

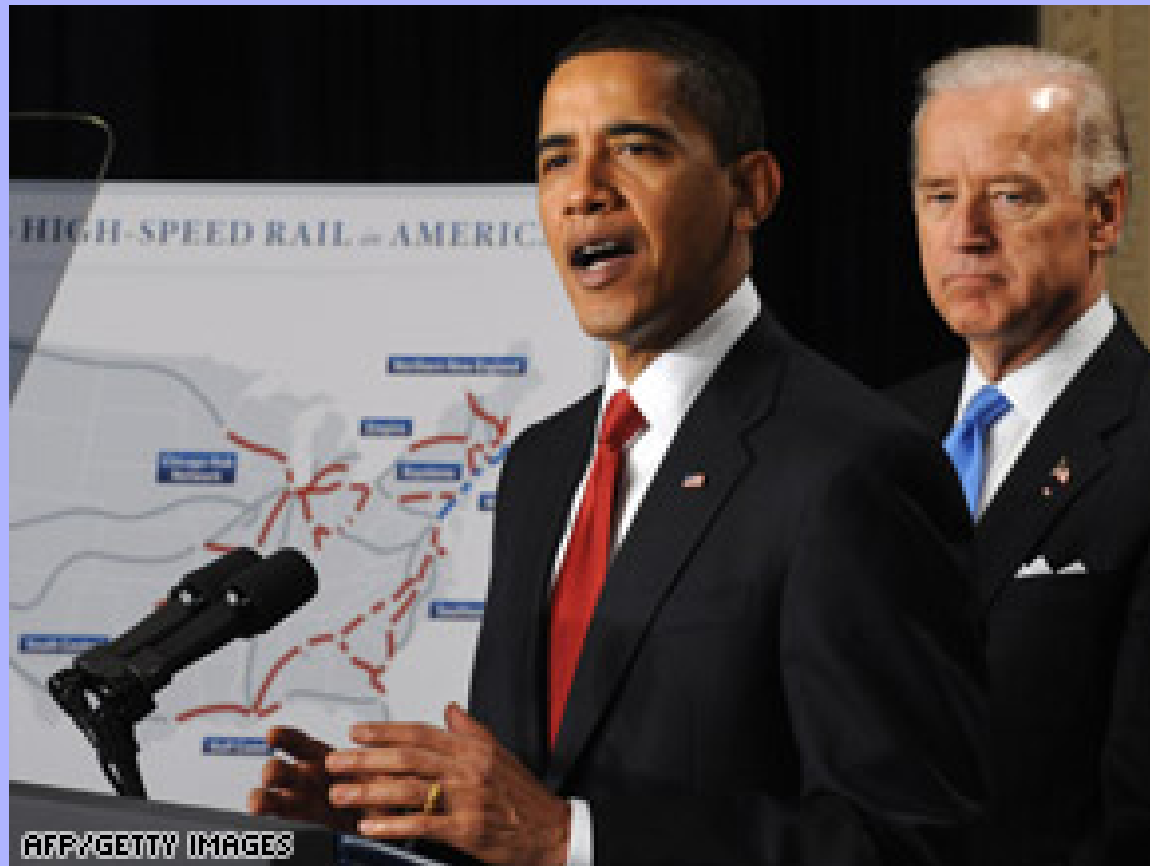
What could it take to get beyond the stalemate over modernizing U.S. passenger rail?

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Since 2008, champions for modernizing U.S. passenger rail have held office at the highest levels of U.S. government



But the stalemate over passenger rail that has lingered since 1971 remains a constraint on policy change

On May 1, Amtrak, America's first nationwide rail passenger system, inaugurated its new train service. In over 300 cities, convenient trains speed you to mid-town in all kinds of weather. And you never get "stacked up" over the railway station.

For information dial:
922-2575 for New Orleans, Miami and Tampa trains
and FR 2-6700 for all other trains.



We're making the trains worth traveling again.

