



*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)  
Rep. Jim Jordan (R-OH), RSC Chairman*

## **Eliminate Federal Subsidies for Amtrak**

*June 6, 2012*

**Program or Item Targeted:** Federal subsidies for Amtrak.

**Cost of Program or Item:** Amtrak receives \$1.42 billion from federal subsidies for 2012 alone.

**Background on Program or Item to Be Sunseted:** Congress passed the Rail Passenger Service in October of 1970, creating Amtrak, which operates a nationwide rail network in 46 states and currently has long-distance trains that operate in 39 states and the District of Columbia. In 1997, Congress passed the Amtrak Reform and Accountability Act which intended Amtrak to operate without federal subsidies by 2002. Yet ten years later, Congress is still fully supporting Amtrak's shortfall. The federal government subsidizes Amtrak to a total of around \$1 billion annually.

**Why This Item Is Wasteful:** Amtrak is inefficient and teeming with problems which currently prevent it from turning a profit. It has lost hundreds of millions of dollars on long-distance train, loses tens of millions on its sleeper car service, and loses a similar amount on food sales. From reforms in labor practices to simple common sense, Amtrak is a long way from turning a profit.

As a result, Amtrak constantly runs a deficit. For an organization which has received nearly \$40 billion in taxpayer dollars since 1970, this is unacceptable. What is more, Congressional involvement is likely exacerbating the problem rather than helping to solve it. As Tad DeHaven of the Cato Institute [wrote](#), "The threat of potential budget cuts or elimination has been undermined by Washington's perpetual willingness to bail Amtrak out. At the same time, congressional micromanagement has prevented Amtrak from cutting routes and reducing other costs." Federal subsidies have amounted to constant bailouts for Amtrak and have given no incentive for innovation or cost-cutting measures from within. Amtrak should be allowed to exist as a private entity without well meaning but ultimately unnecessary and harmful billion dollar annual subsidies from the federal government.

**MEMBER ACTION ITEM:** Members may want to consider introducing stand-alone legislation on this issue. As of now, no such bill has been introduced in the House in the 112<sup>th</sup> Congress. If you are interested in introducing legislation on this topic, please contact Rick Eberstadt at [Rick.Eberstadt@mail.house.gov](mailto:Rick.Eberstadt@mail.house.gov).

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail [Rick.Eberstadt@mail.house.gov](mailto:Rick.Eberstadt@mail.house.gov).

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*"The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,  
working to sunset programs that taxpayers shouldn't be paying for."*

