can afford to use.

#### HSR is worse than the technology it replaces

O’Toole 10– senior fellow with the Cato Institute and author of *Gridlock: Why we’re Stuck in Traffic and What to Do about It* [Randal O’Toole, December 6, 2010, “Slow Death for High-Speed Rail,” http://www.cato-at-liberty.org/slow-death-for-high-speed-rail/]

New transportation technologies are successful when they are faster, more convenient, and less expensive than the technologies they replace. High-speed rail is slower than flying, less convenient than driving, and at least five times more expensive than either one. It is only feasible with heavy taxpayer subsidies and even then it will only serve a tiny portion of the nation’s population.

#### High speed rail would only be a regional solution

Staley 2010 – director of urban and land use policy at Reason Foundation and the co-author of “Mobility First: A New Vision for Transportation in a Globally Competitive 21st Century.” [Sam, 12/16/2010, “Infeasible and Not Cost Effective,” http://www.nytimes.com/roomfordebate/2010/10/13/will-we-ever-have-high-speed-trains/a-national-high-speed-network-in-the-us-is-infeasible-and-not-cost-effective]

**High-speed rail is highly unlikely to happen in the United States, at** least not in the way it is envisioned by the Obama administration or the Federal Rail Administration. First, **the concept of a "national" network of high-speed rail simply doesn't make sense** for the U.S. **Even the most ardent proponents recognize that high-speed rail would be most effective in meeting travel needs connecting employment centers** between 200 miles and **500 miles apart. The nation is a vast geographic** area covering thousands of miles of unpopulated and sparsely populated areas that are unsuitable to high-speed rail. **At best, high-speed rail makes sense for very specific corridors**, and these corridors will be regional, not national.

### HSR Bias

#### **Large projects like HSR are biased**

O’Toole 2008 - senior fellow with the Cato Institute and author of The Best-Laid Plans: How Government Planning Harms Your Quality of Life, Your Pocketbook, and Your Future and "High-Speed Rail: The Wrong Road for America". [Randal, 10/31/2008, “High-Speed Rail The Wrong Road for America,” http://www.cato.org/pubs/pas/pa-625.pdf]

There is an important qualitative difference between the Midwest rail plan and the California and Florida projects. The Midwest rail initiative uses off-the-shelf equipment and can be applied incrementally: one line at a time; one mile at a time; even one grade crossing at a time. Every little improvement will produce some benefit, making rail travel a little speedier, safer, or more convenient. In contrast, the California and Florida proposals are megaprojects. This means, to a large degree, they can only be done as a whole. It will do little good to build a high-speed rail line halfway from Orlando to Tampa, or from Stockton to Merced with no connections to San Jose, San Francisco, or Los Angeles. Incremental projects and megaprojects each have their own dangers and pitfalls. The problems with megaprojects have been well described by Bent Flyvbjerg and his colleagues in their book, Megaprojects and Risk. 81 **Large projects take years to implement and thus require long-term forecasting of costs, demand, and other benefits. The people doing the forecasting too often become advocates for the project and** thus fall prey to optimism bias**—the systematic tendency to be overly optimistic about the benefits and costs—and strategic misrepresentation—the tendency to distort or misstate facts in order to promote the project.** One example of optimism bias in the California high-speed rail plan is in the use, or misuse, of sensitivity analyses. **Long-term plans are necessarily based on many assumptions, and sensitivity analyses can determine how crucial those assumptions are. To do the analysis, one of the variables is changed and the forecast is recalculated.** A significantly different result is a signal that the planners need to obtain more reliable data regarding that variable

## Economy Advantage

### AT Competitiveness

#### **HSR not key – education is an alt cause – our evidence is comparative between the two**

**Saviano, ’11** [February 11, 2011, Nino Saviano, “It's Investment In People, Not High-Speed Rail That Will Keep America Competitive”, <http://www.foxnews.com/opinion/2011/02/11/investment-people-high-speed-rail-america-competitive/#ixzz1ykIZdz1V>]

The competitiveness of America’s economy has been recently placed at the forefront of the policy debate by the White House. Improving our competitiveness, President Obama argues, is important in “winning the future.” More specifically, Obama calls for investment in innovation and infrastructure, such as the proposed $53 billion in developing high speed rail links.

Competitiveness is a rather elusive concept. In economic terms, it refers to how productively a nation utilizes its resources – human, financial and natural. Everything matters to competitiveness: from transportation and financial markets, to education and business regulation.

That's why, in politics, competitiveness can easily mean different things to different people. To President Ronald Reagan it meant expanding free trade. To President George W. Bush it meant tax cuts. To President Obama it means more government investment in infrastructure and innovation, such as transportation, education or Internet access. And according to Obama, it is government – not business – that knows best how, when and where to invest in competitiveness.

But an overall look at America’s competitiveness does not reveal a dire picture – certainly not one that requires immediate and huge funding in our rail transportation links.

Generally, America’s competitiveness is strong, notwithstanding a recent drop in world ranking. [The World Economic Forum](http://www.weforum.org/issues/global-competitiveness) ranked the United States first in 2008-09 and only fourth in 2010-11.

The drop, however, has been mainly due to the financial crisis and macroeconomic instability of the last three years. In terms of business-led innovation, in fact, the United States [ranks No. 1 in the world](http://blogs.forbes.com/williampentland/2011/01/13/u-s-reclaims-top-spot-in-global-innovation-rankings/). This seems to suggest that if Obama is to venture beyond getting our financial and economic house in order, he ought to focus on a sector that lags behind that of so many other countries – that is, our primary and secondary-level education system.

According to the [Organization for Economic Co-Operation and Development](http://www.oecd.org/dataoecd/54/12/46643496.pdf), America's 15-year-old students come in below average in scientific and mathematical literacy among industrialized, OECD-member countries and 23rd and 31st respectively out of 65 developed and developing economies. -- And that picture gets grimmer when one takes into account that only a handful [four countries in the world spend more than the United States](http://www.oecd.org/dataoecd/45/48/37864432.pdf) on educating their secondary school students.

We are placing our future competitiveness in peril by neglecting our human capital, not our transportation links.

What America knows best is how to compete. The U.S. university education system is by far the best in the world particularly because it is an inherently competitive system. At its core lies the freedom students and their parents have in choosing the best college without restrictions, even on their government grants and loans.

But when it comes to the K-12 education system, centralized public control at all levels repeatedly fails to ensure that no child is left behind. Regardless how much funding and regulations local, state and federal governments inject into the system, public schools keep coming up short of that goal.

The solution lies with competition and its introduction into the K-12 system. Parents increasingly want choice. Conservative legislators now have an opportunity to deliver.

Last year, publicly funded, privately run schools, or [charter schools, grew by 10 percent](http://www.foxnews.com/us/2011/02/10/educating-children-students-switching-charter-schools/?test=latestnews) across the country. These schools – just like private and parochial schools do – are doing more with less money for about 1.7 million white and minority students alike. Home schooling is also on the rise, [with 1.5 million children being educated at home, an increase of 75 percent in the last eight years](http://www.foxnews.com/us/2011/02/09/educating-children-evolution-home-schooling/). Both growing trends reflect a greater awareness among parents to find alternatives to failing school districts.

Conservatives in state legislatures need to take notice. The newly elected GOP legislative majority in North Carolina serves as a good example. It recently [introduced a tax credit bill supporting private education](http://www.nccivitas.org/2011/hb-41-tax-fairness-in-education/). Their state would be joining [nine others in the country already offering some kind of tax deduction or credit program](http://www.edreform.com/Fast_Facts/Ed_Reform_FAQs/?Just_the_FAQs_Tuition_Tax_Credits_and_Tax_Deductions) for individuals and/or businesses in support of school choice.

There is an historical opportunity to push for reforms and introduce competition in public education. Our economic competitiveness needs it. But just as importantly, parents are pleading for it. They want to choose what is best for their children.

Investing in advanced transportation infrastructure is certainly important. But what good does a high speed rail system do to our competitiveness, particularly if we are going to buy those high speed trains from France and China anyway? When it comes to competitiveness, it is a bit like buying an extra powerful computer but with little software on it. What do you really do with it?

We must focus on educating American students. They are the human capital and innovators of tomorrow. Only they can ensure America’s future competitiveness.

#### No competitiveness arguments – it’s a race every country loses

Washington Post 11[February 16, 2011, “A lost cause: The high-speed rail race,” <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/16/AR2011021605977.html>]

President Obama's fiscal 2012 budget includes $8 billion for high-speed rail next year and $53 billion over six years. In the president's view, the United States needs to spend big on high-speed rail so that we can catch up with Europe, Japan - and you-know-who. "China is building faster trains and newer airports," the president warned in his State of the Union address. But of all the reasons to build high-speed rail in the United States, keeping up with the international Joneses may be one of the worst. In fact, experience abroad has repeatedly raised questions about the cost-effectiveness of high-speed rail.China would seem to be an especially dubious role model, given the problems its high-speed rail system has been going through of late. Beijing just fired its railway minister amid corruption allegations; this is the sort of thing that can happen when a government suddenly starts throwing $100 billion at a gargantuan public works project, as China did with rail in 2008. Sleek as they may be, China's new fast trains are too expensive for ordinary workers to ride, so they are not achieving their ostensible goal of moving passengers from the roads to the rails. Last year, the Chinese Academy of Sciences asked the government to reconsider its high-speed rail plans because of the system's huge debts. Of course, if the Chinese do finish their system, it is likely to require operating subsidies for many years - possibly forever. A recent World Bank report on high-speed rail systems around the world noted that ridership forecasts rarely materialize and warned that "governments contemplating the benefits of a new high-speed railway, whether procured by public or private or combined public-private project structures, should also contemplate the near-certainty of copious and continuing budget support for the debt."That's certainly what happened in Japan, where only a single bullet-train line, between Japan and Osaka, breaks even; it's what happened in France, where only the Paris-Lyon line is in the black. Taiwan tried a privately financed system, but it ended up losing so much money that the government had to bail it out in 2009. When it comes to high-speed rail, Europe, Japan and Taiwan have two natural advantages over every region of the United States, with the possible exception of the Northeast Corridor - high gas taxes and high population density. If high-speed rail turned into a money pit under relatively favorable circumstances, imagine the subsidies it would require here. Every dollar spent to subsidize high-speed rail is a dollar that cannot be spent modernizing highways, expanding the freight rail system or creating private-sector jobs. The Obama administration insists we dare not lag the rest of the world in high-speed rail. Actually, this is a race everyone loses.

### AT Housing Market

Housing market

RISMedia, ’12 [06/02/12, RISMedia – Leading News Source in Real Estate, Publisher of Real Estate Magazine, U.S. Housing Market Finally Reaches a Turning Point, <http://rismedia.com/rrein/8695/null/null/36713>

Home valuations will start to climb again while adjacent consumer industries will capture significant new growth opportunities in 2012 and beyond as the U.S. housing market finally turns the corner, concludes a major new study released today by The Demand Institute. The recovery of the housing market will have far-reaching impacts in the coming years across the United States and international markets as U.S. consumers increase their spending on buying, renovating, furnishing and maintaining their homes.

Launched in February 2012 and jointly operated by The Conference Board and Nielsen, The Demand Institute is a non-profit, non-advocacy organization with a mission to illuminate where consumer demand is headed around the world.

The new report, The Shifting Nature of U.S. Housing Demand, predicts that average home prices will increase by up to 1 percent in the second half of 2012. By 2014, home prices will increase by as much as 2.5 percent. From 2015 to 2017, the study projects annual increases between 3 and 4 percent. This recovery will not be uniform across the country, and the strongest markets could capture average gains of 5 percent or more in the coming years.

"In these initial years, the prime driver of recovery won't be new home construction, but rather demand for rental properties," said Louise Keely, Chief Research Officer at The Demand Institute and a co-author of the report. "This is a remarkable change from previous recoveries. It is a measure of just how severe the Great Recession has been that such a wide swath of Americans had to delay, scale back, or put off entirely their dreams of home ownership."

"In the long-term, we don't expect home ownership rates to change," said Bart van Ark, Chief Economist at The Conference Board and co-author of the report. "Over 80 percent of Americans in recent surveys still agree that buying a home is the best long-term investment they can make. What will be intriguing to watch is how their aspirations around home ownership are affected by this period of extended austerity."

Between 2006 and 2011, some $7 trillion in American wealth was wiped out when home prices dropped 30 percent after dramatic climb in valuations during the housing bubble. Looking forward, the moderate growth expectations for coming years suggest a return to normalcy. As home prices continue to drop and interest rates fall further, first-time buyers and others who remained relatively cautious will be drawn back into the housing market. And, as the market recovers, so too will consumer spending.

"As the U.S. housing market strengthens, almost every consumer-facing industry will be impacted in the coming years," said Mark Leiter, Chairman of The Demand Institute. "Business and government leaders will benefit by fully understanding the nature of this recovery. In doing so they will be better able to anticipate how consumer demand will evolve, and to formulate critical business and policy decisions to lead their organizations."

Mutikani, ’12 [5/16/12, Lucia Mutikani, 2012 “U.S. housing, industrial data point to steady growth”, <http://www.reuters.com/article/2012/05/16/us-usa-economy-housing-industry-idUSBRE84F0ON20120516>]

Housing starts last month rose across the board. Groundbreaking for single-family homes, the largest portion of the market, increased 2.3 percent. Starts for multi-family buildings advanced 3.2 percent.

Residential construction in the first quarter grew at the fastest pace in nearly two years and is expected to contribute to economic growth this year for the first time since 2005.

"The housing sector, which was once the Achilles heel of the economy, is continuing to build on the positive momentum of the past few months and is finally contributing positively to economic activity on a consistent basis," said MillanMulraine, senior macro strategist at TD Securities in New York.

Other data also pointed to recovery in the housing market.

The delinquency rate on U.S. home mortgages fell in the first quarter to the lowest level since 2008, though the share of homes in the foreclosure process inched higher, the Mortgage Bankers Association said.

An oversupply of unsold homes is the main challenge for the market, but there is anecdotal evidence that supply is gradually being whittled down. That and rising demand for rentals, which is keeping builders busy, should help housing find its footing.

A rise in sentiment among home builders to a five-year high in May, according to a survey released on Tuesday, suggests the 7 percent drop in permits to a 715,000-unit pace last month would be temporary. Two strong back-to-back monthly gains had taken permits in March to their highest level since September 2008.

Bartash, ’12 [May 16, 2012, Jeffry Bartash, MarketWatch, “Building of new U.S. homes rises in April”, <http://articles.marketwatch.com/2012-05-16/economy/31717081_1_housing-market-housing-industry-forecast-housing>]

WASHINGTON (MarketWatch) — U.S. builders started construction of new homes in April at a slightly faster pace, extending their best stretch of business in almost four years, according to data released on Wednesday. Housing starts rose 2.6% to an annual rate of 717,000 last month, compared to March’s sharply revised figure of 699,000, the Commerce Department said Wednesday.. Housing starts in March were originally reported at 654,000. Economists surveyed by MarketWatch had forecast housing starts in April to total 690,000 on a seasonally adjusted basis. Builders are increasingly hopeful about the upcoming months. While permits fell 7% in April to 717,000, March permits were revised up to 769,000 — the highest level since September 2008. Permits for new construction are viewed as a barometer of future demand. Optimism among builders was also evident in another survey released Tuesday. The index of builder confidence, compiled by the National Association of Home Builders/Wells Fargo, rose to the highest level since May 2007. The report on housing starts gave a boost to the stocks of builders. The Dow Jones home-construction index fund (US:ITB), for example, rose 1.3% in Wednesday trades. “While modest, there is real improvement taking place in the housing market,” said senior economist Sam Bullard of Wells Fargo. New construction of single-family homes, which account for three-quarters of the housing market, edged up 2.3% in April to an annual rate of 492,000.Construction of single-family homes is 18.8% higher compared to a year ago. New construction rose in the South and Midwest and fell in the Northeast and West. Most economists expect the housing market to improve throughout the year and the industry could even add to U.S. growth for the first time since the 2008-2009 recession.

### AT Stimulus

Economic stimulus fails – their studies oversimplifies the economy – all money invested trades off

Utt, ’08 [April 2, 2008, [Ronald D. Utt, Ph.D.](http://www.heritage.org/about/staff/RonaldUtt.cfm), is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. “More Transportation Spending: False Promises of Prosperity and Job Creation”, <http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation>]

Such qualifications are particularly justified given that the mathematical model used by USDOT-traditional I/O analysis-is little more than a comprehensive technical description of the quantities of materials, supplies, and labor that are needed to make a certain product. This model does not accurately describe the complex workings of a market economy in which, each moment, thou­sands of participants make millions of choices involving hundreds of thousands of services and commodities, all in limited supply. In the real econ­omy, more of one thing means less of another in the short run as individuals and businesses substitute one product for another in response to changing prices. USDOT's traditional I/O analysis does not consider such offsets and substitutions.

