NEGATIVE: Amtrak Privatization

By Katherine Baker

***Resolved: The United States federal government should substantially reform its transportation policy.***

Affirmative will sell or auction off the federally-owned system of passenger rail, Amtrak. The plan is based on the erroneous premise that federal subsidies to Amtrak are excessive and bad.

First, they're not improper, since all forms of transportation are to some extent subsidized. If you drove a car on a roadway, you benefited from a government subsidy, so it is strange to complain about one subsidy but not another.

Second, they're not excessive, since the rate at which Amtrak is subsidized is far less than cars and highways. Ridership on Amtrak is large and growing, and it serves vital routes that people need. It even helps non-riders, as it reduces traffic congestion by keeping cars off the road, considering where all the train riders would be if they weren't on a train.

Amtrak also operates some commuter rail lines that are essential to many poor who rely on them to get to their jobs and other vital services.

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Negative: Amtrak Privatization

HARMS / SIGNIFICANCE

1. Amtrak subsidies not excessive

Amtrak gets only 12% subsidy – far less than cars

Abe Zumwalt 2014 (National Assoc. of Railroad Passengers, Director of Policy Research; B.A. in Economics and in French from Knox College) 11 July 2014 “WASHINGTON POST SAYS AMTRAK SHOULD SOLVE ON TIME PERFORMANCE ISSUES BY CUTTING SERVICE; NARP RESPONDS” <https://www.narprail.org/news/blog/washington-post-says-amtrak-should-solve-on-time-performance-issues-by-cutting-service-narp-responds/>

Strong words, certainly, but completely exaggerated when confronted with the very strong 88% cost recovery that Amtrak boasted in FY 2013. This means that only 12% of Amtrak’s operational costs were subsidized, which is extremely favorable to every other domestic mass transit system, not to mention the abysmal 51% cost recovery that the broken financing model for our highway system is producing. So, it begs the question: if Amtrak can be considered “heavily subsidized,” what superlative could adequately encompass the evidently egregious amount of subsidy that other elements of our transportation system consume?

Amtrak gets FAR less subsidies than highways. Turn: Amtrak needs more funding, not less

Kevin DeGood, 2015 (Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

Even with recent ridership records, however, Amtrak faces many challenges. The most significant of these is a lack of adequate funding to meet maintenance needs or to plan for future system growth. In fact, since beginning operations in 1971, Amtrak has received, in inflation-adjusted terms, just $70 billion in total federal funding. To put this in perspective, since 2008, Congress has backfilled the Highway Trust Fund with $65 billion in general fund revenues to avoid insolvency. In just seven years, Congress has provided almost as much general fund support for highways as Amtrak has received in 45 years of operations.

Amtrak’s problems are from too little funding, not too much

Kevin DeGood, 2015 (Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

Moreover, when revenues rise as a result of robust ticket sales, Congress often uses this as a justification to cut federal support further. Inadequate funding also makes it difficult for Amtrak to comply with safety requirements, such as the installation of positive train control, or PTC, technologies. Positive train control is a communication-based technology that relies on transmitting information using radio signals to provide real-time data on the location, speed, and direction of trains. This system is capable of preventing derailments from excess speed, train collisions, and incursions into work zones, among other benefits. When Congress mandated the adoption of PTC in 2008, it did not provide any additional funding or set aside radio spectrum for Amtrak and other transportation agencies. As a result, Amtrak and other providers have had to lease spectrum at market rates from spectrum holders. In addition, Amtrak has had to choose between basic maintenance and PTC installation.

A/T “Amtrak is unstable”: All public transit is unstable

Ryan Felton, 2017 (Transportation & Technology Reporter for Jalopnik, a news and opinion website about cars, the automotive industry, racing, transportation, airplanes, technology, motorcycles and much more.) “Potential Big Cuts To Amtrak Are Bad For Everyone, Including Drivers” January 21, 2017 <http://jalopnik.com/potential-big-cuts-to-amtrak-are-bad-for-everyone-incl-1791387333>

Yet the Heritage blueprint bleats about Amtrak as being “characterized by an unsustainable financial situation,” but the fact is: All of public transit is fundamentally unsustainable without government aid. A bus or train system can’t operate solely on rider fares alone. It is a myth.

