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High-Speed Rail Stalls

Freight Carriers Balk at Sharing Tracks With the Faster Passenger Service

By JENNIFER LEVITZ

Opposition from freight railroads is threatening the Obama administration's multibillion-dollar push to make high-speed passenger trains an integral part of the U.S. transportation network.

The standoff demonstrates the difficulties of introducing new passenger service to a rail network that is at least 90% owned by freight railroads and outfitted for slower trains.

To save time and money, government officials want new high-speed rail routes to operate on the vast system of train corridors that already crisscross the U.S., unlike European and Asian countries that have built dedicated tracks for high-speed rail.

But Norfolk Southern Corp., Union Pacific Corp. and other railroad companies are balking at sharing their tracks or rights-of-way with trains that would run between 90 and 200-plus miles an hour. They argue that mixing high-speed passenger trains with slower freight trains would create safety risks, prevent future expansion and cause congestion.

Cargo would be pushed to their competitors—trucking firms—the railroads argue, just as freight loads are picking up after the recession. Weekly average carloads in August were the highest since November 2008, according to the Association of American Railroads, the industry's main trade group.

State and railroad officials are struggling to hammer out partnership deals required to release the funds. The Federal Railroad Administration has distributed just \$597 million out of \$8 billion in stimulus funds awarded by the administration in January to jump-start high-speed rail. An additional \$286 million is expected to go out the door soon, the FRA said. Even when states and freight railroads have reached agreements, disagreements remain over the speeds at which the passenger trains will be allowed to travel.

"Regrettably, the difficulty in achieving timely stakeholder agreements between the states and freight railroads has delayed putting Americans to work and building the rail system of the future," John Porcari, deputy secretary of the Department of Transportation testified Wednesday before the Senate Committee on Commerce, Science and Transportation.

Federal officials call the money an unprecedented federal investment in the U.S.'s rail network, and say the high-speed rail funds will add capacity that will benefit freight railroads. John Gray, senior vice president of policy and economics at the Association of American Railroads, says the stimulus funding pales in comparison to the \$460 billion railroads have sunk into their own infrastructure over the past 30 years.

"It is interesting money perhaps," he said of the federal funds. "But is it the kind of thing you sell your soul for? No."

The success of many of the projects depends on cooperation between freight railroads and states, Mr. Porcari said. "It is something we're going to insist on."

In California, Union Pacific has thrown up a potential obstacle to plans to build a \$42.6 billion rail link between San Francisco and Los Angeles, with trains running up to 220 mph.

The California High Speed Rail Authority proposes, in one plan, to place new tracks for more than 200 miles along Union Pacific's tracks. But a Sept. 2 report by the authority said Union Pacific, the largest U.S. railroad, insisted in letters to the authority that "no part of the high-speed corridor" be located on the railroad's right-of-way or near it.

The railroad said it would fight any attempts to take its land—or that of its customers—by eminent domain, according to the authority.

In a statement, Union Pacific Chief Executive James Young said the Omaha, Neb., railroad was "committed to working through the issues" related to high-speed rail nationwide. "We may not be able to get there on every project, but we will work toward that goal," he said.

Rail authority spokeswoman Rachel Wall said Union Pacific's objections could affect the timeline of the project in the Bay Area, and could "significantly increase costs," because California may have to buy property from multiple landowners.

Railroads are also tangling with Ohio and New York officials, with CSX Corp. and Norfolk Southern balking at the speed goals in those states.

Cost is a big reason the U.S. doesn't build a high-speed network from scratch. For the past 60 years, passenger rail has represented less than 3% of the federal investment in intercity transportation; that share was falling until this year, the Department of Transportation says.

Under FRA rules, high-speed passenger trains traveling between 90 mph and 125 mph can share tracks with freight railroads, while trains going between 125 mph and 250 mph must run on a separate track. Currently, Amtrak's conventional trains, which go up to 79 mph, share tracks with freight railroads in most of the country.

Freight railroads say running faster and slower trains on the same track could slow their trains because they would have to give faster trains more leeway. Freight railroads also worry partnerships with states will bring federal regulations, an unwelcome prospect for an industry largely deregulated in 1980. The Transportation Department is requiring that railroads that benefit from stimulus funds meet performance standards in return.

Ohio received \$400 million in stimulus funds toward a train between Cleveland and Cincinnati by 2012. The state's application to the federal government says speeds will be 79 mph, eventually reaching 110 mph. But both Norfolk Southern and CSX Corp., which each own part of that track, say they won't allow passenger trains to go above 79 mph.

New York officials and CSX are also tangling over speed. The state has announced plans to increase rail speeds to 110 mph from 79 mph in upstate New York, but CSX says it will permit passenger trains no faster than 90 mph on or near its tracks.

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