- For supporters, Amtrak was meant to be the starting point in a passenger rail renaissance

- For skeptics, Amtrak was expected to be the end of the line for an obsolete transport mode

In his 2011 State of the Union address,
President Obama called for bringing
high-speed rail to
80% of Americans
by 2025



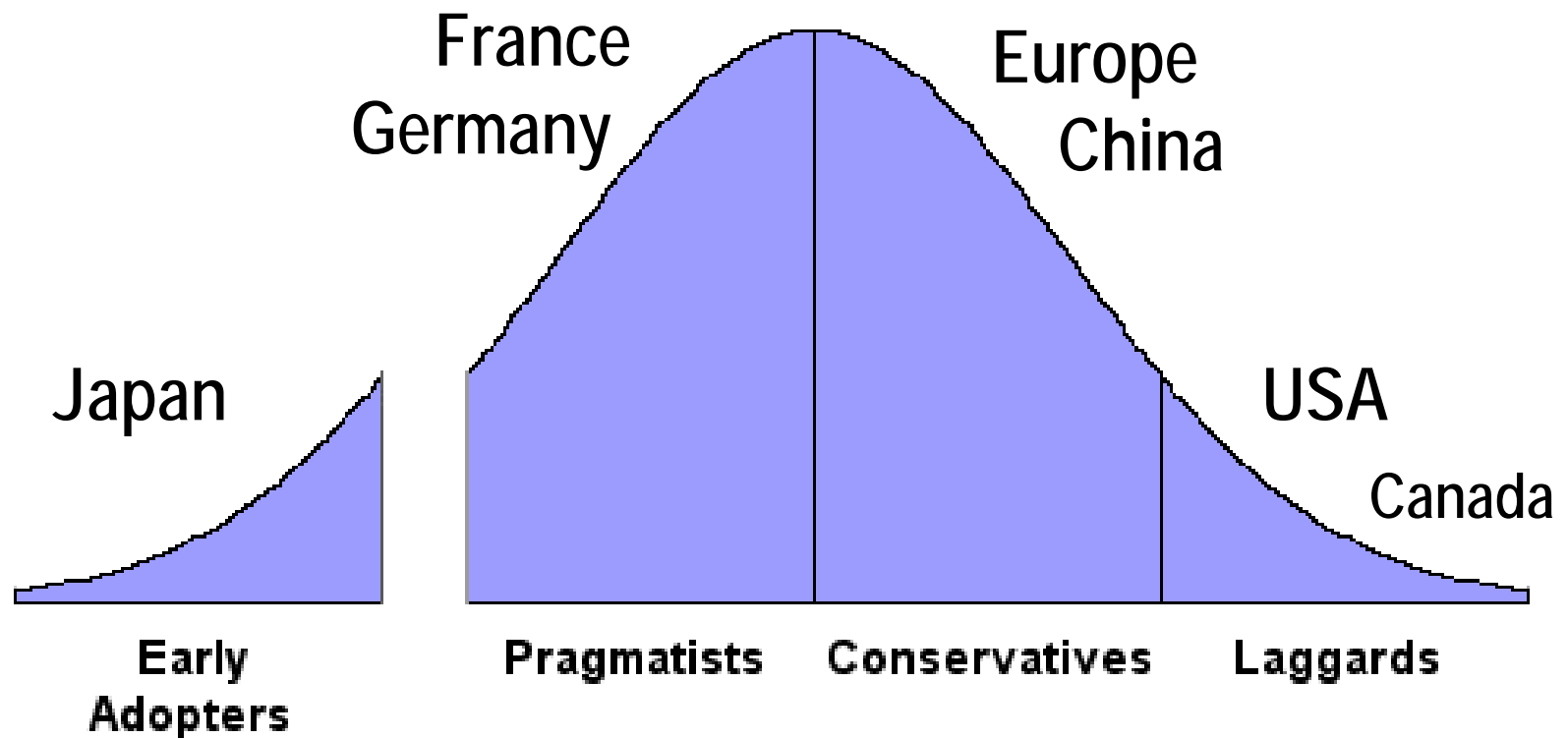
Could this vision become
equivalent to President
Kennedy's commitment
before Congress to "land
a man on the moon"?



What would it take to realize President Obama's vision of modern passenger rail?



