# \*\*\*Neg\*\*\*

# \*\*\*AT Economy\*\*\*

## No Economic Stimulus

#### No short-term stimulus effect –HSR will take decades to complete

Stegemeier 10 – Retired Chairman and CEO of Unocal (Richard, “Richard Stegemeier: High-speed rail economics bleak,” Feb 15, http://www.ocregister.com/articles/speed-234453-high-rail.html)

High-speed ***rail*** *is a wonderful concept because it uses electricity and* ***c***ould reduce our dependence on fossil fuels sometime in the distant future. But it's also far more expensive than commercial airlines and will require a new source of electricity *from solar, wind or nuclear power. The president assures us there will be no pork in the $3.8 trillion federal budget for 2011. That may be true if we ignore the proposed $2.3 billion high-speed-rail grant for California. An undetermined amount of that money would be spent as a down payment on a $42.6 billion proposal to connect Anaheim with House Speaker Nancy Pelosi's San Francisco and Los Angeles with Senate Majority Leader Harry Reid's Las Vegas. That's an "oink-oink" if I ever heard one. I can understand the Las Vegas high-speed link to accommodate the thousands of Californians who want to flee to Nevada to escape California's high taxes.* High-speed rail as part of a short-term economic stimulus package is nonsense if it takes a decade or two to build. The environmental impact statement itself will take years***. Acquiring 680 miles of right-of-way will be***contested in thousands of eminent domain lawsuits and will take at least a decade to complete. *If high-speed rail serves intermediate cities then it will increase travel time, create noise and interrupt traffic flow at thousands of intersections. If it bypasses smaller cities to gain the advantage of speed, then it serves only the end terminals and disadvantages everyone in-between.*

#### No major economic boom – job estimates assume freight rail and don’t account for increased taxpayer subsidies

Staley 9 – Director of Urban Growth and Land Use Policy for Reason Foundation, (Sam, “Why High-Speed Rail Fails as a Jobs Program,” August 18 ,http://reason.com/archives/2009/08/18/why-high-speed-rail-fails-as-a)

Of course, rail proponents argue that spending money now on high-speed rail is a long-term investment *that will pay off in higher economic productivity over the long-haul.* ***But these*** job creation and income estimates they use are based on spending for freight rail, not passenger rail*. Freight rail in America is a crucial part of our transportation infrastructure, accounting for 43 percent of the shipment of goods and services from one city to the other. Thus, investments in freight rail have a direct impact on the bottom line for American businesses, increasing the speed and reliability of goods shipment and improving productivity.* Passenger rail in the U.S. is a different story. Passenger rail currently carries a very small portion of city-to-city travel*—the market targeted by high-speed rail—and it's likely to remain modest well into the future. In 2008, Amtrak carried 28.7 million passengers. By comparison, there were 687 million airline passengers in 2008, in part because air service provides frequent high-speed travel to geographically distant cities.* Then there's our well-developed highway network that makes automobiles very competitive with rail for distances under 200 miles*.* ***In most cases****,* once travel and wait times to train stations are factored in, travelers will spend as much time in route on the train as they will in a car*. Consider a trip from Los Angeles to San Francisco, or Chicago to St. Louis, for a typical high-speed train traveler. You'll likely have to drive to the train station and pay to park. Once arriving in downtown St. Louis or San Francisco, you will likely have to take a taxi or rent a car to get to your hotel or meeting place (which is likely to be outside the central business district). The reliable, diverse, and nimble transit system that many advocates envision surrounding high-speed rail stations simply doesn't exist in most cities today, limiting the appeal of trains.* ***To compensate for these disadvantages, taxpayers***will have to steeply subsidize train ticket prices for the business travelers and tourists that are most likely to use them. Ultimately, high-speed rail's impacts on American travel patterns and employment productivity are going to be negligible, and the actual job creation potential for high speed rail is much more modest than proponents admit*. Take, for example, the Ohio Hub corridor linking Cincinnati, Cleveland, Columbus, and Toledo to regional destinations such as Chicago and Toronto. Ohio is one of the nation's largest state economies, employing 5.3 million people. As an old-line manufacturing state, Ohio has lost 300,000 jobs just in the past year. Needless to say, Ohioans will be attracted to the optimistic rhetoric of rail's job creation potential. Moreover, preliminary estimates by independent consultants suggest the Ohio Hub may actually cover its annual operating costs (although supporters are counting on the federal government covering 80 percent of capital costs of the $3.7 billion project). Yet, even with these federal subsidies the consultant reports suggest that a $2.3 billion investment in building the rail corridor would generate only 54,540 jobs over the projected nine-year construction phase. That works out to 2,635 jobs per year at a cost of $42,170 per job. Further analysis found 16,700 permanent jobs would be created by the system once the system was up and running, assuming optimistically that ridership reaches forecasted levels and fares are set to cover its operating costs. While that might seem like a lot of jobs, the effort will do little to stem the economic tide turning against Ohio and other states facing the headwinds of global competition and a rising services-based economy.* For transportation investments to have a meaningful economic impact, they will need to cost-effectively improve America's ability to move goods, services, and people from one place to another. High-speed rail doesn't do that. It is an extremely costly way to achieve limited portions of these goals, and it inevitably fails as a broad-based solution to the country's transportation challenges.

## No Reduction in Road Congestion

#### HSR does not have a perceptible impact on road traffic- Japan proves

**O’Toole 9** (senior fellow at the Cato Institute “High-speed rail is expensive and inefficient” http://www.illinoispolicy.org/news/article.asp?ArticleSource=1256 7/30/09) CANOVA

Moderate-speed trains whose average speeds are 60 to 75 mph are not going to relieve highway congestion. Even California predicts that its true high-speed trains will take only 3.8 percent of traffic off of parallel roads. Since traffic grows that much every two years, high-speed rail is an extremely costly and ineffective way of treating congestion. High-speed trains in Europe and Japan may be attractive to tourists, but neither have stopped the growth in auto driving. Residents of Japan travel as much on domestic airlines and almost as much by bus as by high-speed rail, and they travel by car 10 times as many miles per year as by high-speed rail. "Not a single high-speed track built to date has had any perceptible impact on the road traffic carried by parallel motorways," says Ari Vatanen, a member of the European Parliament. The average residents of Japan and France ride high-speed rail less than 400 miles a year.

#### HSR would only divert a small number of passengers at best – nonpartisan study proves

**NCPA 10** (the National Center for Policy Analysis is a conservative think tank. “Calif. Rail Project Is High-Speed Pork” http://www.ncpa.org/sub/dpd/index.php?Article\_ID=20001 Nov 4 2010) CANOVA

High-speed trains connecting major cities are a perfect example of wasteful spending masquerading as a respectable social cause. In reality, they would further burden already overburdened governments and drain dollars from worthier programs, says Robert Samuelson. Let's suppose that the Obama administration gets its wish to build high-speed rail systems in 13 urban corridors. The administration has already committed $10.5 billion, and that's just a token down payment. California wants about $19 billion for an 800-mile track from Anaheim to San Francisco. Constructing all 13 corridors could easily approach $200 billion. Most (or all) of that would have to come from government at some level. What would we get for this huge investment? Not much. Here's what we wouldn't get: any meaningful reduction in traffic congestion, greenhouse gas emissions, air travel, oil consumption or imports, says Samuelson. High-speed intercity trains (not commuter lines) travel at up to 250 miles per hour and are most competitive with planes and cars over distances of fewer than 500 miles. In a report on high-speed rail, the nonpartisan Congressional Research Service examined the 12 corridors of 500 miles or fewer with the most daily air traffic in 2007. Los Angeles to San Francisco led the list with 13,838 passengers; altogether, daily air passengers in these 12 corridors totaled 52,934. If all of them switched to trains, the total number of daily airline passengers (about 2 million) would drop only 2.5 percent, and any fuel savings would be less than that. High-speed rail would subsidize a tiny group of travelers and do little else. With governments everywhere pressed for funds, how can anyone justify a program whose main effect will simply be to make matters worse?

# \*\*\*AT Oil\*\*\*

### Imports Falling Now

**US oil imports falling now – DOE expects moderating trend to continue**

**Dogget 11,** energy correspondent for Reuters, (Tom, “ U.S. relies less on oil imports to meet fuel demand: government”, Reuters, May 25, 2011, <http://www.reuters.com/article/2011/05/25/us-usa-oil-imports-idUSTRE74O78R20110525>)//AG

WASHINGTON (Reuters/Tom Doggett) - U**.S. dependence on imported oil fell below 50 percent in 2010 for the first time** in more than a decade, **thanks** in part **to** **the** **weak** **economy** **and** more **fuel efficient vehicles**, the Energy Department said on Wednesday. **The department's Energy Information Administration said it expected the moderating trend in U.S. oil-import dependency** **to continue through the next decade due to improvements in energy** **efficiency and even higher fuel economy standards**. The new data could undercut efforts by Republican lawmakers to expand offshore oil drilling to reduce oil imports, and support the position of the Obama administration and environmental groups that higher mileage requirements for cars and trucks would help cut dependence on foreign oil. **Imports of crude and petroleum products accounted for 49.3 percent of U.S. oil demand last year,** **down from the recent high of 60.**3 percent in 2005. It also marked the first time since 1997 that America's foreign oil addiction fell under the 50 percent threshold. "This decline partly reflects the downturn in the underlying economy after the financial crisis of 2008," the EIA said in its weekly review of the oil market. Increased domestic production of ethanol and other biofuels that are blended with gasoline and consumer purchases of more fuel efficient vehicles also slashed the need for oil imports, according to the EIA. **Crude oil production**, especially in the deep waters of the Gulf of Mexico, **increased** by 334,000 barrels per day (bpd) between 2005 and 2010, which **also cut into foreign oil purchases. U.S. demand for gasoline, jet fuel, heating oil and other petroleum products** that were processed from crude oil **dropped** **by 1.7 million bpd** to 19.1 million bpd in 2010 from 20.8 million bpd in 2005. At the same time, U.S. exports of petroleum products more than doubled to a record 2.3 million bpd last year from 1.1 million bpd in 2005. "Nowhere have U.S. product exports increased more than in the Americas, including Mexico, Canada, Central and South America and the Caribbean, thanks to economic and population growth and inadequate refining capacity in those countries," the EIA said. As a result, U**.S. net imports of refined petroleum products fell last year to their lowest level** since 1973, when the government began collecting such data.

## HSR Still Uses Oil

#### No significant reduction in oil – electric trains still rely on fossil fuel

**Tutton 11** (Mark is a staff writer for CNN.com, a credible news source. “How green is high-speed rail?” http://www.cnn.com/2011/11/18/world/how-green-is-hsr/index.html Nov 19, 2011)

The UK is currently mulling over a high speed rail link between London and Birmingham, a city about 160 kilometers north-west of the capital. But according to official estimates, is unlikely to lead to significant carbon dioxide cuts -- and may even increase climate-changing emissions. So what's stopping high speed rail being a major part of a greener transport future in Britain? 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.

## Can’t Reduce Cars

#### **High speed rail can’t get cars off the road**

O’Toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

The experiences of cities that have adopted these policies reveal two things. First, such policies do not significantly reduce driving. Second, the policies impose very high costs on the cities and urban areas that adopt them.Within the range of densities found in American urban areas, density alone has trivial effects on the amount of driving people do. Statistically, the correlation between changes in urban densities and changes in per-capita driving is very low, and to the extent there is a correlation, a doubling of urban densities reduces per-capita driving by just 3.4 percent. Nor do so-called transit-oriented developments—high-density, mixed-use developments near transit stations—significantly reduce driving. To the extent that people living in these developments drive less than others, it is because those people want to drive less so they decided to live near a transit line. After that market has been saturated, however, people living in such developments tend to drive as much as anyone else. Surveys have found that people living in Portland-area transit-oriented developments do not use transit significantly more than people in other Portland neighborhoods. Similar results have been found with transit-oriented developments in other cities. The failure of these policies to have much of an effect on driving might not be important were it not for the fact that the policies impose huge costs on urban residents. Numerous surveys show that the vast majority of Americans say they want to live in a single-family home with a yard. Yet livability policies deliberately make this housing unaffordable to low- and even middle-income families. Indeed, the housing bubble that led to the recent economic crisis was almost exclusively in states and urban areas that use smart growth or some other form of growth-management planning. Not coincidentally, a similar property bubble led to Japan’s economic crisis in 1990. The administration’s livability policies are likely to make America’s next housing bubble even worse than the recent one.

