
Introduction to Amtrak's Funding



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Presentation Outline

- Amtrak background
- Amtrak funding
 - Federal support
 - Appropriation
 - Reauthorization
 - State support
 - Breakdown of Amtrak's finances
- Comparison of intercity rail funding
 - Impact of underfunding intercity rail
- Closing & questions



Amtrak Background



- Chartered by Congress as the nation's intercity passenger railroad; began operations in May 1971.
- 20,000 employees operate a 21,100 mile system; majority of route miles on tracks shared with freight trains.
- 60% of trains operate at top speeds in excess of 90 mph.
- The *Acela Express* is the fastest train in North America
 - Top speed of 150 mph
 - Recovers 169% of operating expense; still requires federal capital support
- Amtrak covers ~76% of operating costs with ticket revenue; total revenue covers ~85% of operating costs; Congress' annual appropriation covers ~15% of costs.

Amtrak Background

Record System Ridership

28.7 million passengers in FY10 – highest ridership in Amtrak’s history

+6.6% Long-Distance (FY10)

FY11 YTD ridership +6.7%; 20 consecutive months of ridership growth!

On pace for over 30 million passengers in FY11

Improved Financial Performance

85% Cost Recovery Ratio—highest of any rail transit system

(40% cost recovery ratio is good for public transit)