The path to HSR looks different depending where you are situated along the adoption curve



It took Japan 20 years to invent the *Shinkansen* and 50 years to develop it into a truly national network



It took 20 years after Japan's Shinkansen for HSR operations to reach Europe, and 40 years for a trans-European network to emerge

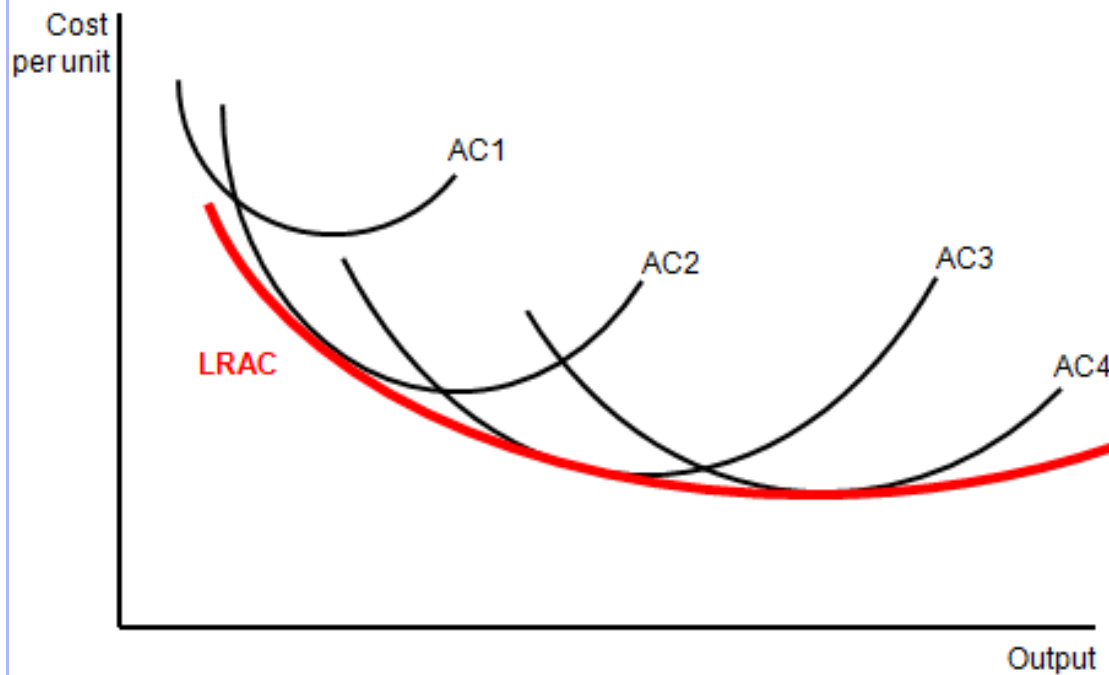


When China launched its HSR program, it was able to build a 20,000 km. national network in less than 10 years



Could the U.S. take advantage of lower costs for building HSR, and greater global know-how to accelerate passenger rail redevelopment?

