

High Speed Rail: Leveraging Federal Investment Locally

NYU Kimmel Center
60 Washington Square South
New York, NY 10003
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Event Summary

The Rudin Center symposium on high-speed rail convened 300 transportation professionals to hear from policymakers, industry veterans and leading academics.

Keynote speaker Polly Trottenberg, Assistant Secretary for Transportation Policy at the U.S. Department of Transportation (USDOT), invoked several themes that resurfaced throughout the day: the cost of building new rail infrastructure; the inadequacy of current funding mechanisms and the uncertainty of federal transportation funding going forward; the fundamental relationship between transportation and economic vibrancy and environmental sustainability; the tremendous interest in and support for high-speed rail; and the continuing debate over how to do high-speed rail “right.”

Ms. Trottenberg delivered a broad overview of USDOT’s strategic goals and how they relate to the administration’s rail investments. While USDOT is committed to supporting livable communities, economic competitiveness and a range of modes – in contrast to a history of investment heavily favoring roads and air travel – the department faces a critical funding challenge that imperils its ability to achieve these goals. Trottenberg noted the lack of political appetite for raising the gasoline tax and the long-term impracticality of relying on support from the General Fund, which has sustained programs in the short term. And while another USDOT strategic goal, that of maintaining assets in a state of good repair, demands a delicate balancing act as new investment is considered, the administration is nonetheless dedicated to new rail investment.

The competition for ARRA funds revealed a “pent-up demand” for HSR, illustrated by the total of \$57 billion sought in applications for the \$8 billion program. Trottenberg responded to critics who compare the U.S. projects unfavorably with considerably faster trains around the world, emphasizing that “the dialogue should not focus on speed, but on customer value.”

Trottenberg called for a new “American model” for high-speed rail governance that would differ from Europe and Asia, building on the state-driven Passenger Rail Investment and Improvement Act (PRIIA) to create a coherent national framework for development. She also asserted that the U.S. already boasts a superb freight rail system, and that system should be included as new rail technology is deployed. During the Question and Answer session she further explained that some decision-making would remain with states even though the department will push for some standard elements, “certainly the U.S. can provide the technology; the question is how you mandate that all have same technology, the federal government can’t require this when each state is putting in funds.”

High-Speed Rail Integration with Existing Transit Systems

Professor Anthony Perl, of Simon Fraser University, presented his commissioned paper, which outlined two approaches to high-speed rail development, incremental and comprehensive. Examples of the incremental approach are the rise of low cost air carries such as Jet Blue who succeeded through adjusting the traditional airlines business model, and California’s Capital Corridor, which increased ridership through service enhancements and strengthened inter-modal connections. A comprehensive approach, in contrast, calls for not just tweaks and enhancements, but completely new infrastructure to support the introduction of cutting edge technology. The U.S. will likely pursue a

combination of these two approaches, as indicated by the split of ARRA funding; Perl defined about 60% of the ARRA program as incremental and 40% as comprehensive, the latter including the Florida and California projects.

Perl urged policymakers to engage in “energy-first” transportation planning in selecting projects and allocating funds. He held that this is both prudent and necessary in the face of a rapidly dwindling supply of “cheap oil” that is easy and safe to obtain. Perl warned that as the cost of oil inevitably rises, the capacity to invest in comprehensive change will dwindle. The rising cost of oil will also bring about an increasing demand for electric rail and a decrease in short-haul flights, and thus change how people use various modes and how intermodal connections will best serve travelers in the future.

Given both the nature of land use in the U.S. and upcoming changes in the cost of fuel, this country will require a significantly more intricate rail network and set of connection choices than European and Asian systems provide. HSR in the U.S. will need to serve city centers, airports refurbished as multi-modal hubs, and commercial and business centers in suburban locations. Perl also drew attention to the potential for repurposing parking lots for other modes as driving declines.

In closing, Perl proposed a set of policy tools for funding HSR including monetizing road use, introducing “infrastructure condominiums” on privately owned land with a public use, and public-private partnerships.

Art Guzzetti, Vice President for Policy at the American Public Transportation Association (APTA), led the response panel. David Carol, a Vice President at Parsons Brinckerhoff and formerly of Amtrak, emphasized that the Chinese HSR model will not work in the US. HSR stations create “the most important place in the city,” and are an entirely different animal than transit, though connections between the two are crucial. To succeed, Carol continued, HSR requires federal funding, a focus on the environment and seamless connections between airports and trains.

Bill Wheeler, Director of Special Project Development & Planning at the MTA, highlighted the ability of good transit connections to expand the city’s labor pool and thus provide a competitive advantage. Wheeler also pointed to record high levels of transit ridership in New York City as due in part to a generational attitude shift as younger people favor using rail and other transit, which bodes well for the future success of HSR. The panelists agreed that speed is costly and that officials should carefully measure and weigh the benefits in deciding “how much speed.”

