

British Study Reveals U.S. Rail Operating Costs Overpriced

By Richard F. Tolmach

A study by consultant Civity recently published by Britain's Office of Rail Regulation provides some insight why no profitable California train services exist, despite their popularity. It's because U.S. costs are out of control, compared to the 17 European and British passenger operators studied. The benchmark study compared 2011 data for Irish, Belgian, French, Dutch, and Danish conventional services with a German private carrier and 11 domestic British routes. British routes operated by contractors, but most others are publicly operated.

The study, which did not consider U.S. systems or high-speed operators, found that 16 British and E.U. rail carriers were within a range between \$10.38 and \$18.02 per train-mile, whether commuter rail, regional rail, or long distance service was provided. Only one system was nonconforming, a frugal north German commuter system running short diesel multiple units (DMU), which shamed everyone else in the study with a \$5.05 per train-mile cost.

One major item was excluded from the cost study: track access charges, which vary by national policy. Generally in Western Europe, these range from \$6 to \$16 on the systems studied, about the same amounts paid by California operators. **If you include track access, European operators show a cost range from \$15 to \$35 per train mile with the**

In Fiscal Year 2014-15, North San Diego County's DMU-provided Sprinter operating costs are \$30 per train mile, low by U.S. norms but a bit on the "high side" when compared to European rail systems.

majority of systems being close to \$25 per train mile.

Most other cost elements show a vast discrepancy. The comparison with recent California results is particularly shocking. 2012 cost per train mile for the San Joaquins, Capitol Corridor, and Surfliners ranged from \$65 to \$85. Caltrain and ACE are over \$100. Metrolink is about \$70 per train mile, but is saved from worse performance by its ability to levy track access charges on other operators. Amtrak as a whole is about \$100/train mile.

Where did American carriers go wrong? In just about every cost area, but most of all in equipment maintenance and management overhead.

The supposition that all passenger trains will be powered by a 100+ ton diesel locomotive with 3,500 to 4,000 horsepower is uniquely North American. Most European trains are either electrically powered or use suitcase diesel engines closely following bus and truck



practice. This has an overwhelming impact upon efficiency and operating costs. Diesel locomotives do not have a high capital cost, but their specific operating cost has outstripped that of entire trains using DMUs or electric traction. Only part of this cost is the extra \$3 per mile of fuel they consume compared to DMUs.

The biggest cost problem of locomotives is maintenance. Specialized locomotives with hotel power used for passenger service are a rare item, and the boutique workshops that have the requisite staff have accrued preferential treatment and undue amounts of deference in setting equipment use. This can be seen in its most extreme form in the Bay Area Amtrak and Caltrain maintenance facilities, which although newly built, are financial and operating failures that have harmed the services they support.

Inefficiency of equipment use is another hotspot for losing control of costs. Daily miles per trainset are so low on Caltrain, ACE, Metrolink, and the Capitol Corridor that it is hard to recoup the costs of trains or their operation. Each of these systems is heavily commuter oriented, and most sets only move during peak hours.

European railways have a different idea. **Except in France, you don't see fleets of trains that sit motionless 20 hours a day.** Instead, they keep them moving like clockwork on half-hourly, hourly or two-hourly headways, up to 16 hours a day. In travel peaks, passengers may have to stand for a few minutes, but service remains available and affordable.

Rail management incompetence and careerism is the root source of the problem. The lack of enterprise in California passenger rail is

a consequence of two generations of public subsidy. Very few California rail managers have had the experience of constructing a profit-making business, and few public agencies have cost-effectiveness among their goals. Costs have mushroomed because there is not a history or practice of cost control.

All the interests surrounding passenger rail in California support higher costs. The average engineer or trainman has an \$80,000 salary today. But labor has only taken its cues from public sector transit CEOs, who believe it is their right to take home salaries in the hundreds of thousands of dollars annually.

We pay three times as much per train mile but are treated to worse conditions than former East Bloc countries. It doesn't have to be this way. Instead of just advocating for more trains, passengers also need to push for improved operating practices that increase the efficiency of rail operations—allowing potentially many more trains within current financial resources.

A PDF of this TRAC Backgrounder is available at our website, <http://www.calrailnews.com>.

Train Riders Association of California
1025 9th Street, Suite 223
Sacramento, CA. 95814

(916) 557-1667



Non-electrified regional rail/commuter systems in Europe that carry less than 500 passengers on the busiest peak hour trains use diesel multiple units (DMUs) almost exclusively. In contrast, most new U.S. commuter rail systems carry less than 10,000 passengers per day use locomotive-hauled trains, with only a handful of exceptions. These systems generally serve less than 500 passengers on their busiest peak hour trains.