

LAROCHE TO CONGRESS

'Pass New Amtrak Bill With a Veto-Proof Majority'

by Mary Jane Freeman

A bipartisan group of U.S. Senators trumped President Bush's plan to kill off Amtrak on July 27, introducing a bill to authorize \$1.9 billion a year for six years to ensure operations and critical infrastructure investment in Amtrak and restructure its debt; and another \$13 billion bonding authority over ten years for a Federal/State grant program to build rail projects. In addition, the new Amtrak bill directs \$793 million, over three years, to be spent by the Homeland Security Department for critical rail security and safety infrastructure upgrades.

The Passenger Rail Investment and Improvement Act of 2005 (PRIIA), S. 1516, was initiated by Senators Trent Lott (R-Miss.) and Frank Lautenberg (D-N.J.). Senators Ted Stevens (R-Ak.) and Daniel K. Inouye (D-Hi.) joined as co-sponsors.

Bush and Transportation Secretary Norman Mineta had believed that they could force the national passenger rail corporation into bankruptcy with a provocative, zero-funding proposal, and ram through a long-sought neo-conservative agenda item: privatizing Amtrak. The Lott-Lautenberg bill's focus—infrastructure investment to create a national passenger rail system in collaboration with the states—changes the agenda.

"National passenger rail service isn't a luxury—it's a necessity [to give] Americans another transportation choice, while reducing traffic, air pollution, and our dependence on foreign oil," Lautenberg said in a July 27 statement. He added, "it's an historic blueprint for the future of passenger rail service." The next day, July 28, when Senator Stevens shepherded the bill through the Commerce, Science, and Transportation Committee, it had three more co-sponsors and was passed 17-4, sending it on to the full Senate for debate. The

four dissenters, all Republicans, were Senators Jim DeMint (S.C.), John Ensign (Nev.), John Sununu (N.H.), and John McCain (Ariz.).

Privatization Strategy Confronted

McCain, long a promoter of Amtrak privatization, tried to kill the new bill's grant program. Ironically this aspect of the bill would aid states in taking more initiative to run rail projects. This section sets Federal rail policy: To "develop a long-range national rail plan that is consistent with approved State rail plans and the rail needs of the Nation . . . in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people."

After the Committee vote, Senator Inouye called this "the most comprehensive bill on Amtrak we've ever had." Inouye is an old-line "FDR" Democrat who knows the importance of national infrastructure. Senator Lott identified the reality of government's role, arguing that if Congress wants Amtrak to innovate and provide quality service, it must fund it. "This is not going to be a great big profit-maker. It isn't profitable anywhere in the world." Under the bill, Amtrak's capital subsidy would grow, while the operating subsidy would shrink by 40% over six years.

There are three key features to the bill: 1) funds Amtrak's operations and investment in its infrastructure; 2) directs the Treasury to restructure Amtrak's debt, and to assume that debt if savings would result; and 3) sets up an 80/20 Federal/State grant program for states' passenger rail capital projects. If adopted, the grant program will facilitate unleashing the many ready-to-go state rail projects, including high-speed, rail plans. Most of these project 110-mph travel (still well

below high-speed rail's potential, but a breakthrough in American rail transport).

PRIIA is a six-year authorization bill, combining operational funding, capital grants, and capital borrowing authority, and it offers a desperately needed infrastructure capitalization ability to the states, which have been unable to spend on infrastructure. It does not match Lyndon LaRouche's "science-driver" approach to using the most advanced, magnetic levitation and electrified rail technologies, and expanding machine-tool capabilities; and it concedes to the demands of "reformers" like McCain, that Amtrak compete with existing private railroads. But a network of high-speed passenger rail corridors could be built on the Amtrak core passenger-rail network, which the bill secures. It can start the actual expansion of an Amtrak system which has been forced to shrink.

LaRouche, upon learning of the key elements in the bill, remarked that although limited, it is "model legislation to get the country off dead center, and get a reindustrialization policy going." Of the Federal/state grant program, LaRouche added: "This helps the states deal with their fiscal problems with infrastructure, in the necessary way. We can't let it die just because the President is brain-dead." Aware of a Bush/Mineta veto threat, LaRouche declared, "I'm saying that this legislation should be passed, and it should be passed with veto-proof majorities."

By Oct. 1, the start of the new Federal fiscal year, adoption of a fully funded Amtrak plan is crucial to ensure that a national passenger rail network is in place on which to build. On July 21, the Senate Appropriations Committee voted to fund Amtrak at \$1.45 billion, rejecting the Bush/Mineta zero-budget proposal, as well as Mineta's threat to advise a veto if the Committee passed higher funding without reforms. The full Senate has yet to take up the appropriations bill, H.R. 3058.