High-Speed Rail and Economic Development

In his study of HSR, the University of Minnesota’s Professor David Levinson has reviewed hundreds of plans from the last decade, and in his presentation he identified a pattern; nearly every city’s plan centers itself as the hub from which spokes extend across a region. These traditional network constructions do not emphasize connectivity. At the national level, too, the Federal Railroad Administration’s maps do not focus on rail’s integration with the nation’s existing transportation network. In contrast, Levinson pointed to the National Highway System as an intercity grid structure.

Levinson presented evidence that reliance on hub-and-spoke HSR development would not yield the kind of economic benefits that regions, and nodes along the spokes in particular, are anticipating. Rather, the hubs will benefit disproportionately and outlying communities will see negligible impact. If non-hub localities do not stand to reap gains, then the negative impacts of HSR as a land use – the noise, the vibrations – will be even less palatable to affected citizens. HSR stations are not like transit stops, he further cautioned, and they do not have the same impact on adjacent land use due to the large volume of parking required.

In crafting HSR investment, it is important to understand that money spent on this mode is money that cannot be spent on others, and officials will need to be strategic about funding priorities in the face of shifts toward electric energy. In addition, leaders cannot forget the importance of the freight rail system to the economy and the environment, and that system cannot be neglected in a rush to support expanded passenger rail.

Levinson's remarks were followed by more hopeful expectations from several panelists. Moderator Petra Todorovich, Director of America 2050, spoke of HSR's benefits, including increased productivity for the service industry and other businesses, deeper labor markets and economic synergies. HSR does show the most promise in Megaregions, where 70% of the nation's population and jobs are located. Regions where population is more concentrated, such as Philadelphia, are stronger candidate than less dense regions such as Houston.

Eugene Skoropowski, of HNTB and a veteran of the Capitol Corridor Joint Powers Authority in California, talked about the importance of getting the development community in sync with project planners early on. This strategy helped the train station in Emeryville, CA become an anchor of activity. Skoropowski also encouraged the use of brownfield sites when possible and highlighted the importance of enabling passengers to get easily from one service to another without having to purchase new tickets. Echoing the earlier panel on transit integration he said, "“You've got to get people from where they are to where they want to go ... and not just on your train.”"

Stephen Fitzroy, who helped to write a report released just days earlier by the U.S. Conference of Mayors, echoed Todorovich's findings regarding expanded labor markets and agreed that engaging developers is key to success leveraging new rail. As a representative of the real estate sector, MaryAnne Gilmartin spoke of the importance of developing mixed uses such as affordable housing to create a true catalytic effect, rather than simply building the parking facilities Levinson showed around HSR in France and elsewhere.

From the public sector, Tokumbo Shobawale, Chief of Staff to the Deputy Mayor for Economic Development, spoke of the historic importance of transport capacity in the vitality of New York City. He enumerated several benefits. As motives for improving rail service he pointed to the agglomeration benefits of a more integrated Northeast Corridor, reduced pressure on airports, and support for the growing service economy that relies heavily on face-to-face collaboration. Several panelists conceded that care should be taken to ensure that the spokes benefit in hub-and-spoke scenarios.

The Political Challenges of Building High-Speed Rail in a Democratic Society: Learning from the European Experience

Frank Zschoche, Managing Director of Civity Management Consultants in Hamburg, Germany, drew lessons from six European experiences with HSR in his presentation on the efforts and costs incurred by navigating the democratic process. Mr. Zschoche noted that the U.S. is not alone in taking decades to implement HSR; Germany's first line took 30 years to plan and build, 23 of which was mainly dedicated to public debate.

The key hurdles included: traffic planning and financial challenges; insufficient benefits to small cities; concerns about low ridership and high fares; environmental obstacles; noise and vibrations; and loss of value of property next to rail lines. Among the strategies developed in response were: efforts to reduce environmental risks by bundling lines with existing rail or highways; compensation over market price; and state-of-the-art noise mitigation.

Zschoche found that, on average, 10% of the final spending goes to “democracy-related” issues, which does not include expenditures on additional civil structures such as noise barriers. Public officials should be aware of these expenses as they create project budgets.

Panel moderator Melissa Lasky, Editor of the Infrastructurist blog, noted that the question of how to resolve democratic challenges is central to the success of high-speed rail. Many Americans’ continued preference for private cars and private property issues were just two of the challenges she put forth. Michael Evans, from the office of Lieutenant Governor Ravitch, posited that the most effective and pragmatic approach is an incremental one, suggesting that “higher speed” rail should come before true high-speed rail that would require the level of funding and political support that does not exist currently. Evans also spoke about managing expectations and being realistic about costs and timelines.

Bringing his extensive experience with the legislative process and public engagement Stanley Rosenblum, currently at Jacobs Engineering, offered some lessons learned from a New Jersey Transit project in Montclair. After decades of back and forth with the community, NJ Transit was finally able to move forward in the 90’s with the aid of a compelling vision that brought in the necessary financing and a key set of provisions for the community that locked in public opinion. Rosenblum explained that delivering on promises to the community—including a better facility for public meetings and new retail around the development—before the project was built demonstrated that the agency did have the public’s wellbeing in mind. Rosenblum concluded that the government must try to leverage private funding in order to secure both sufficient resources and garner public support.