For example, using the job-creation numbers provided by JOBMOD, an additional $1 billion in highway spending requires an estimated 26,524 additional workers[9] to build and supply $1 billion worth of new highways. In the real world, the addi­tional federal borrowing or taxing needed to pro­vide this additional $1 billion means that $1 billion less is spent or invested elsewhere and that the jobs and products previously employed by that $1 bil­lion thus disappear. Regardless of how the federal government raised the additional $1 billion, it would shift resources from one part of the economy to another, in this case to road building. The only way that $1 billion of new highway spending can create 47,576 new jobs is if the $1 billion appears out of nowhere as if it were manna from heaven.

USDOT's I/O model could be used to approxi­mate such substitution effects, but the department did not incorporate these considerations into the study; hence, the professors prefaced their report with the condition "assuming there is slack labor supply"-economists' equivalent of manna. At the height of I/O analysis, as used during the 1970s in the centrally planned socialist economies of Eastern Europe and the Soviet Union, the operation of these models explicitly considered such substitution effects. Without markets and prices to allocate these countries' scarce resources, government central planners had to consider the full implications of taking from one sector to give to another.

#### History disproves their estimates

Utt, ’08 [April 2, 2008, [Ronald D. Utt, Ph.D.](http://www.heritage.org/about/staff/RonaldUtt.cfm), is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. “More Transportation Spending: False Promises of Prosperity and Job Creation”, <http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation>]

Of relevance to the potential impact of highway spending alone, the study also notes that "funds for public works programs, such as those that build highways or houses, were spent much more slowly than funds for public services."[17] This is under­standable given the long lead time between the decision to build and the actual beginning of con­struction. For the typical federally funded road, environmental impact studies, construction plans, land acquisition, competitive bidding, and award­ing of contracts can take several years. In some instances, the environmental permitting process can exceed five years.[18] Because of such delays, any employment effects related to additional highway spending would not occur for several years, thereby providing only a few jobs to those who were unem­ployed when the bill was enacted. As far as the GAO was able to determine, less than 1 percent of the jobs created by the economy during the relevant period could be attributed to the program: GAO estimates that as of March 1984, 1 year after the act was passed, about 34,000 jobs in the economy were attributable to the act's funds spent at that time. The employment increase attributable to the act peaked at about 35,000 jobs in June 1984 when about 8 million persons were unemployed. These additional jobs represented less than 1 per­cent of about 5.8 million jobs created by the economy since the act was passed. After June 1984, the additional employment attribut­able to the act began to decline and had decreased to an estimated 8,000 jobs by June 1985.[19] Obviously, these estimated job-creation impacts, all drawn from actual experience, are substantially less than those predicted by the USDOT study. In the end, the 35,000 new jobs created by the Emergency Jobs Appropriations Act of 1983 came at a taxpayer cost of $257,142 per job ($546,136 in 2007 dollars). Under the circumstances, hiring the unemployed to dig holes in the morning and fill them up in the afternoon would have been far more cost-effective.

#### A comprehensive review of academic studies proves no stimulus theory

Utt, ’08 [April 2, 2008, [Ronald D. Utt, Ph.D.](http://www.heritage.org/about/staff/RonaldUtt.cfm), is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. “More Transportation Spending: False Promises of Prosperity and Job Creation”, <http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation>]

The Congressional Budget Office (CBO) has also looked into the relationship between federal spend­ing and job creation and other economic benefits. Based on the evidence adduced during its review, it concluded that the connection is relatively weak.[[20]](http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation%22%20%5Cl%20%22_ftn20%22%20%5Co%20%22)

In contrast to the USDOT, CRS, and GAO stud­ies, the CBO study was a comprehensive review of a large number of academic studies on the subject conducted by individuals and institutions during the preceding 10 years. Although these studies approached the economic impact of infrastructure spending from slightly different perspectives using a variety of estimation techniques, the overall opinion was that the evidence on the effect of federal infra­structure spending on job creation was inconclu­sive. For example, in a 1997 review of 15 separate studies on the state and local impact of highways, eight studies found a statistically significant and positive impact, and seven found negative or insig­nificant results.[[21]](http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation%22%20%5Cl%20%22_ftn21%22%20%5Co%20%22)

#### They create value-less jobs which minimizes their economic impact

Utt, ’08 [April 2, 2008, [Ronald D. Utt, Ph.D.](http://www.heritage.org/about/staff/RonaldUtt.cfm), is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation. “More Transportation Spending: False Promises of Prosperity and Job Creation”, <http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation>]

The CRS, GAO, and CBO studies conclude that the impact on jobs would be much less than the 47,000 new jobs per $1 billion in new highway spending implied by the USDOT simulation. How­ever, none of these studies questioned the extent to which job creation should even be a high priority of any federal program. Most federal programs were created to meet a particular need that Congress believed government should address in the interest of the general welfare. Food stamps feed the poor, Medicare helps the elderly with medical costs, and the Department of Defense protects America from external threats. To the extent that elusive efforts to create jobs compromise these goals, scarce taxpay­ers dollars are wasted.

In a 1992 study about federal spending and job creation, CRS analysts pointedly-and sarcasti­cally-asked:

Have you noticed that most proposals to change some element of Federal economic policy-ranging from a minor tax provision to building public infrastructure to changes in trade restrictions-are debated at least in part in terms of how many jobs they will cre­ate? Will these proposals really create jobs? If so, why not just keep adding new programs until full employment is achieved?[[28]](http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation%22%20%5Cl%20%22_ftn28%22%20%5Co%20%22)

Lost in the job-creation debate is the fact that the federal transportation program is supposed to be about transportation, mobility, congestion mitiga­tion, and safety-not job creation. To the extent that these goals are sacrificed to some illusive job-cre­ation process, the program becomes less effective, if not irrelevant, and ought to be scrapped rather than be allowed to continue to waste the taxes paid by beleaguered motorists.

Furthermore, arguments for a costly commit­ment to a highway-based stimulus package cobbled together by a handful of lobbyists for the benefit of their members and clients fail to recognize that cre­ating jobs is not the same thing as creating value. Spending any sum of money on nearly anything will contribute to a job, but whether or not that job leads to the creation of products and services of broad public value is another question. Hurricanes, torna­does, and forest fires create large numbers of jobs, but they also destroy value in the process-an out­come not materially different from much of today's federal spending on costly and underutilized light-rail systems and pork-barrel earmarks.[[29]](http://www.heritage.org/research/reports/2008/04/more-transportation-spending-false-promises-of-prosperity-and-job-creation%22%20%5Cl%20%22_ftn29%22%20%5Co%20%22)

### AT Traffic Congestion

HSR won’t alleviate traffic congestion

O’Toole, ’10 [10/3/10, Randal O'Toole, a Cato Institute Senior Fellow working on urban growth, public land, and transportation issues, “Yglesias on High-Speed Rail”, <http://www.cato-at-liberty.org/yglesias-on-high-speed-rail/>]

The answer to the first question is: negligible. High-speed trains will carry less than 10 percent of the number of passenger miles carried by the Interstate Highway System (all the cost of which was paid out of user fees), and virtually no freight (interstate highways not only carry 20 percent of all passenger miles but about 15 percent of all freight ton-miles in the United States).

The history of transportation shows that new technologies succeed when they are faster, more convenient, and less expensive than existing technologies. High-speed rail is slower than flying, less convenient than driving, and (based on Amtrak’s Acela) at least five times more expensive than either. That means, as Samuelson says, “High-speed rail would subsidize a tiny group of travelers and do little else.”

Moreover, really successful new transportation technologies significantly increase mobility. Yet Florida predicts that only [4 percent](http://www.dot.state.fl.us/planning/economicstimulus/hsr/TK2-10.pdf) (see p. 13) of the riders on its 168-mph trains would be new mobility. California’s 220-mph trains would create even less new mobility: the California High-Speed Rail Authority’s latest estimate predicts that [less than 1 percent](http://www.cahighspeedrail.ca.gov/WorkArea/DownloadAsset.aspx?id=6149) (see p. 9) of its ridership would be new mobility. Here’s an arithmetic lesson for Yglesias: something that creates almost no new mobility, and merely substitutes high-cost transportation for a few marginal travelers previously using low-cost modes, is not a good deal.

### AT Megaregions/Florida

Megaregion theory is wrong – Norway disproves and it’s a good test case

Wadhwa, ’11 [6/14/11, VivekWadhwa, Columnist @ the Washington Post, “Industry clusters: The modern-day snake oil” <http://www.washingtonpost.com/national/on-innovations/industry-clusters-the-modern-day-snake-oil/2011/06/19/gIQAMtx3EI_story.html>]

A recent analysis of 1,604 companies in the five largest Norwegian cities underscores what’s missing from this prescription for a knowledge economy: people. The prerequisite for a regional innovation system is knowledgeable people who have the motivation and ability to start ventures. To succeed, these people need to be connected to one another by information-sharing networks. Basic infrastructure is always needed, but fancy science parks and big industry are just nice to have.

The study, conducted by Rune Dahl Fitjar, of Norway’s Centre for Innovation Research at the International Research Institute of Stavanger, and Andres Rodriguez-Pose of the London School of Economics and Political Science, found that the key drivers of innovation in Norway are the communication channels that local entrepreneurs maintain to the outside world and their open-mindedness toward foreign cultures, change and new ideas. Companies that are “regionally minded” — that maintain ties only with players within the same cluster — are four times less likely to innovate than the globally connected. The study found that regional and national clusters are “irrelevant for innovation.”

Norway is a well-suited test bed for the success of cluster theory because it has a high-quality education system, well-developed infrastructure and a uniform distribution of highly skilled workers with access to quality research centers and universities in all parts of the country. The same dynamics at play in Norway give Silicon Valley its advantage: It is a giant, globally connected network in which sharing information and risk-taking are the norm. So, rather than obsess over clusters, we need to start obsessing over people. We need to remove the obstacles to entre­pre­neur­ship — such as knowledge of how to start companies, fear of failure, lack of mentors and networks, government regulations and financing. And we need to repair our university research commercialization system so that research breakthroughs translate into invention. That’s the correct formula for nurturing regional growth.

#### Megaregions fail – status quo proves they don’t lead to population clusters

Freemark, ’10 [8/13/10, YonahFreemark is an urbanist who has worked in architecture and planning and who has written for a number of media outlets, “Overselling the Benefits of High-Speed Rail”, http://www.cahsrblog.com/2010/08/in-defense-of-richard-florida-on-hsr/]

Setting aside the positives and negatives of fast trains for now, my biggest qualm with Florida’s argument is his sense that the megaregion will produce the “Concentration and clustering [that] are the underlying motor forces of real economic development.” He cites the Boston-Washington and Char-lanta regions as examples of these megaregions, which he says “Will do more than anything to wean us from our dependency on cars.”

While I don’t dispute the claim that has been made by organizations like Brookings in the past that the vast majority of growth in the U.S. economy will come from within ten or so of these megaregions, I do question how one can conclude that their further development will upside the existing reliance on automobiles and single-family homes. Indeed, the Boston-Washington megaregion already exists as such, and with the exception of a few vibrant city-center cores, the preponderance of growth within them over the past six decades has been in the form of suburban sprawl.

Assuming that we agree with Florida that higher density living is an essential part of defining future American land use, megaregions are arguably not the path to get there.

Though there was been an increase in the number of residents living in the dense cities along the corridor (those that Florida implies need to be reinforced to meet the demands of the next century), that expansion is minor compared to the increase in the number of residents living in not-so-dense areas. It is true that the interconnections between cities in the Northeast have led to strong intercity rail ridership compared to the rest of the country, but the true success, especially of the New York metropolitan area, has been in maintaining urban and commuter rail ridership, which represents a far larger quantity of users and which has nothing at all to do with the presence of the greater Boston-Washington megaregion. The megaregion in itself, in other words, cannot be directly correlated with the notions of higher density.

#### HSR doesn’t solve their megaregions advantage – more comprehensive changes are key

Freemark, ’10 [8/13/10, YonahFreemark is an urbanist who has worked in architecture and planning and who has written for a number of media outlets, “Overselling the Benefits of High-Speed Rail”, http://www.cahsrblog.com/2010/08/in-defense-of-richard-florida-on-hsr/]

Moreover, a commitment to high-speed rail may change the way Americans get between their cities, but it will not do much at all in altering the way they move within them — and the vast majority of travel is between destinations within a dozen or so miles, not several hundred.Without a comprehensive change in the way the entire transportation apparatus is funded in the U.S., high-speed rail will result in few of the “spatial fixes” Florida highlights as his future goal. Indeed, there is no immediate connection between intercity rail use and giving up private cars; I have argued before that fast trains do not automatically mean an increase in public transportation use to and from stations, in the same way as different airports have different percentages of commuters using cars to get to them depending on the travel offerings available.

While there will be increasing dense development around stops, the fact of the matter is that fast train systems by definition have few stations, certainly not enough to encourage the brunt of overall nationwide development, even if implemented at a vast scale. That’s because, unlike the auto and single-family home model of the previous century, high-speed rail assumes dense, walkable development that falls off after a mile at most. One high-speed rail line cannot produce the same amount of geographic development as one highway.

Yet most problematic about Florida’s argument is his inability to identify improved fixed-route urban transit as the more efficient promoter of the anti-sprawl. While they are not as sexy as fast trains, rapid transit in the form of buses, subways, and light rail more directly allows for the creation of dense urban zones that do challenge the hegemony of the automobile and single-family home. If Florida’s intention were to do the most with a limited amount of funds to increase the number of livable, walkable neighborhoods, for instance, he would do best by encouraging the construction of these inner-city lines, combined with a focus on dense construction around their stations. From that perspective, high-speed rail is of secondary importance.

#### And, Florida agrees with us – HSR not enough

Florida, ’10 [8/13/10, Richard Florida is Senior Editor at The Atlantic and Director of the Martin Prosperity Institute at the University of Toronto, “Dissent of the Day”, http://www.creativeclass.com/\_v3/creative\_class/2010/08/13/dissent-of-the-day/]

I’m in general agreement with the main thrust of Freemark’s argument. The point I am making about mega-regions today and spatial fixes is that to work they must simultaneously expand and intensify the use of space. Mega-regions and high-speed rail help bring about the expanded development corridor. Freemark is right, though we need much more and much better inner-city and intra-metro transit in the firm of, as he says, buses, subways, and light rail to create denser urban and suburban zones that intensify our use of space. And I would add more flexible living and working arrangements so folks can live closer to where they work, and walk and bike more.All of these changes go together to produce a new spatial fix which can undergird prosperity and lead to a better, more sustainable way of life.

This is a better reading of Florida – our author cut your author’s cards better than you

Cruickshank, ’10 [8/13/10, Robert Cruickshank, “In Defense of Richard Florida on HSR”, http://www.cahsrblog.com/2010/08/in-defense-of-richard-florida-on-hsr/]

I don’t disagree with those points, nor with Freemark’s other point that we need to not focus on just HSR, but on other forms of urban passenger rail. I’m not sure Florida would disagree with it either – he seems to see intercity bullet trains as the classic example of post-Great Reset infrastructure the way freeways were to the mid-20th century recovery, or the way railroads were to the late 19th century recovery, but doesn’t appear to be arguing they’re the only example of needed or useful Great Reset infrastructure. I would assume Florida would agree that saving and improving Caltrain is just as important to the Great Reset as is building HSR.

Why would I assume that? Because of what he’s written elsewhere. In his new book, The Great Reset, he explains that a major part of the reset isn’t just high speed rail, but driving less, and that urban rail is a key element of it. In Chapter 20, “The Velocity of You,” he writes about the staggering cost to time and productivity of traffic-choked cities, and writes on page 158 about these costs:

With the constant pressure to innovate, it makes little sense to waste countless collective hours commuting. So the most efficient and productive regions are those in which people are thinking and working – not sitting in traffic.

The auto-dependent transportation system has reached its limit in most major cities and megaregions. Commuting by car is among the least efficient of all our activities – not to mention among the least enjoyable.

Today, in fact, Florida tweeted about a new Gallup study showing workers with long commutes had more averse physical and emotional conditions.

So if you’re looking for someone to advocate for saving Caltrain, call Richard Florida – he’s likely to be on our side on that one.

## Oil Advantage

### HSR Doesn’t Solve Oil Dependence

**HSR doesn’t reduce oil dependence – electricity is produced from fossil fuels and HSR passengers don’t drive or fly**

**Bosworth 11** – Campaigner for Friends of the Earth, in its energy and climate team (Tony, 11/19/11,“How green is high-speed rail?”, http://www.cnn.com/2011/11/18/world/how-green-is-hsr/index.html)

First there's the electricity to power the trains. Over two thirds of the world's electricity comes from fossil fuels so until (or unless) power stations are weaned off fossil fuels, electric trains will still have a significant climate impact -- although rail travel is still better than flying or driving.

