Project Title: A Case Study of High Speed Rail in Florida: Implications For Financing Passenger Rail

Between 1981and 2011, the State of Florida and private corporations, sometimes jointly, sometimes alone, made four different attempts to implement very high speed rail lines between Miami, Orlando, and Tampa, on which trains would run at very high speed, between 150 and 220 miles per hour. Yet, at present, the only new passenger line that is likely to begin operations between these cities is not very high speed, and will not run on dedicated track. Why did all the earlier attempts at very high speed lines fail, while a moderate speed line appears likely to succeed? This report shows how neoliberal ideology and policies in the 1980's caused a private consortium to plan a line based on credit from private investors and rents and profits from real estate development. When that failed, a public-private partnership was attempted in the 1990's, which relied on direct government grants, guarantee for private activity bonds, federal financing (TIFIA), and other sources. This plan was vetoed by Governor Jeb Bush in 1999. The currently planned line will be financed, as in the 1980's and 1990's, by private activity bonds and real estate revenues. But, unlike earlier periods, trains will not run on grade separated track, so infrastructure costs are significantly lower than for very high speed. Nonetheless, sponsors of the current project are advertising their line as high speed, since its operating time will compete with existing air and highway options. This, then, shows how both actual and perceived speed-time and finance are related, and the implications of this relationship for American passenger rail in the future.

Sponsors: University Transportation Research Center

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