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END OF THE LINE

The Failure of Amtrak Reform and the Future of America's Passenger Trains

By Joseph Vranich

Amtrak has spent \$27 billion in federal subsidies, and Congress has just approved another \$1.2 billion subsidy to keep the passenger railroad from going bankrupt. Notwithstanding these enormous subsidies, the Department of Transportation's inspector general recently reported to Congress that Amtrak—which since 1970 has been responsible for operating a national passenger rail system and maintaining some of its underlying infrastructure of rails, tunnels, and easements along its routes—is headed for a major failure. In *End of the Line: The Failure of Amtrak Reform and the Future of America's Passenger Trains* (AEI Press, December 1, 2004), Amtrak advocate-turned-critic Joseph Vranich demonstrates that reform efforts have failed and argues that Amtrak must be replaced—or it will continue to waste billions of taxpayers' dollars.

A Record of Failure and Deceit

End of the Line is the first insightful analysis of what's wrong with the deficit-ridden Amtrak system since the passage of major reform legislation in 1997. Dozens of reports issued since then by the General Accounting Office, the Department of Transportation's inspector general, and the Amtrak Reform Council support Vranich's claims that Amtrak has a record of profound fiscal and operational failure.

Misleading accounting practices, substandard performance, and unmet promises to become solvent underscore the urgency of the need to address Amtrak's continued resistance to implementing the common-sense reform measures mandated by the Amtrak Reform and Accountability Act of 1997.

"END OF THE LINE will inspire a reassessment of Amtrak, a dysfunctional organization that has failed taxpayers and travelers time and again."

—Anthony Haswell, railroad passenger advocate
instrumental in the formation of Amtrak

Serious Public Safety Hazards Revealed

One of the most worrisome operational failures Vranich describes is Amtrak's reckless disregard for public safety. For nearly thirty years, Amtrak has ignored critically needed safety upgrades in its New York City tunnels—the busiest and most important infrastructure that Amtrak owns. As a result, it would

be very difficult to safely evacuate passengers in Manhattan's tunnels if there were a terrorist attack or accident. Despite the chilling evidence of the vulnerability of trains to terrorist attacks demonstrated recently in Madrid, Spain, Amtrak continues to spend millions of taxpayer dollars to projects of little importance on lightly used lines while underfunding critical safety work in New York City's tunnels. Vranich warns that New York travelers would be safer flying than riding the rails.

End of the Line gives examples of other counterproductive Amtrak policies, some of which have created more disenchantment in state governments and commuter agencies than at any other time in Amtrak's history. A major complaint is that Amtrak, when suffering cash shortfalls and issuing shutdown menaces to Congress, always threatens to disregard local agreements and close down commuter train systems carrying millions of people on non-Amtrak trains. As a result, local officials in Boston and Los Angeles have ended commuter-train contracts with Amtrak and substituted private operators. Many other localities are considering similar steps to free themselves from Amtrak's hold.

"END OF THE LINE offers a bright vista for U.S. passenger rail—without Amtrak—that is persuasive and pragmatic because scores of other nations and several of our own states are already leading the way with inspiring results. . . . The chapter on terrorism should be mandatory reading for every politician and policymaker who makes decisions affecting our nation's transport system."

—Nancy Rutledge Connery, member, Amtrak Reform Council and Blue-Ribbon Panel on Amtrak

Acela—Too Little, Too Late

Many railroad buffs believe high-speed trains like the Acela Express will save Amtrak by attracting so many passengers that the railroad can finally fulfill its promises to prosper. But the Amtrak Reform Council and the Transportation Department's inspector general have found that Amtrak had inflated traffic projections for the Acela Express and failed to deliver on its promises. An extensive chronology in *End of the Line* documents that the trains were delivered several years late and are much slower than was promised when the train's development started more than a decade ago.

Privatization Already Succeeds at Home and Abroad

It is possible to replace Amtrak with new operators to keep the more marketable routes running in the future. Already about 40 million passengers a year, primarily commuters, ride on trains operated by private companies in the United States. Some of the biggest gains in rail travel are on commuter rail systems that operate independently of Amtrak and on short-distance trains that Amtrak would not operate absent subsidies from states like California.

Great Britain, Japan, Canada, and prior experience in the United States also provide useful lessons in maximizing public investments through a franchising and devolvement process. In Britain last year, more than 1.1 billion passenger trips were made on privatized railways—the highest level since 1947. The *increase* alone in British train traffic since privatization is greater than Amtrak's *total* ridership.

All Aboard without Amtrak

"It's time to replace Amtrak with public-private partnerships if we want better trains operating where more people will ride them," Vranich concludes. *End of the Line* shows what can be done to ensure a brighter future for passenger trains in America.

JOSEPH VRANICH worked to create Amtrak in 1970–71, and later became its press spokesman. He was president/CEO of the High Speed Rail Association in early 1990s and a Senate appointee to the Amtrak Reform Council from February 1998 through July 2000.