Secondly, will high speed rail entice people off the roads and short-haul flights? French TGVs and the Channel Tunnel rail link have succeeded, but official calculations estimate that only 16 per cent of anticipated passengers for the London to Birmingham line will have swapped from planes or cars.

One of the main factors is cost. Despite soaring fuel prices, motoring and flying are still expected to be cheaper than high speed rail. If faster rail travel is to become a realistic alternative it must be affordable too.

**HSR has no environmental benefits – uses just as much oil as cars and planes**

**O’Toole 9** – A McCluskey Visiting Fellowship for Conservation at Yale University (Randal, 1/4/9, “High-Speed Rail Is No Solution”, http://www.cato.org/publications/commentary/highspeed-rail-is-no-solution)

The facts do not bear out several aspects of President Barack Obama's desire to push high-speed rail projects with federal resources ($8 billion in the economic stimulus package, another $5 billion in his 2010 budget) — chiefly, that the rail projects are more efficient and more environmentally friendly than modes of travel now widely in use.

Saving energy and reducing pollution are worthy goals, and if high-speed trains could achieve these goals, the president's plan might be a good one. But since they cannot, it isn't.

Obama's proposal should really be called "moderate-speed rail." His $13 billion won't fund 200-mile-per-hour bullet trains. Instead, it is mostly about running Amtrak trains a little faster on existing freight lines.

[T]here are likely to be no long-term environmental benefits from investment in high-speed rail.

Outside of the Boston-Washington corridor, the fastest Amtrak trains have top speeds of about 80 to 90 miles per hour and average speeds of 40 to 50 miles per hour. Obama proposes to boost top speeds to 110 miles per hour in some places, which means average speeds no greater than 70 to 75 miles per hour.

This is not an innovation. The Milwaukee Road, Santa Fe and other railroads routinely ran trains at those speeds 70 years ago — and still couldn't compete against cars and airlines.

Moderate-speed trains will be diesel powered. They will consume oil and emit toxic and greenhouse gases, just like cars and planes.

According to the Department of Energy, the average Amtrak train uses about 2,700 British thermal units (BTUs) of energy per passenger mile. This is a little better than cars (about 3,400 BTUs per passenger mile) or airplanes (about 3,300 BTUs per passenger mile). But auto and airline fuel efficiencies are improving by 2 percent to 3 percent per year (for example, a Toyota Prius uses less than 1,700 BTUs per passenger mile).

By contrast, Amtrak's fuel efficiency has increased by just one-tenth of 1 percent per year in the past 10 years.

This means, over the lifetime of an investment in moderate-speed trains, the trains won't save any energy at all. In fact, to achieve higher speeds, moderate-speed trains will require even more energy than conventional trains and probably much more than the average car or airplane 10 or 20 years from now.

California wants to build a true high-speed rail line between San Francisco and Los Angeles, capable of top speeds of 220 miles per hour and average speeds of 140 miles per hour. The environmental analysis report for the California high-speed rail projects costs of $33 billion for 400 miles, while the Midwest Rail Initiative projects costs of $7.7 billion for 3,150 miles of moderate-speed rail. That's $82 million per mile for true high-speed rail (partly because the California project goes through some mountains) and only $2.4 million for moderate-speed rail. All else being equal, high-speed rail will cost 10 to 12 times more than moderate-speed rail. A true, national high-speed rail network would cost more than half a trillion dollars.

Construction of such high-speed rails will consume enormous amounts of energy and emit enormous volumes of greenhouse gases. Since future cars and planes will be more energy efficient, there are likely to be no long-term environmental benefits from investment in high-speed rail.

Electricity would power the California trains. But, because most U.S. electricity comes from coal or other fossil fuels, these high-speed trains won't reduce emissions of greenhouse gases. As we develop more renewable sources of electricity, we would do better using it to power plug-in hybrids or electric cars than high-speed rail.

Actual effects irrelevant – speculators guarantee oil shocks kill economic recovery

**Kahn 11** – Journalist, formerly a Pew International Journalism Fellow at Johns Hopkins School of Advanced International Studies (Jeremy, 2/13/11, “Crude Reality”, http://www.boston.com/bostonglobe/ideas/articles/2011/02/13/crude\_reality/?page=full)

For more than a month, the world has been riveted by scenes of protest in the Middle East, with demonstrators flooding streets from Tunisia to Egypt and beyond. As the unrest has spread, people in the West have also been keeping a wary eye on something closer to home: the gyrating stock market and the rising price of gas. Fear that the upheaval will start to affect major oil producers like Saudi Arabia has led speculators to bid up oil prices — and led some economic analysts to predict that higher energy costs could derail America’s nascent economic recovery.

The idea that a sudden spike in oil prices spells economic doom has influenced America’s foreign policy since at least 1973, when Arab states, upset with Western support for Israel during the Yom Kippur War, drastically cut production and halted exports to the United States. The result was a sudden quadrupling in crude prices and a deep global recession. Many Americans still have vivid memories of gas lines stretching for blocks, and of the unemployment, inflation, and general sense of insecurity and panic that followed. Even harder hit were our allies in Europe and Japan, as well as many developing nations.

Economists have a term for this disruption: an oil shock. The idea that such oil shocks will inevitably wreak havoc on the US economy has become deeply rooted in the American psyche, and in turn the United States has made ensuring the smooth flow of crude from the Middle East a central tenet of its foreign policy. Oil security is one of the primary reasons America has a long-term military presence in the region. Even aside from the Iraq and Afghan wars, we have equipment and forces positioned in Oman, Saudi Arabia, Kuwait, and Qatar; the US Navy’s Fifth Fleet is permanently stationed in Bahrain.

### Oil Self-Sufficiency Now

**Shift from Middle Eastern oil dependence now – transition to American oil sources**

**Ebinger 6/11**/12 – An energy policy advisor to over 50 governments on restructuring their state-owned energy sectors, privatization and the creation of regulatory regimes, former professor of electricity economics at Johns Hopkins, named a "Nuclear Energy Expert" by the Nuclear Energy Institute (Charles, Brookings, “Five Major Energy Problems the Next President Has to Face”, http://www.brookings.edu/research/papers/2012/06/11-energy-climate-ebinger-avasarala)

However, the United States will still need to secure supplies in the midterm. And, for the first time, the prospect of a substantial shift in the source of oil imports is a reality. U.S. oil production is increasing rapidly. The National Petroleum Council projects that tight oil production—crude oil produced from shale plays through hydraulic fracturing—alone will reach as much as 3 million barrels a day by 2035. Production of Canada’s oil sands is expected to top 3 million barrels a day by 2020, according to Canada’s National Energy Board, and Brazil’s oil sector is poised to reach 2 million barrels a day of exports by 2020, according to estimates from Petrobras. With the liberalization of Mexico’s oil sector, the hemisphere could come close to being oil independent over the next decade. The next president must not let any of these opportunities slip away.

**Oil independence now – domestic oil production**

**Broder et al 3/22**/12 – Eric Lipton, Clifford Kraus and John Broder are environmental reporters for the New York Times (New York Times, “U.S. Inches Toward Goal of Energy Independence”, http://www.nytimes.com/2012/03/23/business/energy-environment/inching-toward-energy-independence-in-america.html?pagewanted=5&\_r=1)

And not just here.Across the country, the oil and gas industry is vastly increasing production, reversing two decades of decline. Using new technology and spurred by rising oil prices since the mid-2000s, the industry is extracting millions of barrels more a week, from the deepest waters of the Gulf of Mexico to the prairies of North Dakota.

At the same time, Americans are pumping significantly less gasoline. While that is partly a result of the recession and higher gasoline prices, people are also driving fewer miles and replacing older cars with more fuel-efficient vehicles at a greater clip, federal data show.

Taken together, the increasing production and declining consumption have unexpectedly brought the United States markedly closer to a goal that has tantalized presidents since Richard Nixon: independence from foreign energy sources, a milestone that could reconfigure American foreign policy, the economy and more. In 2011, the country imported just 45 percent of the liquid fuels it used, down from a record high of 60 percent in 2005.

“There is no question that many national security policy makers will believe they have much more flexibility and will think about the world differently if the United States is importing a lot less oil,” said Michael A. Levi, an energy and environmental senior fellow at the Council on Foreign Relations. “For decades, consumption rose, production fell and imports increased, and now every one of those trends is going the other way.”

How the country made this turnabout is a story of industry-friendly policies started by President Bush and largely continued by President Obama — many over the objections of environmental advocates — as well as technological advances that have allowed the extraction of oil and gas once considered too difficult and too expensive to reach. But mainly it is a story of the complex economics of energy, which sometimes seems to operate by its own rules of supply and demand.

With gasoline prices now approaching record highs and politicians mud-wrestling about the causes and solutions, the effects of the longer-term rise in production can be difficult to see.

Simple economics suggests that if the nation is producing more energy, prices should be falling. But crude oil — and gasoline and diesel made from it — are global commodities whose prices are affected by factors around the world. Supply disruptions in Africa, the political standoff with Iran and rising demand from a recovering world economy all are contributing to the current spike in global oil prices, offsetting the impact of the increased domestic supply.

But the domestic trends are unmistakable. Not only has the United States reduced oil imports from members of the Organization of the Petroleum Exporting Countries by more than 20 percent in the last three years, it has become a net exporter of refined petroleum products like gasoline for the first time since the Truman presidency. The natural gas industry, which less than a decade ago feared running out of domestic gas, is suddenly dealing with a glut so vast that import facilities are applying for licenses to export gas to Europe and Asia.

National oil production, which declined steadily to 4.95 million barrels a day in 2008 from 9.6 million in 1970, has risen over the last four years to nearly 5.7 million barrels a day. The Energy Department projects that daily output could reach nearly seven million barrels by 2020. Some experts think it could eventually hit 10 million barrels — which would put the United States in the same league as Saudi Arabia.

**New extraction technologies guarantee oil independence**

**Broder et al 3/22**/12 – Eric Lipton, Clifford Kraus and John Broder are environmental reporters for the New York Times (New York Times, “U.S. Inches Toward Goal of Energy Independence”, http://www.nytimes.com/2012/03/23/business/energy-environment/inching-toward-energy-independence-in-america.html?pagewanted=5&\_r=1)

If money was the motivation, fracking became the favored means of extraction.

While fracking itself had been around for years, natural gas drillers in the 1980s and 1990s began combining high-pressure fracking with drilling wells horizontally, not just vertically. They found it unlocked gas from layers of shale previously seen as near worthless.

By 2001, fracking took off around Fort Worth and Dallas, eventually reaching under schools, airports and inner-city neighborhoods. Companies began buying drilling rights across vast shale fields in a variety of states. By 2008, the country was awash in natural gas.

Fracking for oil, which is made of larger molecules than natural gas, took longer to develop. But eventually, it opened new oil fields in North Dakota, South Texas, Kansas, Wyoming, Colorado and, most recently, Ohio.

Meanwhile, technological advances were making deeper oil drilling possible in the Gulf of Mexico. New imaging and seismic technology allowed engineers to predict the location and size of reservoirs once obscured by thick layers of salt. And drill bits made of superstrong alloys were developed to withstand the hot temperatures and high pressures deep under the seabed.

As the industry’s confidence — and profits — grew, so did criticism. Amid concerns about global warming and gasoline prices that averaged a record $4.11 a gallon in July 2008 ($4.30 in today’s dollars), President Obama campaigned on a pledge to shift toward renewable energy and away from fossil fuels.

His administration initially canceled some oil and gas leases on federal land awarded during the Bush administration and required more environmental review. But in a world where crucial oil suppliers like Venezuela and Libya were unstable and high energy prices could be a drag on a weak economy, he soon acted to promote more drilling. Despite a drilling hiatus after the 2010 explosion of the Deepwater Horizon in the Gulf of Mexico, which killed 11 rig workers and spilled millions of barrels of crude oil into the ocean, he has proposed expansion of oil production both on land and offshore. He is now moving toward approving drilling off the coast of Alaska.

“Our dependence on foreign oil is down because of policies put in place by our administration, but also our predecessor’s administration,” Mr. Obama said during a campaign appearance in March, a few weeks after opening 38 million more acres in the gulf for oil and gas exploration. “And whoever succeeds me is going to have to keep it up.”

### AT: Military Presence in Persian Gulf Because Oil

**Military Presence in the Persian Gulf inevitable**

**Schlesinger et al 6** - \*James R. Schlesinger is the former Secretary of Defense and was the first Secretary of Energy, a consultant to the U.S. Department of Defense (DOD), a member of the Defense Policy Board, member of the Arms Control Nonproliferation Advisory Board of the Department of State, and a member of the Homeland Security Advisory Council, \*\*David Victor is the Director of the Program on Energy and Sustainable Development at Stanford University and Adjunct Senior Fellow for Science and Technology at the Council on Foreign Relations, \*\*\*John Deutchis an Professor at the Massachusetts Institute of Technology, served as Undersecretary of Energy, Deputy Secretary of Defense, and Director of Central Intelligence(Council on Foreign Relations Independent Task Force Report #58, “National Security Consequences of U.S. Oil Dependency”, http://www.cfr.org/energy-security/national-security-consequences-us-oil-dependency/p11683)

\*Note: The task force includes 20 more equally qualified people, these are the chairs of the report.

Even if the Persian Gulf did not have the bulk of the world’s readily available oil reserves, there would be reasons to maintain a substantial military capability in the region. The activities of Iran today and Iraq, especially prior to 1991, underline the seriousness of threats from weapons of mass destruction. Combating terrorism also requires a presence in the Gulf. In addition to military activities, a U.S. presence in the region can help to improve political stability.

At least for the next two decades, the Persian Gulf will be vital to U.S. interests in reliable oil supply, nonproliferation, combating terrorism, and encouraging political stability, democracy, and public welfare. Accordingly, the United States should expect and support a strong military posture that permits suitably rapid deployment to the region, if required.

### AT: Oil Shocks

**No impact – Consumer Adaption and low Natural Gas prices offset the impact**

**Hamilton 3/9/12** ( James Hamilton is a professor in the Economics Department at the University of California, San Diego, “Why Current High Oil Prices won’t Derail the Economy”, Consumer Energy Report)

Although the prices of oil and gasoline have risen significantly from their values in October, they are still not back to the levels we saw last spring or in the summer of 2008. There is a good deal of statistical evidence (for example,[[1]](http://www.sciencedirect.com/science/article/pii/S0304407602002075),[[2]](http://journals.cambridge.org/repo_A84Xz6OU)) that an oil price increase that does no more than reverse an earlier decline has a much more limited effect on the economy than if the price of oil surges to a new all-time high. One reason for this is that much of the impact on the economy of an increase in oil prices comes from abrupt changes in the patterns of consumer spending. For example, one thing we often observe when oil prices spike up is that U.S. consumers suddenly stop buying the less fuel-efficient vehicles that tend to be manufactured in North America.That drop in income for the domestic auto sector is one factor aggravating the overall economic consequences. But if consumers have recently seen even higher prices than they’re paying at the moment, their spending plans and firms’ production plans are likely already to have incorporated that reality. For example, take a look at February sales of domestic light trucks, which includes SUVs. These were up a bit from last year, but are still 28% below February 2007. Since the original spike in gas prices in 2007-2008, Americans have never gone back to buying the larger vehicles in the numbers we used to. By contrast, here’s a plot of sales of domestically manufactured cars. Sales for February 2012 set an all-time high for this category. Again, historically when oil prices make an all-time high, what we often see is American consumers spending their money on more fuel-efficient imports rather than the domestic vehicles. But this time, Detroit was already in position with the kind of cars people want when the price of gasoline is higher. Of course, there are other channels by which higher oil prices exert a drag on the U.S. economy besides the domestic auto sector. Another series I pay close attention to is the share of total consumer spending that is eaten up by the cost of energy. But the remarkable thing here is that nominal consumer spending on energy goods and services actually declined on a seasonally adjusted basis between September and January, even as the price of gasoline was going up considerably.This represents a combination of an unusually mild winter, very low natural gas prices, and consumers finding ways to reduce their energy consumption and thereby insulate their budgets from some of the damage of higher gasoline prices.

**Buffet agrees that there’s no impact**

**Geman 4/27/12 (**Ben is the Hills energy reporter, “Buffett: Oil Prices Won’t Derail the Economy”, The Hill, <http://thehill.com/blogs/e2-wire/e2-wire/212689-buffett-oil-prices-wont-derail-economic-recovery>

Billionaire investor Warren Buffett expressed confidence Monday that surging oil and gasoline prices won’t halt the country’s economic recovery. “They’re a minus, but I don’t see them stopping things,” Buffett[said on CNBC](http://video.cnbc.com/gallery/?video=3000075482). Tensions with Iran and other factors have sent oil prices to their highest levels since last May, and pump prices are rising alongside crude oil costs. “I’d rather have them a lot lower,” said Buffett, a supporter of President Obama. But he then added: “I do not think it will derail what has been going on now for almost three years, two and a half years — we have had a steady recovery.”