# \*\*\*AT Warming\*\*\*

## Energy Efficiency Turn

**Turn: HSR will be less energy-efficient and more polluting than driving**

**O’Toole 9** (senior fellow at the Cato Institute “High-speed rail is expensive and inefficient” http://www.illinoispolicy.org/news/article.asp?ArticleSource=1256 7/30/09) CANOVA

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. Steven Polzin of the University of South Florida's Center for Urban Transportation Research points out that autos and buses have relatively short life cycles, so they can readily adapt to the need to save energy or reduce pollution. Rail systems "may be far more difficult or expensive to upgrade to newer, more efficient technologies," Polzin adds. If automakers meet Obama's fuel-efficiency standards, autos will be more than 30 percent more efficient in 2025 than they are today, so high-speed rail actually will be wasting energy. People who want to save energy should encourage the state to relieve the traffic congestion that wastes nearly 3 billion gallons of fuel each year. Traffic signal coordination and other low-cost techniques can do more to relieve congestion and save energy than high-speed rail, and at a far lower cost. An expensive rail system used by a small portion of Illinoisans is not change we can believe in. Illinois should use its share of rail stimulus funds for safety improvements such as grade crossings, not for new trains that will obligate taxpayers to pay billions of dollars in additional subsidies.

#### **HSR won’t reduce enough energy to solve their impact**

O’Toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

It is unlikely that moderate-speed train operations will save any energy at all. Such trains will mostly be Diesel-powered, and increasing speeds from 79 to 110 mph will significantly increase the energy consumption and greenhouse gas emissions of those trains. Saving energy requires that trains accelerate slowly and coast into stations rather than brake heavily, but such practices reduce the time savings offered by higher top speeds. True high-speed trains save energy by using lighter equipment, but the energy cost of higher speeds party offsets the savings from hauling less weight. Any remaining operational savings are not likely to be sufficient to recover the huge amounts of energy consumed and greenhouse gases released during construction of new rail lines. After studying high-speed rail proposals in Britain, Professor Roger Kemp of Lancaster University concluded that the construction costs dwarf any savings in operations unless the rail lines are used to their full capacity. With a round-the-clock average of just one train an hour in each direction, and no more than two trains a hour during the busiest times of day, even Amtrak’s New York-to-Washington corridor is far from full capacity. Electrically powered high-speed trains produce less greenhouse gases only if that electricity is generated from renewable power sources. Most electricity in the U.S. comes from fossil fuels, with the result that urban rail transit systems in such cities as Baltimore, Denver, Cleveland, Miami, and Washington generate as much or more greenhouse gases, per passenger mile, as driving an SUV, much less an ordinary car. It is far more cost-effective to save energy by encouraging people to drive more fuel-efficient cars than to build and operate high-speed rail. Moreover, in places that do generate electricity from renewable sources, it would be more cost-effective to use that electricity to power electric or plug-in hybrid cars than high-speed rail.

## Construction Turn

#### HSR’s reduction in CO2 is small and may take decades to compensate for the emissions caused by construction

**Albalate 12**, assistant professor of economics at the University of Barcelona, (Daniel, “ High-Speed Rail: Lessons for Policy Makers from Experiences Abroad”, Public Administration Review, April 2009, Political Science Complete)//AG

Clearly, the overall impact of HSTs on energy consumption is heavily dependent on the source of its traffic—whether it is newly generated or attracted from previously existing modes (and, in the case of road transportation, whether it replaces cars or buses). However, **HSR is not a** particularly **useful tool for fighting carbon dioxide emissions**, **as it is less environmentally efficient than conventional modern trains**. Further, **building a new** and separate **HST line involves significant carbon dioxide emissions** that environmental **HST analyses do not take into account** (together with the environmental impact caused by land take, noise, and visual disruption). In fact, Kageson concludes, after presenting evidence comparing the environmental impact of different transport modes, that the **reduction of carbon dioxide through HSR building** **“is small and it may take decades** for it **to compensate for the emissions caused by construction** . . . Indeed, **it will take too long** fortraffi c **to off set the emissions caused by building the line.** Under these circumstances it may be better to upgrade an existing line to accommodate for somewhat higher speeds as this would minimize emissions from construction and cut emissions from train traffi c compared to HSR” (2009, 25).

#### Turn: Building HSR will harm air quality, aquatic life, and endangered species

**McClatchy 12** (“High-Speed Rail Faces Environmental Objections,” http://www.governing.com/mct-californias-high-speed-rail-faces-environmental-objections.html, June 11) CANOVA

The California bullet train is promoted as an important environmental investment for the future, but over the next decade the heavy construction project would potentially harm air quality, aquatic life and endangered species across the state's Central Valley. Eleven endangered species, including the San Joaquin kit fox, would be affected, according to federal biologists. Massive emissions from diesel-powered heavy equipment could foul the already filthy air. Dozens of rivers, canals and wetlands fed from the rugged peaks of the Sierra Nevada would be crossed, creating other knotty issues.

## Inferior to Autos/Airliners

#### HSTs empirically use as much or more energy than autos and conventional trains

**Albalate 12**, assistant professor of economics at the University of Barcelona, (Daniel, “ High-Speed Rail: Lessons for Policy Makers from Experiences Abroad”, Public Administration Review, April 2009, Political Science Complete)//AG

There has yet to be a detailed, systematic evaluation of the impact of an expanding HST network on the reduction in carbon dioxide emissions at either the aggregate or country level. However, information is available on the environmental effects of HSTs, particularly with regard to their energy consumption. According to estimates conducted by Van Essen et al. (2003), **energy consumed** (in megajoules per seat-kilometer) **by air transport is 240 percent higher than** that attributable to **HSTs**. However, **the energy consumed by HSTs is 12.8 percent higher than a petrol-driven car when traveling on the motorway, 55.9 percent higher than a diesel-driven car on the motorway, and 140.9 percent higher than an intercity train**. Similarly, a recent paper by Anderson and Lukaszewicz (2009) finds a 32 percent difference between conventional and HSR using kilowatt hours per seat-kilometer as a measure. Other estimates (Van Wee, Van den Brink, and Nijland 2003) conclude **that while energy use and emissions for HSTs are much higher than for conventional trains, they are relatively similar to those for cars and buses**. In the most favorable analysis for HSTs, conducted by García Álvarez (2007) for Spain, **HSTs and conventional trains were reported as producing similar emissions on two of the lines analyzed, while the conventional train was much more efficient on the remaining line.**

#### HSR will not be superior to cars or aviation in 20 years

Levinson 2010 (David, Fellow at the Institute of Transportation Studies, “Economic Development Impacts of High-Speed Rail, <http://nexus.umn.edu/Papers/EconomicDevelopmentImpactsOfHSR.pdf>, LCS)

*That said, remember that* real HSR *(not the short term improvements to get to 90 or 110 MPH, which may or may not be a good thing, but are certainly not HSR)* is a long term deployment, so it needs to be compared with cars 10 or 20 or 30 years hence, and the air transportation system over the same period. Cars are getting better from both an environmental perspective and from the perspective of automation technologies*. The DARPA Urban Challenge* vehicles need to be bested to justify HSR*.* Cars driven by computers*, which while sounding far off is technologically quite near,* should be able to attain relatively high speeds *(though certainly not HSR speeds in mixed traffic). Further they may move less material per passenger than HSR (trains are heavy),* and *so may* net less environmental impact if electrically powered. Aviation is improving as well, both in terms of its environmental impacts and its efﬁciency*. Socially-constructed problems like* aviation security or congestion can be solved for far less money than is required for any one high-speed rail line*.*

#### HSR claims to reduce greenhouse gases are based on highly optimistic assumptions for rail and pessimistic assumptions for autos and airlines

O’Toole 09- the director of the Independence Institute's Center for the American Dream (Randal, “The High cost of high -speed rail”, Texas Public Policy Foundation, August 2009 <http://americandreamcoalition.org/transit/HSRinTX.pdf>, CJD)

Such analyses are rarely objective*, however.* The California High-Speed Rail Authority claims that high-speed rail would save energy and reduce greenhouse gas emissions*.75* But these claims are based on highly optimistic assumptions for rail and pessimistic *assumptions* for autos and airlines*:* The Los Angeles-to-San Francisco line would *•* carry more than more than three times as many passengers in 2025 as Amtrak now carries in the Boston-to-Washington *corridor*, even though that corridor serves more people than the California corridor is expected to have in 2025*;76 Neither automobiles nor airplanes will become • more energy efficient or cleaner than they are today;77* The authority never mentions the energy and *•* pollution cost of replacing trains and reconstructing track and electrical facilities every 30 years; The authority calculates the energy cost of building high-speed rail, but not the greenhouse gas emissions*.* These assumptions are *all examples of what Danish planning professor Bent Flyvbjerg calls* “optimism bias.”*78* Such bias*, says Flyvbjerg,* typically afflicts proponents of megaprojects, *which* is why large public works *projects almost* inevitably cost more and produce smaller *benefits than* originally promised. Based on these optimistic assumptions, the authority estimates that operational energy savings will repay the energy cost of building high-speed rail in 13 years*, after which the rail line will save 11.75 trillion British thermal units (BTUs) per year.79* The rail line is also projected to save *7.5 million metric tons of carbon dioxide emissions per year, or about* 1.4 percent of the state’s projected output in 2025*.80* Even with these optimistic assumptions, high-speed rail reduces corridor transportation energy consumption by only 8.3 percent*.* This means the operational energy and greenhouse gas savings fall to zero if we assume *instead that* automobiles and airplanes are, by 2025, just 8.3 percent more energy efficient than they are today.If automakers meet Obama’s fuel-efficiency standards, autos will be more than 30 percent more efficient in 2025 than they are today, so high-speed rail will actually be wasting energy.

#### **Auto trips are as energy efficient as rail trips**

O’Toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

As an analysis by the Department of Energy concluded, “intercity auto trips tend to be relatively efficient highway trips with higher-than-average vehicle occupancy rates—on average, they are as energy efficient as rail intercity trips.” If we really wanted to save energy using mass transportation, intercity buses use far less energy per passenger mile than passenger trains. Not only are autos as energy efficient as Amtrak today, long-term trends favor autos and airlines over trains. Since 1975, airlines have cut the energy they use per passenger mile by more than half, while Amtrak’s energy efficiency has grown by just 25 percent (table 6). Automobile energy efficiencies grew rapidly when gas prices were high, more slowly when prices were low. But even when prices were low, auto manufacturers improved the energy efficiencies of engines so that the number of ton-miles per gallon continued to increase. Both the airline industry and auto manufacturers expect their energy efficiencies to continue to increase. Boeing promises its 787 plane will be 20 percent more fuel efficient than comparable planes today. Jet engine makers expect to double fuel efficiency by 2020. Automakers signed on to President Obama’s 2016 fuel-efficiency targets. If they meet those targets, the average cars and light trucks on the road in 2025 will be 30 percent more energy efficient than they are today, even if the fuel-efficiencies of new cars do not increase after 2016. If we really wanted to save energy using mass transportation, intercity buses use far less energy per passenger mile than passenger trains. Steven Polzin, of the University of South Florida’s Center for Urban Transportation Research, points out that autos and buses have relatively short life cycles, so they can readily adapt to the need to save energy or reduce pollution. Rail systems “may be far more difficult or expensive to upgrade to newer, more efficient technologies,” Polzin adds. In other words, the American auto fleet almost completely turns over every 18 years, and the airline fleet turns over every 21 years, so both can quickly become more fuel-efficient. But builders of rail linesare stuck with whatever technology they select for at least three to four decades. This means that any energy comparisons of moderate- or high-speed rail with air or auto travel must compare rails with airline or auto efficiencies in 15 to 20 years, not those today.

