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Home > Opinion Blog

Texas bullet train company responds to naysayer Bernard Weinstein



By Rodger Jones/Editorial Writer
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Let's have a little back and forth on the economics of high-speed rail in Texas.

This newspaper editorially supports the Texas Central High-Speed Railway's project to bring bullet-train service to the state. We [said so on the editorial page](#) on Tuesday.

The next day we published a letter in the paper from economist [Bernard Weinstein](#), [associate director of SMU's Maguire Energy Institute](#). He was commenting on the [support voiced by the mayors of Dallas, Fort Worth and Houston](#).

Weinstein has done consulting work on the economics of rail transit before, with DART as one client. His voice matters. On the bullet train project, he said this:

The Dallas to Houston bullet train proposal failed 25 years ago and it will fail again because the economics simply don't work.

True, the distance between Dallas and Houston is about the same as the distance between New York and Washington, D.C., where the high-speed Acela allegedly turns a profit — or at least covers its operating costs. But more than 40 million people live between New York and D.C., and the Acela service generates revenues by picking up and dropping off passengers in New York, Newark, Trenton, Philadelphia, Wilmington, Baltimore and Washington.

By contrast, no one lives between Dallas and Houston. What's more, unlike East Coast cities, Dallas and Houston have multiple business centers, raising the issue of the potential demand for rail service between downtown Dallas and downtown Houston.

Bernard Weinstein, North Dallas

I got a message to the railroad company execs to see if they want to respond. They did. This is from Texas Central High-Speed Railway's chairman and CEO:

The comparison of Texas' high-speed rail experience from 25 years ago to current proposals misses the mark, as well as stating that Dallas to Houston and New York to Washington, DC, should be judged in the same way.

25 years ago, Texas was much different than it is today no matter how one views it — the diversity and quality of businesses and industries, transportation options and infrastructure, and most importantly, the current and projected growth in population and in the volume of economic and business activity. In 1989, Dallas/Fort Worth had approximately 3.9 million people and Greater Houston had 3.6 million. Today, Dallas/Fort Worth has approximately 6.4 million people and Greater Houston has 5.9 million. In 20 years, these numbers will double.

Dr. Weinstein is correct in stating Acela's multi-stop approach would not be profitable today between Dallas and Houston. However, we are not modeling our high-speed corridor after Amtrak's Acela, nor should we. While our approach to deploying high-speed rail is wholly unique, so is the market we seek to serve. The Houston and Dallas/Fort Worth markets are generally the same in population, which, according to our studies, results in relatively equal and complementary demand between the two markets. Moreover, with Dallas/Fort Worth and Houston as our "anchors," we will be operating in an all-Texas environment versus the multi-state situation Acela faces on its antiquated and congested Northeast Corridor.

Texas Central Railway's due diligence over the last four years of planning has included the careful study of successful HSR projects globally and the many unsuccessful proposals. We are privately funded, and are utilizing a market-driven approach to bring this bullet train to Texas. We have undertaken extensive market research and investor-grade ridership studies, and have determined this project can be profitable. We are asking private investors to make their own assessments and place their own funds at stake. We are confident in the eventual success of this train.

This is truly an exciting time for Texas, and we look forward to ushering in a new era of transportation innovation between the greater Dallas/Fort Worth and Houston areas.

Richard Lawless, chairman and CEO, Texas Central High-Speed Railway