Plan doesn’t solve oil shocks – the rest of the world is still dependent

Lane 6/18 – editorial writer for The Washington Post, former journalism professor at Georgetown University and Princeton University (Charles, Washington Post, “‘Clean energy’ is money wasted”, http://www.washingtonpost.com/opinions/obamas-clean-energy-strategy-is-money-wasted/2012/06/18/gJQADIpLmV\_story.html)

The researchers pick apart clean-energy subsidies rationale by rationale.

Like his predecessors of both parties, Obama argues that the subsidies can help reduce dependence on foreign oil. But even with 100 percent self-sufficiency, we would be vulnerable to price shocks in the global market for this fungible commodity. Many technologies favored by current policy — wind, solar, geothermal — replace coal and natural gas, in which the United States is already self-sufficient.

**No Impact to oil shocks – most recent economic research**

**Kahn 11** – Journalist, formerly a Pew International Journalism Fellow at Johns Hopkins School of Advanced International Studies (Jeremy, 2/13/11, “Crude Reality”, http://www.boston.com/bostonglobe/ideas/articles/2011/02/13/crude\_reality/?page=full)

But a growing body of economic research suggests that this conventional view of oil shocks is wrong. The US economy is far less susceptible to interruptions in the oil supply than previously assumed, according to these studies. Scholars examining the recent history of oil disruptions have found the worldwide oil market to be remarkablyadaptable and surprisingly quick at compensating for shortfalls. Economists have found that much of the damage once attributed to oil shocks can more persuasively be laid at the feet of bad government policies. The US economy, meanwhile, has become less dependent on Persian Gulf oil and less sensitive to changes in crude prices overall than it was in 1973.

**No impact to oil shocks – other producing countries and good government policy prevent it – our claims are supported by empirics**

**Kahn 11** – Journalist, formerly a Pew International Journalism Fellow at Johns Hopkins School of Advanced International Studies (Jeremy, 2/13/11, “Crude Reality”, http://www.boston.com/bostonglobe/ideas/articles/2011/02/13/crude\_reality/?page=full)

Among those asking this tough question are two young professors, Eugene Gholz, at the University of Texas, and Daryl Press, at Dartmouth College. To find out what actually happens when the world’s petroleum supply is interrupted, the duo analyzed every major oil disruption since 1973. The results, published in a recent issue of the journal Strategic Studies, showed that in almost all cases, the ensuing rise in prices, while sometimes steep, was short-lived and had little lasting economic impact. When there have been prolonged price rises, they found the cause to be panic on the part of oil purchasers rather than a supply shortage. When oil runs short, in other words, the market is usually adept at filling the gap.

One striking example was the height of the Iran-Iraq War in the 1980s. If anything was likely to produce an oil shock, it was this: two major Persian Gulf producers directly targeting each other’s oil facilities. And indeed, prices surged 25 percent in the first months of the conflict. But within 18 months of the war’s start they had fallen back to their prewar levels, and they stayed there even though the fighting continued to rage for six more years. Surprisingly, during the 1984 “Tanker War” phase of that conflict — when Iraq tried to sink oil tankers carrying Iranian crude and Iran retaliated by targeting ships carrying oil from Iraq and its Persian Gulf allies — the price of oil continued to drop steadily. Gholz and Press found just one case after 1973 in which the market mechanisms failed: the 1979-1980 Iranian oil strike which followed the overthrow of the Shah, during which Saudi Arabia, perhaps hoping to appease Islamists within the country, also led OPEC to cut production, exacerbating the supply shortage.

In their paper, Gholz and Press ultimately conclude that the market’s adaptive mechanisms function independently of the US military presence in the Persian Gulf, and that they largely protect the American economy from being damaged by oil shocks. “To the extent that the United States faces a national security challenge related to Persian Gulf oil, it is not ‘how to protect the oil we need’ but ‘how to assure consumers that there is nothing to fear,’ ” the two write. “That is a thorny policy problem, but it does not require large military deployments and costly military operations.”

There’s no denying the importance of Middle Eastern oil to the US economy. Although only 15 percent of imported US oil comes directly from the Persian Gulf, the region is responsible for nearly a third of the world’s production and the majority of its known reserves. But the oil market is also elastic: Many key producing countries have spare capacity, so if oil is cut off from one country, others tend to increase their output rapidly to compensate. Today, regions outside the Middle East, such as the west coast of Africa, make up an increasingly important share of worldwide production. Private companies also hold large stockpiles of oil to smooth over shortages — amounting to a few billion barrels in the United States alone — as does the US government, with 700 million barrels in its strategic petroleum reserve. And the market can largely work around shipping disruptions by using alternative routes; though they are more expensive, transportation costs account for only tiny fraction of the price of oil.

Compared to the 1970s, too, the structure of the US economy offers better insulation from oil price shocks. Today, the country uses half as much energy per dollar of gross domestic product as it did in 1973, according to data from the US Energy Information Administration. Remarkably, the economy consumed less total energy in 2009 than in 1997, even though its GDP rose and the population grew. When it comes time to fill up at the pump, the average US consumer today spends less than 4 percent of his or her disposable income on gasoline, compared with more than 6 percent in 1980. Oil, though crucial, is simply a smaller part of the economy than it once was.

There is no denying that the 1973 oil shock was bad — the stock market crashed in response to the sudden spike in oil prices, inflation jumped, and unemployment hit levels not seen since the Great Depression. The 1979 oil shock also had deep and lasting economic effects. Economists now argue, however, that the economic damage was more directly attributable to bad government policy than to the actual supply shortage. Among those who have studied past oil shocks is Ben Bernanke, the current chairman of the Federal Reserve. In 1997, Bernanke analyzed the effects of a sharp rise in fuel prices during three different oil shocks — 1973-75, 1980-82, and 1990-91. He concluded that the major economic damage was caused not by the oil price increases but by the Federal Reserve overreacting and sharply increasing interest rates to head off what it wrongly feared would be a wave of inflation. Today, his view is accepted by most mainstream economists.

Gholz and Press are hardly the only researchers who have concluded that we are far too worried about oil shocks. The economy also faced a large increase in prices in the mid-2000s, largely as the result of surging demand from emerging markets, with no ill effects. “If you take any economics textbook written before 2000, it would talk about what a calamitous effect a doubling in oil prices would have,” said Philip Auerswald, an associate professor at George Mason University’s School of Public Policy who has written about oil shocks and their implications for US foreign policy. “Well, we had a price quadrupling from 2003 and 2007 and nothing bad happened.” (The recession of 2008-9 was triggered by factors unrelated to oil prices.)

Auerswald also points out that when Hurricane Katrina slammed into the Gulf Coast in 2005, it did tremendous damage to offshore oil rigs, refineries, and pipelines, as well as the rail lines and roads that transport petroleum to the rest of the country. The United States gets about 12 percent of its oil from the Gulf of Mexico region, and, more significantly, 40 percent of its refining capacity is located there. “Al Qaeda times 1,000 could not deliver this sort of blow to the oil industry’s physical infrastructure,” Auerswald said. And yet the only impact was about five days of gas lines in Georgia, and unusually high prices at the pump for a few weeks.

### AT: Oil Dependence Funds Terrorism

**Oil revenue doesn’t support terrorism**

**Peter and Doran 8** – Jerry Taylor is member of the International Association for Energy Economics and adjunct scholar at the Institute for Energy Research, Peter Van Doran has taught at the Woodrow Wilson School of Public and International Affairs (Princeton University), the School of Organization and Management (Yale University), and the University of North Carolina at Chapel Hill, former postdoctoral fellow in political economy at Carnegie Mellon University (“The Energy Security Obsession”, The Georgetown Journal of Law & Public Policy, Summer 2008, Vol. 6, No. 2 http://www.cato.org/pubs/articles/taylor\_vandoren\_energy\_security\_obsession.pdf)

Does Western reliance on oil put money in the pocket of Islamic terrorists? To some degree, yes.Does that harm western security? Probably not – at least, probably not very much.

Before we go on, it’s worth noting that only 15.5 percent of the oil in the world market is produced from nation-states accused of funding terrorism. 23 Hence, the vast majority of the dollars we spend on gasoline do not end up on this purported economic conveyer belt to terrorist bank accounts.

Regardless, terrorism is a relatively low-cost endeavor and oil revenues are unnecessary for terrorist activity. The fact that a few hundred thousand dollars paid for the 9/11 attacks suggests that the limiting factor for terrorism is expertise and manpower, not money.

That observation is strengthened by the fact that there is no correlation between oil profits and Islamic terrorism. We estimated two regressions using annual data from 1983 to 2005: the first between fatalities resulting from Islamic terrorist attacks and Saudi oil prices and the second between the number of Islamic terrorist incidents and Saudi oil prices. In neither regression was the estimated coefficient on oil prices at all close to being significantly different from zero. 24

Consider: Inflation-adjusted oil prices and profits during the 1990s were low. 25 But the 1990s also witnessed the worldwide spread of Wahabbi fundamentalism, the build-up of Hezbollah, and the coming of age of al Qaeda. Note too that al Qaeda terrorists in the 1990s relied upon help from state sponsors such as Sudan and Afghanistan – nations that aren’t exactly known for their oil wealth or robust economies.

Producer states do use oil revenues to fund ideological extremism, and Saudi financing of madrassas and Iranian financing of Hezbollah are good examples. But given the importance of those undertakings to the Saudi and Iranian governments, it’s unlikely that they would cease and desist simply because profits were down. They certainly weren’t deterred by meager oil profits in the 1990s. 26

### AT: Producers Cut-off Oil Supply

**Producers wouldn’t cut us off – it would kill their economy**

**Peter and Doran 8** – Jerry Taylor is member of the International Association for Energy Economics and adjunct scholar at the Institute for Energy Research, Peter Van Doran has taught at the Woodrow Wilson School of Public and International Affairs (Princeton University), the School of Organization and Management (Yale University), and the University of North Carolina at Chapel Hill, former postdoctoral fellow in political economy at Carnegie Mellon University (“The Energy Security Obsession”, The Georgetown Journal of Law & Public Policy, Summer 2008, Vol. 6, No. 2 http://www.cato.org/pubs/articles/taylor\_vandoren\_energy\_security\_obsession.pdf)

So while it is possible that a radical oil-producing regime might play a game of chicken with consuming countries, producing countries are very dependent on oil revenue and have fewer degrees of freedom to maneuver than consuming countries. Catastrophic supply disruptions would harm producers more than consumers, which is why they are extremely unlikely. The best insurance against such a low-probability event is to maintain a relatively free economy where wages and prices are left unregulated by government. That would do more to protect the West against an extreme production disruption than anything else in government’s policy arsenal.

**No impact tooil cutoff**

**Peter and Doran 8** – Jerry Taylor is member of the International Association for Energy Economics and adjunct scholar at the Institute for Energy Research, Peter Van Doran has taught at the Woodrow Wilson School of Public and International Affairs (Princeton University), the School of Organization and Management (Yale University), and the University of North Carolina at Chapel Hill, former postdoctoral fellow in political economy at Carnegie Mellon University (“The Energy Security Obsession”, The Georgetown Journal of Law & Public Policy, Summer 2008, Vol. 6, No. 2 http://www.cato.org/pubs/articles/taylor\_vandoren\_energy\_security\_obsession.pdf)

Many foreign policy analysts think that U.S. oil imports are dependent upon friendly relationships with oil producing states. The fear is that unfriendly regimes might not sell us oil – a fear that explains why former Federal Reserve Chairman Alan Greenspan supported the two Gulf Wars against Iraq. Maintaining good relations with oil producers, however, is said to interfere with other foreign policy objectives – such as the defense of Israel and the pursuit of Islamic terrorists – and increases anti-American sentiment in producer states with unpopular regimes. And of course, it could lead to war.

The problem with this argument, however, is that its fundamental premise is incorrect. Friendly relations with producer states neither enhance access to imported oil nor lower its price.

Selective embargoes by producer nations on some consuming nations are unenforceable unless (i) all other nations on Earth refuse to ship oil to the embargoed state, or (ii) a naval blockade were to prevent oil shipments into the ports of the embargoed state. That’s because, once oil leaves the territory of a producer, market agents dictate where the oil goes, not agents of the producer, and anyone willing to pay the prevailing world crude oil price can have all he wants.

The 1973 Arab oil embargo is a perfect case in point. U.S. crude oil imports actually increased from 1.7 million barrels per day (mbd) in 1971 to 2.2 mbd in 1972, 3.2 mbd in 1973, and 3.5 mbd in 1974. Instead of buying from Arab members of OPEC, the United States bought from non-Arab oil producers. The customers that were displaced by the United States bought from Arab members of OPEC. Beyond the modest increase in transportation costs that followed from this game of musical chairs, the embargo had no impact on the United States.

In short, it does not matter to consumers to whom the oil is initially sold. All that matters to consumers is how much oil is produced for world markets.

Do oil producing nations allow their feelings towards oil consuming nations to affect their production decisions? Historically, the answer has been “no.” The record strongly indicates that oil producing states, regardless of their feelings toward the industrialized West, are rational economic actors. After a detailed survey of the world oil market since the rise of OPEC, oil economist M.A. Adelman concluded, “[w]e look in vain for an example of a government that deliberately avoids a higher income. The self-serving declaration of an interested party is not evidence.” Prof. Philip Auerswald of George Mason University agrees, stating “For the past quarter century, the oil output decisions of Islamic Iran have been no more menacing or unpredictable than Canada’s or Norway’s.”

### AT: Saudi Arabia Oil Impact

## Timeframe

**Timeframe – they can only solve in the long-term**

**Schlesinger et al 6** - \*James R. Schlesinger is the former Secretary of Defense and was the first Secretary of Energy, a consultant to the U.S. Department of Defense (DOD), a member of the Defense Policy Board, member of the Arms Control Nonproliferation Advisory Board of the Department of State, and a member of the Homeland Security Advisory Council, \*\*David Victor is the Director of the Program on Energy and Sustainable Development at Stanford University and Adjunct Senior Fellow for Science and Technology at the Council on Foreign Relations, \*\*\*John Deutchis an Professor at the Massachusetts Institute of Technology, served as Undersecretary of Energy, Deputy Secretary of Defense, and Director of Central Intelligence(Council on Foreign Relations Independent Task Force Report #58, “National Security Consequences of U.S. Oil Dependency”, http://www.cfr.org/energy-security/national-security-consequences-us-oil-dependency/p11683)

\*Note: The task force includes 20 more equally qualified people, these are the chairs of the report.

In general, policies intended to affect consumption or supply are slow to take effect. Supply projects require long periods of planning, permitting, and construction. Policies intended to affect demand must recognize the large scale of the equipment and facilities that comprise the transportation infrastructure and the long time needed for innovation. For example, in the United States the median age of automobiles is nine years; the full cycle of developing the concept for a new automobile, design, production, and use in the final marketplace extends even longer.

**The plan takes 20 years to solve**

**Grisby and Guzzetti 12** - Darnell Grisby is the Director of Policy Development and Research at American Public Transportation Association, Art Guzzetti is the Vice President - Policy at American Public Transportation Association (American Public Transportation Association, “An Inventory of the Criticisms of High-Speed Rail”, January 2012, http://www.apta.com/resources/reportsandpublications/Documents/HSR-Defense.pdf)

To compete in the future, the United States must invest now. Based on the experience of other nations, one of the best investments America can make for its future is to make passenger rail, including high-speed rail, an integral part of its transportation infrastructure. The longer the nation waits, the more expensive the project becomes. The time to reinvigorate America’s intercity passenger rail system and build high-speed rail is now. It will take at least 20 years to complete, but it will be a bargain compared to what it may cost if we wait 10 or 20 years to begin.

# DA Links

## **Freight DA**

#### **Turn-High Speed Rails Will Kill Freight Railways in United States**

The Economist, 2010(America’s system of rail freight is the world’s best. High-speed passenger trains could ruin it, The Economist, http://www.economist.com/node/16636101)

But the problem with America’s plans for high-speed rail is not their modesty. It is that even this limited ambition risks messing up the successful freight railways. Their owners worry that the plans will demand expensive train-control technology that freight traffic could do without. They fear a reduction in the capacity available to freight. Most of all they fret that the spending of federal money on upgrading their tracks will lead the Federal Railroad Administration (FRA), the industry watchdog, to impose tough conditions on them and, in effect, to reintroduce regulation of their operations. Attempts at re-regulation have been made in Congress in recent years, in response to rising freight rates. “The freight railroads feel they are under attack,” says Don Phillips, a rail expert in Virginia. Amtrak’s passenger services are sparse compared with Europe’s. But America’s freight railways are one of the unsung transport successes of the past 30 years. They are universally recognised in the industry as the best in the world.

