

# All Aboard Ohio calls on policymakers to end transportation double-standard!

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A statewide nonprofit organization today urged all policymakers, and especially Ohio's most partisan fiscal conservatives, to end a "double standard" when addressing different modes of transportation. In doing so, All Aboard Ohio noted that, for comparable trips in the Cleveland – Columbus – Dayton – Cincinnati (3C) Corridor, highway subsidies are 10 times greater than what will be offered to 3C rail passengers.

For too long, passenger rail and public transportation are uniquely held to a higher standard in that they should pay for themselves while roads, aviation and waterways all receive significant public funding and subsidy without criticism or even acknowledgement, said Bill Hutchison, president of All Aboard Ohio, a nonprofit educational organization.

"Phony fiscal conservatives keep swatting at the railroad flea while ignoring the highway elephant because they're afraid the elephant is going to step on them," Hutchison said. "Instead, true fiscal conservatives need to be concerned that the elephant is in danger of collapsing of its own weight. More and better trains and transit can help prevent that collapse."

"Subsidies for roads and highways which get 86 percent of all government funding for transportation [per U.S. Dept. of Transportation] force huge overspending by the public sector for other costs like supporting Ohioans isolated from jobs, managing storm water runoff in sprawling suburbs, military costs to keep oil shipping lanes open, and environmental degradation such as from the Gulf oil spill. If these costs were paid as we drove, we would be watching a toll meter on our dashboard spinning like the score counter on a pinball machine," Hutchison added.

He referred readers to the following data....

**Per-mile costs of driving:**

- 10 cents – gasoline and gas taxes
- 30 cents – Middle East military expenses
- 40 cents – air/water/land pollution, oil trade deficit, local emergency services
- 47 cents – direct user costs of insurance, depreciation, maintenance etc.

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127 cents per mile TOTAL

SOURCES: Transportation Costs & Benefits, Victoria Transport Policy Institute at: <http://www.vtpi.org/tdm/tdm66.htm>

AAA “Your Driving Costs” 2010 edition (56.6 cents per mile is average cost): <http://www.aaaexchange.net/Assets/Files/201048935480.Driving%20Costs%202010.pdf>

**DIRECT COSTS TO TRAVELER:** AAA says the direct cost of driving in 2010 is 56.6 cents per mile (80% of cars have only one occupant). Amtrak charges an average of 11 cents per mile. For one-way 3C Corridor trips, they compare:

	Mid-Sized Car	Train Fare
Cleveland – Columbus (135 miles)	\$76.41	14.85
Columbus – Cincinnati (125 miles)	\$70.75	13.75

**DIRECT COSTS + SUBSIDY:** Using the indirect costs incurred by roads and highways (adding the 70 cents per mile for military expenses, air/water/land pollution, trade deficit, local emergency services subsidies), if those were applied, the one-way costs for travelers would be:

	Mid-Sized Car	Train Fare
Cleveland – Columbus (135 miles)	\$171.45	25.33
Columbus – Cincinnati (125 miles)	\$158.75	23.46

The total subsidy per motorist for a one-way trip between Cleveland and Columbus is \$100.70 and the total subsidy per motorist between Columbus and Cincinnati is \$88. **That is 10 times the rail subsidy.**

This double-standard is expressed in many other ways:

- While some so-called budget hawks decry the \$17 million annual subsidy for 3C trains (at just \$3.4 million per year in state funds for fiscal years 2013-15), **they ignore that the Ohio Department of Transportation is facing a \$730 million increase in its highway operating budget** (see Fix It First, Page 37, at <http://www.dot.state.oh.us/policy/2010-2011BusinessPlan/Documents/ODOT2010-2011BusinessPlan-WEB.pdf>) between 2010 and 2017 with no way to pay for it.

- Under the Ohio Rail Development Commission's enabling legislation of 1994, all capital improvements to passenger rail must be approved by a 5-2 supermajority of the State Controlling Board. **Highway projects require only a 4-3 simple majority making them easier to get built** (SOURCE: Ohio Revised Code).
- **The (Federal Transit) New Starts program requires that project sponsors calculate the cost-effectiveness of their proposed (rail and bus) transit projects. In contrast, there are no similar federal requirements for economic analysis of highway projects, because highway projects are funded under a formula program, and there is no federal approval of project economic worthiness.** (SOURCE: Page 4 at <http://www.gao.gov/new.items/d05172.pdf>).
- Ohio Senate President Bill Harris, who owns two car Ashland dealerships, was quoted July 13, 2010 in the Lancaster Gazette expressing concern that the \$400 million 3C project would lead to a California-style high-speed rail program of \$5 billion to \$15 billion (as if 21<sup>st</sup> century infrastructure and jobs were bad?); **ODOT has \$9.2 billion worth of 3C Interstate highway projects underway or pending to accommodate traffic that could be handled more cost-effectively on freight/passenger trains and transit** (SOURCES: ODOT, Cleveland Plain Dealer, Columbus Dispatch, BCEO, MVRPC, Building Cincinnati).
- **According to the Federal Highway Administration, only 51 percent of highway expenses are paid for by operators of vehicles using the highway system while Amtrak, which is uniquely criticized as being heavily subsidized, notes that it covers 71 percent to 74 percent of its operating costs from passenger fares** (SOURCES: [http://www.pewtrusts.org/news\\_room\\_detail.aspx?id=56233](http://www.pewtrusts.org/news_room_detail.aspx?id=56233); Amtrak Monthly Performance Report, February 2010)
- Ownership, management and financing of roads, highways, airports, airways, waterways, water ports and other non-rail modes is almost entirely at the hands of government. **Even communist China uses more private-sector financing of highways through private leases than does "capitalist" America.** Meanwhile railroad infrastructure is almost wholly owned by private enterprise, incurring huge taxes, depreciation and insurance costs yet gets criticized for receiving public funds. (SOURCE: [http://www.unescap.org/ttdw/Publications/TPTS\\_pubs/bulletin73/bulletin73\\_ch1.pdf](http://www.unescap.org/ttdw/Publications/TPTS_pubs/bulletin73/bulletin73_ch1.pdf))

In 2009, ODOT's budget was \$3.6 billion, much of which came from the federal stimulus – funded entirely by general taxes, not gas taxes. Before the federal stimulus, according to the Federal Highway Administration, half of all highway departments' funding came from subsidies [echoed by a Texas DOT study:

<http://www.cnu.org/node/2329>]. Thus at least half of ODOT's \$3.6 billion budget came from subsidies, offering the following comparisons...

**Ongoing transportation departmental subsidies for DIRECT transportation costs:**

**\$1.8 billion Ohio highway subsidy divided by 11.5 million Ohioans = \$156.52 subsidy paid per year per Ohioan whether they drive or not.**

**\$17 million 3C subsidy cost divided by 11.5 million Ohioans = \$1.47 subsidy paid per year per Ohioan whether they use the trains or not.**

All Aboard Ohio concluded by saying that it's OK that the U.S. and Ohio subsidizes transportation modes – as long as policymakers acknowledge all of the costs each mode incurs to fairly compare and contrast the transportation alternatives so they can make better spending decisions.

**END**