#### **Growing efficiencies in aircraft and cars can solve for energy**

O’toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

As a Department of Energy report concluded in 2000, “intercity auto trips tend to be relatively efficient highway trips with higher than-average vehicle occupancy rates—on average, they are as energy-efficient as rail intercity trips.” Moreover, the report added, “if passenger rail competes for modal share by moving to high-speed service, its energy efficiency should be reduced somewhat—making overall energy savings even more problematic.” This explains why the Florida High Speed Rail Authority’s analysis of a Tampa-Orlando rail line concluded that “the environmentally preferred alternative is the No-Build Alternative” because it “would result in less direct and in direct impact to the environment.” An objective analysis of other high-speed rail proposals would reach the same conclusion. Not all analyses agree with this assessment. The FRA’s high-speed rail plan claims that its trains would reduce carbon dioxide (CO2) emissions by 6 billion pounds (2.7 million metric tons) per year. This was based on an analysis by the Center for Clean Air Policy that assumed that: Auto fuel prices would remain low, leading cars in 2025 to be only a little more energy-efficient than today. Considering recent spikes in fuel prices and Obama’s new fuel-economy standards, the average car on the road in 2025 is likely to be considerably more fuel-efficient than today. The average automobile on the road carries 1.6 people. As previously noted, occupancies for intercity travel are closer to 2.4. Airline energy efficiencies would grow by 0.6 percent per year. In fact, airline energy efficiencies have grown by 3.2 percent per year since 1970. Considering new technologies now in development, there is every reason to believe that aircraft energy efficiencies will grow much faster than 0.6 percent per year. The average high-speed train in every corridor would operate at 70 percent of passenger capacity. Yet, in 2008,the average Amtrak train operated at only 51 percent of capacity; Amtrak’s moderate-speed trains in the Boston-Washington, Los Angeles–San Diego, and Philadelphia Harrisburg corridors all operated at 34 to 48 percent of capacity. These are examples of what Danish planning professor Bent Flyvbjerg calls “optimism bias.” Such bias, says Flyvbjerg, explains why large public works projects almost inevitably cost more and produce smaller benefits than originally promised. In addition, nearly 1 billion pounds of the projected annual reduction of CO2 were from the Boston-to-Washington Corridor, which is not part of the FRA plan.

## Induced Demand

#### HSR won’t significantly reduce auto trips – reduced congestion will lead to induced demand or other trips that offset any reduction

**United States Government Accountability Office, ’09** – the audit, evaluation, and investigation arm of the United States Congress (“High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role,” Report to Congressional Requesters, March 2009, p. 19, http://www.gao.gov/new.items/d09317.pdf?source=ra) // SP

The effect on highway congestion of diverting automobile travelers to high speed rail will vary based on the specific locations and times. For example, if high speed rail can divert travelers from making an intercity trip through a congested highway at peak times, then it may have a noticeable effect on traffic. Over the long term, however, whatever trips are diverted on a congested corridor to another mode of travel are likely to be at least partially replaced by other trips, since the reduced congestion from diversion makes it easier to travel—a phenomenon known as “induced demand.” Nonetheless, given the great number of trips by car, the diversion of a small percentage of automobile travelers to high speed rail could have a significant impact on the number of high speed rail riders, and result in benefits arising from increased capacity in the transportation system and thus more trips being carried. For example, in Japan, a survey on a recently developed high speed rail line showed that 21 percent of riders on a new high speed rail line diverted from the automobile mode. Similarly, in studies conducted for California’s proposed statewide high speed rail system, over 40 percent of forecasted riders are projected to be diverted from automobile travelers, but the high speed rail line will only reduce automobile travel by an estimated 7 percent.

# \*\*\*AT Solvency\*\*\*

## Other Countries Not Analogous

#### Other countries’ HSR systems are not analogous – auto travel is significantly more expensive in places like Japan

**United States Government Accountability Office, ’09** – the audit, evaluation, and investigation arm of the United States Congress (“High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role,” Report to Congressional Requesters, March 2009, p. 20, http://www.gao.gov/new.items/d09317.pdf?source=ra) // SP

In the countries we visited, automobile travel also tends to be significantly more expensive than in the United States, resulting from tolls on intercity roads and higher gas prices and taxes, which makes high speed rail a more cost-competitive option.20 For example, according to Japanese government officials, to drive between Tokyo and Osaka—a distance of approximately 318 miles by automobile—can cost almost $200 each way, including over $90 in tolls, and between $70 and $105 in fuel costs, depending on the fuel economy of the vehicle (in August 2008, the average price of gasoline in Japan was $6.50 per gallon).21 This cost compares with a high speed rail fare of about $130 per passenger. By comparison, to travel one-way between Los Angeles and San Francisco by automobile, a distance of 432 miles, will require a $4 toll to cross the Bay Bridge, and roughly $25 to $40 in fuel costs (on Jan. 27, 2009, the average price of gasoline in California was $2.10 per gallon, although at gas prices over $4 per gallon, at which they were recently, fuel costs could be over $80 and could rise over the long term). This cost compares with an average air fare of about $108, and the California High Speed Rail Authority is anticipating a high speed rail fare of about half the air fare, or about $60 in this example

#### U.S. cannot extrapolate from the adoption of HSR in other countries – regions were more densely populated and rails were already overcrowded

**Peterman, Frittelli, and Mallett ‘09** –Analyst in Transportation Policy, Specialists in Transportation Policy, from the Congressional Research Service- prepares information for members and committees of Congress (“High Speed Rail (HSR) in the United States” CRS Report for Congress, December 8 2009, p. 6, http://www.fas.org/sgp/crs/misc/R40973.pdf) // SP

Proponents of HSR often cite the networks in these countries, with the implication that their adoption of HSR makes the feasibility and desirability of building HSR lines in the United States unquestionable. But to extrapolate from the adoption of HSR in other countries to the conclusion that the United States should follow a similar path may not be warranted. The motives that led other countries to implement very high speed rail lines are varied; some, like Japan and China, did so originally in part to meet the demand on already overcrowded conventional rail lines, while others did so in part to try to preserve rail’s declining mode share in the face of the growing role of car and air travel. In most cases, the regions served were more densely populated than most areas in the United States.

#### Other countries’ HSR systems are not analogous – they have higher population densities, smaller land areas, lower levels of car ownership, higher gas prices

**Peterman, Frittelli, and Mallett ‘09** –Analyst in Transportation Policy, Specialists in Transportation Policy, from the Congressional Research Service- prepares information for members and committees of Congress (“High Speed Rail (HSR) in the United States” CRS Report for Congress, December 8 2009, p. 7, http://www.fas.org/sgp/crs/misc/R40973.pdf) // SP

The relative efficiency of HSR as a transportation investment varies among countries, as its level of usage is likely to depend on the interplay of many factors, including geography, economics, and government policies. For example, compared to the United States, countries with HSR have higher population densities, smaller land areas, lower per capita levels of car ownership, higher gas prices, lower levels of car use (measured both by number of trips per day and average distance per trip), and higher levels of public transportation availability and use. Also, there is a significant difference in the structure of the rail industry in these countries compared to the United States. In virtually all of those countries, high speed rail was implemented and is operated by state-owned rail companies that operate over a state-owned rail network, a network on which passenger rail service was far more prominent than freight service even before the introduction of high speed rail. By contrast, in the United States the rail network is almost entirely privately owned, and freight service is far more prominent than is passenger service. Yet even with the introduction of HSR, and with other factors that are more conducive to intercity passenger rail use than in the United States, in most of these countries intercity rail travel (including both conventional and high speed rail) represents less than 10% of all passenger miles traveled on land.18

#### U.S. and Europe and too different for HSR to be successfully replicated

**McKendrick, ’10** - independent analyst who tracks the impact of information technology on management and markets. He is the author of the SOA Manifesto and has written for Forbes, ZDNet and Database Trends & Applications (Joe, “High-Speed Rail Helps the European economy; Can it Help the US?”, smartplanet.com, 3/10/10, <http://www.smartplanet.com/blog/business-brains/high-speed-rail-helps-european-economy-can-it-help-the-us/5423)//AY>

However, the impressive impact of high-speed rail across the European continent may not be seen as widely across North America. For one, the residents of European nations have always been more closely tied to their rail systems as primary transportation networks.  In the US, the Amtrak system has been a bare-bones system connecting major hubs, but rarely seen outside the Northeast corridor as a significant mode of transportation. European cities are denser and more centralized than North American cities, and therefore more in reach of train stations. Over the past 50 years, North American urban areas have decentralized to the point where residents are scattered across areas up to a hundred miles in distance from urban or suburban cores.

#### **Europe and Japan are not analogous – land uses are denser, cities are closer together, and regulated transportation sectors were less competitive**

Levinson et al 1997 (David, Fellow at the Institute of Transportation Studies, “The full cost of high-speed rail: an engineering approach”, <http://128.101.119.3/Courses/Cases/CE5212/F2009/CS2/cba.pdf>, LCS)

It is doubtful that without considerable subsidy high-speed rail could be constructed, much less profitable *in California.* These subsidies are anticipated to be higher than *those* required *in other countries.* **The conditions in Europe and Japan during the early stages of high-speed rail are significantly different than most parts of the United States. Land uses are denser and cities are closer together.** *Furthermore, constraints on federal spending in the 1990’s hinder the development of new infrastructure.* **A last key distinction is that the regulated transportation sectors in Japan and Europe prevented competition from air travel to the same degree as in the United States when the HSR lines were planned and deployed. Had air travel been deregulated and privatized at the time, the decision to proceed with high-speed rail, particularly in Europe, may have been different***. As an illustration of this, Southwest Airlines is a major opponent of high-speed rail in Texas (Krumm 1994). As with all rail modes, there is a significant amount of inflexibility associated with the system design.* The high-speed networks are limited, and the rails require very specific vehicles. Compared with the greater flexibility afforded the untracked air travel system or the ubiquitous highway system, high-speed rail faces serious difficulties*. However, should such a system be built, it can be expected to increase the commuter sheds of both the San Francisco Bay area and Los Angeles to include Central Valley cities. A one hour commute, while on the long end of acceptable, would now be much farther away through the use of lo- cal high-speed trains. On the other hand,* total travel between the two metropoles would likely increase very little, since the time and cost savings of even non-stop high-speed rail against the existing frequent air service from the three Bay area and five Los Angeles airports are minimal*.*

## HSR Indebted

#### China’s HSR program is an empirical failure – it’s heavily indebted and 70% of its projects have been suspended

**Moore 2/21,**  the Telegraph's Shanghai correspondent and business reporter, (Malcolm, “ China's high-speed rail project, the jewel of the country's transport policy and one of the most impressive feats of engineering in the world, has run out of money and will be scaled back dramatically this year”, the Telegraph, February 21, 2012, http://www.lexisnexis.com.proxy.lib.umich.edu/lnacui2api/results/docview/docview.do?docLinkInd=true&risb=21\_T14984084303&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29\_T14984084307&cisb=22\_T14984084306&treeMax=true&treeWidth=0&csi=389195&docNo=25)//AG

**Out of 23 current railway projects, some 70 per cent have been suspended**, partly suspended, or delayed, according to the Chinese state media. Meanwhile, an unnamed source told Dow Jones, the news agency, that **only nine new railways would be commissioned this year, compared to 70 last year. Having run up enormous debts**, the **Chinese Railways** ministry **is struggling to persuade banks to continue to finance its ambitions. Ticket** **sales**, meanwhile, **have been slow on some lines** as travellers baulk at the price. "**The ministry** cannot bear so much debt. It **has already taken 240 billion yuan** (£24 billion) **of loans** and if it takes much more **how can it pay the interest**?" said Wang Mengshu, a member of the Chinese Academy of Engineering and senior consultant on the high-speed rail project. "**It can make profits of about 70 billion yuan on freight, but it is making no money on passenger travel.** The government should cancel some of the debt, or invest some money itself rather than asking the banks to finance it," he added. "A lot of projects are half-finished and while nine new lines have been approved this year, no one has started building them." By the end of this year, China's high-speed network is likely to stretch to over 6,000 miles, transporting hundreds of millions of passengers in spacious long-nosed bullet trains. The 819-mile journey from Beijing to Shanghai, more than twice the distance from London to Edinburgh, now takes under five hours. At the height of the high-speed boom, **trains were being fitted with toilets that cost 1.2 million yuan** (£120,000) a **piece**, **and taps** imported from Japan that **cost 7,000 yuan,** according to an investigation by Century Weekly magazine. However, **China's high-speed rail ambitions**, which include tendering for the London to Birmingham high-speed link, **took a blow last July when two trains collided**, killing 40 and injuring almost 200 . A few months before the crash, **China's Railway minister**, Liu Zhijun **was removed from his** post **and now faces corruption charges**. Zhang Shuguang, the deputy chief engineer, who is also under investigation, reportedly paid £540,000 for a house in Los Angeles while on a monthly salary of a few hundred pounds. Questions were raised about how much of the £190 billion high-speed rail budget had been siphoned off, and whether it would have an impact on the safety of the network. In the wake of the crash, the Ministry found it increasingly expensive to borrow money, and no longer had access to the huge stimulus loans that were handed out in the wake of the financial crisis to keep the Chinese economy going.