#### **Freight K2 Econ**

RailLaborFacts.org, 12 (sponsored by the National railroad labor conference a not-for-profit association whose membership consists of all major (Class I) U.S. freight railroads, Freight Rail’s Economic Impact, http://www.raillaborfacts.org/status-and-key-issues/freight-rail%E2%80%99s-economic-impact/)

Freight rail benefits all Americans, helping create jobs across America and bring goods to market. Freight rail generates nearly $265 billion in annual economic activity [1] and supports 1.2 million jobs.[2] In 2012, the railroads are poised to hire more than 15,000 new employees [3]. Freight rail brings American goods and commodities to consumers around the country and around the world. One-third of all U.S. exports travel by rail [4]. In 2008 (the most recent year for data), freight railroads moved about 235 million tons of U.S. goods and materials worth more than $190 billion to ports and borders. Freight railroads are the backbone of the United States’ transportation network, moving:

■70% of all automobiles manufactured in the U.S.

■30% of the entire nation’s grain harvest– enough wheat to provide every man, woman and child a fresh loaf of bread six days a week

■70% of the coal in this country, which provides more than half of the nation’s electricity needs [5] To continue delivering these benefits to America, the railroads must invest in the maintenance, improvement and expansion of their rail network. Balancing investments in infrastructure, technology, and the workforce are key to the railroads’ ongoing success.

## Fiscal Discipline Link

#### HSR collapses fiscal discipline – kills the credibility of deficit reduction, costs massive money, is economy unfeasible, and doesn’t come close to offsetting initial costs

Samuelson, ’11 [2/14/11, Robert Samuelson writes a weekly economics column, “High-speed rail is a fast track to government waste”, http://www.washingtonpost.com/wp-dyn/content/article/2011/02/13/AR2011021302203.html]

There's something wildly irresponsible about the national government undermining states' already poor long-term budget prospects by plying them with grants that provide short-term jobs. Worse, the rail proposal casts doubt on the administration's commitment to reducing huge budget deficits. The president's 2012 budget is due Monday. How can it subdue deficits if it keeps proposing big spending programs?

High-speed rail would definitely be big. Transportation Secretary Ray LaHood has estimated the administration's ultimate goal - bringing high-speed rail to 80 percent of the population - could cost $500 billion over 25 years. For this stupendous sum, there would be scant public benefits. Precisely the opposite.Rail subsidies would threaten funding for more pressing public needs: schools, police, defense.

Passenger rail service inspires wishful thinking. In 1970, when Congress created Amtrak to preserve intercity passenger trains, the idea was that the system would become profitable and self-sustaining after an initial infusion of federal money.This never happened. Amtrak has swallowed $35 billion in subsidies, and they're increasing by more than $1 billion annually.

Despite the subsidies, Amtrak does not provide low-cost transportation. Longtime critic Randal O'Toole of the Cato Institute recently planned a trip from Washington to New York. Noting that fares on Amtrak's high-speed Acela start at $139 one-way, he decided to take a private bus service. The roundtrip fare: $21.50. Nor does Amtrak do much to relieve congestion, cut oil use, reduce pollution or eliminate greenhouse gases. Its traffic volumes are simply too small to matter.

In 2010, Amtrak carried 29.1 million passengers for the entire year. That's about about 4 percent of annual air travel (2010 estimate: 725 million passengers). It's also roughly a quarter of daily automobile commuters (124 million in 2008). Measured by passenger-miles traveled, Amtrak represents one-tenth of 1 percent of the national total.

Rail buffs argue that subsidies for passenger service simply offset the huge government support of highways and airways. The subsidies "level the playing field." Wrong. In 2004, the Transportation Department evaluated federal transportation subsidies from 1990 to 2002. It found passenger rail service had the highest subsidy ($186.35 per thousand passenger-miles) followed by mass transit ($118.26 per thousand miles). By contrast, drivers received no net subsidy; their fuel taxes more than covered federal spending. Subsidies for airline passengers were about $5 per thousand miles traveled. (All figures are in inflation-adjusted year 2000 dollars.)

High-speed rail would transform Amtrak's small drain into a much larger drain. Once built, high-speed-rail systems would face a dilemma. To recoup initial capital costs - construction and train purchases - ticket prices would have to be set so high that few people would choose rail. But lower prices, even with favorable passenger loads, might not cover costs. Government would be stuck with huge subsidies. Even without recovering capital costs, high-speed-rail systems would probably run in the red. Most mass-transit systems, despite high ridership, routinely have deficits.

In January 2010, the Federal Railroad Administration (FRA) of the U.S. Department of Transportation belatedly awarded $8 billion in the stimulus grants for high-speed rail (HSR) as authorized by the American Recovery and Reinvestment Act (ARRA).[1] By pushing for these grants and promising to spend an additional $5 billion over the next five years, the Obama Administration has committed the United States to one of the most expensive forms of transportation that a nation could choose. In addition to the billions of dollars in capital costs that the federal and state governments will incur, domestic and international experience indicates that the President has committed the nation to providing a perpetual stream of substantial subsidies to offset the difference between fare revenues and operating costs of HSR and passenger rail in general. As a result, the HSR program could come to rival the nature of some entitlement programs in how much it will contribute to out-of-control annual federal deficits. High Costs of Low Technology At present, the United States has no genuine HSR lines, although some consider the Acela, which operates in the Northeast Corridor, to be an HSR line. Although there is no fixed rule as to what constitutes HSR, a common definition is a rail line that operates at an average speed of at least 125 miles per hour (mph). Some HSR lines in France and Japan maintain average speeds in excess of 180 mph. While the Acela averages about 85 mph, it can reach about 150 mph on a short section of the line between New York City and Boston. To sustain these speeds over long routes requires a substantial investment in a secure and exclusive roadbed built to precise standards and tolerances, using equipment that meets the same high standards. As a result, an HSR line costs much more to build and operate than an ordinary passenger rail line. It is believed that only two HSR lines in the world earn enough revenue to cover operating and capital costs: Paris-Lyon and Tokyo-Osaka.[2] The world's passenger rail systems consist mostly of "ordinary" passenger rail, which operates at average speeds between 50 mph and 85 mph. Some systems include a few genuine HSR lines. In the United States, passenger rail (Amtrak) is the most heavily subsidized of all passenger travel modes, requiring a federal subsidy of $237.53 per 1,000 passenger miles, compared to $4.23 for commercial aviation and $1.50 for intercity busses.[3] Rail subsidies in Europe are just as high, if not higher. In addition to the high costs that the HSR program will impose on taxpayers during a period of economic hardship and slow recovery, the President's commitment to HSR raises serious questions about his judgment and the judgment of his economic advisers. They presumably thought, given all of the options before them, that this program would be a good use of scarce taxpayer money to spur the economy. As the editorial board of the liberal St. Louis Post-Dispatch recently concluded, "With apologies to futurists, people in the construction industry and rail buffs, investing $13 billion (or even $8 billion) in passenger railroads is a little like building a bridge to the 19th century."[4]

## Politics – Obama Good

#### Plan Unpopular – both houses won’t even appropriate funding

Doyle 12(Michael, Michael W. Doyle is an international relations scholar, Graduated Harvard, Congress poised to reject high-speed rail funding Stay Connected, <http://www.mcclatchydc.com/2012/04/20/146185/congress-poised-to-reject-high.html>)

WASHINGTON — The Obama administration sought $1 billion for high-speed rail next year; Congress is on track to provide zip. In a bad sign -- but not a killing blow -- for California’s speedy rail ambitions, senators this week joined their U.S. House counterparts in dismissing the administration’s funding request. The bicameral blow-off means a fiscal 2013 transportation spending bill will omit the high-speed rail dollars President Barack Obama wanted. On its face, the omission of new high-speed support does not directly impede California’s program. The state already has received some $3.3 billion in federal funds to get the project started, and no additional funds were planned on for the new fiscal year that starts Oct. 1. “This is something we anticipated,” Dan Richard, chair of the California High-Speed Rail Authority, said in an interview Friday. “In our business plan, we do not expect any additional federal funds for at least three years.” Long-term, though, the omission underscores the complications California could face in coming years when federal funds are explicitly relied upon. The state’s latest high-speed rail business plan anticipates the federal government providing $42 billion of the total project cost, now pegged at $68.4 billion. “We continue to have the risk of either stranded investments, or the even bigger risk that California is forced to spend money it does not have to salvage something,” Elizabeth Goldstein Alexis, co-founder of the Palo Alto-based Californians Advocating Responsible Rail Design, said in an interview earlier this month. The state’s revised business plan envisions a first phase connecting Merced to the San Fernando Valley within 10 years, as well as a “blended system” involving upgraded commuter lines in Southern California and the San Francisco Bay Area. State and private funds also will be used. The congressional funding decisions happen in the annual appropriations bills, which are separately passed in both House and Senate. Lawmakers then negotiate a final deal in a high-stakes conference. When neither the House nor the Senate includes money, it’s not supposed to pop up in the final bill, and members of Congress this year have explicitly promised to forgo such last-minute maneuvers. On Thursday, the full Senate Appropriations Committee approved its version of the $53 billion funding bill that covers federal transportation and housing programs. A key subcommitteehad passed the bill earlier in the week, without any discussion about high-speed rail but with senators stressing the budget pressures they feel. “It was not an easy task,” said Sen. Patty Murray, D-Wash., adding that “achieving our goals required making difficult choices.” Instead of the high-speed rail funding requested by Obama, the Senate bill offers $1.75 billion for assorted rail programs, with most of the money going to Amtrak. The bill also includes $500 million for a highly competitive “TIGER” grant program, which can potentially fund high-speed rail projects. The Transportation Department reports having received more than 3,000 applications in past grand rounds. The Republican-controlled House has not yet approved its version of the transportation spending bill, but GOP leaders have been even more emphatic about their intentions to deny funds to Obama’s rail priorities. Underscoring the point, the House this year approved an amendment to another bill by Rep. Jeff Denham, R-Turlock, that blocked funds from going to California’s high-speed rail program. Urged on by House members, the Government Accountability Office is now reviewing the state’s program. As originally requested by House Majority Whip Kevin McCarthy, R-Bakersfield, and 11 other GOP lawmakers, the study is supposed to include a neutral assessment of how much federal money will be needed both to build the California system and to operate it. “It’s unfortunate that high-speed rail has become a high-profile political project,” Richard said, “and I hope in the future it will revert to being just another transportation alternative.”

#### Important senators have shifted positions – its unpopular

Borenstein 12(Daniel, columnist for contra-costa times, KEY DEMOCRATIC STATE SENATORS BALKING AT CURRENT HIGH-SPEED RAIL PLAN,

<http://sd07.senate.ca.gov/news/2012-01-15-key-democratic-state-senators-balking-current-high-speed-rail-plan-0>)

After years barreling down the track without regard to cost, California high-speed rail advocates now face serious obstacles blocking their path to the bond market. Ignoring wilting public support and five critical, impartial analyses of the bullet-train plan, including the recent scathing peer review that warns of "immense financial risk" to taxpayers, Gov. Jerry Brown and organized labor leaders still demand full throttle. While last week's change of engineers -- the abrupt resignation of High Speed Rail Authority CEO Roelof van Ark and Brown loyalist Dan Richard's ascendancy to board chairman -- might provide a public-relations patch, it doesn't resolve underlying problems that have drawn bipartisan objections. Republicans are uniting in opposition, and three key Democratic state senators -- Joe Simitian, of Palo Alto, chairman of the budget subcommittee overseeing transportation; Alan Lowenthal, of Long Beach, chairman of the Select Committee on High-Speed Rail; and Mark DeSaulnier, of Concord, chairman of the transportation committee -- have started applying the brakes. The three have supported high-speed rail and voted to put it before the electorate in 2008. But in separate interviews last week, they indicated thatthe current plan could not win their vote. They voiced concerns about plans to start in the Central Valley with a 130-mile link that will not attract enough riders and could become California's version of the Alaskan "Bridge to Nowhere." "This is an albatross potentially," Lowenthal said. Instead, they are pushing to begin in urbanized areas. "You need to spend the money where the need is and where it will attract private-sector funds," DeSaulnier said. "You need to put it where the ridership is." They criticized the High-Speed Rail Authority's poor planning, unreliable numbers, horrible community outreach and push for quick state action to meet deadlines for federal money.

#### HSR unpopular – majority whip

Vartabedian 11 (Ralph, writer for the Los Angeles Times, Bullet train funds in GOP sights, http://articles.latimes.com/2011/nov/23/local/la-me-high-speed-money-20111123)

The case against the bullet train is being led by a group of California Republicans, including Rep. Jeff Denham (R-Atwater) and Rep. Kevin McCarthy (R-Bakersfield), the House majority whip,who have argued the project is deeply flawed and has become unaffordable as the cost has spiraled to $98.5 billion. Denham, a subcommittee chairman on the House Transportation and Infrastructure Committee, said he believes all of the project's grants can be rescinded by Congress and should be reallocated to highway construction in the Central Valley. Republican staffers are formulating plans to grab the bullet train money, which they said has not been spent or put under contract. "We can't afford it when we have a $15-trillion debt that continues to grow and California is broke," Denham said. "The cost of it continues to balloon out of control with no private investors willing to put money into it." The threat is serious enough that the Obama administration, which strongly backs high-speed rail development, is attempting to secure the money for the California project through a step known as "obligating." On Tuesday, the California High Speed Rail Authority said it had signed a cooperative agreement with the Federal Railroad Administration that "secures" through the obligation process remaining portions of the $3.3 billion needed to start construction. That action covers $928 million set aside for the project last year. The agreement shows that the state's funding to start construction "is identified, committed and we are moving forward," said Thomas J. Umberg, chairman of the rail authority. Denham said he doubts that obligating money that hasn't actually been spent can stop Congress from recouping the funds. Any attempt to take back the federal money would face an uphill fight in the Democratic-controlled Senate. But the effort demonstrates the growing opposition to the California project by House Republicans, and weakening support across the board. Denham once voted for the bullet train as a state senator but now says the program's worsening outlook makes it a "bait and switch." And last week, both houses of Congress voted to strip all high-speed rail funds from 2012 spending legislation. If California were to lose the money, it could put the project -- the only remaining high-speed train proposal in the country -- in jeopardy. State voters approved a $9-billion bond for the project in 2008, based on a commitment that federal and private money would pay the balance. Gov. Jerry Brown said he intends to ask the Legislature to provide approvals necessary to start construction next year. The state plans to start building an initial 130-mile segment of track from Chowchilla to Bakersfield next year with $6 billion, including $3.3 billion in federal money and $2.7 billion from the bonds. The completed system, stretching from the Bay Area to Southern California, is supposed to begin operating in 2033.

**HSR opposition in Congress from the GoP – oil interests**

**CAPAF 11** – (Center for American Progress Action Fund, “GOP’s Energy Plan Is Really an ‘Oil Above All’ Plan”, March 2011, http://www.americanprogressaction.org/issues/2011/03/pdf/gopenergyplan.pdf)

The GOP in Congress has voted to gut efficiency programs, research and development for energy innovation, and funding for the Commodity Futures Trading Commission to crack down on oil speculators who artificially drive up the price of gas. The House-passed fiscal year 2011 continuing resolution, H.R. 1, would eliminate funding for energy innovation research and development. It would also cut $2.5 billion in funding for high-speed rail that would reduce oil use—all while maintaining billions of dollars in subsidies and royalty-free drilling for Big Oil. Additionally, GOP members of the House Energy and Commerce Committee voted to block the Environmental Protection Agency, or EPA, from reducing carbon dioxide pollution from vehicles, which would improve fuel economy, reduce oil use, and save consumers money.

