

PICKING UP SPEED



Rail project imagines Dallas to Houston in 90 minutes

BY MATT JOYCE | STAFF WRITER

Imagine boarding a high-speed electric train in Dallas-Fort Worth, rocketing south across the Texas prairie at 205 miles per hour and arriving in Houston in less than 90 minutes.

Texas Central Railway Co. thinks the region is ripe for high-speed rail service and

is conducting preliminary engineering, market and financing studies to determine the train's viability as a private enterprise.

"This is a privately built plan, privately built train, privately financed, and it will be driven by the discipline of the market," said Robert Eckels, the railway's president and former Harris County judge and state legislator.

Central Japan Railway Co., owner of the high-speed rail line between Tokyo and Osaka in Japan, is the primary investor in the project, which is estimated to cost

about \$10 billion. Washington, D.C.-based U.S.-Japan High Speed Rail, which includes American and Japanese investors, is the parent company of Texas Central Railway Eckels said.

Texas' geography, as well as the distance between its major cities, makes it attractive to high-speed rail developers.

"Almost everybody who goes through that 50,000-foot analysis concludes that Texas is the best potential market (in

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RAIL: TxDOT is also conducting study of potential high-speed rail

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the United States), because it's a lot of wide-open land and a lot of flatland, and it's much easier, for instance, than the construction of high-speed rail along the ocean in California," said Vic Suhm, executive director of the Tarrant Regional Transportation Coalition.

Meanwhile, the Texas Department of Transportation is conducting federally funded preliminary engineering and environmental studies on high-speed rail corridors between DFW and Houston, and Oklahoma City and South Texas. The studies, totaling about \$30 million, are unrelated and unattached to the Texas Central Railway project.

"We see a need; the federal government sees a need," said Bill Glavin, director of the TxDOT Rail Division. "That's why they awarded the funds for us to study it. With the populations, the distances, it's ideal for it. It's one of the routes that could be the premier poster child for high-speed rail being successful in this nation."

If a private interest such as Texas Central Railway were to build a line, TxDOT would drop its project studies, Glavin said.

"We're not going to go into competition with the private sector," he said. "If somebody builds it or makes significant progress toward building it, then we would back off completely."

Texas Central Railway Co. plans to run a N700-I Shinkansen train and operate within or next to existing rights-of-way as much as possible, Eckels said.

The alignment and station locations are yet to be determined. Eckels said



CENTRAL RAILWAY CO.

ON THE RAILS: Texas Central Railway Co. would run a N700-I Shinkansen train along existing rights-of-way as much as possible. Central Japan Railway runs the same kind of train in Japan.

or Chicago, would make more sense on a plane, he said.

The company is considering possible ticket prices as part of its market study. "We think our relationship with the airlines will be such that they will view this as not their most profitable route, and we're not a threat to them and we'll give them an opportunity to serve more profitable markets," Eckels said.

Southwest Airlines Co., which flies 25 weekday round trips between Dallas and Houston, would need to learn more about the proposed project to determine its support or opposition, spokeswoman Brandy King said.

"Having seen a number of similar

as much as possible, Eckels said.

The alignment and station locations are yet to be determined. Eckels said those decisions will be based on economics — wherever the train can sell the most tickets. The railway is interested in tying into the region's existing mass transit and highway systems.

"It just depends on what makes sense with that discipline of the market and our budget to get there," Eckels said.

The project may be financially independent, Suhm said, but it wouldn't be able to operate independently of the region's transportation and mobility planning.

"If this doesn't fit in well with the regional plan, then it's really not going to be optimized in terms of ridership and revenue," said Suhm, who's not affiliated with Texas Central. "It's got to be truly intermodal in terms of having the right connections in order to maximize ridership, and therefore revenue."

Suhm said Texas high-speed proposals have come up before, only to lose steam over lack of funding or political opposition from the airlines. He said Texas Central Railway appears to be different, because of the involvement of Eckels and Central Japan Railway.

"It has a big pile of money behind it," Suhm said. "This is a real deal. These people can build it, if they're convinced that it works. They're not going to build something that they're going to have to subsidize. The numbers have got to prove out, but they've been looking at the United States for a long time as a ripe market."

Eckels said the train would offer an easier trip than airline service because of fewer security hassles, no weather delays and more reliability. Longer distances, such as North Texas to El Paso

is supported or operational, spokeswoman Brandy King said.

"Having seen a number of similar projects proposed over the past 20 years, our experience tells us high-speed rail is dependent on massive infusions of taxpayer money which is not how the nation's commercial air system is funded," King said.

"As a significant taxpayer in our communities, we believe that taxpayers are entitled to know how much their taxes might increase before being asked to take a position on such a project," King added. "We also do not think high-speed rail should take a financial priority over modernizing the U.S. air traffic control system. Not to say high-speed rail should not be a consideration, but to prioritize the project over the aviation system would be shortsighted."

Eckels said the company's schedule is to complete its investment-grade market study and open fundraising in late 2012 or early 2013. The entire project is planned as a privately funded venture. If things work out, the company could break ground in 2014 and start running trains in the next 10 years.

"At this point we're looking at investors both here in Texas and around the world that are interested in the system," Eckels said. "Banks and financial institutions are in the process of doing investment-grade market studies to determine the credit risk and the creditworthiness of this project and their willingness to invest the private capital that it will take to make the project work."

Project developers said it's too early to know exactly how much money they'll need to raise.