

PUBLIC POLICY COMMENTARY



Why Passenger Rail Matters

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Commuter patterns, traffic problems and fiscal realities make the case for passenger rail

New research demonstrating the economic interconnectivity of southeast Louisiana, congestion issues growing worse due to rapid economic expansion, and Louisiana's fiscal state make rail restoration the responsible option

The resurrection of passenger rail service between New Orleans and Baton Rouge has been the subject of much public debate and [editorial coverage](#) since the last train ran in 1969. The post-Katrina LA SWIFT bus, which provided a similar service, transported over 12,000 riders a month between the two metro areas. However, SWIFT was discontinued in 2013 without a replacement, despite a campaign to save the [popular line](#).

The conversation on restoring rail service has taken on additional importance in the last few months, as recently-elected Governor John Bel Edwards has promised to do “[everything \[he\] can](#)” to restore rail linking the state's two largest metropolitan areas, pledging to make Louisiana “[a leader in re-introducing passenger rail](#)” as one of his administration's top priorities. At the same time, rapid economic development in southeast Louisiana and new research into commuter patterns emphasizes the need to address ever-increasing traffic congestion along the super-regional corridor. This, combined with the harsh realities of Louisiana's current fiscal state, combine to make a persuasive case for prioritizing passenger rail re-establishment.

The Baton Rouge and New Orleans areas, despite cultural differences, have long been bound by their [economic ties](#). The importance of chemical manufacturing and international trade to both economies is well known, and the coordination of economic development agencies through the [Southeast Super-Region Committee](#) speaks volumes about the way cooperation has begun to trump competition for these former rivals. At the same time, the regions have been quietly experiencing a considerable amount of inter-regional workforce integration that is reshaping the commuting patterns of southeast Louisiana.

Census data shows that more than 58,000 people commuted between the Baton Rouge and New Orleans metropolitan statistical areas—MSAs—in 2013, accounting for 7 percent of the entire super-regional workforce. This represents an 11.4 percent increase since 2010, nearly four times the rate of population growth over that same period. Intra-regional commuters would also be well-served by the proposed line; in the Capital Region, there are more than 19,000 commuters traveling from Ascension to East Baton Rouge Parish for work. The increasing economic interconnectivity of Louisiana's two largest MSAs, combined with the rapid development of the River Region that ties them together, requires a robust transportation infrastructure capable of effectively serving this growing super-region.

These already substantial commuter numbers are only expected to continue increasing in the coming years. The Baton Rouge and New Orleans Areas, and the River Region that connects them, are experiencing an unprecedented \$20 billion boom in private investment, primarily in industrial sectors. Even with the decline in oil prices, these multibillion dollar industrial expansions are largely continuing as planned, [particularly in south Louisiana](#).

Super-Region Commuters	
2010	52,395
2011	56,699
2012	56,697
2013	58,353
2010-2013 Change	11.4%

This growing number of daily commuters—not to mention the volume of freight moving through these industry-heavy regions—simply cannot be effectively accommodated by current infrastructure. Those who travel this route regularly know that the strained road network is barely able to handle current demand, and the already long trip from one metro to the other can easily double in length on days with inclement weather or traffic accidents. There is a great deal of well-documented evidence of the boost to economic development that rail and other transit infrastructure can provide local communities, and this data is frequently cited in support of New Orleans-Baton Rouge rail service. But for many, a more urgent need is simply accommodating the development that is already in the works.

Transit-Oriented Development Case Studies

Union Station Redevelopment

\$500 million in public dollars attracted more than [\\$1 billion in additional private investment](#) in Denver, CO, and over \$3 billion in total economic impact, in just a three block radius. The tax-increment financing district designed to pay for the station is currently a decade ahead of schedule.

Rosslyn Ballston Corridor

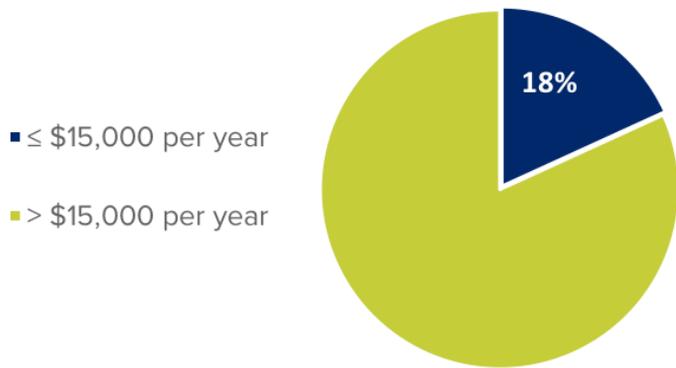
Rail through what was formerly a declining, low-density area of [Arlington, VA](#) has resulted in an 81 percent increase in land values around stations, and 50 percent of local residents are now taking transit to work. This area accounts for only 8 percent of county land, but brings in 33 percent of county revenues.

