

TOM SCHATZ

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MAY 6, 2011 4:00 A.M.

Amtrak: 40 Years, \$40 Billion

For National Train Day, let's look at the company's financial failures.

There is a special event coming down the tracks tomorrow — National Train Day. It's likely few Americans, other than Amtrak enthusiast Vice President Joe Biden, put this date on their calendars. Amtrak, which created the holiday in 2008, will be using this day to kick off its year-long 40th-anniversary celebration. Supporters of Amtrak's sister endeavor, high-speed rail, will also use the day to push for more funding.

Given America's soft spot for trains — Thomas the Tank Engine and The Little Engine That Could are still popular among children — lawmakers are likely to be running to the nearest station for a photo op with those shiny engine cars. But instead of celebrating Amtrak's anniversary, they should shine a light on the company's financial failures and take its difficulties under advisement when considering costly new investments in high-speed rail.

When Congress created it in 1970, Amtrak was intended to be a profitable enterprise; instead, it has cost taxpayers a total of \$40 billion. According to a 2009 [study](#) by the Pew Charitable Trust, 41 of Amtrak's 44 lines lost money in 2008. [Per-passenger losses](#) ranged from \$5 per passenger on the Northeast Regional to \$462 on the Sunset Limited line, which runs all the way from New Orleans to Los Angeles. According to the Amtrak inspector general's September 2010 semiannual [report](#), the rail service covered only about 84 percent of its operating costs in fiscal year 2010.

Of course, Amtrak could save tax dollars by cutting its less profitable lines, but the anniversary-celebration lineup makes it clear that this engine of wasteful spending is accelerating. According to Amtrak's Facebook page, the rail service will introduce four new P-42 diesel-electric trains, each with a "historic paint scheme," and a separate "exhibit train" that will travel through the country for a year carrying educational exhibits; publish a book called "Amtrak: An American Story"; release a DVD on its history; and launch an anniversary website. In addition, Gladys Knight is acting as [National Train Day spokesperson](#).

Defenders of Amtrak — and of high-speed rail — argue that most of the nation’s transportation industry is subsidized. Amtrak’s subsidy, however, is by far the most generous. According to a 2009 study by the Heritage Foundation, Amtrak subsidies totaled \$237.53 per 1,000 passenger-miles. In contrast, the subsidy for commercial aviation was \$4.23. These subsidies don’t make train travel more affordable. Randal O’Toole of the Cato Institute notes a one-way ticket between Washington, D.C., and New York City on Amtrak’s high-speed Acela costs \$139, while bus service costs less than \$15.

Taxpayers understand that if the government can’t turn a profit on lower-cost, low-speed rail (Amtrak), it will never earn a dime on higher-cost, high-speed rail. That’s why some governors, including Florida’s Rick Scott (R) and Ohio’s John Kasich (R), have said “No, thank you” to high-speed-rail funding that would put state taxpayers on the hook for years to come.

In preparation for a possible government shutdown in April, Amtrak president Joe Boardman instructed workers not to worry, because the company could still rely on ticket revenues to operate. That is, if Amtrak had to live without taxpayer subsidies, it would remain in business. The only difference is that it would be forced — like any other business — to cut unprofitable ventures and to meet its bottom line. Since, according to the Heritage Foundation, Amtrak accounts for 0.5 percent of all interstate passenger travel, and 40 percent of that travel occurs in the Northeast Corridor, it is unlikely most Americans would even notice such a change in service.

Across the country, many businesses, including other transportation services, have found ways to improve their bottom lines. Amtrak won’t be forced to make those types of decisions until taxpayer support is derailed. It is time for Congress to end Amtrak subsidies, consider the costly lessons learned, and apply them to the debate over high-speed rail.”

— *Tom Schatz is president of Citizens Against Government Waste, a national nonprofit devoted to eliminating waste, mismanagement, and inefficiency in the federal government.*