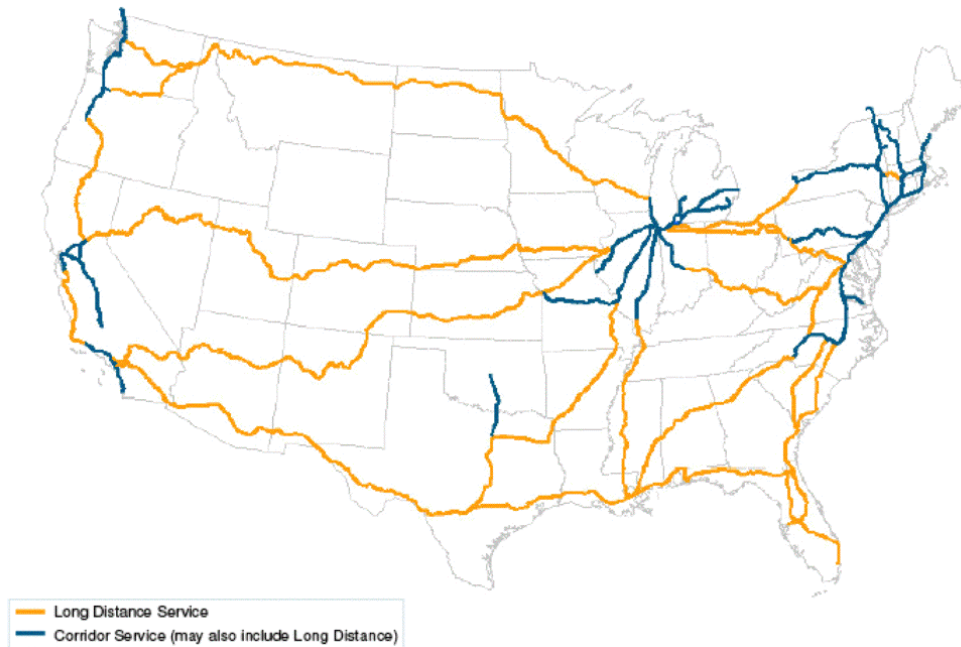




Background on Amtrak

Amtrak was created by Congress in 1970 to take over the money-losing passenger rail service previously operated by private freight railroad companies in the United States. More than half of all rail passenger routes were eliminated when Amtrak began service on May 1, 1971. Although Amtrak's route system has remained essentially the same size, it represents a mere skeleton of what was once the United States' passenger rail network. During Amtrak's 32-year existence, the federal government has spent \$1.89 trillion on air and highway modes.¹ In the same time frame, Amtrak has received just over \$30 billion in federal subsidies. While the United States once had a passenger rail system that was the envy of the world, a lack of capital investment has stalled the advancement of corridor development throughout the country. Dependent upon an annual federal appropriation, Amtrak's national network is constantly threatened by under-investment, lack of a clearly articulated federal rail policy and an uncertain future.



Amtrak Facts

- Amtrak operates a national rail network, serving over 500 stations in 46 states on 22,000 miles of track with 20,000 employees.
- During FY 2002, Amtrak carried 23.4 million passengers. In the first 8 months of FY 2003, Amtrak's ridership has increased nearly 1% over FY 2002, in an otherwise depressed travel industry market.
- In addition to operating 265 daily intercity trains, over 1.45 million commuters each day depend on operating agreements with Amtrak, Amtrak-owned infrastructure, or shared operations.²
- Amtrak's Northeast Corridor is the heaviest traveled railroad in North America, with over 1,700 trains operating over some portion of the Washington-Boston route each day.
- Compared to domestic airlines in FY 2001, Amtrak ranks 9th in ridership with a market share of 4.1% and 1st in passengers per frequency.

- In FY 2002, Amtrak generated approximately \$1.5 billion in revenues from the operation of its trains and incurred approximately \$2.3 billion in expenses, covering 64% of its operating costs. No passenger railroad system in the world operates without some form of public subsidy.
- Outside the Northeast Corridor, five other corridors carry over one half million people annually. These corridors are: San Diego-Los Angeles-San Luis Obispo; San Jose-Oakland-Sacramento-Auburn; New York-Albany-Buffalo; Oakland-Fresno-Bakersfield; and, Vancouver-Seattle-Portland-Eugene.
- Amtrak is the largest contract provider of commuter service, serving 61.1 million riders in FY 2002 directly and an additional 300 million riders yearly indirectly through agreements and/or shared operations.³
- Amtrak owned property includes 2,141 railroad cars, 425 locomotives, 20 high-speed Acela train sets, a 96 mile segment of 90 mph track in Michigan, a 62 mile segment from New Haven, CT to Springfield, MA, 104 miles of 90 mph track in Pennsylvania, and 363 miles of the Northeast Corridor connecting Washington, Philadelphia, New York and Boston; the busiest passenger line in the country.

The Uneven Transportation Field

All transportation in the United States is directly or indirectly subsidized. Unlike aviation, highways and transit, there is no dedicated fund for investing in passenger rail development. These other modes all operate on predominantly federally-owned or federally-assisted infrastructure, and rely on government-supported security, research, and traffic controllers.

- Last year, the United States Department of Transportation's appropriation bill included \$31.8 billion for highways, \$13.6 billion for aviation, and \$1.05 billion for Amtrak.⁴
- Amtrak's FY 2003 appropriation of \$1.05 billion represented 1.6% of the Department of Transportation's \$64.5 billion budget.
- In most years, Amtrak receives as little as 1% of all federal transportation funds.⁵
- Countries with well-developed passenger rail networks but much smaller populations such as Germany and Japan invest \$3-4 billion annually on passenger rail, over 20 percent of their total transportation spending.
- In 2000, Canada announced a dedicated source of capital for five years to fund new equipment, modernize infrastructure, and improve its existing passenger railroad network. Canada's system is 1/3 the size of Amtrak's and has 1/6 the ridership.
- The State of California has invested approximately \$100 million per year in passenger rail over the past 10 years and its state-supported trains carried 3.5 million passengers in FY 2002, representing nearly 16% of Amtrak's national total. These trains are consistently achieving double-digit ridership growth, proving that investment in passenger rail will reap benefits.

¹ "Last Chance for Amtrak"; Los Angeles Times; April 30, 2002.

² *Commuter Ridership Numbers*: American Public Transportation Association Letter to USDOT Letter to Sec. Mineta; July 15, 2002.

³ *Ibid.*

⁴ *Highlights of the FY03 Consolidated Budget Bill*; U.S. House; February 12, 2003.

⁵ *Amtrak FY 04 Grant & Legislative Request*; February 15, 2003.