

WHITE PAPER

Amtrak's Financial Performance



AMTRAK'S FINANCIAL PERFORMANCE

Amtrak is sometimes criticized because it is not profitable. That criticism is based upon a false premise and ignores the facts.

- Amtrak's statutory mission and goals¹ make no mention of profitability. Indeed, they make clear that profitability is not Amtrak's objective, directing Amtrak to provide efficient and effective intercity passenger rail service that maximizes the benefits of federal investments.
- Amtrak was created precisely because all of the private railroads—required by their common carrier obligations to provide intercity passenger service—were losing huge amounts of money on that service. Passenger rail service had ceased to be a financially viable business after World War II, when construction of interstate highways and expansion of airline service, both aided by government subsidies, brought an end to railroads' once dominant position in intercity passenger travel. In 1969, U.S. railroads lost \$200 million on the operation of their intercity passenger trains, the equivalent of over \$1.7 billion in 2024 dollars.² Indeed, the creation of Amtrak is part of what set today's freight railroads on the path to achieve the record levels of profitability they enjoy today.
- No other U.S. passenger railroad operating regularly scheduled service has achieved profitability since Amtrak's creation in 1970—or for that matter for decades before then.
- National railroads in other countries—as well as other federally subsidized transportation modes in the United States such as highways, public transit, and essential air service—are not profitable or expected to be.

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The notion that Amtrak should be profitable is inconsistent with Amtrak's statutory mandate to operate unprofitable services. It is further belied by more than half a century of inadequate federal funding that has left Amtrak with aged assets that are not in a state of good repair and thus more expensive to maintain.

- The vast majority of Amtrak's operating losses are attributable to its long-distance network, which had an operating loss of \$635 million in 2024. Congress has directed Amtrak to continue to operate its current long-distance service: by law, Amtrak is prohibited (with limited exceptions) from discontinuing long-distance routes or reducing their service frequency.³ While long-distance routes play an important role in providing mobility for residents of many rural and small communities and those who cannot use other transportation modes, long-distance trains have high operating costs and (with the exception of Amtrak's *Auto Train*) generate relatively low revenues to defray those costs. Other public transportation modes serving rural areas and small communities—essential air service, local transit buses, and rural intercity bus service – generally receive much higher levels of federal funding per passenger mile to cover their operating losses compared to Amtrak.

¹ 49 U.S.C. § 24101(b), (c).

² *Rail Passenger Service Act of 1970*, H.R. Rep. No. 91-580, at 5 (Oct. 7, 1970) (1970 House Report), reprinted in 1970 U.S. Code Congressional and Administrative News 4735.

³ 49 U.S.C. § 24706(a).

- Throughout its history, Amtrak has not received anywhere near the level of capital funding needed to maintain and replace its existing assets, let alone make investments to generate additional revenues and produce operating efficiencies to reduce costs. As a result, many of the bridges and tunnels on the Amtrak-owned Northeast Corridor are over 100 years old; much of the electric catenary system that provides electric power to trains between New York City and Washington is 90 years old; and most of the passenger cars Amtrak operates, many of which are 40-50 years old, are overdue for retirement. Aged assets cost more to maintain; are more likely to fail; and generate less revenue because they do not meet customer expectations. It was not until the enactment of the Infrastructure Investment and Jobs Act (IIJA) in 2021, more than 50 years after Amtrak was created, that intercity passenger rail and Amtrak began to receive substantial, multi-year funding for capital investment—and the IIJA’s advance appropriations for that purpose only extend through FY26.
- Reduced travel by high-revenue business travelers post-COVID-19, particularly for short domestic trips; insufficient equipment capacity to meet increasing demand for Amtrak service; and additional operating expenses to support IIJA-funded construction and procurements, have increased Amtrak’s expenses and constrained its revenues.

Despite these challenges, Amtrak ridership and revenues have surpassed pre-COVID-19 levels: both set all-time records in FY24. The vast majority of Amtrak’s operating expenses are funded out of revenues rather than federal funding: passenger revenues (including state payments for state-supported services) equaled 83% of Amtrak’s operating expenses in FY24, and Amtrak’s goal is to break even on train operations in the coming years.

Performance of Other North American Passenger Railroads

Since Amtrak’s creation, a number of private companies have begun operating new, regularly scheduled intercity passenger rail services that they projected would be profitable and would not require government subsidies. None achieved profitability; some sought and received government operating subsidies; and many have gone bankrupt.

