

Retool Auto Sector To Build Passenger Rail

by Mary Jane Freeman

Tired of sitting in traffic jams and paying too much for gas? Fed up with budget crises and outsourcing of America's industry? Then, adopt Lyndon LaRouche's May 2 call to enact "Emergency Legislation, Now!" to put Americans back to work building a modern national rail system for passengers and freight.

From New York, through Pennsylvania into the Midwest heartland of Ohio, Michigan, Indiana, Illinois, Missouri, and Wisconsin, the blueprints exist to build, within five to ten years, an east-of-the-Mississippi-River integrated network of high-speed passenger rail routes, traveling up to 124 mph, which would have as a byproduct improved freight rail capacity. Likewise, Oregon and Washington state have similar plans to traverse their states up to the Canadian border. California has the only truly high-speed "ready-to-go" project, in which trains would travel at 200-300 mph from southern to northern California, but Governor Schwarzenegger and a number of legislators aim to kill it this year.

A retooled auto sector, saved by such an act of Congress, could be mobilized for these railroad rebuilding projects, and thereby also accelerate the construction timetables, and upgrade the plans for true high-speed rail routes. Yet, in fact, none of these projects will be built if Congress fails to do two things: First, enact LaRouche's emergency legislation to save the auto industry by retooling it, and secondly, enact legislation to rebuild a national rail network for both passenger and freight rail to specifically include multi-year dedicated, 80/20 Federal/state funding. U.S. Senators Trent Lott (R-Miss.) and Frank Lautenberg (D-N.J.) have a bill pending, S. 1516, which would do this. Each of the states above, and many others, have spent millions of state funds to study the potential for building out their rail network, but without Federal funding, and soon, these projects risk being shelved.

Public Support Grows, but No Federal Funding

Rail advocates in Michigan and Ohio report that public support for high-speed rail (HSR) plans is growing due to the high cost of oil/gasoline and to traffic congestion. As gas prices exceeded \$2.00 per gallon, rail ridership grew 12.1% statewide in Michigan, from 2004 to 2005 (see **Figure 1**), with the Bluewater line up 18.3% (Port Huron-Chicago). In 2005, Amtrak, nationwide, set a new record with 25.4 million riders.

Michigan is the only place in the nation outside the Northeast Corridor where trains operate at speeds over 90 mph. That is, on a 45-mile stretch between Kalamazoo and Niles, passenger trains go 95 mph, and approval for 110 mph is expected by the Fall. In Ohio, support for HSR has grown as people see its benefits: job creation, relief of traffic congestion, and enhanced economic development.

Preliminary economic impact studies of the Ohio plan show that this \$3.32 billion, ten-year project would create 6,600 construction jobs, 6,000 indirect jobs, and 1,500 permanent rail operating jobs, resulting in increased household incomes and tax revenue base. But with the uncertainty of Federal funds, and the economic downturns in these states' revenues due to the heavy manufacturing job loss, projects are either on hold or scaled back.

Despite public interest, Congress remains behind. An Ohio rail advocate said, "You've got 26 states that are working independently on passenger rail plans, for high-speed development plans in high-speed rail corridors, and that is where the Lott-Lautenberg bill would do the most good. And we can't get the members of Congress, especially in the House, off the dime to talk about passenger rail development. . . ."

Congressional obstruction comes from fiscal conservatives who follow the privatization schemes of George Shultz on the Republican side and Felix Rohatyn on the Democratic side. The Amtrak funding "debate" arises because Amtrak's authorization expired in 2002 under the Gingrich-McCain-Weyrich 1997 Amtrak Reform and Accountability Act, which incorporated a reform/privatization goal. As a result, every year, debate on Amtrak appropriations becomes a forum for the "reform" agenda, rather than for setting a national mission for rail.