Cars get subsidies too – doesn’t make them bad

Ryan Felton, 2017 (Transportation & Technology Reporter for Jalopnik, a news and opinion website about cars, the automotive industry, racing, transportation, airplanes, technology, motorcycles and much more.) “Potential Big Cuts To Amtrak Are Bad For Everyone, Including Drivers” January 21, 2017 <http://jalopnik.com/potential-big-cuts-to-amtrak-are-bad-for-everyone-incl-1791387333>

What makes something sustainable anyway, in the eyes of Heritage? The government appropriates over $40 billion for highway and bridge improvements—effectively a subsidy for people who drive cars—and that’s not exactly up to snuff, either. How much do we spend on public transit? About half that amount.

1. Amtrak’s financial performance is improving

Amtrak fiscal performance improving – it’s comparable to the finances of other forms of transportation

Kevin DeGood, 2015 (Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

In recent years, Amtrak’s fiscal performance has steadily improved, placing it on par with other modes of transportation. This past year, ticket sales covered 93 percent of Amtrak’s operating costs. In fiscal year 2012, the most recent year for which complete data are available, Amtrak earned $2.877 billion in revenue and incurred $4.036 billion in expenses. As a result of strong revenue performance, congressional subsidies to cover operations and capital needs averaged between 30 percent and 35 percent of Amtrak’s total budget. This subsidy level is equivalent to the average provided to highways.

1. A/T “Nobody rides”

Ridership in Midwest growing rapidly

Randy Truitt, Robert Guy, 2015 (Co-Chairs, Midwest Interstate Passenger Rail Commission Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

The Midwest is a testament to the fact that people increasingly want the option to take the train, especially with more frequent and reliable service. Ridership on existing Amtrak corridor service (100-600 miles) in the Midwest has been growing rapidly. In FY 2014, ridership on the nine Midwestern corridor routes combined reached nearly 3.14 million, almost double the number of riders on those routes in FY 2004. Five-year growth (FY 2009 to FY 2014) was 27 percent.

Ridership on long-distance routes growing

Randy Truitt, Robert Guy, 2015 (Co-Chairs, Midwest Interstate Passenger Rail Commission Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Ridership on the eight longer-distance Amtrak routes that serve the Midwest is growing, too, with an overall increase of seven percent over the past five years, and a 20 percent increase since FY 2004. Altogether, these routes – all originating out of the nation’s largest rail hub, Chicago – have 80 station stops across the Midwest, many of them in rural communities not served by other forms of intercity transportation.

SOLVENCY / ADVOCACY

1. Won’t solve for subsidies

Failed in Britain: Taxpayers will still pay huge subsidies for Amtrak or whatever its privatized successor is

James Garrett Baldwin, 2015 (has a decade of leadership experience in financial publishing; graduate of the Medill School of Journalism at Northwestern Univ. Master’s Degree in Economic Policy from Johns Hopkins Univ, MS in Agricultural Economics from Purdue Univ, MBA in Finance from Indiana Univ.) “Should Amtrak Be Privatized?” June 23, 2015 <http://www.investopedia.com/articles/investing/062315/should-amtrak-be-privatized.asp?lgl=myfinance-layout-no-ads>

Even if Amtrak were to be privatized, the US could follow the United Kingdom’s path and require significant subsidies for rail operators. Taxpayers would, in turn, still pay huge quantities of subsidies. They simply wouldn’t have Amtrak as the scapegoat.

Bailouts will be inevitable

Michael Mathews, 2015 (Software Engineer in Electronic Design Automation; Caltrain Rider. Studied at University of California, Irvine.) “What are pros and cons of privatizing Amtrak?” May 19, 2015 <https://www.quora.com/What-are-pros-and-cons-of-privatizing-Amtrak>

You might consider it a pro that we would no longer need to provide subsidies to operate rail service. I would argue that based on the history of the airline industry, we will almost surely be looking at bailouts somewhere during an economic downturn or management misstep.

DISADVANTAGES

1. Congestion worsened

Link: Amtrak alternative to congested highways

Kevin DeGood, 2015 (the Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

As highway congestion within the region has grown, so has Amtrak’s role as an efficient alternative to driving. In 2001, Amtrak provided 37 percent of combined air and passenger rail trips between Washington, D.C., and New York City. By 2011, its share of combined service had risen to 75 percent. The mode share growth for the segment from New York to Boston is also impressive. In 2001, Amtrak provided just 20 percent of combined rail and air trips. This share grew to 54 percent by 2011.

