

MESSAGE FROM THE PRESIDENT
President's Message | John Kistler | March 2015

High-speed rail travel is not new. The world's first high-speed rail line, the Shinkansen was built in 1964, between Tokyo and Osaka, Japan. The Tokyo-Osaka line and the Paris-Lyon line in France are the only two high-speed passenger rail lines in the world that are viably profitable. The Japanese - Sanyo line comes close to breaking even, but no other high-speed line in the world generates enough passenger revenue to cover their operating costs, let alone their capital costs. **They all require significant government subsidies in order to operate.**

Many countries have high-speed rail. China, France, Germany, Italy, Japan and Spain have the six most extensive high-speed rail systems. China has over 12,000 miles of high-speed rail. From the experience of high-speed rail in these countries it is possible to determine five primary variables that at least minimize the necessary government subsidy for survival.

These five primary variables are:

1. Population density near the rail stations.
2. Degree/Percentage of automobile ownership in the country or region.
3. Connectivity to mass transit availability.
4. Dedicated high-speed rail line, and,
5. Few or no at-grade crossings to expedite travel and eliminate safety risks.

Let's look at these five variables and contrast them with Fortress's proposed high-speed All Aboard Florida passenger rail project:

1. **Population density near the rail stations:** The least dense major city in Europe is Berlin. It has twice the population density of New York City. Paris and Tokyo have a population density MUCH greater than that of All Aboard Florida's proposed stops in Orlando, West Palm Beach, Ft. Lauderdale and Miami. South Florida's density composition does not bode well for any potential financial success for AAF.
2. **Degree of automobile ownership:** America is an auto-loving nation. Per capita automobile ownership in America is much greater than that in Europe and Asia. High auto use is further fueled by the fact that gas taxes are low in the United States and that gas costs in Florida are half that of many European countries. Americans love our cars and we are resistant to giving them up. Here at the Taxpayers' we don't see this trend changing anytime soon, if ever.
3. **Connectivity to mass transit:** Paris, London, Tokyo, Shanghai and most cities connected to high-speed rail have feeder systems, subways or other mass transit that directly carries passengers to the high-speed rail tracks. This is not the case in our beautiful Sunshine State. Florida not only lacks the density for high-speed rail, it also does not have the mass transit systems necessary to deliver potential customers to the high-speed rail stations. Another big negative for AAF in our opinion.
4. **Dedicated high-speed rail line:** Japan's Shinkansen has a dedicated service with separate high-speed tracks that exclusively serves high-speed trains. All Aboard Florida not only shares its' tracks, it shares them with slow moving freight trains. This fact alone puts success of the project in doubt and has led many in our region to question whether freight could end up being the primary use of the rail lines in the future, should the proposed passenger project fail.
5. Finally, **lack of at-grade crossings.** Quite simply, safety suggests that you do not want cars and high speed trains to be able to occupy the same space at the same time. The outcome is never a

positive one. We often say that when the chance of an occurrence is low, that "Chances are one in a million". All Aboard Florida's proposed line has 342 at-grade crossings between Miami and Cocoa. 342 at grade crossings, 32 times a day, presents 3,994,560 opportunities for accidents to occur. One in a million would thereby imply 4 accidents every year. One accident of this nature would be one too many and we can only hope that none will occur at any of Indian River Counties **32 at-grade crossings**. The next time you drive over the railroad tracks in historic, newly invigorated, downtown Vero Beach, take a brief moment to imagine the devastation that will be caused if a train going 110 miles per hour has any type of misadventure in our tranquil town. The risk-reward factor for our region is extremely negative in our opinion.

Based on these five factors it would appear that Fortress's rail project has little chance of financial success. Many along the Treasure Coast, The Taxpayers' Association included, realized this quickly and have vocalized our opinion on this project ever since.

We feel the same now as we did then - AAF is "Not a Done Deal" and actions taken now by those who are active and engaged in the political process will continue to bear fruit in the future.

I am proud of the fact that our membership has been involved in the discussion of AAF from the very beginning and you can rest assured that our Board and I will continue to act accordingly on your behalf in this vitally important matter to our County and the Cities within it.

John Kistler - President, Taxpayers' Association of Indian River County