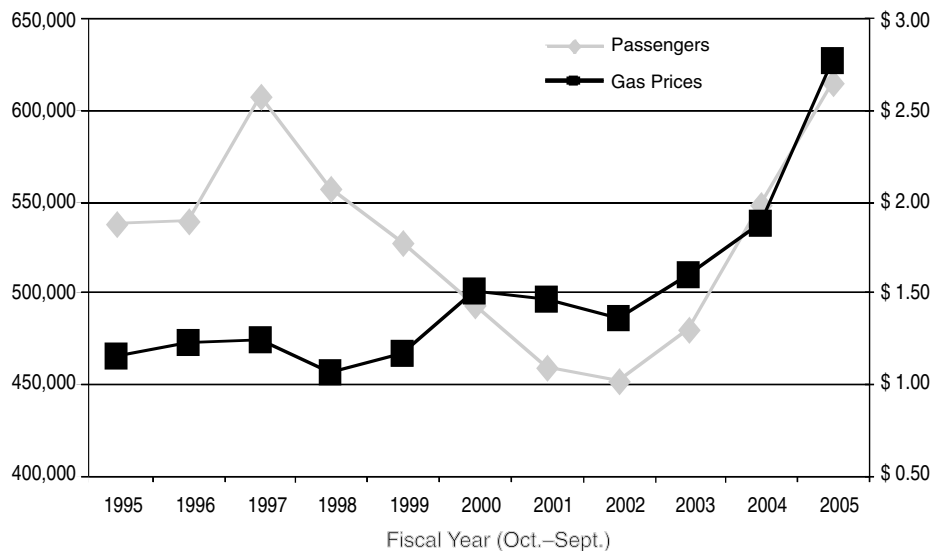
LaRouche, speaking at a webcast a year ago on April 7, 2005—at the first signs of Wall Street and City of London bankers' intentions to bankrupt the U.S. auto industry, starting with auto parts maker Delphi, then followed by General Motors—proposed, as an alternative, an FDR-style retooling for auto: "You want to produce a railway system? Let's save Amtrak. Let's go beyond Amtrak. Let's get the funding back for Amtrak—now, what do we want to do with Amtrak? Just keep it happy? No! We have to rebuild the transportation system of the United States. That means fast-rail in local areas. . . . We have to do it. How are we going to do it? Where are you going to get the locomotives? Where are you going to

FIGURE 1

Ridership and Gasoline Prices Michigan Rail Ridership Takes Off as Gasoline Price Rises

(Annual Passengers)

(Regular Gasoline Prices)



Source: Michigan Department of Transportation; EIR.

get the steel? . . . Who can produce locomotives? The General Motors technology people can produce locomotives."

The Bush Administration's FY 2007 Amtrak budget proposal is \$900 million (a bankruptcy level); Amtrak is requesting \$1.598 billion with a \$275 million tack on for "strategic investment options"—a total of \$1.87 billion; and the Department of Transportation Inspector General states \$1.45 billion is required to just keep Amtrak running; i.e., no capital improvements or margin for unanticipated financial shortfalls.