## Existing Transport Policies Undermine

#### Failure to terminate existing policies undermines HSR

**MK: Gilbert,**; **Perl**, **2010** (Richard Anthony. Transport Revolutions : Moving People and Freight Without Oil. New York, NY, USA: New Society Publishers,. p 239. http://site.ebrary.com/lib/umich/Doc?id=10397417&ppg=239 Copyright © 2010. New Society Publishers. All rights reserved.)

Existing aviation and road development policies and programs that are not compatible with a shift away from oil-powered transport will have to be terminated, as will policies and programs that support associated land uses. The skill and effort needed to remove existing policies and dismantle established programs is far from trivial. Lack of a focus on policy termination has undermined many efforts by leaders — across the spectrum of political orientation — to change the direction of US policy. These efforts include, for example, the Carter administration’s agenda of government leadership in energy conservation of the late 1970s and the Reagan administration’s goal of replacing Social Security pensions with private alternatives in the 1980s. Failures to terminate existing policies have undermined the key priorities of more than these two presidents. One analyst noted that the political dynamics of terminating established public policies differ fundamentally from those involved in creating new policies because “…distinctive coalitions generally form on both sides… [and] termination contests are usually more bitter and harder to win than most policy adoption contests.”25

#### Continued spending on airports and roads empirically undermines transit funding

**MK: Gilbert,**; **Perl**, **2010** (Richard Anthony. Transport Revolutions : Moving People and Freight Without Oil. New York, NY, USA: New Society Publishers,. p 239. http://site.ebrary.com/lib/umich/Doc?id=10397417&ppg=239 Copyright © 2010. New Society Publishers. All rights reserved.)

Many of the previous efforts in the US to cultivate energy-efficient alternatives — including local public transport across the and intercity rail passenger improvements — have been undermined by simultaneous additions to — to change road and airport capacity, usually paid for with earmarked trust funds from fuel and other taxes. Such an approach to transport development, which some portray as “balanced” spending, is analogous to applying a car’s accelerator and brake at the same time. The result undermines the performance of both systems and eventually destroys the engine. The onset of the next transport revolutions should be most noticeable for what stops happening, namely the expansion of highways and airports. A scan of the US federal budget suggests the magnitude of resources that could then become available following such redeployment.

## Lack Personnel

#### Lack of railway personnel to manage the system prevents solvency

**U.S Department of Transportation April 2009** (http://www.fra.dot.gov/downloads/rrdev/hsrstrategicplan.pdf )(International data from: GAO report, High-Speed Passenger Rail (GAO-09-317); UIC High-Speed Department, “High-Speed Lines in the World” www.uic.asso.fr/uic/spip.php?article573; and Jane’s World Railways 2007-2008. International ridership data is from 2007, except for Germany and U.K., which are from 2005. Amtrak data from FY 2008; represents both NEC Regional (predecessor service began in 1969) and Acela services. “Train à grande vitesse” or “high-speed train.”

Lack of Expertise and Resources. The relatively small investment in passenger rail in recent decades and growing retirements of personnel throughout the rail sector have resulted in a shrinking pool of experts in the field, including engineers skilled in signal, track, and rolling stock design, along with experienced rail planners and managers. A renewed investment program will eventually bring more expertise back into the industry, but that process is likely to lag behind the need to plan, implement and manage a major new program. Moreover, the Federal and State agencies responsible for administering this effort will need to aggressively build capacity to manage their new portfolios; and the freight railroads and Amtrak will need to identify resources to support the new effort without diverting from their core operating and maintenance responsibilities.

## No Ridership

#### HSR would only divert a small number of passengers at best – nonpartisan study proves

**NCPA 10** (the National Center for Policy Analysis is a conservative think tank. “Calif. Rail Project Is High-Speed Pork” http://www.ncpa.org/sub/dpd/index.php?Article\_ID=20001 Nov 4 2010) CANOVA

High-speed trains connecting major cities are a perfect example of wasteful spending masquerading as a respectable social cause. In reality, they would further burden already overburdened governments and drain dollars from worthier programs, says Robert Samuelson. Let's suppose that the Obama administration gets its wish to build high-speed rail systems in 13 urban corridors. The administration has already committed $10.5 billion, and that's just a token down payment. California wants about $19 billion for an 800-mile track from Anaheim to San Francisco. Constructing all 13 corridors could easily approach $200 billion. Most (or all) of that would have to come from government at some level. What would we get for this huge investment? Not much. Here's what we wouldn't get: any meaningful reduction in traffic congestion, greenhouse gas emissions, air travel, oil consumption or imports, says Samuelson. High-speed intercity trains (not commuter lines) travel at up to 250 miles per hour and are most competitive with planes and cars over distances of fewer than 500 miles. In a report on high-speed rail, the nonpartisan Congressional Research Service examined the 12 corridors of 500 miles or fewer with the most daily air traffic in 2007. Los Angeles to San Francisco led the list with 13,838 passengers; altogether, daily air passengers in these 12 corridors totaled 52,934. If all of them switched to trains, the total number of daily airline passengers (about 2 million) would drop only 2.5 percent, and any fuel savings would be less than that. High-speed rail would subsidize a tiny group of travelers and do little else. With governments everywhere pressed for funds, how can anyone justify a program whose main effect will simply be to make matters worse?

#### Only a small elite will use HSR

**O’Toole 10** (senior fellow at the Cato Institute “High-Speed Rail” http://www.downsizinggovernment.org/transportation/high-speed-rail June 2012) CANOVA

Thus, the costs of a true high-speed rail system would be far higher than the costs of a medium-speed system on existing tracks, as envisioned by the Obama administration**.** To build a 12,800-mile system of high-speed trains would cost close to $1 trillion, based on the costs estimates of the California system.12 It is unlikely that the nation could afford such a vast expense, particularly since our state and federal governments are already in huge fiscal trouble. Also, consider how the costs would rise even higher once a new rail system gets underway. The 12,800-mile FRA network reaches only 42 states and only a handful of cities in those states. Every excluded state and city is represented by senators and representatives who will wonder why their constituents have to pay for a rail system that only serves other areas. And even in the 42 states in the plan, routes are discontinuous, with no high-speed links between many pairs of major cities such as New York and Chicago. Groups representing all the excluded routes would lobby for rail lines, and overall costs would balloon over time. And the costs mentioned are only the capital costs. Most high-speed rail lines wouldn't cover their operating costs, so there would have to be billions of dollars in ongoing subsidies to the system. If the ridership on an expensive new rail system was very large, the high costs would seem more reasonable. But, unlike the interstate highway system, which is heavily used by almost all Americans, only a small elite would use high-speed rail. In 2007, the average American traveled 4,000 miles and shipped 2,000 ton-miles of freight over the interstate highways.13 By comparison, total annual use of a high-speed rail system would not likely be much more than 100 miles per person. And considering the premium fares charged to ride high-speed rail, most users would likely be higher-income white-collar workers.

#### **No one will use high speed rail**

O’Toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

High-speed rail plans in other parts of the country propose similar fare premiums. Midwest train “fares will be competitive with air travel,” says the Midwest High Speed Rail Initiative. Average “fares are estimated to be up to 50 percent higher than current Amtrak fares to reflect improved services.” Few people who pay their own way will spend an extra $79 to save an hour and 25 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. Rail advocates respond that highspeed trains have an advantage over flying when adding the time it takes to get between downtowns and airports. Yet less than 8 percent of Americans work downtown. Who are they? Bankers, lawyers, and bureaucrats—high-income people who hardly need taxpayer-supported transportation. (Security screening also adds to flying time, but if any American high-speed train suffers an incident similar to the March 2004 attacks on trains in Spain, the Transportation Security Administration will probably require screening for high-speed trains as well as airplanes.) A tiny but growing number of people also live in many downtown areas, but these too tend to be wealthy or high-income people able to afford downtown property prices. In short, not only will most taxpayers have to subsidize the rides of the few who take high-speed rail, those subsidies will tend to go mainly to people who are already well off and have plenty of other mobility choices.

#### **Even a national high speed rail system won’t have enough users**

O’Toole, ’09 - American public policy analyst; 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 (Randal, “The High Cost of High-Speed Rail”, America Dream Coalition - Center for Economic Freedom Texas Public Policy Foundation, 8/09, <http://www.americandreamcoalition.org/transit/HSRinTX.pdf)//AY>

The interstates also carry half of all heavy truck traffic, which means they move about 16 percent of all freight shipped in the United States. In 2007, the average American traveled 4,000 miles and shipped 2,000 ton-miles of freight over the interstates. One reason why the interstates are so heavily used is that they go so many places. As of 2007, interstates directly served all 50 states and more than 330 of the nation’s 440 urban areas of more than 50,000 people—not to mention thousands of smaller cities and towns. This means that well over two out of three Americans live and work within a few minutes’ drive of an interstate freeway. In contrast, when combined with the existing Boston-to-Washington corridor, the FRA high-speed rail plan would reach only 33 states. Trains would stop in only 65 of the nation’s 100 largest urban areas. For most people in smaller urban areas and towns, the only access to high-speed trains would be by driving to a major city. Even many people in urban areas served by high-speed rail would be closer to airports than downtown rail stations. As a result, high-speed rail lines would move a relatively insignificant amount of passenger travel. A recent report compiling all of the often-optimistic projections of high-speed rail ridership estimated that the FRA highspeed rail lines would carry 20.6 billion passenger miles of travel in 2025—less than 2 percent of what the interstates carried in 2007. The average American would travel on the FRA system less than 60 miles a year. If the average trip is 225 miles long, the average American would take a round-trip on the FRA system only about every eight years. Since California would have very-high-speed trains, Californians would ride high speed rail more than the rest of the country, but still less than 300 miles per person per year. These low numbers are confirmed by data from France and Japan, the two nations that have invested the most in high-speed rail. Though popular with American tourists, the average residents of France and Japan ride the TGVs (train à grande vitesse) and bullet trains less than 400 miles per year. Given the greater geographic expanse and lower population densities of the United States, it seems unlikely that the nation as a whole would ever approach that level of per-capita ridership. Table 1 shows that, when the capital costs are amortized over 30 years at 7 percent interest, interstates are about 10 times more costeffective than high-speed rail. The difference is even starker when it is recognized that user pay for the interstates while general taxpayers would pay for the rail lines.

## Perl/Gilbert Takeout

#### Perl/Gilbert say plan would require a new agency, termination of existing transport programs, and a tax on oil products for roads

**MK: Gilbert,**; **Perl**, **2010** (Richard Anthony. Transport Revolutions : Moving People and Freight Without Oil. New York, NY, USA: New Society Publishers,. p 239. http://site.ebrary.com/lib/umich/Doc?id=10397417&ppg=239 Copyright © 2010. New Society Publishers. All rights reserved.)

Launching transport revolutions in the US could require three elements to steer change away from chaos and conflict. First would be establishment of an agency that can develop a detailed plan and ensure its effective implementation through financial arrangements that encourage state and local governments and the private sector to embrace redesign efforts. Second would be termination of existing programs and plans for expanding airport and highway capacity for oil-fueled mobility, and redirection of human and financial resources toward developing electric traction capabilities. Third would be a new tax on oil products used for road transport, enough initially to raise the national average pump price by about 13 cents per litre (50 cents per gallon). This tax would also be applied to fuel for domestic aviation. Future tax increases would be needed to fully fund the redesign of America’s transport infrastructure. These could be gauged subsequently, once the costs and economic impacts of America’s energy transition became apparent. The proceeds would be used in part to induce individuals and businesses to retire what could soon be “stranded assets.” These would include jet aircraft and motor vehicles that can be fueled only by petroleum products. The proceeds of the tax would also be used to stimulate private, state and local investment in electric traction infrastructure in much the way that fuel and airline ticket taxes are used now for expanding aviation and road infrastructure.