Dallas Area Rapid Transit (DART) Expansion

A \$4.7 billion expansion of DART’s light rail produced [\\$7.4 billion in economic activity](#). Tens of thousands of new jobs were created, with over \$3.3 billion in salaries, wages and benefits.

At the same time, 18 percent of super-regional commuters—just under 13,000 people—are earning \$15,000 a year or less through their primary jobs. For these low-income workers, commuter rail would offer a reliable and comparatively inexpensive way to travel to their places of employment. According to [data](#) prepared by the Southern Rail Commission, passenger rail can save commuters in these parishes up to \$6,800 per year. This would be a substantial windfall for current low-income commuters, and also open up new inter-regional employment opportunities for residents who do not own cars, or cannot afford the fuel and maintenance costs associated with long commutes.

Super-Regional Commuter Income 2013



According to the most recent census data available, more than 32,000 workers in the super-region do not have access to a vehicle, meaning that inter-city rail would provide access to additional employment opportunities for tens of thousands of workers. This point is substantiated by a survey of LA SWIFT riders in 2013 that revealed that one-third of its ridership came from households without a car, making the service “essential to accessing their jobs.” More than half of SWIFT’s ridership came from commuters getting to jobs in industries vital to the southeast Louisiana economy, including healthcare, construction, hospitality and others.

All of this doesn’t even begin to address another transportation-related fact of life for south Louisiana residents: the need for effective and reliable evacuation routes during natural disasters. In light of the many thousands of southeast Louisiana residents without reliable access to a personal vehicle, and the lessons learned from Katrina and other recent disasters, resiliency is a critically important part of any conversation on infrastructure, and one that a rail line is uniquely qualified to address. A rail line connecting the super-region would also provide access to critically important healthcare services for which the Baton Rouge and New Orleans regions are increasingly interdependent. Fourteen percent of LA SWIFT riders used the service to access healthcare through institutions like the Veteran’s Affairs Hospital in New Orleans, which provides needed care for both regions. Of course, there is also the importance of the line to tourism, another key industry in both regions, providing easy transportation to and from athletic events, festivals and cultural centers throughout the year.

Given the demonstrated need for a more robust transportation infrastructure connecting the super-region, the restoration of passenger rail stands out as a fiscally responsible solution. The Department of Transportation and Development—DOTD—has identified more than \$12.7 billion in backlogged highway and bridge needs throughout the state, even without the addition of many capacity-building megaprojects that are so needed, especially in the Capital Region. Understandably, much has been made of the upfront capital investment required by the proposed rail line, amounting to \$260 million. However, much of this could be funded by federal dollars, and a look at the alternative makes it clear that rail is comparably very feasible.

What Will It Take?	
Total Capital Costs	\$262.4 Million ¹
Total Operating Costs	\$6.78 Million ²
Ticket Cost	\$10
Estimated Ridership	200,000+
¹ Pays for track and crossing upgrades, and new stations	
² After ticket sales, includes cost of leasing trains	

A preliminary estimate provided by DOTD puts the cost of expanding I-10 from Highland Road in Baton Rouge to Loyola Drive in Kenner at roughly \$1.2 billion, nearly five times the cost of establishing passenger rail. This enormous upfront expenditure—and the accompanying long-term maintenance requirement—is prohibitive, given the state of Louisiana’s finances. A passenger rail line can better connect the super-region’s 1.4 million people, along with nearly half of the state’s jobs, at just over 20 percent of the cost of highway expansion, in addition to providing a genuine alternative to the congested highway system and the potential for considerable economic development opportunities.

The potential for additional transit-oriented development is a substantial secondary benefit, and forward-looking community leaders are beginning to plan how to best take advantage of the opportunity, most notably in Gonzales. The city has already [purchased a site downtown](#)—including a building, parking lot and adjacent field—specifically to house the Gonzales station, as part of a redevelopment master plan. With strong local backing from parishes along the route, an endorsement from Governor Edwards and [support of business leaders](#) throughout the super-region, passenger rail is one of the bright spots on the challenging Louisiana transportation landscape.

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