

TGA

Discussion of High Speed Rail Issues

March 20, 2007

US House of Representatives

Louis S. Thompson, Principal
Thompson, Galenson and Associates, LLC
lthompson@alum.mit.edu
301 951-3731 ph 301 951-8978 fax

Current Challenges to HSR and Short Haul Passenger Rail

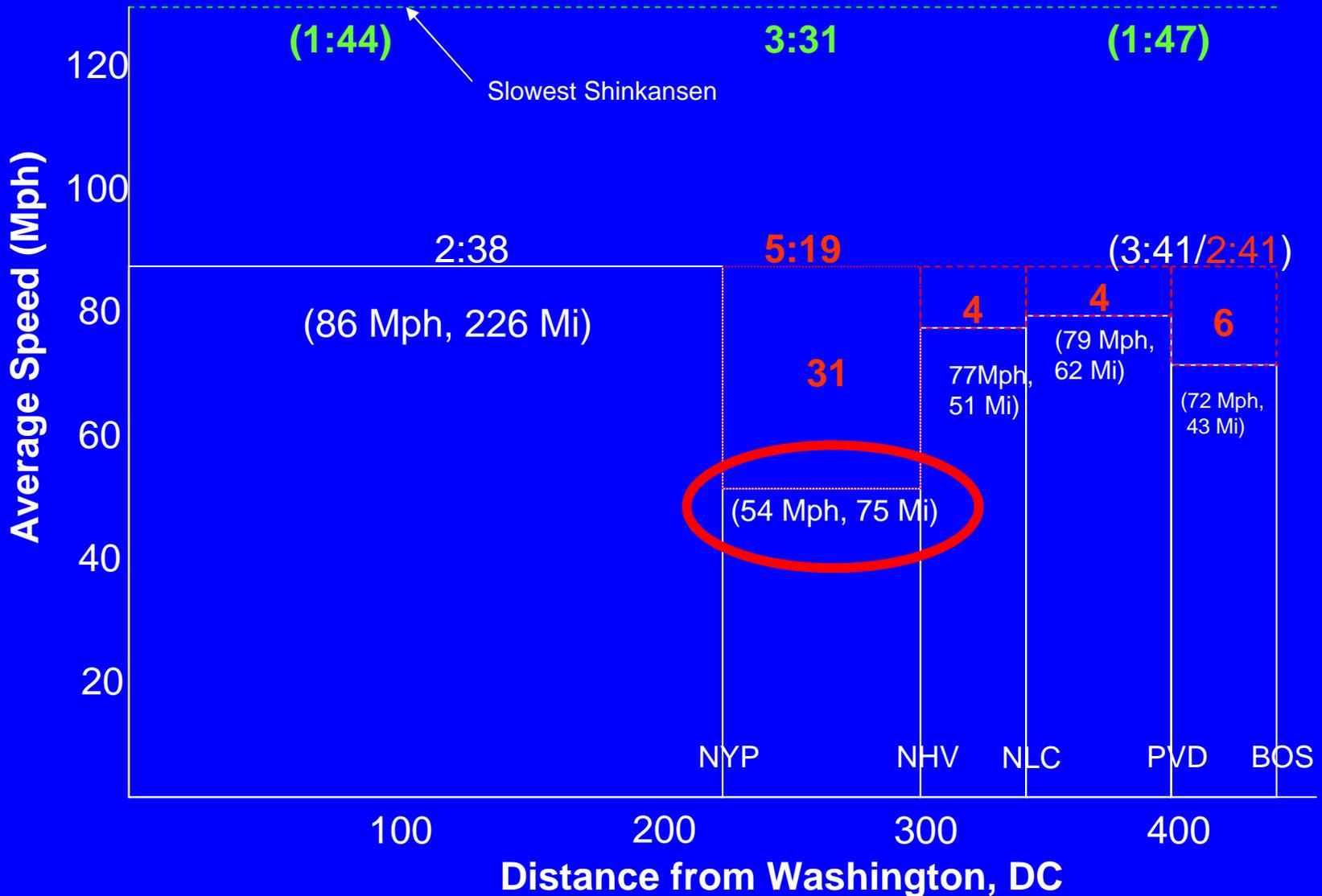
- Defining and sharing benefits (public versus private, Federal versus State)
- Multi-state issues
- Gas prices too low
- Private role has been handicapped:
 - Poor definition and allocation of benefits
 - Lack of US experience in franchising (risks and responsibilities)

How to Fix the Problem

(Strategic Reform Initiatives)

- Refocus Amtrak on its basic strengths:
 - Amtrak operates long haul trains (“National System”) under explicit and fully funded contract with DOT/Congress
 - Short haul trains managed by States/regions with Amtrak as one of the competitors for operations
 - NEC (intercity trains **and** infrastructure) to have regionally focused, integrated management (Amtrak or other).
- FTA-like funding mechanism in FRA for short hauls and HSR
 - Short hauls: fund just like mass transit. Existing Amtrak support could be shifted if desired, but could be phased out.
 - HSR: DOT/Congress define benefit shares, regions or States manage. Amtrak could compete as operator with private or local public operators

The NEC: Problems and Possibilities



Necessary changes to support short haul rail and HSR

- Raise the gas tax: competition, energy independence, greenhouse, pollution
- Highway and airport congestion pricing
- Closer links among Federal funding choices to permit tradeoffs
- Public role for more investment in private freight rail capacity: strong linkage with passenger rail capacity