

Separating Rhetoric from Reality on Amtrak Privatization

In June, Congressman John Mica – chairman of the House of Representatives' Transportation and Infrastructure (T&I) Committee – released his committee's proposal to privatize operations on Amtrak's Northeast Corridor (NEC). While the proposed legislation would smartly not remove ownership of the Corridor property from public control – instead shifting its ownership from Amtrak to the U.S. Department of Transportation – it would encourage private-sector bids to construct a true high-speed rail operation in conjunction with the existing NEC and introduce competitive contracting of Amtrak's long-distance and corridor operations, both on the NEC and throughout the nation.

Congressman Mica – one of the most experienced transportation leaders in Congress, and one who will have a strong role in drafting new federal transportation legislation – should be commended for advocating policy ideas that offer no direct benefits to his constituents in Florida. Too few elected officials stake out ground on policy questions for the pure sake of the nation's collective good, which is the case with Mica's stance here. Moreover, he's absolutely correct that the NEC possesses the greatest potential for effective and successful true high-speed rail service of any high-speed rail corridor in the nation. *RAIL Magazine* took extensive looks at both the history of the [development of the NEC](#) and [Amtrak's NEC high-speed rail plan](#) – which was released last fall – through its Potomac Express blog.

However, the trouble with true high-speed rail in the NEC is it's both astronomically expensive

(\$117 billion, according to Amtrak) and logistically challenging (requiring new tunnels, bridges, etc), leading to a completion timeline measured in decades, not years. Moreover, while [Amtrak's recently-developed plan](#) is a good first step, much more work needs to be done in developing a realistic approach to rights-of-way, station facilities, infrastructure and equipment, and many other elements. Among the key reasons why other high-speed rail corridors – namely those in [California](#) and [Illinois](#) – were selected for initial investment through ARRA and annual appropriations were because plans for those networks were already developed, significant engineering work completed and property acquired. The NEC benefits from no such advance work as of yet, although the [Gateway Tunnel](#) recently announced by New Jersey's Senators – Lautenberg and Menendez – is the first tangible new infrastructure proposal for the corridor.

It is certainly possible that, should the [\\$53 billion initiative](#) supported by the Obama Administration be enacted by Congress, that investment for developing more fully-developed high-speed rail plans for the NEC would ultimately be selected. Nonetheless, since the Administration has billed their vision for high-speed and intercity passenger rail as a nationwide effort, it is likely that projects from across the country will continue to be selected, especially those that are closest to realization. Early success stories are needed to prove the concept of high-speed rail to the rest of the nation, and the NEC is far from that reality.



Rep. Mica

Equally important is the notion of how intercity passenger rail operates on conventional routes, namely those owned by private railroads. Congressman Mica routinely criticizes Amtrak as example of wasteful government spending and a hindrance to private sector competition, although he is certainly not alone in his criticism. And, to be fair, Amtrak is hardly a perfect instrument to achieve the nation's passenger rail goals. Its customer service is [wildly inconsistent](#), station facilities range from breathtaking (the union stations in both [Washington](#) and [Los Angeles](#), for example) to outright shabby (the scores of so-called [Amshacks](#) littered across the country), and

its long-distance trains are chronically late and infrequent. At the same time, Amtrak is saddled with pension payments to retired employees of the freight railroads – many of whom never worked for Amtrak, has ownership of only one true rail corridor (the NEC) and is burdened by an often fluctuating and occasionally non-existent federal policy that fails to guide its direction. Accordingly, to claim all of Amtrak's challenges are self-inflicted is simply incorrect. In 2009, author James McCommons took an extensive look at Amtrak's history, trends and challenges in *Waiting on a Train*, and last year, we interviewed McCommons in *RAIL #25*, as well as including his presentation at our *Connecting Communities: A Passenger Rail Symposium* in Long Beach.

Few leaders or policy-makers ever come to grips with the fundamental reality of most of the nation's passenger rail network: it operates over the rails of privately-owned freight railroads, which makes contracted service through private operators nearly impossible. Because of the 1970 Rail Passenger Service Act whereby the federal government allowed private railroads to shed their money-losing passenger services and created Amtrak, the national passenger carrier has exclusive domain to operate passenger trains over their tracks. And while most freight railroads tolerate Amtrak as a nuisance which occasionally occupies their rails, they would have an even lower appetite for private entities with access to these rail lines. Amtrak service is predictable, legally-restricted and, essentially, equally unfair and painful to all the private railroads. Issues such as liability, contract compliance and new routes are well-established in governing documents and practice, providing low levels of uncertainty to the system. New entrants to the passenger rail arena – imagine Richard Branson bringing his Virgin brand to the U.S. rail network, or the rapidly-



Amtrak's Silver Service train arrives at the Palatka, Fla. station. Palatka is part of Congressman Mica's congressional district.

growing Megabus introducing Megatrains – would be independent agents and potential competitors, and offer none of the certainty and precedent as the more established Amtrak. For America's freight railroads, the devil they know is better than the one they don't.

Within this atmosphere, the recent – and likely future – rounds of non-high speed, intercity passenger rail projects were selected, with Amtrak as the service operator. While Amtrak might not be the ideal entity to provide intercity passenger trains, it is the only one that can currently navigate the freight-dominated railroad infrastructure. As true high-speed rail projects are developed – those with dedicated infrastructure that is separate from the freight rail network and where speeds over 125 mph are possible – opportunities for private sector involvement will become more prevalent. Indeed, Amtrak's role in the now-abandoned

Florida high-speed rail project was only that of a prospective bidder – the railroad partnered with French operator SNCF to submit their proposal – competing along with other international firms and entities for the right to design, build, operate and maintain the system. A similar arrangement is anticipated in California, perhaps with an even greater amount of private, international investment to fuel the project to completion.■

This piece originally appeared in RAIL Magazine's Potomac Express blog, authored by Editor Rich Sampson. This, and other blog posts, can be viewed at potomacexpress.blogspot.com.