Earlier, on June 29, the House approved \$1.176 billion for Amtrak, also rejecting Bush's plan, but passing a funding level clearly insufficient to make long-overdue infrastructure improvements. Fiscal 2006 was to be Amtrak's start-up year for some of its bigger multi-year capital projects. It needs a minimum of \$1.6 billion; anything less will mean, again, triaging infrastructure upgrades.

Once the Senate passes a funding level, it must be reconciled with the House in conference committee, then approved by both chambers, and sent to Bush for signing. Although a veto threat has been bandied about, it would be suicidal, as this appropriation, H.R. 3058, also contains funding for aviation, highways, the Internal Revenue Service, and much more.

As neither the House nor Senate are on track to provide that \$1.6 billion level of FY2006 appropriations, it is all the more critical that the Lott-Lautenberg six-year authorization bill, S. 1516—creating new authorized funding and borrowing levels—be moved in the Senate. However, it is unlikely to be taken up until after other pressing matters are completed.

A potential companion bill in the House, H.R. 1630, although less comprehensive, passed the House Transportation Committee in April. An Ohio rail official told *EIR* that Rep.

Steve LaTourette (R-Oh.), one of that bill's sponsors, and Senator Lott are discussing their bills, to work out common language. An Amtrak spokesman told *EIR* that it is likely that the House would defer to the Senate for a new authorization bill.

State Rail Plans Drive Re-Industrialization

PRIIA's creation of an 80/20 Federal/State grant program to fund states' passenger rail expansion, can unleash ready-to-go rail projects that otherwise lack funds. An "Ohio Hub" spokesman told *EIR* that with adequate Federal matching funds, the first tier of their high-speed rail plan could be built in two to three years, adding that the nine-year plan would create "over 6,000 construction jobs alone." Indeed, job growth would be exponential as a new rail grid were built, bringing back steel production, electric power capacity, and manufacturing employment. (See an animation of this rail-corridor development's impact at <http://www.larouche.pub.com/eiw/public/onlineimages/raildevcorridor.html>.)

Critical to such initiatives is LaRouche's call to retool the nation's threatened auto sector, using the machine-tool capacity and skilled workforce resident there, to build components for infrastructure, especially rail. In Ohio alone, this would keep 35,500 GM and Ford workers employed and prevent plant closures by them and their suppliers.

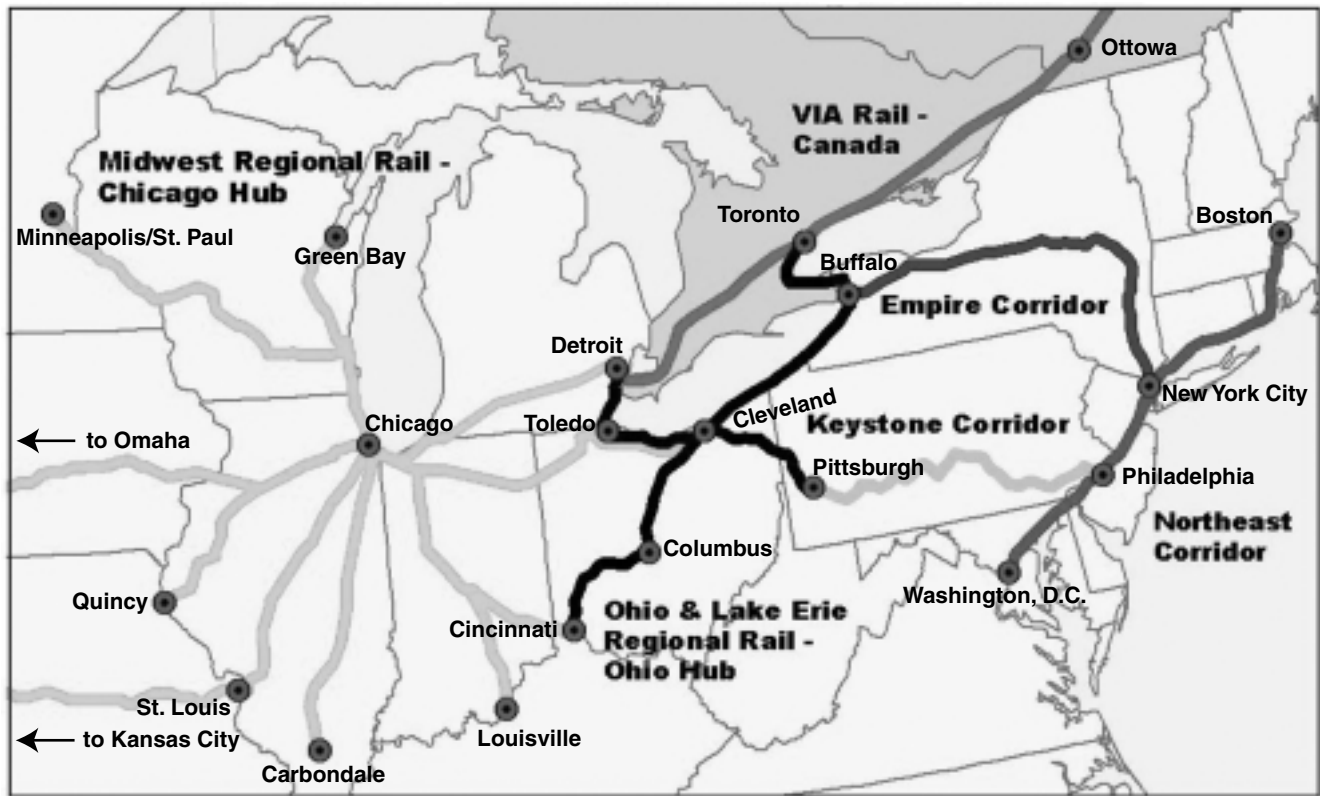
Twenty-four states are involved in developing parts of the 11 nationally designated high-speed rail corridors. **Figure 1** shows two key Midwest multi-state high-speed rail projects: the Midwest Regional Rail-Chicago Hub; and the Ohio & Lake Erie Regional Rail-Ohio Hub. Their plans connect them to the Empire and Keystone high-speed corridors, still under development, and the Northeast Corridor. This corridor, electrified from Washington, D.C. to Boston, came about because of the passage of the 1965 High Speed Ground Transportation Act. S. 1516 would invest to bring the Northeast Corridor to a state of good repair, rectifying what Lautenberg said is a key Amtrak problem, "spending so much time fixing worn-out things, lots of time on repair . . . to make up for past neglect."