- The Auto-Train Corporation, which began operating a train carrying passengers and their vehicles between the Washington, D.C. and Orlando areas in 1971, ceased operations ten years later after declaring bankruptcy.⁴ Amtrak revived the service in 1983, and has improved its financial performance by operating it more efficiently and growing ridership. The *Auto Train* is the only regularly scheduled U.S. passenger rail service other than Amtrak’s Northeast Corridor routes on which revenues exceed operating expenses.
- The *Florida Fun Train* operated between the Orlando area and Fort Lauderdale for less than a year before it went bankrupt and ceased operations.⁵
- ACES, a train service between New York City and Atlantic City operated by Atlantic City casinos required \$2 million in operating subsidies to cover its operating losses before being discontinued.⁶

⁴ Ernest Holsendolph, *Auto-Train ends runs Thursday*, New York Times (Apr. 25, 1981), <https://www.nytimes.com/1981/04/25/business/auto-train-ends-runs-thursday.html>.

⁵ *Florida Fun Train History*, Alaska Rails (2002), <https://alaskarails.org/fp/passenger/fft/history/history.html>.

⁶ *Express train between Atlantic City, N.Y. approved to get extra \$2M*, NJ.com (Dec. 15, 2009), https://www.nj.com/news/2009/12/express_train_between_atlantic.html; *Casinos end train service after three years*, Associated Press (Mar. 9, 2012), <https://www.nytimes.com/2012/03/10/nyregion/casinos-end->

- Brightline, which operates between Orlando and Miami, has never been profitable since it commenced service in 2018 and has billions of dollars in debt.⁷ It recently sought and was awarded a \$33.8 million federal grant to cover operating expenses.⁸

Amtrak's financial performance is better than that of the private railroads whose obligation to provide intercity passenger service Amtrak assumed. And Amtrak's farebox recovery – the percentage of operating costs covered by fares and other passenger payments – far exceeds the farebox recovery of any of the U.S. commuter railroads, many of which are operated by private contractors.

Performance of Passenger Railroads in Other Countries

No country in the world operates a passenger rail system without significant national government funding for capital expenses, and in nearly every country, national funding covers operating losses as well. Amtrak's financial performance compares favorably to that of national railroads in European and Asian countries, particularly given the much greater levels of public investment those railroads have received.

While some high-speed and other rail lines with large passenger volumes in Europe and Asia generate revenues that exceed operating costs (as does Amtrak's Northeast Corridor), construction of nearly all high-speed rail lines around the world has been funded entirely by national governments. Passenger rail services in other countries receive significant public funding to cover capital costs and subsidize operating losses outside of heavily traveled corridors.

On a per capita basis, nearly all European and Asian countries provide much higher levels of funding for passenger rail service than Amtrak has received, even when IJIA funding is taken into account. For example:

- Germany, whose population is less than one quarter of that of the United States, provided \$17.9 billion in funding for rail in 2024;⁹
- France, whose population is approximately one fifth of that of the United States, plans to invest \$105.5 billion in its railways by 2040;¹⁰ and
- Spain, whose population is less than one sixth that of the United States, has invested over \$70 billion (some of which was provided by the European Union) in high-speed rail lines since it began construction in the late 1980s.¹¹ Spain's federal government

[atlantic-city-train-service.html](#).

⁷ Erik Bojansky, *Brightline loses \$493 million so far in 2024*, South Florida Business Journal (Dec. 17, 2024), <https://www.bizjournals.com/orlando/news/2024/12/17/brightline-florida-trains-earnings-2024-loss-miami.html>.

⁸ David Lyons, *Brightline bringing back South Florida commuter pass, thanks to \$33.8M federal grant*, South Florida Sun-Sentinel (Jan. 9, 2025), <https://www.sun-sentinel.com/2025/01/09/brightline-bringing-back-south-florida-commuter-passes-thanks-to-33-8m-federal-grant/>.

⁹ Deutsche Bahn, *Federal budget 2024 approved*, Deutsche Bahn Integrated Report (2023), <https://ibir.deutschebahn.com/2023/en/combined-management-report/events-after-the-balance-sheet-date/federal-budget-2024-approved/>.

¹⁰ *France plans to invest 100 billion euros in rail infrastructure by 2040*, Reuters (Feb. 24, 2023), <https://www.reuters.com/world/europe/france-plans-invest-100-billion-euros-rail-infrastructure-by-2040-2023-02-24/>.

¹¹ *30 years of high speed: 1992 -2022*, ADIF Alta Velocidad, <https://www.adifaltavelocidad.es/30->

also provides over \$870 million annually in subsidies for passenger rail services that do not cover their operating costs.¹²

Importantly, the large levels of funding for capital investments that European and Asian countries provide for rail are not new. Most of those governments have been making substantial investments in rail since they established their national railroads, and most have been investing in high-speed rail lines for many decades. Japan's Shinkansen high-speed network began operation in 1964; and most European countries began building national government-funded high-speed rail lines in the 1970s.

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¹² Ministry of Transport and Sustainable Mobility, *Government increases Renfe's budget by 525 million euros until 2029 to provide OSP railway services* (March 12, 2024), <https://www.transportes.gob.es/el-ministerio/sala-de-prensa/noticias/mar-03122024-1440>.