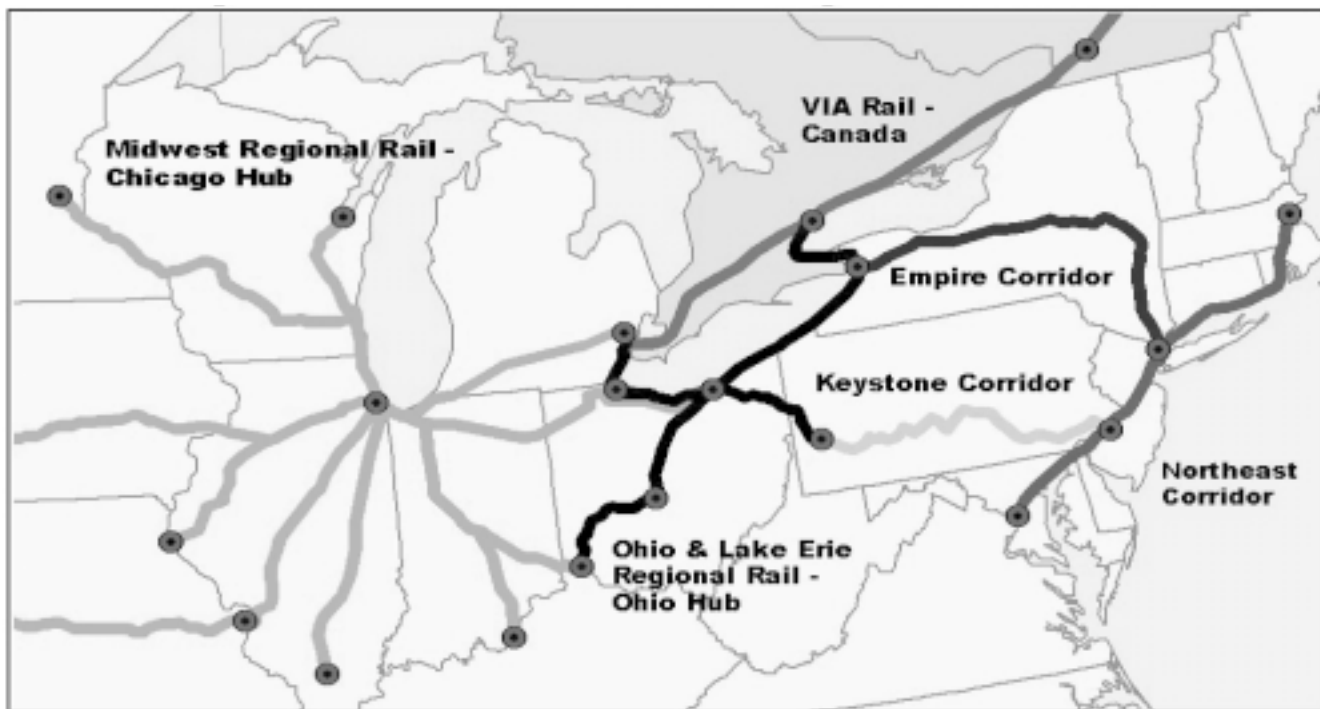
To judo this rigged funding debate, Senators Lott and Lautenberg on July 27, 2005, introduced the Passenger Rail Investment and Improvement Act of 2005, S. 1516. The Lott-Lautenberg bill, which is pending in this session of the 109th Congress, would reauthorize Amtrak, over ten years, with annual dedicated funding of \$1.9 billion; and set up a Federal/State 80/20 funding match for the many states' HSR projects which languish for want of funds. Last year in the House, H.R. 1630, a more limited Amtrak reauthorization bill with no state funding component, was introduced, as was a high-speed rail bill, H.R. 1631; but both bills stalled out.

As of now, there is no companion bill in the House to S. 1516. Lott and Lautenberg intend to get a full Senate vote on S. 1516 this session. If they succeed, a House bill will be needed, or this critical initiative fails.

From the Atlantic to the Mississippi

As you can see from the map, **Figure 2**, five U.S. rail corridors and one Canadian corridor link up nearly half the United States, from the Atlantic Ocean into the Midwest

FIGURE 2

Regional Rail Corridors From the Atlantic to the Mississippi

Source: Ohio Department of Transportation.

heartland. Each of these U.S. corridors has detailed plans not only to bring their networks up to a state of good repair, but to expand and improve tracks, grade crossings, and signal technologies so that trains can increase their speeds up to 124 mph—the highest speed allowed with current track and technology configurations.

Were these five U.S. corridors linked together, they would serve over 140 million people, or about half the U.S. population. Such linkage would also result in creating economies of scale, particularly if the auto industry nationwide were coordinated to produce the components for this rail network. Regional ridership and revenues would grow while reducing overall system operating costs.

The 431-mile Empire Corridor (New York City to Buffalo) high-speed rail project lay dormant until State Senate Majority leader John Bruno set up a New York State High-Speed Rail Task Force to revive it in Spring 2005. By January 4, 2006 its Action Plan was issued with short-term improvement plans, and a long-term plan to include “a new, high-speed, fixed-guideway route between New York City and Buffalo/Niagara Falls” which could include “maglev technology.”

