

Improving Passenger Rail

Background: Business travel annually injects \$421 billion into the U.S. economy. New York and New Jersey, two of the main areas serviced by Amtrak's Northeast Corridor, combined for \$31 billion in money spent by business travel. Over 430 million business trips are taken in a year, yet just 6% of U.S. businesses travelers say utilizing rail on their most recent business trip.

Cost effective rail service will provide relief to companies facing rising prices to send their employees out to meet customers, sell their products/services and generate sales which in turn creates jobs and contributes to the tax base.

Business travelers need a reliable, economically feasible mode of travel. Improvements to AMTRAK and intercity passenger rail operations offer a viable travel option for business travelers and will increase ridership.

Since Amtrak's inception, Congress has been divided over the question of whether Amtrak should exist. Amtrak is regularly criticized for failing to cover its costs. The need for federal financial support is often cited as evidence that passenger rail service is not financially viable, or Amtrak should yield to private companies that would find ways to provide rail service profitably. Yet it is not clear a private company could perform the same range of activities better than Amtrak. Amtrak was created because private-sector railroad companies in the United States lost money for decades operating intercity passenger rail service and wished to be relieved of the obligation to do so.

Issue: There are annual calls to privatize Amtrak, but it could be argued that Amtrak is already privatized. Efforts to create intercity passenger service independently of Amtrak have had varying levels of success (California High Speed Rail (HSR), Texas HSR, Brightline Florida and Brightline West).

The Infrastructure Investment and Jobs Act (*IIJA*) enhanced several infrastructure projects important to both [Amtrak](#)'s Northeast Corridor (NEC) and National Network (NN) routes, such as the Hudson Tunnel Project (NY), Portal North Bridge and Dock Bridge (NJ), Baltimore Penn Station (MD), Philadelphia Gray 30th Street Station (PA), expanded service in VA to the Newport News Transportation Center, improvements to Chicago's Union Station (IL), and new locomotives built in NC, while advancing design and pre-construction for advanced rail car fleets, catenary upgrades, and power substation replacements. Non-Amtrak intercity passenger rail developments include completion of Brightline FL and development of Brightline West (NV to Southern CA).

Given the expiration of *IIJA* and the need for a new surface reauthorization bill by September 30, 2026, Congress will conduct hearings and draft legislation to create the next five-year surface reauthorization bill. It is likely the House Transportation and Infrastructure (T&I) Committee will pass their version of the surface bill this October. The Senate (Committees on Commerce, Science and Transportation (CST) (rail, aviation policy); Banking (transit); and Environment and Public Works (EPW) (highways, roads, bridges)) will likely consider their jurisdictional pieces for surface reauthorization later in 2025 or in 2026.

Business travelers need additional options. A well operating rail system will allow travelers to select the option that best fits their own and the company's' need. Congress should continue to support investments in Amtrak and [intercity passenger rail](#) to ensure business travel mobility options, ease road and air congestion, and decrease wear and tear on roads.

Solution: Support sufficient, dedicated funding for both Amtrak and intercity passenger rail programs in the upcoming surface reauthorization bill to improve passenger rail infrastructure, increase business travel mobility options, and reduce our transportation emissions.

Action: Contact staff at both the House T&I and Senate CST Committees to signal your support for a robust intercity passenger rail system.

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House T&I Minority (D): Sam Morgante (sam.morgante@mail.house.gov)

Senate CST Majority (R): Samantha Salonen (samantha_salonen@commerce.senate.gov)

Senate CST Minority (D): Rachel Boose (rachel_boose@commerce.senate.gov)

Amtrak Overview:

- Amtrak is a Federally chartered corporation with the Federal Government as its majority shareholder. Amtrak is operated as a for-profit corporation, rather than a public authority.
- Federal law dictates Amtrak's corporate structure, including stock issuances and the position of Chief Executive Officer (CEO). *See* Pub. L. 91-518. Its board of directors consists of the Secretary of Transportation, eight Presidentially appointed and Senate confirmed members, as well as the non-voting President of Amtrak
- Outside of the Northeast Corridor (NEC) (Washington, DC, to Boston, MA), Amtrak operates primarily on rail lines owned by freight rail companies.
- As a Federally chartered corporation, Amtrak receives funds from both states and the Department of Transportation (DOT) through the Federal Railroad Administration (FRA). Amtrak does not offer grant programs of its own.