Brink: increased dependence on other forms of transportation

Michael Mathews, 2015 (Software Engineer in Electronic Design Automation; Caltrain Rider. Studied at University of California, Irvine.) “What are pros and cons of privatizing Amtrak?” May 19, 2015 <https://www.quora.com/What-are-pros-and-cons-of-privatizing-Amtrak>

You might consider it a pro that Amtrak would be force to reduce or eliminate service on so-called unprofitable routes. I would argue that when you combine this with airline cuts from deregulation, this means that some of those communities will become even more dependent on automobile and truck traffic to survive.

Impact: Net benefits of reduced congestion outweigh Amtrak’s flaws

Ryan Felton, 2017 (Transportation & Technology Reporter for Jalopnik, a news and opinion website about cars, the automotive industry, racing, transportation, airplanes, technology, motorcycles and much more.) “Potential Big Cuts To Amtrak Are Bad For Everyone, Including Drivers” January 21, 2017 <http://jalopnik.com/potential-big-cuts-to-amtrak-are-bad-for-everyone-incl-1791387333>

Now, Amtrak sucks. Everyone knows that. Anyone who has taken a train in, say, Europe, knows that, comparatively, Amtrak runs a lousy, expensive service—but that doesn’t negate the public good that’s served by subsidizing transit. Removing cars from the road is a benefit to the environment, and it frees up roads for people who actually want to drive. (Ironically, easing congestion is also a purported goal of libertarian-backed endeavors like Uber.) Allowing people to travel efficiently without a car if they so choose lets them avoid the stress of a jam-packed rush hour. It reduces monthly expenses.

Impact: Public transit saves travel time, fuel, and overall costs from traffic congestion

American Public Transportation Association Copyright 2017 (A transportation organization dedicated to strengthening and improving public transportation. APTA seeks to provide the safest, most efficient, and most economical transit services and by improving those services to meet national energy, environmental, and financial concerns. )“Public Transportation Benefits” <http://www.apta.com/mediacenter/ptbenefits/Pages/default.aspx>

Public transportation has a proven record of reducing congestion. The latest research shows that in 2011, U.S. public transportation use saved 865 million hours in travel time and 450 million gallons of fuel in 498 urban areas. Without public transportation, congestion costs in 2011 would have risen by nearly $21 billion from $121 billion to $142 billion in 498 urban areas.

Impact: Huge cost to airport congestion

Kevin DeGood, 2015(is the Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

Congestion within the region takes a heavy toll on the economy. Four of the five airports with the greatest congestion and worst on-time performance—including LaGuardia, Kennedy, Newark Liberty, and Philadelphia—are located within the Northeast, and these airports account for one-third of all aviation delays nationally. The economic cost of congestion at these airports is expected to more than double by 2025, to $7 billion annually.

1. Lost commuter rail

Link: Losing funding equals losing Amtrak

Ryan Felton, 2017 (Transportation & Technology Reporter for Jalopnik, a news and opinion website about cars, the automotive industry, racing, transportation, airplanes, technology, motorcycles and much more.) “Potential Big Cuts To Amtrak Are Bad For Everyone, Including Drivers” January 21, 2017 <http://jalopnik.com/potential-big-cuts-to-amtrak-are-bad-for-everyone-incl-1791387333>

This grossly understates the impact of eliminating Amtrak’s operating funds. As Politico noted at the time the foundation released its blueprint last February: “Amtrak would ultimately lose its federal subsidies, likely ending the railroad service.” And if I had to guess, Heritage probably knows this.

Link: In addition to inter-city service (AFF’s focus), Amtrak also does commuter rail in Maryland, Connecticut and L.A.

Kevin DeGood, 2015 (Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

Policy discussions about Amtrak tend to focus on intercity rail service. While essential, these trips are only one aspect of Amtrak’s work and value. In fact, Amtrak is a leading provider of passenger rail services, including engineers, train crews, dispatching, and other operational support to transit and commuter rail agencies around the country. Furthermore, Amtrak operates commuter rail services on behalf of three regional rail authorities—the Maryland Area Regional Commuter, or MARC; Shore Line East in Connecticut; and Metrolink in the Los Angeles region.