#### States will not implement HSR – Republican governors returned the federal stimulus money – and others fiscally-strapped state governments are likely to do the same

**Orski 10**, public policy consultant and former principal of the Urban Mobility Corporation, (Ken, “ Update: The Federal High-Speed Rail Program: A Post-Election Reality Check”, Infrastructure USA, November 10, 2010, http://www.infrastructureusa.org/the-federal-high-speed-rail-program-a-post-election-reality-check/)//AG

Samuelson’s blunt verdict is likely to resonate strongly in the deficit-conscious next Congress and among fiscally-strapped state governments. Recent events bear this out. Two newly elected Republican governors, Scott Walker in Wisconsin and John Kasich in Ohio, had vowed to voters that they would kill the high-speed rail projects in their respective states and both of them rode on that pledge into office. Soon after the election, the $810 million HSR project in Wisconsin was “suspended” by order of the outgoing Gov. Jim Doyle. Subsequently, Doyle announced he will leave the future of the project to his Republican successor. The governor-elect confirmed that his position remains unchanged. “I believe it is a grave mistake for the federal government to insist on building an unwanted passenger rail system at a time when our roads and bridges are literally crumbling,” Walker wrote to U.S. Transportation Secretary Ray LaHood. The governor-elect was responding to the Secretary who had warned that the HSR grant money could not be spent on other projects. Walker is expected to receive full backing from his solidly Republican state legislature. Meanwhile, in Ohio, Gov.-elect Kasich, who received a similar letter from Secretary LaHood, declared that the proposed $450 million high-speed rail line connecting Cleveland, Columbus and Cincinnati, is “dead.” He urged outgoing Democratic Gov. Ted Strickland to immediately cancel all passenger rail contracts to save taxpayer money. Kasich, too, is expected to receive full support from his all-Republican state legislature. The Florida HSR Project “Under a Cloud of Uncertainty” As for Florida’ s Orlando-to-Tampa HSR project, its future has fallen “under a cloud of uncertainty,” in the words of U.S. Sen. Bill Nelson (D-FL). The project received a setback when voters in Hilsborough County rejected a proposal to build a light rail system that would have served as a collection/distribution system for passengers using a planned high-speed rail station in downtown Tampa. This has led Rep. John Mica (R-FL), the presumptive chairman of the House Transportation and Infrastructure Committeee in the 112th Congress, to question the economic viability of the Tampa-Lakeland portion of the route and suggest a possibility of building the $2.6 billion high-speed line incrementally, with service between Orlando International Airport and Walt Disney World as the first “operable segment.”

# \*\*\*Counterplans\*\*\*

## States CP Solvency

#### States can create HSR through multistate agreements or other instruments

**U.S Department of Transportation April 2009** (http://www.fra.dot.gov/downloads/rrdev/hsrstrategicplan.pdf )(International data from: GAO report, High-Speed Passenger Rail (GAO-09-317); UIC High-Speed Department, “High-Speed Lines in the World” www.uic.asso.fr/uic/spip.php?article573; and Jane’s World Railways 2007-2008. International ridership data is from 2007, except for Germany and U.K., which are from 2005. Amtrak data from FY 2008; represents both NEC Regional (predecessor service began in 1969) and Acela services. “Train à grande vitesse” or “high-speed train.”

Multi-State Partnerships. Most intercity passenger rail corridors, including designated high-speed rail corridors, cross State boundaries. Viable HSR corridor strategies will, therefore, require a multi-State partnership in many cases. To successfully plan, fund, build and operate these corridors, the States involved will need to act in a coordinated fashion, through an interstate compact, a multi-State agreement, or other instrument. Any such multi-State understanding will require the backing of several political and administrative entities within each State.

#### States should take the lead in HSR development –they are the most efficient managers

Chicago Tribune ’01 (Editorial, “Let states drive high-speed train,” Dec 24, http://articles.chicagotribune.com/2001-12-24/news/0112240192\_1\_high-speed-rail-investment-high-speed-train-high-speed-rail)

*Amtrak--the money-losing operation that poses as a national passenger railroad in the U.S.--is taking the lead in the development of a high-speed train network in the Midwest, comparable to the European trains that zoom by at more than 150 m.p.h. High-speed rail service in the Midwest is an interesting prospect--the market, as well as environmental, energy conservation and other concerns, may justify it. But* putting Amtrak in charge and expecting the feds to pay for most of it certainly is a recipe for waste and bad planning*. For the Midwest, at least, a frequent, comfortable and reliable* high-speed rail system *would be a new concept. It* ought to be designed *and operated as such,* according to market demand, *with a rigorous bottom-line approach*. In other words, everything Amtrak is not. *According to plans being circulated in Congress and promoted by several local groups, Chicago would be the hub of a series of high-speed rail lines zipping out to Minneapolis-St. Paul, Detroit, Cincinnati, St. Louis, Cleveland and other major urban areas, with stops at some smaller cities like Springfield, Ill., and Madison, Wis. New trains would run on upgraded freight tracks at estimated speeds of 110 m.p.h. The initial phase would be funded by approximately $4 billion, the Midwest's share of the $12 billion High Speed Rail Investment initiative, under consideration by Congress. Individual states have pledged smaller amounts to the effort, including Illinois' $50 million. A reverse logic animates this project: Instead of determining there is urgent demand--and then seeking funding--Midwestern supporters seem to be saying, "The pot of money is there, so we might as well get our share." That's not the way to build a new railroad, but to extend* Amtrak *domain which,* torn by the incompatible demands of politics, *public service and profitability,* has evolved into anything but an efficient train system. *States ought to take the lead in* the *high-speed rail* effort, *and contribute a substantial amount of the money. Perhaps the federal government could pay for the start-up infrastructure improvements, as it did to build the original interstate highway system in the 1950s. Then* an independent multi-state agency could purchase the trains and turn over operations to a private concern. Such high stakes andstrong participation by the states would lead to a far tougher analysis of what service is needed than the pinata-style planning at play here*. Built modestly and incrementally, high-speed rail could work and even make money, at which time full privatization would be the next step. A Chicago-to-St. Louis line, running on relatively underutilized freight tracks through Normal and Springfield, could be a key test.* Run efficiently, it could compete favorably *with airlines on speed of downtown-to-downtown service, and certainly on roominess and comfort. Regional high-speed service has caught on in California and in the Northwest, and it may well do so here. Although Amtrak's math is complicated, the agency projects that, when fully operational, its high-speed Acela line on the Northeast will make about $180 million in annual profit Are there enough commuters and are they willing to give up their cars or airline seats in favor of high-speed trains? If it's their own money on the line,* state officials, planners--and taxpayers--would make sure the project makes sense before any money is invested*. High-speed train service in the Midwest is a prospect worth investigating, on the right terms.*

#### Multistate pacts solve for HSR – already being used

OPA ’03 (Office of Public Affairs, US Department of Transportation, Fact Sheet, The Passenger Rail Investment Reform Act of 2003, http://www.dot.gov/affairs/Passenger%20Rail%20Fact%20Sheet.htm)

#### \* The Administration believes that states, not Amtrak, are best equipped to decide where rail service is important. States should be empowered to choose the rail service provider of their choice, whether it's Amtrak, a private company or a public transit agency. Following a transition, the Administration's proposal would allow states to submit proposals for passenger rail capital investment to the U.S. Department of Transportation, as they have successfully done for highway and transit capital investments. \* Amtrak would transition into three companies: \* A private passenger rail company that would operate trains under contract to states and multi-state compacts - just as the current Amtrak operates trains under contract to commuter rail agencies; \* A private rail infrastructure company that would maintain and operate the infrastructure on the Northeast Corridor under contract to a multi-state Northeast Corridor Compact. Title to Amtrak's current tracks, stations and other infrastructure on the Northeast Corridor will be held by the federal government and leased to the Northeast Corridor Compact; and \* The National Passenger Rail Corporation, which would continue as a government corporation that would retain Amtrak's current right to use the tracks of the freight railroads, and the Amtrak corporate name. Both the track-access rights and the Amtrak brand would be provided under contract to states and multi-state compacts for qualifying passenger rail service they sponsor. \* Separating train operations and infrastructure ownership is not a new concept. Train operations and infrastructure ownership have for decades been split in the United States. Amtrak operates trains over more than 22,000 miles of track in the United States, but owns only 730 miles of track (mostly on the Northeast Corridor between Washington, D.C. and Boston, and in Michigan). All other tracks are owned either by freight railroads or by the states. \* Multi-state compacts are not new. Multi-state coalitions are already operating intercity rail services, and some are planning for future high-speed rail operations. The Administration believes these cooperative partnerships between the states, the federal government and freight railroads, will improve the efficiency of intercity passenger rail service as a viable alternative to air and highway travel in some corridors.

#### Federal Swift Act gives states the primary power to develop and operate HSR

Prok, 09 – legal analyst at Lexis Nexis, Chief Executive and General Counsel at FRONT RANGE ENERGY EFFICIENCY LLC ( Joshua, “High Speed Rail: Planning and Financing the next Fifty Years of American Mobility” 36 Transp. L. J.48)

The Swift Rail Development Act of 1994 (Swift Act) might well be considered the heart of federal regulation of high speed rail. In the Swift Act, Congress declared high speed rail to be an environmentally advantageous alternative to other intercity transportation, and acknowledged that federal funding would be necessary to develop the technology necessary to make high speed rail a reality in the U.S.2 The purpose of the Act was "to encourage farsighted State, local, and private efforts in the analysis and planning for high-speed rail systems in appropriate intercity corridors." The Swift Act put the onus on "State and local governments" to develop the technology with federal planning support when necessary, and states that "new high-speed rail service should not receive Federal subsidies for operating and maintenance expenses.” The Secretary of Transportation delegated authority under the Swift Act as it related to high speed rail to the Federal Railroad Administrator. Congress, therefore, directed the States to develop and operate high speed rail services with preliminary guidance from the Federal Railroad Administration(FRA). Accordingly, codified portions of the Swift Act provide "high-speed rail assistance" for continued corridor development through "eligible activities," including: environmental study, economic analysis, financial planning, and acquisitions. The assistance provides "matching funds not to exceed fifty percent of the costs of qualifying eligible activities. In terms of financing for fiscal years 2006-2013, the federal government makes $100,000,0009 available to State and local governments for corridor development and technological improvements. The FRA publishes an annual "Notice of funding availability; solicitation for applications" for State and local governments to apply for high speed rail assistance.

#### States have empirically been successful in enhancing passenger rail services

**Perl, ’10** – Director of Urban Studies Program at Simon Fraser University (Anthony, “Integrating HSR into North America’s Next Mobility Transition,” June 16, 2010, p. 9-10, http://wagner.nyu.edu/rudincenter/publications/RCWP\_Perl.pdf) // SP

The passenger rail analog to LCC’s steady rise in air travel market share can be found in the efforts of some state governments to enhance Amtrak operations within, and even beyond, their borders to provide service innovations that draw more riders to the rails. Just as LCC’s drew some travel from cars and buses through their enhanced value proposition, as well as inducing demand for trips that had previously been priced beyond discretionary travel budgets, state sponsored passenger rail enhancements sought to grow rail travel through a mix of modal shift and induced demand. A significant difference between the LCC business model and the state-led passenger rail development initiatives was that airport terminals were usually better integrated into local road and transit networks than were passenger rail stations. State-sponsored passenger rail service enhancements have occurred through increased speeds (though still well below the global understanding of high-speed), increased frequencies, and enhanced connections with buses that bring service closer to travelers’ origins and destinations. Providing these local bus connections has usually proven easier than convincing local transit agencies to provide greater access to intercity train stations. Table 2 presents recent ridership for these specialized state services, which have on the whole grown faster than Amtrak’s overall ridership.