#### HSR unpopular in the senate

Megerian and Vartabedian 6/23– LA Times [Ralph Vartabedian and Chris Megerian, June 23, 2012, “California bullet train faces tough vote in Senate,” [http://www.latimes.com/news/local/la-me-bullet-politics-20120624,0,1518893.story](http://www.latimes.com/news/local/la-me-bullet-politics-20120624%2C0%2C1518893.story)]

Gov. Jerry Brown's request for $6 billion to start construction of the California bullet train will face a difficult vote in the Legislature in the coming days, prompting some last-minute political maneuvering that could significantly alter the structure of the project. Brown is seeking approval of a long-standing plan to build 130 miles of rail in the Central Valley from Bakersfield to Madera, creating the backbone of a future rail network that would later connect with Los Angeles and San Francisco. But the plan has met growing skepticism among some legislators who say it would put the bulk of the initial funding in a low-ridership area that would have little independent value until the full system is completed. An alternative is being crafted to change the geographic distribution of the funds. The existing plan is expected to easily pass the Assembly when it is taken up this week or possibly next, but the Senate is a different matter. Brown needs 21 of the 25 majority Democrats in the Senate to get his funding, a high bar given growing criticism within his own party. No Republican is expected to vote for the project."It will be a tight vote," said Senate President Pro Tem Darrell Steinberg (D-Sacramento). "It's a tough vote. I can't predict the outcome, but I'm personally committed to it." If he had his way, Steinberg said, he wouldn't start the project in the Central Valley either. Nonetheless, he's still a supporter of the plan. "There is greater risk in not moving forward," he said. Steinberg said there are still discussions with colleagues on how to proceed, appearing to leave open some room for a compromise. The skeptics in the Senate say privately that they are coming under enormous political pressure from organized labor, Rep. Nancy Pelosi (D-San Francisco) and the Obama administration, which plans to contribute $3.3 billion to the work. Whether they will fall in line with their party is unclear. "The votes are not there," said Sen. Mark DeSaulnier (D-Concord), chairman of the Senate Transportation Committee. "I am a 'no' at this time."

#### Republicans hate HSR

Laing 5/30– The Hill [Keith, 05/30/12, “Obama administration officials to speak at high-speed rail conference,” <http://thehill.com/blogs/transportation-report/railroads/230145-obama-administration-officials-to-speak-at-high-speed-rail-conference>]

The Obama administration has maintained its push for high-speed rail in the face of staunch opposition from Republicans in Congress and in state governments. The president called early in the first half of his tenure in office for a nationwide network of high-speed railways that he said would rival the reach of the interstate highway system, and he included $8 billion for construction in the 2009 economic stimulus. But the money was rejected by three prominent Republican governors, and GOP members in the House moved successfully last year to eliminate future funding for high-speed rail.

#### Top California congressmen oppose – skepticism about ridership

Barnes 3/8– The Weekly Standard [Fred, March 8, 2011, “California's Top Member of Congress Opposes Obama's High-Speed Rail Plan,” <http://www.weeklystandard.com/blogs/californias-top-member-congress-opposes-obamas-high-speed-rail-plan_553800.html>]

President Obama’s controversial plan for a high-speed rail system took a hit Tuesday as the top California member of Congress, House majority whip Kevin McCarthy, voiced strong opposition to building a new rail line between Los Angeles and San Francisco. Though the line would run through his hometown of Bakersfield, McCarthy insisted it would be a bad investment, especially now with government debt soaring. In California, the high-speed rail system would cost at least $60 billion just to build, then require a subsidy to operate, McCarthy said at a breakfast hosted by the Christian Science Monitor. “You would not invest your own money in it,” he told reporters. He described himself as the “the first publicly elected official [in California] to come out opposed to it.” In Wisconsin, Ohio, and Florida, Republican governors have turned down federal money to construct high-speed rail lines in their states. McCarthy said the rail proposal is shaky because there’s no guarantee either that it would ultimately be built or that it would achieve the optimistic goals for ridership set by its proponents. In the Central Valley of California, he said, the rail plan calls for 14 million rider trips annually, compared with only 750,000 rail or plane trips taken there now each year.

#### Areas affected by HSR strongly oppose the plan

Morris 11– Western Regional Editor of the Independent Voter Network [Bob, December 29, 2011, “California High Speed Rail facing serious, growing opposition,” <http://polizeros.cdom/2011/12/29/california-high-speed-rail-facing-serious-growing-opposition/>

It is a clear sign of desperation by CHSRA to have spent so much on PR trying to win support for this wobbly project. If it was an easy sell, they wouldn’t need so much PR. But it’s not. Projected costs are way over budget and rising. There is determined opposition both in the San Jose corridor and the Central Valley. The federal government has stopped virtually all funding, something which the project assumed would be there and which it desperately needs.Some of the PR money went to well-connected politicos of both parties. This is not a criticism of their competence. Who better to convince politicos of your point of view than other politicos? Members of both parties are opposed to HSR too. If anything, opposition is geographically placed not political. Those in areas directly affected by HSR plans tend to oppose it. The opposition is much more than simple NIMBYism. We are, after all, talking about trains going 200 mph, sometimes through densely populated urban areas. Building and homes near the track will have to be removed and streets re-routed. CHSRA made a serious blunder in assuming that opposition in the Central Valley would be minimal and could be mostly ignored because after all, they’re just yokels who live in the country. But then, city types often do underestimate rural folks. As some Net humor on rural vs. urban says, “You drive a $60,000 car? We’re impressed. Some of us have $300,000 vehicles we only drive two weeks a year.” Construction could take years and the costs are extremely steep. Further, many now believe that voters were given inaccurate information when they voted for HSR in 2008. This includes the important city of Palo Alto. Their city council has bluntly called on the state legislature to abandon the project because it is too expensive, has no discernable funding for the $100 billion it needs, and has no coherent business plan. Ouch.

#### **HSR is unpopular, California proves**

Vartabedian and Megerian 6/23/12 (Ralph-national correspondent at the Los Angeles Times, Chris-Los Angeles Times reporter in Sacramento covering politics and state budget crisis, California bullet train faces tough vote in Senate, http://www.latimes.com/news/local/la-me-bullet-politics-20120624,0,1518893.story)

Gov. Jerry Brown's request for $6 billion to start construction of the California bullet train will face a difficult vote in the Legislature in the coming days, prompting some last-minute political maneuvering that could significantly alter the structure of the project. But the plan has met growing skepticism among some legislators who say it would put the bulk of the initial funding in a low-ridership area that would have little independent value until the full system is completed. An alternative is being crafted to change the geographic distribution of the funds. It will be a tight vote," said Senate President Pro Tem Darrell Steinberg (D-Sacramento). "It's a tough vote. I can't predict the outcome, but I'm personally committed to it." "The votes are not there," said Sen. Mark DeSaulnier (D-Concord), chairman of the Senate Transportation Committee. "I am a 'no' at this time."

## Politics – Obama Bad

**Plan popular – multiple lobbies support shift from dependence on Middle Eastern oil**

**Kahn 11** – Journalist, formerly a Pew International Journalism Fellow at Johns Hopkins School of Advanced International Studies (Jeremy, 2/13/11, “Crude Reality”, http://www.boston.com/bostonglobe/ideas/articles/2011/02/13/crude\_reality/?page=full)

Auerswald, who has grown frustrated by the lack of response to his own research on this topic, said that the problem is that the fear of Middle Eastern oil shocks is now politically useful to a whole spectrum of powerful interest groups. “This argument is like the familiar old jeans of American politics,” he said. “They are nice and cozy and comfortable and everyone can wear them. Because of ethanol, the farm lobby loves it; for coal, well it’s their core argument; for the offshore drilling folks, they love it.” Even the environmental movement relies on it, he said, because they use it as bogeyman to scare Americans into taking renewable energy and energy conservation more seriously. As for the US military, “The US Navy is not interested in hearing that one of their two main theaters of operation has no justification for being,” Auerswald said.

## Elections – Obama Good

#### High speed rail super unpopular with voters – forced tradeoffs

Marois 6/4– Bloomberg Business Week [Michael, June 04, 2010, “California High-Speed Rail Losing Support, Poll shows,” <http://www.businessweek.com/news/2012-06-03/california-high-speed-rail-losing-support-poll-shows>]

A majority of voters no longer support building a $68 billion high-speed passenger rail system connecting California’s population centers, a new poll shows, even as Governor Jerry Brown is pushing the project forward. While 53 percent of voters approved a bond issue for the project in 2008, a USC Dornsife/Los Angeles Times poll published in yesterday’s edition of the newspaper, found that 59 percent would oppose it if given another chance to vote. Brown, a 74-year-old Democrat, allocated some of the $9.95 billion of bonds for the system in his budget for the fiscal year that begins July 1, even though a deficit in the spending plan has ballooned to $15.7 billion. He wants voters to increase sales and income taxes or slash 3 weeks off the school year while still spending money on the rail line.“California voters have clearly reconsidered their support for high-speed rail,” said Dan Schnur, director of the USC Dornsife/Los Angeles Times Poll and director of the Unruh Institute of Politics at University of Southern California. “They want the chance to vote again -— and they want to vote no. The growing budget deficit is making Californians hesitant about spending so much money on a project like this one when they’re seeing cuts to public education and law enforcement.” The state-run authority charged with building the system revised its business plan in April amid public opposition, chopping $30 billion off the cost.

#### Public hates HSR – Lack of environmental regulation

Orange County Register 6/4[June 4, 2012, “Editorial: Bullet train support fading as Brown schemes,”

<http://www.ocregister.com/opinion/environmental-357285-billion-brown.html>

Even as public opinion turns strongly against the proposed $68-billion California high-speed rail project, Gov. Jerry Brown schemes to specially exempt his pet train from environmental laws.Meanwhile, the number of lawsuits increases challenging the plan to construct hundreds of miles of tracks through communities from Anaheim to San Francisco. Challenges largely are based on the plan's inadequate environmental reviews. Not only are "churches, schools, businesses and homeowners ... fighting the project," as the Los Angeles Times reported, but the public is soundly rejecting the idea, according to a recent USC Dornsife/Los Angeles Times poll.

#### HSR would cause backlash from voters

Koenig 6/7– The New American [Brian, June 7, 2012, “California Voters Turn on High-Speed Rail Project,” <http://www.thenewamerican.com/usnews/politics/item/11646-california-voters-turn-on-high-speed-rail-project>

Due to such uncertainty, voters in the state are turning on the project, as a new poll conducted by USC-Dornsife and the Los Angeles Times found that 55 percent of California voters want the $9-billion bond issue — which was approved in 2008 to fund early stages of the rail system — back on the ballot. And a startling 59 percent affirmed that they now would vote against it. While labor unions have been staunch supporters of the project, a sizable 56 percent of union households now oppose the funding plan, the poll added. Even Democrats, the project’s most prominent supporters, have become skeptical, as 47 percent now reject the bond issue. The Times explained that revenue projections and overall use of the high-speed rail are also in question: The poll found that most voters don't expect to use it. Sixty-nine percent said they would never or hardly ever ride it. Zero percent said they would use it more than once a week. Public opinion surveys cannot predict the revenues and ridership a rail service might generate. The poll results raise questions about whether the system would serve as a robust commuter network, allowing people to live in small towns and work in big cities or vice versa. On the other hand, 33% of respondents said they would prefer a bullet train over an airplane or car on trips between L.A. and the Bay Area. Since voters approved the $9-billion borrowing scheme, the state’s economic condition has become bleaker, and many initial promises about the rail line have been altogether abandoned. The estimated cost has nearly doubled, and it is now scheduled to share track with freight trains and slower commuter trains in certain areas, which will severely hamper the very intent — that is, speedy and efficient transportation — of the project. Moreover, agriculture groups and freight rail lines have warned that the routes would compromise their interests; schools, businesses, and homeowners have also voiced their concerns over the project.Last Friday, farm groups filed an environmental lawsuit in Sacramento County Superior Court, requesting a preliminary injunction to halt rail construction. This suit has been added to a growing list of other filings, and more agricultural interests are threatening suits as well. "We think a preliminary injunction against construction will occur because there were so many violations in the authority's environmental impact report," stated AnjaRaudabaugh, executive director of the Madera County Farm Bureau. “California voters have clearly reconsidered their support for high-speed rail,” said Dan Schnur, who directed the USC Dornsife/Times Poll. “They want the chance to vote again — and they want to vote no. The growing budget deficit is making Californians hesitant about spending so much money on a project like this one when they’re seeing cuts to public education and law enforcement.” The public has become even more skeptical of the high-speed rail line as Gov. Jerry Brown has threatened severe cuts in education spending— among other public programs — due to the state’s expanding budget gap. "The growing budget deficit is making Californians hesitant about spending so much money on a project like this one when they're seeing cuts to public education and law enforcement," Schnur noted. "But they also seem to be wary as to whether state government can run a big speed rail system effectively."

#### California’s plan is hugely unpopular

The Economist 12[June 4, 2012, “High-speed rail in California The death knell for high-speed rail in America?” <http://www.economist.com/blogs/gulliver/2012/06/high-speed-rail-california>]

But now even California's plan is in jeopardy. Its ambition has been scaled back and its projected costs have increased. Even voters have turned on it. A new survey by USC-Dornsife and the Los Angeles Times found that if given a second chance to vote on the 2008 $9 billion bond issue that is funding the early stages of the project, 59% of survey respondents would vote it down. Part of what's happened here is that high-speed rail, like almost everything promoted by President Barack Obama, has become an intensely partisan issue in America. Republican governors across the country have criticised high-speed projects and rejected federal money to fund rail development. Mr Obama, meanwhile, has redistributed the rejected money to states like California that are run by Democrats and are more receptive to high-speed rail. All this makes sense. Mr Obama made high-speed-rail funding a big part of his 2008 stimulus package, and political scientists generally believe that a president weighing in on an issue polarises people's opinions about it. In California, 76% of Republicans now oppose the high-speed-rail project, compared to just 47% of Democrats. The other problem, of course, is that powerful local and regional interests are threatened by the high-speed-rail plans. Airlines, freight transporters and not-in-my-backyard activists all have problems with the project. High-speed rail's opponents smell blood and are not going to fall in line, and the train plan is many years from completion. Unless California's leaders are truly committed to pushing high-speed rail forward—and spending political capital to do so—this plan is probably doomed. And when it comes to high-speed rail, as goes California, so goes the nation.

#### Independents want a balanced budget

Schoen 12 – Politico [Douglas, 2/8/12, “The forgotten swing voter,” <http://www.politico.com/news/stories/0212/72621.html>]

Neither party focuses on issues that matter most to people: reviving the economy, promoting job creation, balancing the budget, reducing debt and taking on entitlements. Both Republicans and Democrats are virtually ignoring the concerns of swing voters, now close to 20 percent of the electorate, and independents, now at least 40 percent of the electorate and, according to Gallup, the single largest voting bloc. These two groups share similar interests. And both give Republican and Democratic leaders net negative ratings. Independents disapprove of how Obama is doing his job, 52 percent to 37 percent, according to a recent New York Times/CBS poll. Just 31 percent had a favorable opinion of Obama, with two-thirds saying he has not made progress fixing the economy. Six in 10 independents say Obama does not share their priorities for the country. The president’s improved standing in the recent Washington Post poll has probably been overstated and has more to do with Romney’s weakness than with some dramatic turnaround in Obama’s own numbers. A majority of independents still disapprove of his job performance and a clear majority of the electorate disapproves of his handling of the economy, his performance in creating jobs and his efforts to balance the budget.

#### More ev

Schoen 12 – Politico [Douglas, 2/8/12, “The forgotten swing voter,” <http://www.politico.com/news/stories/0212/72621.html>]

Other polling shows that these voters want policies that emphasize economic growth and budget reduction. In the wake of the crippling economic downturn, 82 percent believe it is extremely or very important to expand the economy, according to recent Gallup polling. Seventy percent say the federal budget deficit should be cut by a combination of spending cuts and modest tax increases — with many polls showing these voters feel spending cuts are key. Independents do not support more government spending. My polling last year shows independents believe government should refrain from spending money to stimulate the economy, given the large deficit we face, 62 percent to 24 percent. Independents, according to Gallup, are looking for government to expand the economy (82 percent), and promote equality of opportunity (69 percent). They are not looking for government to promote equality of outcome, since just 43 percent say they want to reduce the income gap between the rich and the poor. By 50 percent to 47 percent, they say the divide between the rich and the poor is an acceptable part of the economic system. So it’s clear what these voters are looking for, and also that neither party is addressing their concerns. To be sure, independent voters want conciliation and compromise. Some are more conservative and market-oriented. Others are ready to accept government stimulus spending for our economic recovery. But all share the desire for economic growth, job creation and a path to fiscal stability. The two parties cannot continue to ignore swing voters. Without them, it will be difficult, if not impossible, to win in November. Moreover, to win without addressing their concerns will almost certainly promise four more years of the same gridlock.

