



Written by [Dave Bohon](#) on February 15, 2011

Obama Administration Proposes \$53 Billion for High-Speed Rail

On February 8 Vice President Joe Biden unveiled an Obama administration plan to spend \$53 billion over the next six years to develop a high-speed passenger rail system that would link the nation's larger cities. The proposed spending would be added to the \$10.5 billion the administration has already spent on high-speed rail since Obama took office, including \$8 billion poured into his 2009 "economic stimulus package."

The proposed new plan would include \$8 billion in spending on the project in the upcoming fiscal year, and would feature an application process to streamline how cities, states, and private investors would tap into federal tax dollars to "partner" with the federal government in developing the nationwide high-speed rail system.

"There are key places where we cannot afford to sacrifice as a nation — one of which is infrastructure," Biden, a longtime advocate of high-speed rail, declared as he introduced the plan. He emphasized the crucial need "to invest in a modern rail system that will help connect communities, reduce congestion, and create quality, skilled manufacturing jobs that cannot be outsourced."

The Vice President's announcement followed the President's own declaration during his January 25 State of the Union address that high-speed rail is a key element of the nation's economic recovery. "To attract new businesses to our shores, we need the fastest, most reliable ways to move people, goods, and information — from high-speed rail to high-speed Internet," Obama told Congress and the American people. "Countries in Europe and Russia invest more in their roads and railways than we do. China is building faster trains and newer airports."

The President said his proposal would extend rail service to the nation's largest urban areas and give an estimated 80 percent of Americans access to the service within the next 25 years. "This could allow you to go places in half the time it takes to travel by car," he said. "For some trips, it will be faster than flying — without the pat-down."

With both government and private concerns relying heavily on automobiles over the past 60 years, America's rail system has not been a high priority for either sector. Writing on [Time.com](#), Bryan Walsh noted that "America's antiquated rail system will have to advance a long way just to make it to the present, let alone the future. U.S. intercity railroads are a laughingstock compared with those in most other developed nations — and, increasingly, even those in developing nations like China, which is investing more than \$300 billion to build more than 16,000 miles of high-speed track by 2020."

The proposal that Biden laid out calls for spending up to \$500 billion over the next 25 years to remedy



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this supposed defect, with plans for a system that would include regional corridors with trains traveling at speeds of 90 to 125 mph, along with a faster express rail system that would form the foundation for a high-speed system with electric trains traveling at speeds of 125 to 250 mph.

But Republicans in both the House and the Senate point out that with a record \$14 trillion federal debt, ratcheting up federal spending on such a dubious program as America's traditionally-failed passenger rail system doesn't make sense. In fact, legislators studying the issue said that ending rail subsidies now would trim as much as \$6 billion from the budget.

U.S. Representative John Mica (R-Fla.), chairman of the House Transportation and Infrastructure Committee and a proponent of improving the nation's rail system, condemned the President's plan, part of which would be used to speed up trains in the nation's most heavily traveled rail corridor, the Amtrak-run Boston-New York-Washington route, reported the AFP news service. "Amtrak's Soviet-style train system is not the way to provide modern and efficient passenger rail service," observed Mica, who has proposed that such projects should be financed and operated privately.

Representative Bill Shuster (R-Pa.), chairman of the Railroads subcommittee, joined Mica in criticizing the Obama administration's plan, arguing that it fails to attract "private investment, capital, and the experience to properly develop and cost-effectively operate true high-speed rail." Noting the long-term failure of federally subsidized Amtrak, Shuster said that the "definition of insanity is doing the same thing over and over again, expecting a different result, and that is exactly what Vice President Biden offered today."

Shuster said that the only sound model for successful high-speed rail in the U.S. would be one that is funded and operated by private investors. "Rail projects that are not economically sound will not win the future," he said. "It just prolongs the inevitable by subsidizing a failed Amtrak monopoly that has never made a profit or even broken even. Government won't develop American high-speed rail. Private investment and a competitive market will."

In a [Washington Post](#) editorial, Robert Samuelson suggested that the President's proposal casts doubt on his stated commitment to reduce the budget deficit. Samuelson wondered how Obama's proposed \$3.73 trillion budget, in which he promises to cut spending by \$1.1 trillion, will "subdue deficits if it keeps proposing big spending programs?"

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

Despite the hefty government subsidies, wrote Samuelson, Amtrak travel is no bargain for travelers, with a recent one-way trip from Washington, D.C. to New York City going for \$139 — compared to a \$21.50 round-trip fare by private bus service. "Nor does Amtrak do much to relieve congestion, cut oil use, reduce pollution or eliminate greenhouse gases," he added, addressing the arguments advanced by environmentalists for subsidized rail service. "Its traffic volumes are simply too small to matter." Samuelson recalled that last year Amtrak carried a meager 29.1 million passengers — about four percent of the estimated 725 million passengers who flew by air during the same period, and about 25 percent of the 124 million Americans who commute by automobile each day. "Measured by passenger-miles traveled, Amtrak represents one-tenth of 1 percent of the national total," he said.

As in the past with federally subsidized rail, once the dust settles and the bill comes due for



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construction and equipment (not to mention maintenance and repairs), in order to recoup costs operators would be forced to raise ticket prices so high that few would choose it as an option. By contrast, while lowering prices might increase ridership, the increased revenue would not begin to cover costs. Literally all government-run mass transit systems run in the red, and Obama's white elephant dream would be no exception.

"The reasons passenger rail service doesn't work in America are well-known," noted Samuelson. "Interstate highways shorten many trip times; suburbanization has fragmented destination points; air travel is quicker and more flexible for long distances.... Against history and logic is the imagery of high-speed rail as 'green' and a cutting-edge technology."

While Samuelson is clearly a proponent of big government, which he says exists to make "wise choices" for us all, his observations on a federalized high-speed rail system are sound as far as they go. "What's disheartening about the Obama administration's embrace of high-speed rail is that it ignores history, evidence and logic," he wrote. "The case against it is overwhelming. The case in favor rests on fashionable platitudes. High-speed rail is not an 'investment in the future'; it's mostly a waste of money."

One of the missing points in Samuelson's editorial, as well as other discussions on the issue, is the pressure that would likely come from environmentalists and others, should a federalized rail service move forward, to take private vehicles out of the hands of Americans — essentially making them too expensive to own — and force them to use alternative forms of transportation from walking and bicycles to buses and cramped trains.

Time magazine's Bryan Walsh cited statistics from the activist group Environment America which supposedly shows that high-speed rail uses a third less energy per mile than auto or air travel, and a nationwide system could even reduce the nation's oil consumption by 125 million barrels a year. "In addition, high-speed rail represents the kind of long-term infrastructure investment that will pay back for decades, just as the interstate highway system of the 1950s has," wrote Walsh, suggesting an eventual segue from cars to trains as America's main mode of long-distance transportation.

Perhaps Biden himself was offering a federally-inspired prophetic look at America's future when he called the proposed rail system "a down payment on a truly national program" that would "change the way we travel and change the way we work and live."



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