Link: Amtrak essential to 840,000 commuters per day

Kevin DeGood, 2015(Kevin DeGood is the Director of Infrastructure Policy at the Center for American Progress.) “Understanding Amtrak and the Importance of Passenger Rail in the United States” June 4, 2015 <https://www.americanprogress.org/issues/economy/reports/2015/06/04/114298/understanding-amtrak-and-the-importance-of-passenger-rail-in-the-united-states/>

Passenger rail is an essential element of America’s surface transportation system. The main provider of intercity passenger rail service is the National Railroad Passenger Corporation, also known as Amtrak. Amtrak serves more than 500 destinations in 46 states. Passenger rail service supports economic development, connects rural communities to the nation, and helps reduce roadway congestion in major metropolitan regions. In addition, Amtrak facilities and services are vital to commuter rail agencies, allowing 840,000 commuters to reach their destinations every weekday.

Impact: Poor harmed. Public transit is essential to daily needs for large numbers of poor who don’t have cars

Kevin DeGood and Andrew Schwartz 2016 (DeGood - Director of Infrastructure Policy at the Center for American Progress. Schwartz - Research Associate on the Economic Policy team at the Center) “Can New Transportation Technologies Improve Equity and Access to Opportunity?” 27 Apr 2016 <https://www.americanprogress.org/issues/economy/reports/2016/04/27/135425/can-new-transportation-technologies-improve-equity-and-access-to-opportunity/>

Public transportation is an essential part of our surface transportation system. For many families, especially those without access to a car, public transportation is that critical link to employment, education, and child care facilities, among other services. In 2014, the last year for which complete data are available, more than 2,100 public transit operators provided 10.5 billion unlinked trips, carrying passengers more than 57 billion miles. Nationwide, 20 percent of households at or below the federal poverty line lack access to a car. The percentages of low-income African American and Latino households without a car are even higher at 33 percent and 25 percent, respectively. For these families, public transportation provides the only way to meet daily needs.

Impact: Harms the disadvantaged. Some can only hold jobs if they can access subsidized public transit

Prof. David Levinson and Prof. David King 2013 (Levinson - [School of Civil Engineering](http://sydney.edu.au/engineering/civil/) at the University of Sydney, Australia. King – Assistant Professor of Urban Planning, Columbia Univ.) The case for (and against) public subsidy for public transport) 22 Apr 2013 <https://streets.mn/2013/04/22/the-case-for-and-against-public-subsidy-for-public-transport/>

Transit helps the transportation disadvantaged. Equity or welfare has often been an argument in favor of subsidy, that we do it to provide benefits for people unable to afford otherwise, or transportation for the disadvantaged. This gets more into values than economics, but there are some people who would be employed but for their ability to access jobs, so some subsidy on the transportation front is at least partially repaid by more economic productivity.

Impact: Trapped in poverty. Transit is the ticket out of poverty for many urban poor

Kevin DeGood and Andrew Schwartz 2016 (DeGood - Director of Infrastructure Policy at the Center for American Progress. Schwartz - Research Associate on the Economic Policy team at the Center) “Can New Transportation Technologies Improve Equity and Access to Opportunity?” 27 Apr 2016 <https://www.americanprogress.org/issues/economy/reports/2016/04/27/135425/can-new-transportation-technologies-improve-equity-and-access-to-opportunity/> (brackets in original)

Decades of research show that access to affordable transportation—either an automobile or public transportation—is an essential part of moving out of poverty. A recent major study by Raj Chetty, a professor of economics at Stanford University, and his colleagues found that geographic isolation—as measured by lengthy commute times— was a significant factor in people’s ability to leave poverty. The authors concluded that “upward mobility is higher in cities with less sprawl, as measured by commute times to work. These findings lead us to identify segregation as the first of five broad factors that are strongly correlated with [economic] mobility.” Other research demonstrates that the presence of public transit improves access to employment at all levels and that transit reduces the geographic mismatch between households and employment.

1. Rural communities harmed

Rural Amtrak use is growing: Under-represented parts of the country need it and canceling would be irresponsible

Abe Zumwalt 2014 (National Assoc. of Railroad Passengers, Director of Policy Research; B.A. in Economics and in French from Knox College) 11 July 2014 “WASHINGTON POST SAYS AMTRAK SHOULD SOLVE ON TIME PERFORMANCE ISSUES BY CUTTING SERVICE; NARP RESPONDS” <https://www.narprail.org/news/blog/washington-post-says-amtrak-should-solve-on-time-performance-issues-by-cutting-service-narp-responds/>

In this so-called flyover country, the Empire Builder continues to boast impressive ridership for a single daily train service that is operating so unreliably. One will find that similar usage patterns exist on every long distance service Amtrak operates. Perhaps this is because transportation options for rural places are diminishing, most notably [in dwindling air service](http://www.news-journal.com/business/study-finds-rural-air-service-on-decline/article_82840686-3215-5833-ba0b-01add419e801.html) – not to mention the potential critical importance these services represent, given the uncertain future the Federal Highway Trust Fund. For so many underrepresented parts of the population, writing off these long-haul trains is evidence of a dangerous kind of metropolitan provincialism, and is patently irresponsible. The long distance segment [alone has grown by 55% since 1997](http://greatergreaterwashington.org/post/17913/amtrak-shouldnt-axe-the-national-network/), which should inspire the impetus to improve the national network by working with the freight railroads to expand capacity of the infrastructure, not to abandon it entirely!

