Will pandemic have long-term consequences for passenger rail?



The coronavirus pandemic is, above all, a human tragedy. The unprecedented economic impact of COVID-19 seems to worsen by the day and is spilling over into the railroad world in a big way.

Freight railroads will respond to the downturn like they always have: Move what traffic there is to move, and otherwise hunker down by cutting costs and reducing the workforce as volume declines. When the recovery comes, they'll bounce back.

It may not be so simple this time around for passenger, commuter, and transit systems, where ridership has cratered worldwide amid necessary social distancing restrictions and related economic upheaval.

Some people predict that travel will bounce back quickly when we emerge from the other side of the pandemic. Others aren't so sure. Lufthansa, Europe's largest airline, believes it will take years for air travel to recover to pre-pandemic levels, and Boeing says the commercial aviation market likely will be changed for good.



With a pandemic-shortened consist, Amtrak train 80, the last northbound Carolinian, rolls west of Elon, N.C., en route to New York Penn Station on April 5. Amtrak has curtailed service as coronavirus has dramatically reduced ridership. Photo by Charles “Dutch” Tubman

It’s unclear to me that the impact would be any different on passenger and commuter rail. Amtrak CEO Richard Anderson told employees last week that, “We are going to be a very different railroad when we come out the other on the other side of this; we will be 20% smaller … We will build up from where we are as customers buy tickets. The hope is that people will realize we’re much better than airlines in shorter-haul markets because we don’t pack ’em in like the airlines do.”

In the short-term, Amtrak and commuter ridership is down more than 90% in many places. What about the longer term? The pandemic could change the way people view travel and commuting while accelerating the trends toward working and doing business remotely.

Only about a third of jobs can be done remotely. And as of 2018 about a quarter of U.S. adults worked from home at least part of the time, according to the Bureau of Labor Statistics. But since 2005 the number of remote workers has more than doubled. Now, due to the pandemic, more people than ever are working from home.

This has a couple of potential effects on passenger and commuter rail.

First, the longer people work from home the more adept they will become at using online tools to connect, collaborate, and get things done. Companies may look at their expensive downtown office space and wonder if they need as much of it. If so, this portends a ridership decline for commuter rail systems that link suburban office workers with their urban jobs.

Second, the more people become comfortable with virtual meetings, it’s possible they and their companies will scale back business travel. Why go through all the time and expense of travel, when you can sit in your home office and conduct seven meetings a day instead of just a couple on the road? If this takes hold, it would deal a blow to Amtrak’s Northeast Corridor passenger volume, as well as regional corridors across the country that some business travelers use to dodge traffic and avoid the hassles of flying.

Personal travel also is a question mark in the post-pandemic world. Will increased germaphobia prompt more people to drive rather than risk exposure in crowded public transportation like airlines, Amtrak, and even commuter rail? If so, what does that mean for current service levels and plans to expand various state-sponsored networks? If past disease outbreaks are any indication, it will be many months before people are willing to get back on board, according to the Eno Center for Transportation, an independent think tank.

The timing of the pandemic could not be worse for private passenger efforts, like Brightline’s now suspended service on the Florida East Coast, its higher-speed route being built to Orlando, or its proposed high-speed project that would link Southern California with Las Vegas.

The same thing could be said for Texas Central’s proposed high-speed line between Dallas and Houston. Will investors back a $20 billion project if travel habits are not as certain now as they were before the virus emerged?

At this point there are more questions than answers. We’re in uncharted territory.

But amid all this uncertainty one thing seems quite certain: Public funding for passenger, commuter, and transit systems is in trouble. Yes, passenger rail got a bailout – $1 billion for Amtrak and $25 billion for commuter and transit systems – in the latest stimulus bill. But with ongoing expenses and little farebox

revenue coming in, they'll burn through that money in a matter of weeks. Meanwhile, the federal government has taken on trillions of dollars in debt to support economic stimulus efforts. Federal and state tax revenue will plummet amid what most economists say will be a deep recession. That will leave far less funding available for passenger, commuter, and transit systems over the next few years. In short, they'll go from getting meager rations to being put on starvation diets.

Let's hope a gloom-and-doom outlook does not come to fruition, and that pent-up travel demand will explode once it's prudent to leave home. But I wouldn't count on things returning to normal anytime soon.

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Comments