#### Republicans will use any deficit spending against Obama

Lange and Lawder 12– Reuters [Jason Lange and David Lawder, February 17, 2012, “Obama's bold deficit pledge comes back to haunt him,” <http://www.reuters.com/article/2012/02/17/us-usa-deficit-idUSTRE81G1HC20120217>]

One month after taking office, President Barack Obama summoned the nation's top lawmakers and budget experts to the White House for a summit to figure out how to tame huge federal deficits. Standing at a podium in the elegant East Room, the Democratic president wasted no time in reminding his audience, which included Republican congressional leaders, that he had just inherited a $1.3 trillion deficit in the midst of "an economic crisis unlike any we have seen in generations." He gave a finger-waving talk on fiscal responsibility and boldly pledged to halve the deficit in four years. There was no hint in his remarks of the behind-the-scenes debate that had taken place among his advisers over whether such an ambitious promise could be kept. And as the economic recovery failed to take off, he stuck with it for the next two years. On Monday, three years after first making that pledge, Obama conceded that he would not be able to keep it.The pledge casts light on how Obama's administration, in its attempt to articulate a bold vision for a nation in crisis, made a politically risky bet based on rosy assumptions that were later wrecked by an economy that did not play ball. "If there was a mistake here, it was in making a pledge that was going to be a function of variables you couldn't foresee," said Jared Bernstein, Vice President Joe Biden's former chief economist. Republicans, aiming to make Obama a one-term president in November, have jumped on the broken pledge with glee, trying to turn up the heat on the leader even as a stronger economy threatens to undermine their argument for voting him out.While his opponents seek to make political hay over the issue, analysts say voters are likely to judge Obama on his broader handling of the economy when they vote in November. Obama played down the broken promise this week, blaming economic events beyond his control. The recession was much deeper than anyone had realized when he made the pledge on February 23, 2009, he told an Atlanta broadcaster on Tuesday. "A lot of us didn't understand at that point how bad it was going to get," he said. That is true, budget experts agree. But they say the promise was still overly ambitious and left little room for surprises that could, and did, knock the economic recovery off course. While it became frighteningly clear that the recession had been extraordinarily severe and the recovery lackluster, Obama reiterated his promise, even as late as February of last year. "They made a dumb commitment," said David Walker, a former U.S. comptroller general who took part in Obama's 2009 summit. 'ROLLING THE DICE' Obama's plan was based on the idea that the economy would post a quick recovery, much like it had after other recent recessions. It was supported by White House economic forecasts that were more optimistic than those of many private economists. Many experts expected the financial crisis to do more lasting damage to the economy. Only months earlier, the nation's banking system had nearly seized up as panic gripped Wall Street following the bursting of a housing bubble. "They had to know in so many ways with regard to housing and credit and jobs that they were in a problematic situation for economic recovery," said Ethan Siegal, a fiscal policy expert who advises investors on Washington politics. Still, Siegal said it was expected that a president would strike an optimistic tone during a crisis, helping him to project leadership. "Part of politics is rolling the dice." The White House said this week the government could still halve the deficit inherited by Obama by 2014, a year later than promised and not soon enough for Republican critics. "We've heard a lot of excuses from this administration for why the president broke his promise," said Republican Congressman Paul Ryan, chairman of the House of Representatives Budget Committee. "But what we haven't heard is any semblance of accountability." A senior administration official said at least some of the blame for missing the target lies with Republicans in Congress, who walked away from an offer by Obama last summer to pursue a grand bargain on the deficit. Nonetheless, the issue is a weak spot for Obama. A poll by Gallup earlier this month showed only 32 percent of Americans approve of Obama's handling of the deficit, even lower than his 38 percent approval rating for economic issues. The nation's reliance on deficit spending looms ominously over the economy. The nonpartisan Congressional Budget Office recently said keeping current tax rates low would help balloon the national debt so much it would start choking off private investment within a decade, hurting economic growth. Under Obama's budget plan for fiscal next year, money owed to bondholders would nearly double to $19.5 trillion by 2022. While the White House expects debt to be stable as a percentage of total economic output - suggesting it is not a major threat - private experts say this assumes lenders do not lose trust in Washington's ability to pay them back in full. That would lead to higher interest rates on the debt, making it more expensive for Washington to borrow. "Unless we start to address these budget issues seriously, it's only a matter of time before the credit markets start to consider us as another Greece," said Kim Rupert, an analyst at Action Economics LLC in San Francisco. OBAMA'S VULNERABILITY Seeing the president's vulnerability, Republicans in Congress plan campaign ads this fall about Obama's "broken promise" to halve the deficit, said Andrea Bozek, a spokeswoman of the National Republican Congressional Committee. Bernstein acknowledged some in the administration were not convinced the deficit would fall as fast as they hoped when Obama made the pledge. "Everybody had different levels of confidence. I and others certainly recognized that those types of forecasts are fragile when you're at that kind of point of uncertainty in the economic cycle," he said. "There was some discussion, of course." Obama is not the first president to dial back on a big economic promise. Former Republican President Ronald Reagan never balanced the budget, as he had vowed to do.

## **Spending Links**

#### **HSR costs too much, not worth the price**

Alexis 12 (Elizabeth Goldstein, co-founder of Californians Advocating Responsible Rail Design, California Needs a Rail Project, but Not This One, http://www.nytimes.com/roomfordebate/2012/01/26/does-california-need-high-speed-rail/california-needs-a-rail-project-but-not-this-one)

At the original price tag of $33 billion and the promise of $55 tickets for a quick trip between Los Angeles and San Francisco, the debate about high-speed rail was more about “want” than need. Costs are now closer to $100 billion, ticket prices will be much higher to attract private investment, and the impact on farmland and cities seems far greater than originally anticipated. There is an adage in construction: “Good, fast and cheap — pick two.” In this case, we have a trifecta with plans that are bad, take decades and are outrageously expensive. The cost to taxpayers to build the project equates to a public contribution of almost $200 for every projected round trip in the first 30 years of operation. The public will pay 90 percent of the building costs and take most of the risk, and yet the private sector will collect 100 percent of any operating profits. The current project costs too much and delivers too little. But why?

#### **High Speed Rails Aren’t Worth the Price**

Styles 11(Geoffrey, Managing Director of GSW Strategy Group, LLC, an energy and environmental strategy consulting firm, Is High-Speed Rail Worth Its Cost?, The Energy Collective, http://theenergycollective.com/geoffrey-styles/52068/high-speed-rail-worth-its-cost)

The World Bank report on high-speed rail cited by the Post was generally positive concerning developments in China and elsewhere, though also full of red flags: "The demographic and economic conditions that can support the financial or economic viability of high-speed rail are limited." "The established lines with greatest demand are in East Asia..." "Nevertheless, high-speed rail projects have rarely met the full ridership forecasts asserted by their promoters and in some cases have fallen far short." "Governments contemplating the benefits of a new high-speed railway... should also contemplate the near-certainty of copious and continuing support for the debt." It also explains why high-speed rail is attractive in China, attributing it to, "The combination of supportive features that exist on the eastern plains of China including very high population density, rapidly growing disposable incomes, and the prevalence of many large cities in reasonable proximity to one another..." To that I might add the relative lack of competition from underdeveloped road and air infrastructure. Yet even in China its high cost is drawing criticism. I'm also not clear on the non-transportation economic benefits for the US, particularly if the core train technology for systems like California's current high-speed rail project is likely to come from Japan, France or Germany. And while the California project cites greenhouse gas savings of 6 million tons per year, that doesn't sound quite so impressive in the context of its $10 billion initial cost. And the total is sure to go much higher, considering that the cost of the first leg, the so-called "train to nowhere" in the Central Valley, is over $4 billion and includes neither rolling stock nor power supply.

#### HSR is a waste of money for years to come

White 12 (Richard, the Margaret Byrne Professor of American History at Stanford University, is the author of "Railroaded: The Transcontinentals and the Making of Modern America.", A Waste of Money, for Years to Come, http://www.nytimes.com/roomfordebate/2012/01/26/does-california-need-high-speed-rail/high-speed-rail-is-a-waste-of-money-for-decades-to-come)

The debate over high-speed rail in California is not about California’s future, or the promise of new technologies, or the American Way. Californians are debating whether to build a very expensive railroad line between Los Angeles and San Francisco. We shouldn’t build it. At best it will not solve any problems for decades to come, and at worst it will become an expensive problem itself. It will become a Vietnam of transportation: easy to begin and difficult and expensive to stop. In a state dismantling its education system and watching its existing infrastructure collapse, it is criminally profligate to build a system that will drain revenue from more-needed projects. This is like building a state-of-the-art driveway while your house collapses. The projected cost of high-speed rail has risen from roughly $33 billion to $100 billion or more even as the promised system has shed Sacramento and San Diego. There is so far no private investment in the project and no federal contribution beyond the initial grant. The state auditor is only the latest to slam the California High-speed Rail Authority as a tool of its consultants and contractors. By all signs, California taxpayers will take the risks; private corporations will reap the gains; and California will either be left with what it can now fund — a white elephant running between Merced and Bakersfield — or a monstrous leech of a project sucking away needed revenue.

#### **HSR is a waste of taxpayers money**

O’Toole 09 (Randal senior fellow at the Cato institute and author of The Best-Laid Plans and the Cato report, "High-Speed Rail: The Wrong Road for America, High Speed Spending, http://www.cato.org/publications/commentary/high-speed-spending)

Would you pay $1,000 so that someone – probably not you – can ride high-speed trains 58 miles a year? That's what the Obama Administration's high-speed rail plan is going to cost every federal income taxpayer in the country. One thousand dollars per taxpayer is only the beginning. Count on adding $400 for cost overruns. Taxpayers will also have to cover operating losses: Amtrak loses $28 to $84 per passenger in most of its short-distance corridors. In 2001, it lost the most - $84 per passenger in the state-subsidized Raleigh-Charlotte corridor. What would you get for all this money? Unless you live in California, don't expect super-fast bullet trains. In Florida the FRA 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. Few people who pay their own way will spend an extra $79 to save an hour and twenty-five minutes of their time. But anyone who values their time that highly would be willing to pay an extra $20 to save an hour by taking the plane. The train's only advantage is for people who are going from downtown to downtown. Who works downtown? Bankers, lawyers, government officials, and other high-income people who hardly need subsidized transportation. Not only will you pay $1,000 for someone else to ride the train; that someone probably earns more than you. Nor is high-speed rail good for the environment. The Department of Energy says that, in intercity travel, automobiles are as energy-efficient as Amtrak, and that boosting Amtrak trains to higher speeds will make them less energy-efficient and more polluting than driving. High-speed rail will cost you a lot of money and provide little benefit to anyone except a few bankers, lawyers, and bureaucrats. That's not change we can believe in.

## Oil DA Link

US transition from oil drops oil prices

**Schlesinger et al 6** - \*James R. Schlesinger is the former Secretary of Defense and was the first Secretary of Energy, a consultant to the U.S. Department of Defense (DOD), a member of the Defense Policy Board, member of the Arms Control Nonproliferation Advisory Board of the Department of State, and a member of the Homeland Security Advisory Council, \*\*David Victor is the Director of the Program on Energy and Sustainable Development at Stanford University and Adjunct Senior Fellow for Science and Technology at the Council on Foreign Relations, \*\*\*John Deutchis an Professor at the Massachusetts Institute of Technology, served as Undersecretary of Energy, Deputy Secretary of Defense, and Director of Central Intelligence(Council on Foreign Relations Independent Task Force Report #58, “National Security Consequences of U.S. Oil Dependency”, http://www.cfr.org/energy-security/national-security-consequences-us-oil-dependency/p11683)

\*Note: The task force includes 20 more equally qualified people, these are the chairs of the report.

Changes in domestic policies can have significant effects on consumption and production. Such potential effects of policy are particularly pronounced in the United States, which accounts for about one-quarter of the world’s oil consumption and one-tenth of oil production. If the United States were to reduce its oil consumption by 10 percent (2.5 percent of world demand), the effect incurrent tight oil markets could be a temporary decline in global prices (about 12 percent to 25 percent) and a lowering of the anticipated rate of future increases.11

## Tradeoff DA

#### HSR is a black hole – trades off with other funding

Lopez 12 (Steve, writer for the Los Angeles Times, High-speed rail ... or fail?,<http://articles.latimes.com/2012/feb/04/local/la-me-0205-lopez-hispeed-20120205>)

When it comes to California's plans for high-speed rail, scads of people have strong opinions. But that shouldn't be a surprise.As I noted in Wednesday's column, voters in 2008approved a 520-mile train routethat was supposed to cost $33 billion and be completed in 2020. Since then, not 10 feet of track have been laid, the estimated cost has tripled and the completion date is now 2033.And those are just guesstimates.Readers by the hundreds weighed in after that column. Many of them were still passionate about moving ahead, while others insisted it's time to give up the dream. And quite a few couldn't believe Gov. Jerry Brownis still pushing the project despite the state's staggering financial burdens.When you can't figure out how to pay for schools and colleges, road improvements, support for the elderly and disabled — not to mention a hundred other things — should you begin building a railroad no one is sure how to pay for?Especially when several recent reports, including one by the railroad authority's own peer review group, suggest there's a huge risk of financial disaster?Those seemed like fair questions to put to Dan Richard, who served on the Bay Area Rapid Transit board for 12 years and has been picked by Brown to save high-speed rail. My first question, when we spoke Thursday, was one that lots of readers asked.What went wrong between 2008 and now?Two things, Richard said. First, it became increasingly clear that the completion date had been too optimistic. Second, revisions on the precise route and station locations added more time, inflation and expense."It's not a great answer," he admitted.Richard wasn't involved in the beginning, but said he recently met an early critic who had warned that the system would cost closer to $90 billion than $33 billion. Richard complimented him on his prescience.So how can Richard win back onetime supporters who feel like they've been swindled?"The first thing you do is tell the truth," he said about costs and everything else. The current estimated cost of $98 billion, he said, is based on $65 billion in 2010 dollars, plus inflation.But his orders from Brown, he said, were to find out whether there's a way to build the line cheaper, faster and better.Well, is there?Richard thinks so, but he's still working on convincing himself and others. A lot of people have lost faith, he knows. So his task is to prove there's "value in this" for ourselves, our children and our grandchildren.OK, but where would he get the money? Voters approved less than $10 billion in startup funds in 2008, and Richard said he won't go back to them with another bond. So that means years of begging in Sacramento and Washington, both of which are underwater.

# CPs

## States CP

### 1NC States CP

#### States solve PPP’s – lack of federal funding forces innovation to make them better

Miller et al, ’12 [Jonathan D. Miller, Deborah Myerson, Rachel MacCleery, Urban Land Institute,

 “Infrastructure 2012: Spotlight on Leadership”, [http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012]](http://www.uli.org/~/media/ResearchAndPublications/Priorities/Infrastructure/Infrastructure2012%5D)

Everybody realizes most governments lack the necessary financial wherewithal to invest and borrow for backlogged infrastructure projects. Even China appears to decelerate recent over-the-top spending. “The big question is where will all the money come from” to deal with funding gaps in the umpteen trillions of dollars worldwide and at least $2 trillion in the United States alone. For officials and planners, the challenge simply boils down to doing more with less—concentrating funds on essential repairs, executing projects that can most affect future economic growth, and stoking sputtering employment engines. States and cities must figure out how to raise more revenues, in part through greater reliance on user fees and creative tax mechanisms and by taking the case to the voters. PPPs can help with efficiencies, building in life cycle cost considerations, and financing. Not surprisingly, financial distress—both government indebtedness and diminution in personal wealth—helps focus all of us on what really matters for our social and economic well-being. Infrastructure starts to matter more when every dollar, euro, or Yuan counts. Ironically, fiscal constraints finally may compel some better results—figuring out what matters most, and what will get the best bang for the buck, becomes even more urgent. From a land use perspective, critics of subsidized sprawl finally gain serious traction after years of pointing out how the infrastructure cost equation never added up in extending suburban subdivisions toward exurban fringes. “When money is so tight, it becomes too difficult to rationalize building miles of roads and sewers into empty cow pastures.” Countries with national infrastructure strategies, such as Australia, Canada, New Zealand, and the United Kingdom, probably have an advantage in parceling out limited funding to projects identified as top priorities serving the greatest good for economic growth and productivity. These game-changing initiatives could include building out multimodal transport systems from gateway cities; linking augmented freight-rail distribution between population centers, major ports, and international airports; constructing high-speed passenger-rail lines between key metropolitan areas; or implementing new energy systems and broadband technologies. Unfortunately, the United States is one of the few major economic powers lacking a national infrastructure policy direction: initiatives are left to percolate from local and state levels, often competing for resources. But in the current environment, at least, bottom-up “self-help” efforts will more likely attract funding from federal and private sources, especially when they help meet clearly defined economic and strategic objectives.