1. Lost jobs

Wide-spreading economic impact

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Manufacturing passenger rail equipment has economic impacts not only for the company awarded the contract, but for many other rail suppliers. In September of 2012, Nippon Sharyo based in Rochelle, Illinois was awarded a $352 million contract to assemble 130 bi-level passenger rail cars for Amtrak’s Midwest and California corridors. The Federal Railroad Administration funded the purchase of the railcars, with a requirement that 100 percent of the components be American-made. To meet that demand, Nippon Sharyo built a $100 million addition to their existing facilities and added 90 new manufacturing jobs. The Illinois Department of Transportation ordered another 34 cars from Nippon Sharyo, for a total addition of 122 next generation railcars to the Midwestern Amtrak fleet. This will allow all existing Midwestern corridor service routes to be equipped with new railcars. The total economic impact of this manufacturing project reaches much farther than Rochelle, Illinois.

Development in passenger rail gives economic boost to Midwestern states

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Continued development of the nation’s passenger rail system has resulted in a huge economic boost for our Midwestern states. From the hundreds of vendors annually helping to keep Amtrak service running, to suppliers producing components for new train cars, the renovation of existing stations and the building of new ones, as well as the upgrading of hundreds of miles of track, businesses from all across the region have benefited directly from expansions in passenger rail.

Economic benefits: $282 million impact in 2013

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Every Midwestern state with passenger rail service benefits economically from contracts Amtrak maintains with local businesses. During FY 2013, Amtrak had a total of 931 vendors in 11 Midwestern states (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin). These vendor contracts resulted in an economic impact of more than $282 million, a significant growth from prior years. During the 10-year period between FY 2003 to FY 2013, there was a 200 percent increase in the amount Amtrak expended for goods and services in those 11 states.

Example: Illinois economic benefits. $108 million impact in Fiscal Year (FY) 2013

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Amtrak contracted with 336 vendors in Illinois, with a total economic impact of more than $108.3 million during FY 13. This represents a 154 percent increase from Amtrak’s FY03 expenditures for goods and services in Illinois. The vendors were located all across the state, but there was a large concentration in the Chicago metropolitan area.

Example: Indiana economic benefits. $21 million impact in 2013

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

During FY 13, there were 186 Amtrak vendors in the state of Indiana. These vendors’ contracts had a $21.4 million economic impact on the state. Amtrak’s Indiana expenditures for goods and services grew 85 percent during the 10-year period between FY03 and FY13. Similar to Illinois, Indiana’s vendors were located throughout the state, but there was a concentration in the Greater Indianapolis area.

Example: Kansas economic benefits

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

During FY 13, Amtrak contracted with 15 vendors in the state of Kansas. These vendors’ contracts had a $29.2 million impact on the state. Amtrak’s Kansas expenditures for goods and services grew 87 percent in the 10year period between FY03 and FY13.

Example: Michigan economic benefits

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Amtrak contracted with 93 vendors in Michigan, for a total economic impact of more than $31.7 million in FY 13. That represented a $29 million increase over FY 03. A large number of vendors are located in the southeast region of the state.

Example: Minnesota economic benefits

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Amtrak contacted with 50 vendors in the state of Minnesota, with a total economic impact of $21 million. Amtrak’s FY 13 expenditures in the state represented a nearly $19 million increase since FY 03. The vendors are located across the state, but there is a large concentration in the Twin Cities area.

Example: Missouri economic benefits

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

Amtrak contacted with 42 vendors in Missouri, for a total economic impact of $30.1 million during FY13. Since FY 03, Amtrak increased its Missouri expenditures by more than $28 million. The majority of vendors are located in the Kansas City and St. Louis areas.