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#### **Multi-state compacts already exist and can create dedicated funding**

Puentes ’10 – Senior Fellow with the Brookings Institution’s Metropolitan Insfrastructure Initiative (Robert, “Intermetropolitan Passenger Rail: Considerations for State Legislatures” – April 9th – http://www.brookings.edu/research/speeches/2010/04/09-rail-transportation-puentes)

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.

## Privatization CP Solvency

#### Government guarantees and risk-mitigating measure significantly dampen the incentives for privates to achieve efficiency gains

Tan 11- Assistant Professor at AKU-ISMC specialising in the political economy of development. Dr Tan completed his PhD in Economics at SOAS. He previously taught development studies at SOAS and LSE, and worked on governance and human rights in Malaysia. His areas of interest include developmental state theories, late industrialisation, poverty, privatisation, corruption and urban transport networks, (Jeff, “Infrastructure Privatisation: Oversold, Misunderstood and Inappropriate”, Development Policy Review, January 1, 2011, EBSCO, CJD)

PPI is expected to deliver better results where commercial risks are shifted to the private sector (see Harris, 2003), but necessary (and expected) subsidies mean that there are risk-incentive trade-offs as private incentives are reduced where the risk is transferred back to the state (Heilman and Johnson, 1992; Daniels and Trebilcock, 2000). These risk-mitigating measures dampen the incentives to private operators to achieve efficiency gains. *Furthermore,* where government subsidies finance the project, the government may be unwilling to let the project fail or to terminate concessions*,*given the ‘essential’ nature of public services and the political repercussions of interruptions in their provision*. As risks have been largely borne by the public sector,*there can be no clear designation of property rights as the owner ‘cannot capture the whole social and economic benefits generated’ nor would such a designation ensure efficiency *and high levels of investment (Fayard, 1999: 12-3).* This means that the owner’s *residual returns (*profit) depend just as much on government decisions as on the owner’s residual control of the work process*, and* this can significantly dilute private incentives to monitor in the absence of adequate institutional arrangements and regulation in developing countries.

## Upgraded/Non-delegated Lines CP Solvency

#### Upgrading existing lines minimizes emissions from construction and solves better for warming

**Albalate 12**, assistant professor of economics at the University of Barcelona, (Daniel, “ High-Speed Rail: Lessons for Policy Makers from Experiences Abroad”, Public Administration Review, April 2009, Political Science Complete)//AG

Clearly, the overall impact of HSTs on energy consumption is heavily dependent on the source of its traffic—whether it is newly generated or attracted from previously existing modes (and, in the case of road transportation, whether it replaces cars or buses). However, **HSR is not a** particularly **useful tool for fighting carbon dioxide emissions**, **as it is less environmentally efficient than conventional modern trains**. Further, **building a new** and separate **HST line involves significant carbon dioxide emissions** that environmental **HST analyses do not take into account** (together with the environmental impact caused by land take, noise, and visual disruption). In fact, Kageson concludes, after presenting evidence comparing the environmental impact of different transport modes, that the **reduction of carbon dioxide through HSR building** **“is small and it may take decades** for it **to compensate for the emissions caused by construction** . . . Indeed, **it will take too long** fortraffi c **to off set the emissions caused by building the line.** Under these circumstances it may be better to upgrade an existing line to accommodate for somewhat higher speeds as this would minimize emissions from construction and cut emissions from train traffic compared to HSR” (2009, 25).

#### Conventional fast trains are better than HSR – reduce net emissions faster and cost significantly less

**Kageson 9**, author of reports on pricing of transport and the director of Nature Associates in Stockholm (Per, “The Future for Interurban Passenger Transport Bringing Citizens Closer Together”, International Transport Research Symposium, November 2009, <http://www.internationaltransportforum.org/Proceedings/Symp2009/5-Kageson.pdf>)//AG

There is no cause to prohibit investment in high speed rail on environmental grounds so long as the carbon gains made in traffic balances the emissions caused during construction. The rail sector, however, often claims that investment in rail infrastructure will bring large environmental benefits (Banverket, 2008, UNIFE 2008, UIC 2008). Independent research, on the other hand, concludes that these benefits are not so important (de Rus, 2008, WSP and KTH Järnvägsgruppen, 2008, Nilsson and Pydokke, 2009). The results of **this report support the latter view**. Investment in **high speed rail cannot** be expected to **contribute much to climate change mitigation**. Investment in conventional **fast trains may in some circumstances be significantly more beneficial.** **It may be time for** many **environmentalists** **to reconsider their attitude to high speed rail**. While in some cases calling for huge investment in high speed rail, the environmental organizations want speed restrictions for road vehicles to be tightened, aircraft to be designed for lower speeds and ship operators to involve in slow-steaming. **The cost of building high speed lines is** **high**, €9-40 million per km according to de Rus (2008), and 12-30 million according to UIC (2008). de Rus puts the average cost at €18 million. **Huge traffic volumes appear to be the only way to recover these costs.** The principal benefits of high speed rail are time savings, additional capacity and generated traffic. Wider economic benefits may also be important, however, difficult to estimate. The strongest case for high speed rail is where traffic volumes are high (de Rus and Nash, 2007). “Only under exceptional circumstances (a combination of low construction costs plus high time savings) could a new HSR line be justified with a level of patronage below 6 million passengers per annum in the opening year; with typical construction costs and timer savings, a minimum figure of 9 million passengers per annum is likely to be needed” (European Commission, 2008). The conclusion of this paper is that investment in high speed rail is under most circumstances likely to reduce greenhouse gases from traffic compared to a situation when the line was not built. **The reduction,** though, **is small and it may take decades for it to compensate for the emissions caused by construction**. However, where capacity restraints and large transport volumes justify investment in high speed rail this will not cause overall emissions to rise. In cases where anticipated journey volumes are low it is not only difficult to justify the investment in economical terms, but **it may also be hard to defend the project from an environmental point of view as it will take too long** for traffic **to offset the emissions caused by building the line.** Under such circumstances **it may be better to upgrade an existing line** to accommodate for somewhat higher speeds as this would minimize emissions from construction and cut emissions from train traffic compared to high speed rail.

## Fuel Tax CP Solvency

#### Studies prove HSR is not a cost effective means of reducing warming or oil dependency – an increased fuel tax would be more effective

**Peterman, Frittelli, and Mallett ‘09** –Analyst in Transportation Policy, Specialists in Transportation Policy, from the Congressional Research Service- prepares information for members and committees of Congress (“High Speed Rail (HSR) in the United States” CRS Report for Congress, December 8 2009, p. 16-17, http://www.fas.org/sgp/crs/misc/R40973.pdf) // SP

Completed as part of a wide-ranging review of transportation policy in the United Kingdom, an analysis of building a high speed rail system connecting London with Glasgow and Edinburgh (distances of approximately 350 miles and 330 miles, respectively), including its energy use and carbon emissions profile, concluded: high level analysis of the potential carbon benefits from modal shift from air to high speed rail suggests that these benefits would be small relative to the very high cost of constructing and operating such a scheme, and that under current assumptions a high speed line connecting London to Scotland is unlikely to be a cost-effective policy for achieving reductions in carbon emissions compared to other policy measures.48 Because HSR will only capture a relatively small share of total passenger trips, it is also unlikely to make much difference in achieving greenhouse gas reduction targets, nor for that matter in the amount of oil imported. A critical analysis of HSR in California estimates that it might account for 1.5% of the state’s goal for reducing carbon emissions, and that would be at a very substantial cost.49 A study of the potential benefits of HSR in Sweden concluded that investment in rail networks is not a cost-effective climate policy instrument; general policies, such as increased fuel taxes, would be more effective.50 Similarly, in the UK’s analysis of a line from London to Scotland, they estimated the carbon savings would be 0.2% of the UK’s current carbon emissions, and this assumed that all flyers take the train and the HSR is zero-carbon.51 As this suggests, another important factor in HSR’s impact on greenhouse gas reduction is the source of its electricity, as using electricity generated from coal will provide less benefit than electricity from nuclear, hydro-electric, or other renewable sources.52

## Reforestation/Coal Power Phase-out CP Solvency

#### Reforestation and coal power phase-out are both more cost effective means of reducing CO2

**Plumer 12** (Brad Plumer is 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” http://www.washingtonpost.com/blogs/ezra-klein/post/bullet-train-not-the-best-way-to-cut-carbon-emissions/2012/04/19/gIQA311nTT\_blog.html 4/19/12) CANOVA

When last we checked in on California’s plans to build a high-speed rail line from San Francisco to Los Angeles, the situation was grim. Costs had shot upward and legislators were nervous. So then Gov. Jerry Brown’s administration revised its bullet-train plan, whittling the price tag down to $68 billion. But even this new, sleeker plan is facing political obstacles. And part of the problem has to do with climate change. The state only has $8.2 billion in voter-approved bonds at its disposal to build the rail system. The Obama administration, for its part, has chipped in $3.3 billion in high-speed rail money from the stimulus bill. But that still leaves California some $55 billion short. And Republicans in Congress are hardly eager to send more train money to California. To help fill the gap, Brown’s administration has proposed using money from California’s new climate law. Under the state’s cap-and-trade system for carbon emissions, power plants and factories will soon have to buy permits to pollute. Brown has hinted at diverting tens of billions of dollars into high-speed rail. But there are two problems here. For one, it’s not clear this is legal, as the state’s Legislative Analyst’s Office concluded on Tuesday. Second — and more broadly — high-speed rail may not be the most efficient use of money that’s supposed to be used to combat global warming. 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.

## Traffic Signal Coordination CP Solvency

#### Traffic signal coordination will relieve congestion and save more energy than HSR for lower cost

**O’Toole 9** (senior fellow at the Cato Institute “High-speed rail is expensive and inefficient” http://www.illinoispolicy.org/news/article.asp?ArticleSource=1256 7/30/09) CANOVA

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. Steven Polzin of the University of South Florida's Center for Urban Transportation Research points out that autos and buses have relatively short life cycles, so they can readily adapt to the need to save energy or reduce pollution. Rail systems "may be far more difficult or expensive to upgrade to newer, more efficient technologies," Polzin adds. If automakers meet Obama's fuel-efficiency standards, autos will be more than 30 percent more efficient in 2025 than they are today, so high-speed rail actually will be wasting energy. People who want to save energy should encourage the state to relieve the traffic congestion that wastes nearly 3 billion gallons of fuel each year. Traffic signal coordination and other low-cost techniques can do more to relieve congestion and save energy than high-speed rail, and at a far lower cost. An expensive rail system used by a small portion of Illinoisans is not change we can believe in. Illinois should use its share of rail stimulus funds for safety improvements such as grade crossings, not for new trains that will obligate taxpayers to pay billions of dollars in additional subsidies.

# \*\*\*Politics\*\*\*

## Elections

### Obama Bad Links

#### HSR is popular with the public – 62% say they would use it

Butman 10 (Jim, staff writer at Milwaukee business news, “Survey shows public support for high-speed rail”, 12/01/12, <http://www.biztimes.com/article/20101201/ENEWSLETTERS02/312019989/>, CJD)

Nearly two-thirds of American adults *(*62 percent) said they would definitely *or probably* use high-speed rail service for leisure or business travel if it were an option, according to *a survey from the Washington-based American Public Transportation Association* (APTA). The survey, taken among 24,711 adults, also asked how important various factors would be in choosing high-speed rail service. Ninety-one percent *of respondents* said high-speed rail should offer shorter travel times compared to driving to their destinations; 91 percent said the rail service should be less expensive than flying; 89 percent said it should be less expensive than driving; and 85 percent said the rail service should integrate with local public transit so they could avoid using rental cars and cabs, and paying parking fees. The APTA wants Congress to invest $50 billion over the next six years to build a high-speed rail network. "In most political circles, garnering nearly two-thirds support for a forward-thinking vision like high-speed rail would be considered a landslide*," said APTA president William Millar said.* "We strongly support the government's commitment to implementing high-speed rail. It will provide more options for travelers, as well as create jobs and be a strong boost for the local economy." For more information on the survey, click here. Meanwhile, the Wisconsin Department of Transportation is conducting public hearings to gather input about high-speed rail throughout the state this week. Wisconsin has been allocated $810 million in federal funding to build a high-speed rail line to connect Milwaukee to Madison. However, Governor-elect Scott Walker is vowing to kill the project.

