## Texas and Calif.'s Contrasting High-Speed Rail Attempts

BY: Ryan Holeywell | September 6, 2012

When most think of high-speed rail in the United States, they think of the ambitious and controversial effort in California.

The project, already 16 years in the making, is subject to bitter debate among Golden State legislators -- mostly about its speculative funding plan, which <u>assumes</u> that as much as \$42 billion of its \$68.4 billion price tag will come from the federal government even though no indications point to an end to domestic spending cuts any time soon.

Robert Eckels, who's pursuing a high-speed rail project in Texas, says his company will take a different approach. "We're not looking for a big chunk of cash from the state of Texas or the federal government," Eckels told *Governing*.

Eckels, the former executive of the state's largest county (Harris) is now president of Texas Central High-Speed Railway, which hopes to run a bullet train between Houston and the Dallas-Fort Worth area by 2021. It would transport passengers about 240 miles in 90 minutes or less. "It's an aggressive schedule," he says, "but not unreasonable."

What makes Texas Central's plan different from other high-speed rail projects is that it doesn't depend on government funds. The company is still in the early process of securing financing, conducting engineering analyses, and developing economic and environmental feasibility studies, but it could be a model worth watching -- one that would be a stark contrast to the effort in California.

Eckels, for his part, insists that his company will not become a money suck for taxpayers. "I've enjoyed not being a part of the government," Eckels says. "We will have a project that makes sense and is viable. We are not looking for a subsidized operation."

Texas Central has some high-profile backers. It's directly affiliated with <u>U.S.-Japan High-Speed Rail</u>, a Washington, D.C.-based company founded by an American venture capital company and Japanese high-speed rail operator Central Japan Railway Company, which would supply the technology for the endeavor. That company runs bullet trains between Tokyo and Osaka.

Eckels himself also comes with a good reputation. He gained <u>national attention</u> for the way he and Harris County handled the influx of New Orleans-area residents seeking shelter from Hurricane Katrina.

Eckels says Texas Central will need about \$8 billion to \$12 billion in investment -- though that's a rough estimate. Unlike the state-run California project, which has seen its cost estimates fluctuate from \$34 billion to \$43 billion to \$98.5 billion and now \$68.4 billion, Texas Central will have to abide by its budget and as a private company, can't afford to have "moving targets," Eckels says.

"The key for us is to make sure our budget is right at the beginning," he says. "We're not using the government as a backstop."

Eckels' endeavor isn't the first foray into high-speed rail in the state. In the 1990s, the state had a high-speed rail authority and even chose a French company to delivery a line. Eventually, the project fizzled, in part because of opposition from Texas-based Southwest Airlines. Today, things are different. Eckels says the airline -- no longer just a regional carrier -- won't oppose the project, and unlike other private rail lines (such as a proposed high-speed rail line on the <u>East Coast</u>), this project wouldn't compete with an existing

route.

According to Eckels, Texas is the perfect place for high-speed rail, and the distance between Houston and Dallas -- which takes about 4 hours to travel by car -- is "the sweet spot" for a bullet train. The drive is just long enough to be tiring, and the flight is just short enough to make passengers question whether it's worth the hassle.

There's poised to be an increasing demand for connections between the region. Harris County and Dallas County have more workers traveling long distances -- known as "super-commuters" -- than anywhere else in the country, according to a <u>report</u> published earlier this year.

From a geographical standpoint, the area is also attractive, Eckels says, because it's largely rural and flat.

One challenge Texas Central still needs to figure out is how passengers would get from their train stations to other locations. Both the Houston and Dallas areas have growing public transit systems, but neither is as extensive as those of major East Coast cities, where commuters can easily connect from trains to subways. Eckels says his line will partner with area transit agencies, but his stations will need easy access to freeways.

## Using Federal Help, But Not Money

Though Eckels' project would be privately funded, the federal government had already <u>invested</u> \$15 million for the state Department of Transportation (TxDOT) to study a route between Houston and the Dallas/Fort-Worth region. A spokesman for TxDOT said the agency is in touch with Eckels' group and sharing information with it.

TxDOT Executive Director Phil Wilson has <u>said</u> his agency will "try to assist them as best we can, along with anybody else who can bring this same type of initiative to us."

Tom Shelton, senior program manager with North Central Texas Council of Governments, says the state's goal is to eventually secure environmental clearance for a high-speed rail route and then turn it to a private-sector entity to design, build and operate.

Shelton says his organization, which conducts regional transportation planning, is coordinating with both Eckels and TxDOT, particularly with analyzing potential ridership and providing data used to determine where stations might be located.

There are at least one or two other private entities interested in pursuing work on the same corridor, Shelton says, though Eckels' group is furthest along. "We have no allegiance to this current entity," Shelton says. "Our interest is to get high-speed rail implemented."

And, he adds, "Whether it's through a public-sector model or a private-sector model, we don't care, quite frankly."

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