Example: Ohio economic benefits

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

During FY 13, Amtrak contracted with 120 vendors in Ohio, which gave a $13.8 million boost to the state’s economy. This represents a 37% increase from Amtrak’s FY 03 expenditures for goods and services in Ohio. Cincinnati, Columbus and the Greater Cleveland area had the most vendors, but others are spread throughout the state.

Investments in rail help the economy

Randy Truitt, Robert Guy, 2015 (Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy.) “The Economic Impact of Passenger Rail Suppliers on Midwestern States” May 2015 <http://miprc.org/Portals/7/pdfs/MIPRC-report-The-Economic-Impact-of-Passenger-Rail-Suppliers-on-Midwestern-States-May-2015.pdf?ver=2016-04-11-142355-347>

As passenger rail remains an affordable, popular option for both shorter and long-distance travel, regions with rail hubs will likely continue to make investments to modernize their stations and tracks. In May 2014, thanks to extensive renovations, Minnesota’s Union Depot in St. Paul welcomed a passenger train back to the station for the first time in 43 years. Amtrak’s Empire Builder service now includes a stop at Union Depot as it makes its 46 hour journey between Chicago and Oregon. Union Depot, which started going into disrepair in the early 1970s, required millions of dollars in renovations before it became a working passenger train station again. A number of contracts were issued for various components of the project, such as construction, design, and signal and track maintenance. In addition to spurring economic growth in St. Paul and the surrounding area, the Union Depot project provided contracts for hundreds of firms from other parts of the country. According to a June 2014 study by Good Jobs First, a non-partisan group based in Washington DC, the restoration created over 660,000 hours of work for about 2,000 workers in at least 13 different trades

6. Consumers worse off

Example: Airline industry only got worse

Michael Mathews, 2015 (Software Engineer in Electronic Design Automation; Caltrain Rider. Studied at University of California, Irvine.) “What are pros and cons of privatizing Amtrak?” May 19, 2015 <https://www.quora.com/What-are-pros-and-cons-of-privatizing-Amtrak>

It might be a pro that certain routes will thrive and perhaps see service improvements. The busy northeast corridor and certain California routes come to mind. However, the airline industry again shows that we should be careful what we wish for. Air travel is relatively cheap but it has become an absolute grind and is getting more expensive when all fees are taken into consideration.

Privatization = service reductions, higher prices

Michael Mathews, 2015 (Software Engineer in Electronic Design Automation; Caltrain Rider. Studied at University of California, Irvine.) “What are pros and cons of privatizing Amtrak?” May 19, 2015 <https://www.quora.com/What-are-pros-and-cons-of-privatizing-Amtrak>

Likely service reductions and eliminations for many people. Almost surely higher fares. Likely elimination of some of the few perks that exist today to cut costs. Pressure on maintenance and staffing costs. As you can see, I see cons and cons masquerading at pros, because I see national rail travel as a resource for the country that cannot stand on its own feet economically. I'm willing to have some of my tax dollars support it. If we as a country cannot subsidize this, then I hope we will also stop subsidizing highways and roads.

Britain example proves: Privatization = higher ticket prices

James Garrett Baldwin, 2015 (has a decade of leadership experience in financial publishing; graduate of the Medill School of Journalism at Northwestern Univ. Master’s Degree in Economic Policy from Johns Hopkins Univ, MS in Agricultural Economics from Purdue Univ, MBA in Finance from Indiana Univ.) “Should Amtrak Be Privatized?” June 23, 2015 <http://www.investopedia.com/articles/investing/062315/should-amtrak-be-privatized.asp?lgl=myfinance-layout-no-ads>

Talking points memos will say that privatizing will lead to job losses in rural areas where many unprofitable lines travel. But, a stronger case comes from the fact that even though the operations are financed by a public entity, Amtrak is forced to operate across a network of tracks that are almost all owned by privately owned freight railroads. This is very similar to the problems that plagued the United Kingdom during its privatization push. Today, Amtrak is able to push travelers across the rail system, but each time a passenger train breaks down, derails, or runs behind schedule, it affects the national rail supply operations of these private freight companies. To rail operators, Amtrak is a nuisance. However, for private supply operators, it is a single nuisance offering a certain level of predictability when building transportation schedules. Amtrak is already legally bound, track and public regulations are in place, and track owners are largely content with the status quo. Private companies would need to operate on the same tracks, unless they had extraordinarily deep pockets that enabled them to procure thousands of miles of narrow land strips for new rail lines. In addition, allowing these new operators could create new competitors to the freight lines, higher ticket costs without the subsidies that deter passenger traffic.

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