The Midwest Regional Rail System uses 3,000 miles of existing rail rights-of-way to connect rural, small urban, and major metropolitan areas, using a hub-and-spoke network out of Chicago. Millions of dollars have been spent by Midwest states upgrading sections of their existing rail. Using a multi-modal plan, the Midwest system expects to service 90% of the nine-state region's population.

Wisconsin has completed an environmental impact study and preliminary engineering work for 110 mph travel in the Milwaukee-Madison corridor. In its Milwaukee-Chicago route, ridership grew by 14.6% in the first six months of 2005, showing the viability of the initiative.

Michigan's Kalamazoo-Niles route now runs trains at 90 mph, and expects approval for 110 mph once new on-train technologies are tested. Illinois, from the 1990s to 2002, has invested \$200 million in upgrading the Chicago-St. Louis corridor. A 120-mile segment has had all grade crossings and

FIGURE 1

Major Sections of Proposed U.S. High-Speed Rail Network

Source: Ohio Rail Development Commission; *EIR*.

safety upgrades made, and a next generation Positive Train Control system has been tested such that it is readied for 110-mph trips. Sadly, the Illinois legislature, uncertain of Federal funds for the project, has cut its spending. This points to the need for adoption of a veto-proof S. 1516, as emphasized by LaRouche.

Ohio, historically at the crossroads of the nation's frontier development, puts forward a four-corridor linked plan of 860 miles of rail, which will service 22 million people in four states and southern Ontario, and connect 11 major cities. But when linked to the planned regional rail corridors in Pennsylvania and New York, and to the Northeast Corridor, the plan will serve more than 140 million people, or about half of America's population. Ohio, like the Midwest system, foresees creation of economies of scale by interconnecting their plans to a national passenger rail network, thereby reducing overall operating costs.

'Moon Shot' for Rail: Develop Maglev

The American system legacy—from John Quincy Adams, who as Secretary of State facilitated building the nation's first commercial railroad, the Baltimore and Ohio; to Abraham Lincoln, to John F. Kennedy—has been a bipartisan commitment to the nation's posterity through exploration and

development of frontiers. In this tradition, LaRouche has called for the nation to build true high-speed, magnetic levitation rail, or "maglev." Interim steps to get to maglev, require the build-out of the 11 nationally designated high-speed rail corridors, with separate tracks dedicated to freight and people, and building and electrifying more than 25,000 rail-route miles (see *EIR*, June 10, 2005).

Maglev utilizes magnetic force to lift, propel, and guide a vehicle along a guideway, "flying" on a magnetic cushion, thus eliminating wheel-on-wheel friction, and enabling a cruise speed of 245 mph. Today, despite advances in this technology, and largely because of America's lack of a national vision for rail development, the few pilot projects we have are languishing.

Federal funds for maglev development have slowed to a trickle. Seven projects were studied to determine best placement for the first project. Baltimore to Washington, and Pittsburgh to its airport, were the two finalists. But neither was selected for development, so minuscule monies are now given to both projects, and to another—Las Vegas to Anaheim, California—for "pre-planning" work. One Midwest rail official summed up the situation: "Our problem in the United States is that maglev has been five years away for three decades."