

## Pennsylvania taxpayers are being railroaded

**Background:** Newspaper headlines touted a deal reached between Norfolk Southern Railway and the Pennsylvania Department of Transportation (PennDOT) on an agreement to spend more than \$200 million of taxpayer money on infrastructure and safety improvements that will help accommodate additional passenger train service between Pittsburgh and New York City.

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While safety improvements are always welcome, especially in the wake of Norfolk Southern's cargo train derailment in nearby East Palestine, Ohio, earlier this year, expanding passenger rail service should have been the responsibility of the rail company itself and not the taxpayers of Pennsylvania.

### *History*

This is not the first time the rail companies have dipped into taxpayer pockets. As we wrote a decade ago, in *Policy Brief, Vol. 13, No. 10*, Amtrak threatened to suspend service from Pittsburgh to Harrisburg, and on to New York, unless the state came up with a subsidy of \$5.7 million, half the annual cost. The state capitulated and provided Amtrak with the funds through Act 44 of 2007, which mandated that the Turnpike Commission pay PennDOT \$450 million annually (until 2022) via toll increases. That service was aboard the *Pennsylvanian*, the same service that is being expanded with the new subsidy. But as we noted then, passenger counts did not justify the subsidy, and it is still not justified.

Also from that *Brief* in 2013, "there were 129,372 boardings and disembarkings at the Pittsburgh station for both the *Pennsylvanian* train and the *Capitol Ltd.* service that goes on west to Chicago by way of Cleveland and east to Washington D.C. Total ridership on the *Capitol Ltd.* and the *Pennsylvanian* are very nearly the same, posting just over 100,000 passengers in the first six months of fiscal 2012."

That *Brief* went further to note that in 2008 there were more than 140,000 passengers using the Pittsburgh station and that had fallen substantially by 2012. Passenger counts didn't change all that much until 2019. Then, of course, the pandemic changed everything.

### *Passenger data*

Using data from the Rail Passengers Association, we can look at total Amtrak passengers using the Pittsburgh station. Only the *Pennsylvanian* and the *Capitol Ltd.* stop in Pittsburgh. The

cumulative data for the Pittsburgh station runs from 2015 through 2021 while the data for passengers using the specific line, the *Pennsylvanian* and the *Capitol Ltd.*, only covers 2019 through 2021.

It was noted above that in 2008 more than 140,000 passengers used Amtrak service at the Pittsburgh station, and it had fallen to 129,372 in 2012. In all fairness there was a deep recession in 2010-2011 that undoubtedly affected travel during this time. In 2015, that mark rebounded to 147,500. It began a decline from there dropping steadily reaching a level of 129,900 in 2019. In pandemic 2020 that number fell even further, by 41.6 percent, and further still to 71,300 in 2021, another 6 percent. 2022 data is not yet available. But it is unlikely that it recovered to pre-pandemic levels.

The *Pennsylvanian* line, running 444 miles from New York to Pittsburgh, through Harrisburg and Philadelphia, had a passenger count of 212,700 in 2019, down 8.2 percent from 231,700 in 2015. In 2020 that number fell even further to 127,700 before ticking up a bit in 2021 (128,500).

Most of the stations on this line are located within the commonwealth. For Pittsburgh, 78,299 used that station to embark or disembark the *Pennsylvanian* in 2019. This was behind the number using the Philadelphia station (82,005) and greater than the 42,621 using the Harrisburg station. In 2020 only 43,781 used the Pittsburgh station, a drop of 44.1 percent. The decline in passengers using the Philadelphia station was slightly lower at 41.5 percent (47,978) and for Harrisburg it was a decline of 34.2 percent (28,042).

The numbers did rise a bit in 2021 for each Pennsylvania station. The Pittsburgh station passenger count bumped up 4.8 percent to 45,886, Philadelphia to 49,883 (4 percent) and Harrisburg to 29,504 (5.2 percent).

The counts for the *Capitol Ltd.*, traveling from Washington D.C. to Chicago, are very similar.

In 2015, 226,200 passengers used this 764-mile line. That number increased to 231,200 in 2017 before dipping 8.4 percent to 207,300 in 2019. Passenger totals fell by 38.7 percent to 127,000 in 2020 and another 23.6 percent to hit 97,000 in 2021.

There are only two Pennsylvania stations where the *Capitol Ltd.* has stops, Pittsburgh and Connellsville. The number of passengers embarking or disembarking in Pittsburgh in 2019 was 51,647 and for Connellsville 4,864. In 2020 that total fell 38 percent to 32,042 for Pittsburgh and 45.4 percent (2,656) for Connellsville. Those totals dipped even further in 2021 for both stops. Pittsburgh had 25,453 passengers using the *Capitol Ltd.* while Connellsville was just 1,995.

### *Conclusion*

The announcement that PennDOT will spend more than \$200 million for infrastructure and safety improvements should be met with serious skepticism. Upgrading safety measures to prevent derailments is a worthwhile investment. But these rail lines are privately owned. Norfolk Southern will be reaping the benefits and should be required to perform maintenance and upgrades.

Subsidizing passenger rail even further, as Amtrak is already subsidized, should be a non-starter. Adding another passenger train to run through Pittsburgh makes no sense considering the substantial decline in passengers at that station using either the *Pennsylvanian* or *Capitol Ltd.* lines. The customer base for rail on this route is severely limited.

Bear in mind too that travel across state by automobile—about 5 hours—is a significant advantage compared to the train that takes 7.5 hours from Pittsburgh to Philadelphia. Moreover, the cost to travel by automobile is likely lower than a coach class ticket cost of \$86 and a business class ticket at \$121. By car the Turnpike’s EZ pass toll is \$35 and fuel costs are likely to be around \$45. Compared to business class, the driving cost would be significantly lower. Then, too, a car trip could include two or three people making the cost comparison to taking the train much more favorable for driving. And these comparisons do not consider the advantage of being able to drive directly to the destination in the Philadelphia area.

Indeed, for most people in Allegheny and surrounding counties the inconvenience of getting to the downtown Pittsburgh station, dealing with luggage, parking or paying for a taxi all add up to additional time and unnecessary expense compared to driving.

Little wonder then that there hasn’t been any significant growth in passenger counts in recent years. The absence of rising demand for train travel severely undermines the claim that another passenger line is warranted. That subsidy could be put to much better use.

The newspaper article referred to a Norfolk Southern executive noting “the publicly financed project would have benefits both to passenger rail and the railroad’s own customers, more than 800 of them (customers) depend on the Premier Corridor.” The Premier Corridor runs through Pittsburgh between New York and Chicago. If this makes good business sense to the rail company, it should pay the freight and pass it on to their customers and not pick the pockets of Pennsylvania’s taxpayers.

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