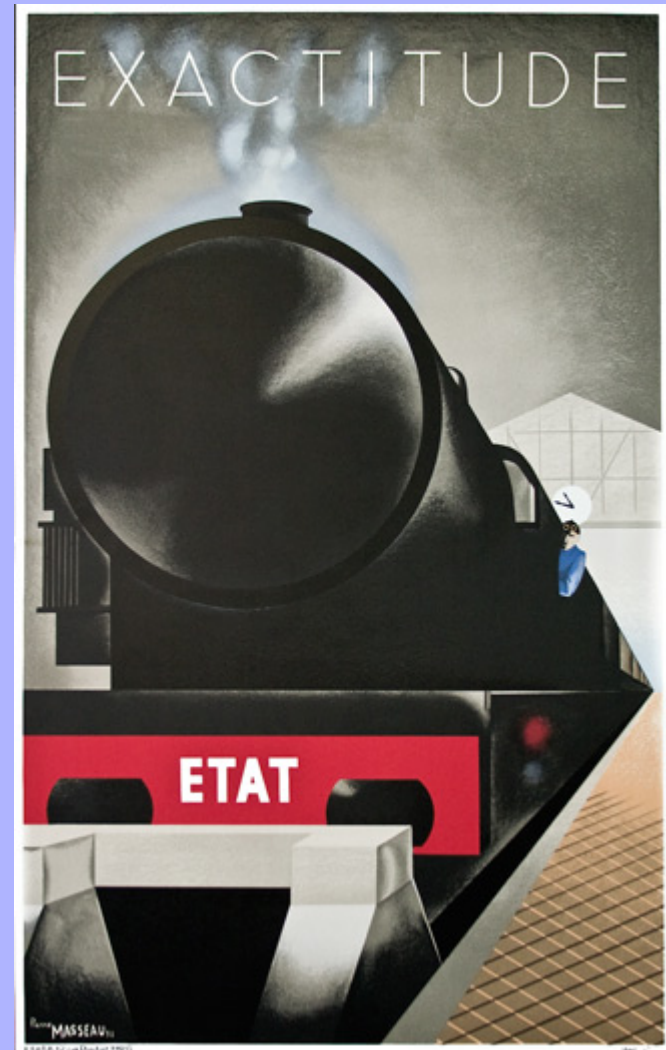
Long run average cost curve



It is certainly possible to attain President Obama's goal of fast and modern trains serving 80% of Americans by 2025



But doing so would require a different implementation strategy



From 2011 through 2016, conflict with Congress blocked national government's leadership in HSR implementation



U.S. then depended on state governments to lead HSR implementation



- Most states were not ready
- Some were not willing
- Only a few have proven capable, so far

From 2017, three types of change could open a window for new HSR policy



- Change in government
- Change in the environment
- Change in the economy

Forces that trigger a national political realignment appear to be strengthening



China & U.S. signed the Paris agreement of the UN Framework on Climate Change



- Carbon credits could pay for HSR infrastructure, as in California
- Carbon taxes and quotas could spur shift to low and zero emission mobility

Climate and energy shifts could reduce the volume of coal moving across America's rail infrastructure



Automation could disrupt air and road freight business models, which would also challenge railroads



What will freight railroads do with the extra capacity that could open up on their infrastructure in the future ?



Could these trends put modern passenger railroad development on the fast track after 2017?

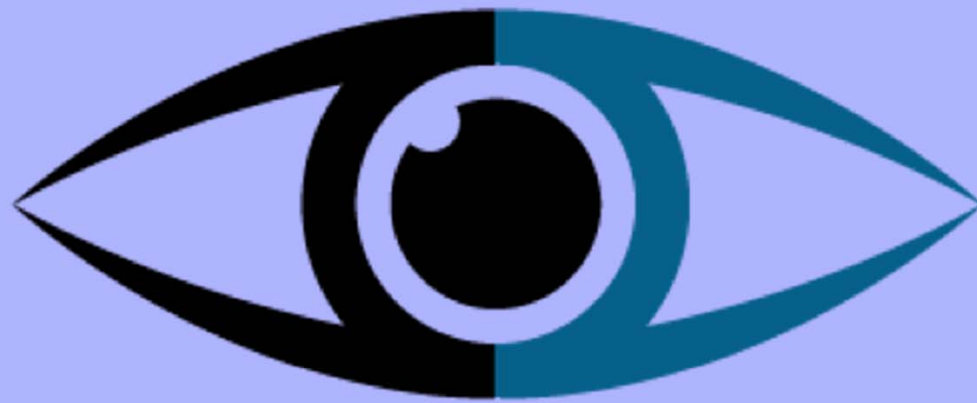


1. New leaders and new ideas in Congress and the White House.
2. U.S. railroads see better uses for excess capacity by finding a new model to embrace HSR policy.
3. Creating a workable model for planning, funding and delivering passenger rail infrastructure that can work in most states.

America's first new intercity passenger rail infrastructure built in over 100 years will be a catalyst for change



A modern passenger train that meets
or exceeds its performance
specifications would give Americans
an opportunity to see what they
have been missing



Seeing is Believing
Change You Can See

If California, or any other state, achieves
a breakthrough in modernizing
passenger rail to global standards, then
demands to follow the leader
will pick up