### Obama Good Links

#### Public opposes HSR – even Californians have changed their minds given escalating costs

New York Times 6/03 (Boston New York Time Co., “Poll: Voters turn against California bullet train”, <http://articles.boston.com/2012-06-03/news/32009857_1_high-speed-rail-bullet-train-rail-project>, LCS)

A new poll finds California voters are experiencing buyers’ remorse over a proposed $68 billion bullet train project, as the number of lawsuits against the rail system grows. Fifty-five percent of voters want to see the high-speed rail bond issue that was approved in 2008 back on the ballot, and 59 percent say they would now vote against it, according to the USC Dornsife/Los Angeles Times survey (lat.ms/N9tTcm) published Saturday. Since the $9 billion borrowing plan was passed, the projected cost of the bullet train between Los Angeles and San Francisco has roughly doubled, and it will now share track with slower commuter and freight trainsin some areas, the Times said. A majority of voters have turned against the ambitious undertaking just as Gov. Jerry Brown is pushing lawmakers to approve the start of construction in the Central Valley later this year.

#### Cuts in government programs have caused voters to oppose HSR because of its costs

AP 6/03 (Huffington Post, “California High Speed Rail Doesn't Have The Support Of Majority Of Californians: Poll”, <http://www.huffingtonpost.com/2012/06/04/california-high-speed-rail_n_1566807.html>, LCS)

The poll found that concerns about the project extend across regions, ethnic groups, income brackets and even political affiliations, according to the Times. Among Democrats*,* initially the strongest supporters of the plan*,* only 43 percent would support the bond in a new vote, while 47 percent would oppose it*.* Seventy-six percent of Republicans would vote against it*.* Voters have reconsidered their support for high-speed rail as lawmakers slash public programsto cope with a widening budget gap, said Dan Schnur, director of the poll and head of the Unruh Institute of Politics at USC. "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," Unruh said. "But they also seem to be wary as to whether state government can run a big speed rail system effectively." In Southern California, 67 percent of voters said they would reject issuing high-speed rail bonds if they could vote again.

#### **Even Californians are reconsidering their support of HSR – majority now oppose it**

Maccioli 6/03 (Frank, Environmental Analyst, Examiner, “New USC/Los Angeles Times poll drops more bad news on HSR”, <http://www.examiner.com/article/new-usc-los-angeles-times-poll-drops-more-bad-news-on-hsr>, LCS)

California's beleaguered high-speed rail (HSR) project suffered another major blow *today* with the release of a new public opinion poll that shows a majority of *Californians* now oppose the project. Coming on the heels of new lawsuits filed by Central Valley opponents last week to stop the project, the new report provides more ammunition for those who are lobbying state legislators to put the brakes on HSR before more tax money is spent. The latest poll, a product of the USC Dana and David Dornsife College of Letters, Arts and Sciences/Los Angeles Times Poll project, was released to the public and discussed today at a press conference call. The poll covered a variety of issues - taxes, the upcoming elections, term limits, the state budget, same sex marriage, gambling, and HSR. "California voters have clearly reconsidered their support for high-speed rail," said Dan Schnur, director of the poll and the Unruh Institute of Politics at USC. "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. But they also seem to be wary as to whether state government can run a big speed rail system effectively*."*

## Pol Cap Links

#### GOP is vehemently resisting HSR – trend is decidedly against the plan in Congress

**Doyle** (Michael Doyle, McClatchy Washington Bureau, “Obama's high-speed rail plans hit traffic in Congress”, McClatchy Newspapers, <http://www.mcclatchydc.com/2012/02/29/v-print/140399/obamas-high-speed-rail-plans-hit.html>, HLR)

On Wednesday, Transportation Secretary Ray LaHood reiterated President Barack Obama's strong support even as a top Republican in the House of Representatives naysayed. Neither side appears ready to steer clear this election year, particularly in differences concerning California. "We're committed to this; there's no going back," LaHood said at a high-speed rail conference. "We need to keep the momentum going." But congressional Republicans, even some who've backed high-speed rail in the past, are resisting with equal vehemence. "If the president thinks his proposal is going to (fly) for high-speed rail, he's pipe-dreaming," Rep. John Mica, R-Fla., the chairman of the House Transportation and Infrastructure Committee, told the same rail conference. Obama has proposed spending $2.7 billion on high-speed rail in fiscal year 2013, atop more than $8 billion previously provided under a stimulus bill that passed while Democrats controlled both houses of Congress. In part because other states, including Florida and Wisconsin, turned down federal funding, California alone has picked up some $3.6 billion for its high-speed rail plan. The state's initial plan calls for constructing a 220 mph line between Bakersfield and Merced. Citing a recent trip to California, where he met with state farm, business and political leaders, LaHood said the state was now "well positioned" to proceed. LaHood specifically praised the work of Dan Richard, the newly appointed chairman of the California High-Speed Rail Authority under the administration of Democratic Gov. Jerry Brown. "He's mending a lot of fences that were broken over the past few years, and he's making progress," LaHood said. California officials now say construction probably won't begin until at least early next year, instead of the originally scheduled start time of September. Utterly unconvinced of the project's merits, and skeptical of a total project cost now pegged at $98 billion, congressional Republicans have taken special aim at the California proposal. "It doesn't serve a populated area, and it's mired in controversy, delay and overruns in the cost," said Mica, who's a proponent of high-speed rail in the Northeast Mica is now struggling to write a new multiyear transportation bill, whose fate remains uncertain because of questions over funding and other provisions. He suggested Wednesday that another extension of the current funding program might be needed, if lawmakers fail once more to agree on money and other issues before the current transportation-bill extension ends March 31. Underscoring the political problems facing high-speed rail, Rep. Jeff Denham, a Republican from Turlock, Calif., won GOP approval for an amendment that bans the broader transportation bill from devoting any funds to California's high-speed rail project. In a similar vein, Rep. David Price, D-N.C., recalled that he'd offered a $1 billion amendment on another funding bill to assist high-speed rail. He lost in the powerful House Appropriations Committee, on a party-line vote. A drastically scaled-back amendment, offering $1 million merely as a placeholder, likewise failed. "There are adverse forces out there," said Price, who's a member of the Congressional Bicameral High-Speed and Intercity Passenger Rail Caucus. "There are adverse trends." The caucus was started last year, with only Democrats as founding members.

#### No support for HSR – Republicans oppose wasteful spending and Dems are too concerned with other problems – empirically proven

Johnson 12 (Fawn Johnson, Correspondent, National Journal, “High-Speed Rail in a Coma”, National Journal, January 17, 2012, <http://transportation.nationaljournal.com/2012/01/highspeed-rail-in-a-coma.php>, HLR)

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.

#### Congressional support is at a definitive low – GOP successfully moved to eliminate funds for HSR

Laing 6/04 (Keith, Transportation Specialist, “The Hill, DOT official: Obama support of high-speed rail 'remains as strong as ever'”, <http://thehill.com/blogs/transportation-report/railroads/230777-dot-official-obama-support-of-high-speed-rail-remains-as-strong-as-ever>, LCS)

Support for high-speed rail in Congress has ebbed to a definitive low since Republicans came to power in the House in 2010. Money from the 2009 economic stimulus package for railways that was offered by the Obama administration 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*.* Despite, Szabo said at the APTA conference Monday that "as we speak – 32 states are now moving ahead with 153 rail-development projects. "This year alone, 44 projects in 16 states – representing close to $3 billion in federal funding – are underway or set to break ground," he said. "And, other projects are already coming in on time and on budget." Early in the first half of Obama's tenure in office, he called for a nationwide network of high-speed railways that he said would rival the reach of the interstate highway system. The Obama administration included $8 billion for construction in the 2009 economic stimulus, and prominently awarded the money to states the day after his 2010 State of the Union address. Since then, a proposed high-speed railway in California that was awarded the most money by the Obama administration has come under fire for escalating costs, and opponents have argued that railways should only be built in the populous northeastern U.S.

#### Obama’s HSR push is floundering because of GOP spending crackdown – scale back of California project proves

**MITCHELL 11** (JOSH MITCHELL, Staff Writer, “Plan for High-Speed Rail Just Inching Along”, Wall Street Journal, October 17, 2011, <http://online.wsj.com/article/SB10001424052970204774604576631600031699460.html>, HLR)

The Obama administration's push for high-speed trains is floundering, as Congress moves to clamp down on funding and a showcase California project encounters new hurdles. California is set to update its plans for a San Francisco-to-Los Angeles high-speed line by Nov. 1. Officials say the state is looking at shortening the initial route and relying more heavily on existing lines*.* The project is the principal hope for the Obama administration to fulfill its promise of bringing to the U.S. true high-speed rail service—loosely defined as trains traveling 150 miles per hour or faster—after Florida canceled a planned Tampa-to-Orlando route in February. The California troubles reflect the difficulty of shifting a country that mainly relies on the automobile and airplane. The federal government and states have for decades built and maintained roads using a dedicated revenue stream, the federal gasoline tax of 18.4 cents per gallon. There is no such source of cash for high-speed rail, putting rail proponents at the mercy of political winds. A Democratic-controlled Congress approved $10.5 billion for high-speed rail, most of it in the 2009 stimulus package. But earlier this year, with Republicans controlling the House, Congress rescinded $400 million. The money has been allocated, but virtually no additional funding is likely in the current fiscal year, which began Oct. 1. Senate Democrats have proposed $100 million for high-speed rail, while House Republicans suggest zero.

#### Although HSR was once bipartisan, it has become a very partisan issue under Obama

Burns 11- international journalist at policy innovations, nonprofit media venture (Patrick, “All Aboard for High-Speed Rail”, policy innovations, February 1, 2011, <http://www.policyinnovations.org/ideas/briefings/data/000194>, CJD)

America's current "high-speed" train, Amtrak's Acela Express, averages a mere 80 mph along its 16-station route from the District of Columbia to Boston. By comparison, France'sTGV has an average speed of more than 150 mph, and China just built a train that can exceed 300 mph.An Acela trip from New York to Boston costs about $100 and clocks in around 3.5 hours—or just a tad quicker than the $15 buses that leave from Chinatown. As anyone who has traveled on Amtrak will tell you, the system is not known for punctuality, thus putting Amtrak in close competition with the independent bus lines. In an automobile-driven nation, some see the federal government's rail initiative as overly optimistic, questioning the demand*.* This has led Transportation Secretary Ray Lahood to defend high-speed rail with an "if you build it they will come" attitude. Across the country, high-speed rail has encountered vociferous opposition, and some don't even want to build it all. California received the lion's share of the federal rail earmarks ($2.25 billion), but even in that state critics have dubbed the proposed Central Valley line a "train to nowhere*.*" Florida's new conservative governor, Rick Scott, has considered saying "no thanks" to $2.39 billion in federal funding for his state*,* while his newly elected Republican colleagues in Wisconsin and Ohio beat him to the punch—both asked Secretary Lahood to redirect $1.2 billion in grants. Like most everything these days, high-speed rail has become politicized*. "*On the one hand we have tremendous presidential leadership, and on the other we have emerging partisanship around what was historically a very bipartisan issue," said Kevin Brubaker, Deputy Director of the Environmental Law & Policy Center, a public interest advocacy organization.

# \*\*\*Other DA Links\*\*\*

## Airline Tradeoff DA Links

#### HSR empirically captures 80-90% of the air/rail market

**United States Government Accountability Office, ’09** – the audit, evaluation, and investigation arm of the United States Congress (“High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role,” Report to Congressional Requesters, March 2009, p. 16-17, http://www.gao.gov/new.items/d09317.pdf?source=ra) // SP

**In France, Japan, Spain, and elsewhere, high speed rail has been shown to be time-competitive with air travel and has relieved capacity constraints at airports. For example, high speed rail in Japan has resulted in eliminating one air route** (Tokyo-Nagoya), **while several others have lost significant market share to high speed rail. With the introduction of the Madrid- Barcelona high speed rail line in February 2008, air travel between the cities has dropped an estimated 30 percent** (from 5.0 million to 3.5 million air passengers), while high speed rail riders increased markedly. **In France, high speed rail has captured 90 percent of the Paris-Lyon air market, and Air France officials estimated that for high speed rail trips of between 2 and 3 hours, high speed rail is likely to capture about 80 percent of the air-rail market over time**. By displacing shorter distance air travel, high speed rail has freed up considerable airport capacity in those cities for other longer distance flights. However, because high speed rail becomes a new competitor with short-distance air travel, airlines have in some cases actively opposed its development. In the United States, most of the 16 high speed rail projects we focused on will connect metropolitan areas with anticipated capacity constraints at nearby airports (see fig. 4).