### Generic Solvency

#### States can solve

Hilkevitch 12(Jon, Chicago tribune reporter, Feds open bidding for high-speed rail cars, <http://articles.chicagotribune.com/2012-04-22/news/ct-met-high-speed-rail-0422-20120422_1_rail-cars-high-speed-passenger-illinois-rail-officials>)

,The $551 million request for proposals was announced by the Federal Railroad Administration, which is coordinating a California-led effortto purchase standardized bi-level rail fleets for use on Amtrak routes in California, Illinois, Michigan, Missouri, Indiana and potentially Iowa.California will get 42 of the 130 new rail cars, which will be equipped with seating on two levels, Wi-Fi and other customer amenities, officials said. The Midwest states will share use of 88 rail cars. Existing Amtrak locomotives would be used initially to propel the new rail cars at speeds of up to 110 mph. Bids will be let later to purchase new high-performance diesel locomotives capable of sustaining 125 mph, as well as for single-level passenger cars, officials said. Multiple states participating in a joint agreement on a single type of rail car will maximize the purchasing power, lead to lower maintenance costs and reduce the cost of stocking spare parts, Federal Railroad Administrator Joe Szabo said about the bidding process that was launched Friday. "By standardizing these components it is going to give us much better leverage in the bidding process,'' Szabo said. The request for proposals contains Buy America requirements. All components of the rail cars must be built by American workers, with American-produced steel, iron and manufactured components. The procurement schedule calls for awarding a contract to a domestic manufacturer in early October. The cars will be delivered starting in 2015, officials said. The subsequent order for new locomotives is expected to lead to deliveries around 2015 too, Illinois rail officials said. The 130-car order would produce the first American-made, standardized passenger rail cars as part of the Obama administration's $53 billion proposal to build a nationwide network of high-speed passenger trains. The administration's plan faces an uphill fight in Congress, particularly among Republicans. Illinois officials voiced optimism. The multistate process that began Friday will mark "a resurrection of rail car manufacturing in the U.S.,'' predicted Joe Shacter, director of public and intermodal transportation at the Illinois Department of Transportation. The new rail cars would be used in Illinois on the Chicago-to-St. Louiscorridor, where 110-mph service is scheduled to start this year on a short stretch between Dwight and Pontiac, according to IDOT and Amtrak. In addition to that route, the new cars would be used on eight other corridors in the state: Chicago to Carbondale; Chicago to Quincy; Chicago to Detroit; Chicago to Port Huron, Mich.; and Chicago to Grand Rapids, Mich.; and on the proposed new corridors, Chicago to Moline, Chicago to Rockford and Dubuque, Iowa; and Chicago to Kansas City, Mo.

#### Localized HSR policies solve better – more responsive to local needs

**Osofsky, ’11** [Hari M. Osofsky, Associate Professor, University of Minnesota Law School; Associate Director of Law, Geography & Environment, Consortium on Law and Values in Health, Environment & the Life Sciences and Affiliated Faculty, Geography and Conservation Biology, University of Minnesota, 2011, “Diagonal Federalism and Climate Change Implications for the Obama Administration”, 62 Ala. L. Rev. 237, Lexis Nexis]

As with the previous regulatory category, these trends contain nuance because efforts to influence how we drive have different emphases at larger and smaller-scales. The Obama Administration's large-scale, vertical, top-down efforts, as described above in Part II.B, focus primarily on reworking national transportation policy and infrastructure and on incentivizing innovative state and local programs. For example, it is aiming to link more cities through high speed rail, is funding state and local transit agency's efforts to use alternative energy technology, and is supporting urban circulator projects. n248 In contrast, state and local governmental efforts generally focus on planning issues and changing cultural expectations. For instance, smaller-scale governments often work to make urban growth plans more sustainable and to promote and fund creative ride-sharing programs. n249 The primary manner in which these sets of policies come together is through efforts to implement federal transportation policy at state and local levels, which, under the Obama Administration, comes substantially through ARRA funded programs. n250

The overall skews in this policy area toward the smaller-scale, horizontal, and bottom-up have their advantages. They ensure that the levels of government with the greatest competence to address the policies which most affect how people use their cars--often, land use and planning issues--are able to make the individualized choices which will work in their respective jurisdictions. As Janet Levit and I have explored, Portland and Tulsa both are making strides on reducing emissions, but how that translates in their local contexts differs greatly. n251

#### States are doing P3s now and innovating at it – acquiring investor support

**Riggs, ’12** [May 9, 2012, Trisha Riggs, “Infrastructure 2012 Highlights Innovation”, <http://urbanland.uli.org/Articles/2012/Spr12/RiggsInfra>]

Constrained public budgets and a growing recognition at the local level of the importance of infrastructure- combined with lack of action at the federal level-are causing states, regions and cities across the U.S. to seek innovative infrastructure approaches and solutions. Local governments are utilizing a range of strategies, including ballot measures taken directly to the public, increased utilization of technology and pricing, and public-private partnerships, according to Infrastructure 2012: Spotlight on Leadership, released today by the Urban Land Institute (ULI) and Ernst & Young LLP.

This year's report looks at an overall decline in infrastructure funding globally, and it focuses on funding solutions underway in the U.S. Even as efforts to increase infrastructure revenues at the federal level remain stalled, states and localities are looking at other ways of overcoming fiscal woes in an effort to move forward with projects that can lay the foundation for economic growth. State and local governments are funding critical infrastructure building or refurbishment needs with increased sales or gas taxes, bond issues, and user fees, including tolls. Public-private partnerships are a growing part of the equation.

Infrastructure 2012 notes that in many localities, people are voting to raise taxes for infrastructure investment -- from 2008 through 2011, ballots allocating funds to transit capital or operations had a 73 percent success rate. More than a dozen states have raised fuel taxes over the past year, and drivers nationwide are accepting higher tolls for roads and bridges. Local governments are taking advantage of tax increment financing and special assessment districts as well as public-private partnerships, while exploring alternative sources of private investment such as sovereign wealth funds and pension plans.

The study highlights six case studies showing how local and regional governments are moving forward with much-needed infrastructure investments such as transit, ports, bridges, roads, parks, and water supply. "Global economic competitiveness demands new kinds of regional entrepreneurship," the report states, noting that each of the case studies can provide insight and inspiration for other localities seeking infrastructure solutions.

The examples cited:

North Carolina's Research Triangle is raising local funds for a planned regional transit system spanning three counties. In late 2011, one of the three counties (Durham) passed a ballot referendum to fund its portion of the system; now the other two must follow suit. Ballot measures also are being used in Oklahoma City, which has achieved success with bundling proposed civic projects into short-term, focused packages and subjecting them to a vote. The city's third Metropolitan Area Projects initiative passed in late 2009 and is generating $777 million for downtown parks and other civic infrastructure. In Los Angeles, strong leadership from public officials and grass-roots campaigning supported a $40 billion ballot initiative, Measure R, to fund critical transportation investments. In northeastern Illinois, a broad regional effort has produced a new plan to ensure future water supply. In San Francisco, a cutting-edge parking program uses new technology and pricing to better manage the city's parking resources, encourage transit use, and achieve environmental goals. In New England, the "Knowledge Corridor" brand provides a regional hook that is being leveraged by leaders of two states to build a more sustainable, transit-oriented future.

The report calls out New York City as a national infrastructure innovator, citing its investments in the World Trade Center transit hub, the long-awaited Second Avenue subway, the Long Island Railroad tunnel under the East River into Grand Central Station, and planned replacement of the Goethals and Tappan Zee Bridges. Chicago is also taking a new infrastructure investment tack, with its aggressive $7.2 billion Building a New Chicago plan and the Chicago Infrastructure Trust.

### Coordination Solvency

#### Interstate HSR cooperation is feasible and solves coordination issues – Midwest corridor proves

**ENS, ’09** [July 27, 2009, Environment News Service, “Midwest Governors Coordinate to Seek High Speed Rail Funding”, <http://www.ens-newswire.com/ens/jul2009/2009-07-27-095.html>]

CHICAGO, Illinois, July 27, 2009 (ENS) - At the Midwest High Speed Rail Summit today in Chicago, an agreement was struck between eight states to work cooperatively to achieve Recovery Act funding to develop the Chicago Hub High Speed Rail Corridor - also called the Midwest corridor. Midwest governors and rail executives were hosted by Illinois Governor Pat Quinn, U.S. Senator Dick Durbin of Illinois and Chicago Mayor Richard Daley. "We are stronger working as a region than we are individually, and I want to thank the other Midwest governors for their cooperation and commitment," said Governor Quinn. "We are determined to take full advantage of federal recovery funds and bring high speed rail to Illinois and the Midwest. Today's agreement will help make our vision a reality." The governors envision a nationwide network including a Chicago hub that would connect trains traveling up to 110 miles per hour serving cities across the region, along with connections to adjoining regional corridors. This plan reflects the proposals advanced earlier this year by President Barack Obama and U.S. Transportation Secretary Ray LaHood. Under the Recovery Act, President Obama has made $8 billion available nationwide for high speed passenger rail, the largest investment that the federal government has made in over a decade. Five governors attended the summit - Iowa Governor Chet Culver; Wisconsin Governor Jim Doyle; Michigan Governor Jennifer Granholm and Ohio Governor Ted Strickland, as well as Illinois Governor Quinn. Eight Midwest states signed the Memorandum of Understanding including Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin. The agreement signed today establishes a Midwest steering group to provide a single voice in support of the region's collective high speed rail priorities. The steering group will coordinate each state's individual applications and advocacy to the Federal Railroad Administration for Recovery Act funding. "The Midwest Corridor is a one-of-a-kind partnership that will create jobs for Michigan workers, enhance transportation options for citizens, and provide significant economic development opportunities for communities," said Governor Granholm. "I am pleased that the Obama administration recognizes the importance of this regional initiative and the extensive planning that has already been done to prepare for this opportunity." "Expanding passenger rail service in Iowa is one of my administration's top transportation priorities," said Governor Culver, who ended his 14-city train tour across western Iowa at the Midwest High Speed Rail Summit. "Reconnecting some of Iowa's largest cities such as Dubuque, Iowa City and the Quad Cities � to Chicago will add to our state's economic success," said Culver, "and as governor I appreciate the opportunity to work with Governor Quinn on this important regional issue." Mayor Daley signed the agreement on behalf of the City of Chicago. "A nationwide network of high speed rail with Chicago as hub is a vital component of the new economy that will emerge from this recession, Daley said. "High speed rail will help us in the challenging task of bringing new businesses, new industries and new opportunities to our region to create new jobs, not just replace those that have already been lost." The Midwest corridor will connect cities throughout the region with frequent and reliable high speed and conventional intercity rail service. "We can make high speed rail a reality in Illinois and the Midwest," said Senator Durbin. "I want our region to continue to lead the nation in preparing for a high speed rail network. This network will create jobs, ease traffic congestion and reduce our dependence on foreign oil."

#### Coordination solve all planning issues

Puentes, ’10 [April 9, 2010, “Intermetropolitan Passenger Rail: Considerations for State Legislators”, Written testimony of Robert Puentes Senior Fellow and Director, Metropolitan Infrastructure Initiative @ Brookings Institution, Presented before National Conference of State Legislators Transportation Committee, http://www.ncsl.org/documents/transportation/RPuentes040910.pdf]

The next point is that if a particular corridor extends beyond individual state borders, close coordination—both formal and informal—with your neighbors is essential. More than just backroom deals, these are lengthy relationships that bear real fruit in the form of finalized plans, environmental reviews, and dedicated shared funding agreements. This appeared to have been a significant advantage for those who received ARRA funding and a hindrance for those who did not as, by design, several of the award‐winning corridors involved multi‐state compacts. For example, the eight‐state Midwest Regional Rail Initiative was established as far back as the mid‐ 1990s. In consultation with the federal government, the states worked to develop a rail plan that was released in 1998 and updated in 2004. Last summer, the eight governors, along with the mayor of Chicago, signed a Memorandum of Understanding in anticipation of joint applications for ARRA funding that laid out plans for collective high‐speed rail priorities and planning. Partly as a result, the projects in and around the Chicago hub received nearly as much funding ($2.16 billion) as did California ($2.34 billion.) Similarly, the Virginia‐North Carolina Interstate High‐Speed Rail Commission, created in 2001, agreed to recommend to its respective parent legislatures the enactment of an interstate rail compact. Both state legislatures passed laws establishing the Compact in 2004. The North Carolina—Virginia corridor received a total of $620 million spread among three investments.

### Investors Solvency

#### States can do P3s and assuage private investor concerns

**NGA, ’09** [January 2009, THE NATIONAL GOVERNORS ASSOCIATION (NGA), founded in 1908, is the instrument through which the nation’s governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories, and two commonwealths. “Innovative State Transportation Funding and Financing”, <http://www.nga.org/files/live/sites/NGA/files/pdf/0901TRANSPORTATIONFUNDING.PDF>]

With PPPs, there are correlations between how much risk the public sector is shifting and the rate of return private operators will expect. The bottom line for states and for users, however, is that nothing in a PPP offers states new revenue. While PPPs can offer access to capital, it is with the expectation that private partners will see a rate of return likely through user fees. States can work with private sector partners to craft agreements whereby the state shares in profits or caps private sector profits at a certain point. However, in order to receive attractive bids, the private sector will want to see the opportunity for a stable rate of return. Clearly defining and communicating objectives and roles and providing a forum for substantial public input can increase public acceptance and improve PPP arrangements. States are taking steps to address these concerns, and with each new concession agreement, policymakers have the ability to incorporate lessons learned and inform the structure of subsequent deals. The Indiana and Chicago PPPs are providing project experience that other states such as Utah and Pennsylvania and metropolitan areas such as Houston, Texas, are studying as they pursue their own PPP initiatives.

#### Texas proves

 **Reddy, ’08** [BINA REDDY, “THE HARD ROAD: NEPA REVIEW OF THE TRANS-TEXAS CORRIDOR AFTER SEP-15 AND SAFETEA-LU § 6005”, 38 Tex. Envtl. L.J. 125, Lexis Nexis]

The Trans Texas Corridor is an all-Texas transportation network of corridors up to 1,200 feet wide. The corridor will include separate tollways for passenger vehicles and trucks, high-speed passenger rail, high-speed freight rail, commuter rail, and a dedicated utility zone. The concept includes separate lanes for passenger vehicles (three lanes in each direction) and trucks (two lanes in each direction). The corridor also would contain six rail lines (three in each direction): one for high-speed rail between cities, one for high-speed freight rail, and one for commuter and freight rail. The third component of the corridor would be a protected network of safe and reliable utility lines for water, petroleum, natural gas, electricity, and data. n21

Unsurprisingly, all this is going to be extremely costly. Texas cannot afford the TIC bill using its current gasoline tax, and Governor Perry is adamantly against increasing the tax. n22 TxDOT estimates that it needs $ 86 billion more than currently available to meet "Texas' mobility challenge." n23 To pay for this enterprise, Texas is planning to make use of public-private partnerships (PPP). A PPP is a contractual agreement between a public agency and private sector entity that provides for more private sector participation in transportation projects. n24 TxDOT's website for the TIC states that the government "does not have all the answers to the transportation challenges facing Texas and needs the innovation of the private sector." n25 The hope is that the private sector will bring both innovation and a very large pocketbook to the TIC. In recognition of this need, a new chapter in the Texas Transportation Code was added in 2003 to authorize the use of PPPs. n26

B. PUBLIC-PRIVATE PARTNERSHIPS (PPP)

Typically, the use of PPPs involves charging citizens for public services (i.e., toll lanes) in order for a private sector entity to realize a return on its investment. It is this [\*129] feature of the TIC that has received the most media attention. n27 Texas has traditionally paid for its roads through a gasoline tax, and many groups vehemently oppose converting to tolls on Texas roads, particularly if the profits are going to foreign companies. n28

In 2006, TxDOT signed a deal to develop the first leg of the corridor, TTC-35, with Cintra-Zachry. n29 Cintra-Zachry is a joint venture between Madrid-based Cintra, and San Antonio-based Zachry. n30 The contract provides an investment of $ 6 billion for Cintra-Zachry to design, construct, and operate a toll road between Dallas and San Antonio as the first portion of TTC-35. n31 Cintra-Zachry will also pay $ 1.2 billion for operating the Dallas-San Antonio segment as a toll facility that Texas may use to fund other projects along the I-35 corridor. n32 Cintra-Zachry is also authorized to begin a master development and financial plan for a new system of roads, rail, and utilities at a cost of $ 3.5 billion. n33 Finally, the contract also includes options for Cintra-Zachry to fund a road connecting San Antonio to State Highway 130, a $ 1.5 billion project that is currently under way. n34

## Gas Tax CP

**Gas tax solves consumption and the economy – it also results in infrastructure investment**

**Ebinger 6/11**/12 – An energy policy advisor to over 50 governments on restructuring their state-owned energy sectors, privatization and the creation of regulatory regimes, former professor of electricity economics at Johns Hopkins, named a "Nuclear Energy Expert" by the Nuclear Energy Institute (Charles, Brookings, “Five Major Energy Problems the Next President Has to Face”, http://www.brookings.edu/research/papers/2012/06/11-energy-climate-ebinger-avasarala)

While President Obama has enacted new stringent vehicle efficiency standards, to be implemented by 2017, one other major policy tool would help curb demand: a gasoline tax. Given the extent to which the transportation sector is dependent on gasoline, a gasoline tax would help reduce not only consumption but also the deficit. In addition, it would provide an incentive to develop alternative fuels and could even be used for investment in mass transit infrastructure.