



# **NEWS**

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## **HIGH SPEED RAIL SHOULD NOT BE IN THE CONSTITUTION** ***Repealing the High Speed Rail Requirement Will Ensure the Project*** ***Will Be Built Only If and When It Makes Sense***

**TALLAHASSEE** — Doubling construction estimates, uncertain federal support and limited private investment, together with disputed potential ridership estimates make Florida's high speed rail project too risky to build at this time – much less remain in the state Constitution. That's the conclusion of the latest in a series of research reports by Florida TaxWatch concerning constitutional amendments on the November 2, 2004 general election ballot.

*The TaxWatch report, "Requiring a High Speed Rail System Does Not Belong in the Florida Constitution",* chronicles conflicting estimates on potential ridership and construction costs in the public debate on whether the project will be properly financed, designed and built to benefit Floridians -- amidst a projected \$2 billion annual highway funding shortfall over the next decade.

The system's cost has escalated from a 2000 Department of Transportation estimate of between \$5 billion and \$11 billion to a 2002 estimate of \$20 billion to \$25 billion by the state's Consensus Estimating Conference. The Florida Supreme Court reaffirmed the \$20 billion to \$25 billion estimate this past August.

"Florida's citizens have given the project four years to work and it hasn't, so it's time to put it aside" said Dominic M. Calabro, President of Florida TaxWatch. "Unless the constitutional straight jacket is removed, the high speed rail project will go forward, whether it's workable or not," said Calabro.

A slim majority of Floridians in 2000 amended the state Constitution to require a high speed ground rail transportation system connecting Florida's five largest urban areas. The amendment passed by a simple majority (52.7%) of those voting on the measure but had the support of less than half (47.2%) of the people voting in the election. On November 2nd, voters will decide whether to repeal the amendment and return decision-making authority and accountability to the Governor and Legislature.

A Florida TaxWatch Report in 2000 advised against including the high speed rail in the state Constitution. The state's bedrock document of organic law should be a body of precepts that sets forth, controls and guides the basic structure of government and key governmental functions to provide for the health, safety and welfare of Floridians. High-speed rail is not a basic guideline of Florida government, but rather an infrastructure and spending priority issue that should be left in the domain of the Legislature.

Today's report, as the previous one, does not take a position on the advisability of building a high speed rail system, for a system that could ensure significant ridership and substantial private sector investment might be good for the long-term benefit of Florida's economy, environment and transportation.

The report warns that the four years since passage of the high speed rail project has seen increasing competition for a limited amount of state revenue:

- State highway system funds face an estimated shortfall of \$2 billion annually over the next decade.
- Voter approval of another ill-advised constitutional amendment in 2002, mandating class size reduction by 2011, carries a price tag of \$20 billion to \$27.5 billion over the first eight years and \$2.5 billion annually thereafter.
- Congressional enactment of "Leave No Child Behind" legislation requires a qualified teacher in each classroom by 2006, estimated to cost Florida taxpayers \$577.5 million annually.
- Increased costs of defending against terrorism since September 11, 2001.
- Declining values in the stock market that give pause for concern among some Floridians about a multi-decade commitment to major projects such as the high speed rail.
- Public concern about multi-billion personal, public and private sector costs of Hurricanes Charley, Frances, Ivan and Jeanne in August and September 2004.

"Meanwhile, the project's costs have doubled, it's not attracting financial support from the federal government, and private companies have not shown interest in investing a greater share of their own capital," said Calabro.

Yet The High Speed Rail Authority appointed by the Governor, Senate President and House Speaker found in its January 2004 annual report that the economic benefits of the high speed rail's initial phase in terms of new jobs, new sales to Florida firms and enhanced property values will exceed the cost of constructing and operating the system, and that these benefits will continue to be realized as the system expands throughout the state. The Authority's current funding plan caps taxpayer exposure at \$75 million a year for 36 years.

"FloridaTaxWatch research shows widely varying assumptions and conclusions on the viability and taxpayer value of building the high speed rail," said Calabro. "When in doubt, keep it out of the Constitution."

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Florida TaxWatch is a private, non-profit, non-partisan research institute supported by homeowners, small businesses, corporations, professional firms, labor organizations, associations, individuals and philanthropic foundations -- representing a wide spectrum of Florida's citizens. The organization is dedicated to improving taxpayer value, government accountability and citizen understanding and participation in their state and local government fiscal policies. On the web at [www.floridatxwatch.org](http://www.floridatxwatch.org)