#### HSR empirically kills airline routes

**Bolts and Louie 5/21**, Director for Public Outreach for the US High Speed Rail Association, a nonprofit organization based in Washington, D.C., (Nancy Bolts and Emy Louie, Fast Trains: America’s High Speed Future, p. 749)//AG

For example, instead of traveling a long distance in their automobile, the Silvettis will ride a regional rail service or drive to a major high-speed rail hub in New York City, and within 2.5 hours, they will arrive “as planned,” relaxed, in Washington D.C. ready to tour the Smithsonian Museums.  In California, Pamela Stevens will drive her passengers to a rail stop in San Jose on the San Francisco to San Diego high-speed rail route.  When the group disembarks in Anaheim, a short bus, shuttle, or taxi ride will bring them to their final destination, energized and rested, with enough energy to begin enjoying their visit as soon as they arrive. **Driving is not the only** form of **transportation that would decrease as a result of offering people** the option of hopping on a **train** rather than putting a foot to the gas pedal.  **The need for short and intermediate-length** airplane **flights** **will decrease significantly**.  Some examples: **one year after the high-speed rail line opened from Tokyo to Osaka, the number of airplane passengers declined by more than 50**%.  **After** the **Thalys** high-speed rail line **opened from** **Paris to Brussels, Air France** **eventually** **canceled** **all** airline **flights** between the two.  The **Thalys now holds 52% of the market share** of French-Netherlands travel options.  Two years after the high-speed rail line opened from Madrid to Barcelona in 2008, domestic air traffic between the two cities decreased by 40%.  In as few as 48 days **after the high-speed rail line opened from Xi’an to Zhengzhou in 2010, all airline flights linking the two cities were cancelled**. Based on such observations worldwide, transportation experts such as Richard Gilbert and Anthony Perl predict that if high-speed rail becomes an option in North America, commuter air travel will substantially decrease here as well.  Those airplane flights that remain will utilize jumbo jets carrying hundreds of passengers each, mainly flying between the East and West Coasts or to international locations.  Also, it's predicted that commercial airports will decrease from around 400 to 50 by 2025.

## Generic Spending Links

#### HSR will cost $1 trillion just to build – and hundreds of millions thereafter – Taiwan proves

**Brannon and Thoman 12** (Ike and Matt are Staff Writers for American.com. “About Those Better Roads in China” http://www.american.com/archive/2012/april/about-those-better-roads-in-china April 18 2012)CANOVA

Perhaps most tellingly, the vaunted Chinese investment in high-speed rail is now beginning to look less prescient and more problematic. A July crash that left 40 dead has led to further investigations, revealing that the haste in which these lines were constructed resulted in a plethora of shoddy construction, much of which will need to be fixed or replaced at considerable cost. The Chinese are also discovering that the costs associated with constructing—and maintaining—high speed rail lines are pricey. The Economist reports that the total cost of their high-speed-rail lines may eventually total nearly $1 trillion, and China’s rail ministry currently has a deficit equal to $330 billion, or 5 percent of GDP. Even when these railways are completed, the government’s obligations will not end. A study by the Center for American Progress notes that a popular Beijing-Tianjin line is losing more than $100 million a year.

#### HSR will cost $1 trillion – and only the wealthy will use it

**Woodward 11** (Chris is a Writer for one news now. “Funding high-speed rail projects 'a shameful act'” http://www.onenewsnow.com/Politics/Default.aspx?id=1294364 February 15, 2011) CANOVA

A conservative transportation analyst is criticizing the Obama administration's plans to invest more money in high-speed rail projects. The Obama White House recently proposed putting another $53 billion toward high-speed rail projects, a handful of which have received a substantial amount of the $10.5 billion already allotted. Marc Scribner, land-use and transportation policy analyst for the Competitive Enterprise Institute (CEI), has been following these projects from the beginning. He notes that they are "very limited corridors, and quite a few of these are not, like I've pointed out again and again, are not actually high-speed rail." So Scribner contends the new funds are ultimately not "really a drop in the bucket" of the 17,000-mile national high-speed rail network the administration is actually working toward. But though the estimated cost for that project is at $1 trillion, the transportation policy analyst warns that cost is not the biggest problem. "This isn't going to improve mobility. The people who will benefit most from this are wealthier and they tend to live in urban areas," he points out. "People who live in the suburbs aren't going to be seeing the returns from this.

#### HSR costs will skyrocket before the first shovel is turned – California proves

Cox 11- staff writer at national review online (Wendell, “High-Speed Rail, Budget Buster”, National Review online, January 31, 2011, [http://www.nationalreview.com/articles/258417/high-speed-rail-budget-buster-wendell-cox#](http://www.nationalreview.com/articles/258417/high-speed-rail-budget-buster-wendell-cox), CJD)

High-speed-rail cost escalation has reached these shores. Even before the first shovel has been turned, California’s high-speed-rail costs have risen at least 50 percent, inflation adjusted. The cost estimates for the first approved section of the Los Angeles–to–San Francisco line, a “train to nowhere” from Corcoran to Borden, indicate escalation beyond $45 billion. In Florida, boosters tell taxpayers that their liability for the Tampa to Orlando high-speed-rail line would be only $280 million, and that, somehow, a private bidder will shower additional billions upon them to pay any cost overruns. Boosters also claim that high-speed rail will provide substantial environmental benefits, reduce highway-traffic congestion, and ease air-traffic congestion. Yet, as Joseph Vranich and I showed in the Reason Foundation’s “Due Diligence” report on California’s high-speed-rail proposal, the cost per ton of greenhouse gas removed would be from $1,900 to $10,000. This is 40 to 250 times what the International Panel on Climate Change research indicates greenhouse-gas removal should cost ($50 per ton). Our estimate does not account for the revised (much lower) ridership projection. Even the rosy reports produced by boosters show that high-speed rail would remove only a small percentage of cars from the roads. The hope of reducing air congestion is *just as* elusive because travel origins and destinations are so dispersed in the United States and because the number of people forsaking air travel for high-speed rail will be small. Voters gave the new Republican House of Representatives a mandate to cut spending*.* Zeroing high-speed rail out of the federal budget may be the litmus test. If Congress fails to stop this costly and unnecessary program, it would call into question the commitment to spending reduction.

#### HSR will cost a staggering $117.6- and that’s only in California

**Taylor12** (Jeff is a staff writer for Bakersfield. “California simply can't afford high-speed rail, now or later” http://www.bakersfield.com/opinion/community/x560112310/California-simply-cant-afford-high-speed-rail-now-or-later Mar 29 2012) CANOVA

California currently has a $9.2 billion deficit, and the 2012-13 deficit will be larger -- much larger, according to a Feb. 27 report released by the nonpartisan Legislative Analyst's Office. The LAO report states that California's tax revenue will fall $6.5 billion short of Gov. Jerry Brown's January 2012 budget proposal, and that revenue will decrease even more if voters do not approve his income and sales tax hike initiative later this year. So, according to the LAO, our 2012-13 state deficit will be at least $15.7 billion. In these economically perilous times, how can we even consider obligating ourselves to paying 30 years of interest on state bonds for a $117.6 billion high-speed rail project? Have we lost our minds?

#### Construction of HSR would cost a staggering $1 trillion – American cannot borrow this much

**Quarto 12** (Luke is a staff writer for nvate.com. “High Speed Stakes: Can High Speed Rail make it in the US?” http://nvate.com/4961/high-speed-rail/ June 19, 2012)CANOVA

True. To build a reasonable High Speed Rail network the U.S. would have to commit at least a staggering $1 trillion to the effort, which is why skepticism often lies heavy on the hearts of those considering construction. America is in no condition to borrow this money, so there would have to be intelligent steps taken towards generating a solid revenue stream for construction.

#### Even if HSR is successful, the cost is unsustainable – Taiwan proves

**Dutzik et al 11** – Dutzik is a senior policy analyst with Frontier Group, specializing in energy, transportation and climate policy; Master's degree in print journalism from Boston University and a Bachelor of Science degree in public service from Penn State University. Schneider is an analyst in the Frontier Group. Baxandall oversees policy and strategy development for state PIRGs’ tax and budget campaigns throughout the U.S., including transportation campaignst. He comes to the PIRGs from Harvard University’s John F. Kennedy School of Government where he assisted in directing the Taubman Center for State and Local Government as well as the Rappaport Institute for Greater Boston. (Tony Dutzik, Jordan Schneider, Phineas Baxandall – “High-Speed Rail: Public, Private or Both?” [http://cdn.publicinterestnetwork.org/assets/85a40b6572e20834e07b0da3e66e98bf/HSR-PPP-USPIRG-July-19-2011.pdf](http://cdn.publicinterestnetwork.org/assets/85a40b6572e20834e07b0da3e66e98bf/HSR-PPP-USPIRG-July-19-2011.pdf" \t "_blank) )

By many measures, Taiwan’s high-speed rail line, which links the island nation from north to south, has been a success. Between 2006, the year prior to the launch of highspeed rail, and 2009, the number of passengermiles traveled by trainin Taiwan had increased by 56 percent, while the number of passengers on domestic air service had dropped by 53 percent.36 By 2009, high ridership on its densely populated routes allowed the company that built the line to start turning an operating profit.37 Taiwanese taxpayers, however, are paying a higher price for that success than had been anticipated. Once promised that private capital would pay the entire cost of constructing the line, Taiwan taxpayers have instead been asked to pick up a *significant* part of the tab. In 1998, the Taiwan High Speed Rail Corporation (THSRC) was awarded a 35-year concession to build and operate Taiwan High Speed Rail (THSR), partially based on THSRC’s promise to build the system without government capital. But the company began to run into difficulty after the Asian financial crisis in the late 1990s, when it was forced to take out loans with high interest rates in order to pay for the project.38 Like a homeowner saddled with an adjustable rate mortgage, the high-interest debt soon became financially unsustainable*,* with more than three-fifths of the company’s net income used to pay off these loans.*39 As late as 2009,* the company was still paying a high 8 percent interest rate on some of its loans.40 In addition, the company was forced, as a result of its status as a concessionaire, to depreciate the value of its assets much faster than it would have under traditional forms of ownership, adding to the financial woes that caused the company to post annual losses that totaled $2.18 billion by 2009*.*41 Because of the ongoing financial losses, “THSRC shareholders signaled reluctance to invest further in the project, which has led to difficulty for THSRC in securing financing from banks as well*,” according to a report by the Utah Foundation.42* A lack of financing led to problems with finishing the project, and when the network opened to the public in 2007, several key stations were incomplete. In order to keep the system operating, the government refinanced THSRC’s loans and contributed hundreds of millions of dollars to the network, even though the original build-operate-transfer plan stipulated that the THSRC build the system without any government capital. The government has opted not to take over the company, expressing no interest in growing its current 40 percent share or investing money beyond the bailout.43

## Spending Tradeoff Links

#### HSR funding trades off with national defense and health care

**United States Government Accountability Office, ’09** – the audit, evaluation, and investigation arm of the United States Congress (“High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role,” Report to Congressional Requesters, March 2009, preface, http://www.gao.gov/new.items/d09317.pdf?source=ra) // SP

Once projects are deemed economically viable, project sponsors face the challenging tasks of securing the up-front investment for construction costs and sustaining public and political support and stakeholder consensus. In the three countries GAO visited, the central government generally funded the majority of the up-front costs of high speed rail lines. By contrast, federal funding for high speed rail has been derived from general revenues, not from trust funds or other dedicated funding sources. Consequently, high speed rail projects must compete with other nontransportation demands on federal funds (e.g., national defense or health care) as opposed to being compared with other alternative transportation investments in a corridor. Available federal loan programs can support only a fraction of potential high speed rail project costs. Without substantial public sector commitment, private sector participation is difficult to secure. The challenge of sustaining public support and stakeholder consensus is compounded by long project lead times, by numerous stakeholders, and by the absence of an established institutional framework.