The Midwest Regional Rail-“Chicago Hub,” and the Ohio & Lake Erie Regional Rail-“Ohio Hub” plans connect to the Empire and Keystone corridors, and the Northeast Corridor (NEC). Bill S. 1516 also provides funding to bring the NEC

to a state of good repair, rectifying what Lautenberg said is a key Amtrak problem, “spending so much time fixing worn-out things, lots of time on repair . . . to make up for past neglect.”

The Midwest Regional Rail System uses 3,000 miles of existing rail rights-of-way to connect rural, small urban, and major metropolitan areas using Chicago as its hub. Millions of dollars have been spent by MWRRS states upgrading sections of their existing rail. Using a multi-modal plan, the regional system expects to service 90% of its nine-state region’s population. Wisconsin’s Milwaukee-Madison corridor plans for 110 mph are done, while its Milwaukee-Chicago route ridership grew by 14.6% in the first half of 2005, showing the viability of the initiative.

Ohio’s plan has four corridors encompassing 860 miles which will service 22 million people in four states and southern Ontario, Canada, and connect 11 major cities. Recently, Ohio Hub got so much increased public interest for the project that they have proposed adding two more corridors: Pittsburgh-Columbus to Chicago, and Columbus-Toledo to Detroit.

Illinois has invested \$200 million over ten years, to upgrade the Chicago-St. Louis corridor. A 120-mile segment has had all grade crossings and safety upgrades made, and a next-generation Positive Train Control system is being tested to ready the corridor for 110 mph trips. Sadly, due to uncer-

Proposed High-Speed Rail Line



Fly California Without Ever Leaving the Ground

The CaHSR project, whose motto is “Fly California without ever leaving the ground,” would build a 700-mile north-south rail network to travel at 200-300 mph, modeled on the Japanese bullet train. (See **Figure 3**.) The \$33 billion project, to be built out over 15 years, expects 68 million passengers by 2020, and expects to reap \$2 for every public dollar spent. It would reduce travel times between cities compared to auto and air (see **Table 1**), spur economic development, and create over 450,000 permanent jobs.

But ever since the recall of Governor Davis, and the imposition of George Shultz-controlled free-trader Gov. Arnold Schwarzenegger, "Fly California" has been under threat of termination. The Act required voter approval, in the November 2004 general election, of \$9.95 billion in General Obligation bonds for rail development. But it was pulled from the ballot by Schwarzenegger and a few legislators under the ruse of the state's "fiscal crisis." The bond initiative was postponed from 2004 to 2006.

Whether CaHSR will survive is in question again. Desperate to regain a bit of standing in the polls, the governor unveiled a bogus and grossly inadequate \$37 billion “infrastructure” bond package in January, which was voted up in

May by a labile legislature. It is a boon to George Shultz's Bechtel corporation, but not for the citizens of California, who will be saddled with Arnie's debt scheme. Once this package was floated, which had zero dollars for high-speed rail, State Senator Tom McClintock (R) and Assemblyman Russ Bogh (R) introduced bills (S.B. 1493 and A.B. 1939) to repeal the November 2006 CaHSR bonding Act under the ruse it would detract voters from supporting Arnie's public works package. Another bill (A.B. 713) would again postpone a vote for two years. Were either repeal or postponement to succeed, the very existence of the CaHSR project would be put in jeopardy.

TABLE 1
**California High Speed Rail Comparative Travel Times
By Auto, Air, High-Speed Train**

City Pairs (Downtown to Downtown)	Auto (No Project Alternative)	Air (No Project Alternative)		High-Speed Train (Alternative Optimal Express Times)	
	Total	Line Haul*	Total	Line Haul*	Total
Los Angeles to San Francisco	7:57	1:20	3:32	2:35	3:30
Los Angeles to Fresno	4:30	1:05	3:02	1:22	2:33
Los Angeles to San Diego	2:49	0:48	3:00	1:13	2:16
Los Angeles to San Jose	6:50	1:00	3:14	2:06	3:02

Source: California High-Speed Rail Authority and the Federal Rail Administration; *EIR*.