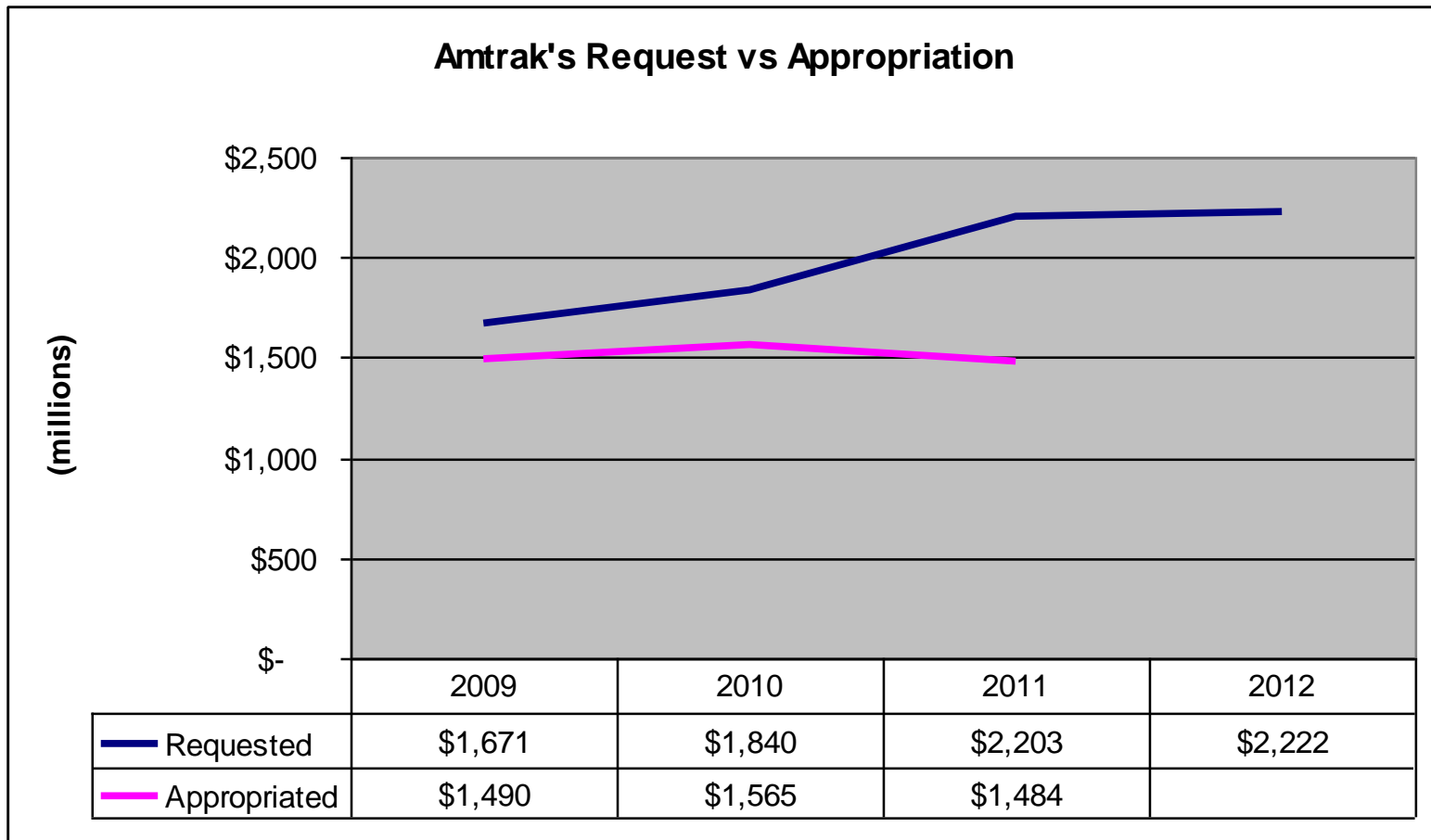
FY10 System Revenues +9.0% vs. FY09

FY11 YTD revenues +10.8% vs. YTD FY10



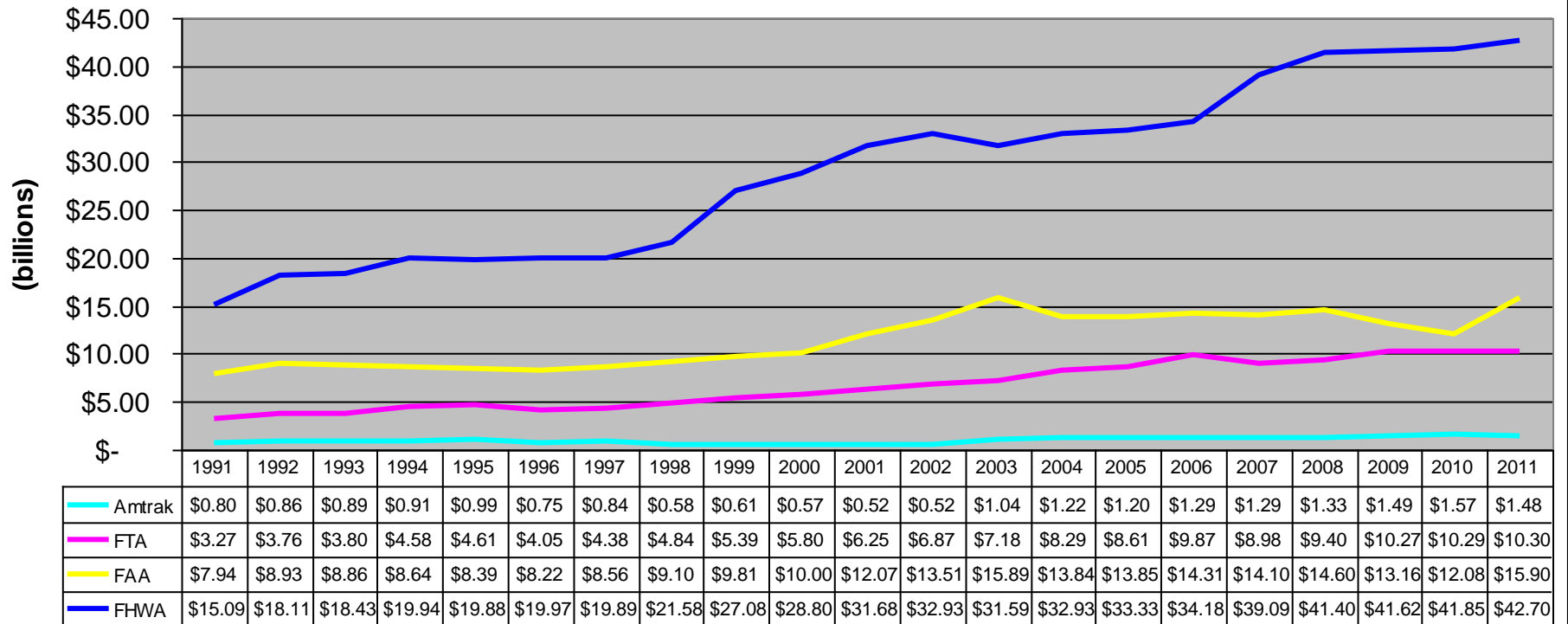
Federal Support: Annual Appropriation

Annual funding vehicle. Amtrak makes a request, Congress & Administration negotiate final amount.



Federal Support: Annual Appropriation

Federal Appropriation Levels



Existing Reauthorization legislation

HR 2095; Signed Oct. 16, 2008 – also known as the Passenger Rail Investment and Improvement Act (PRIIA)

In the legislation:	In reality:
Provides multi-year funding targets for Amtrak.	The targets are there, but not the funding.
Creates framework for 80/20 Federal capital matching program.	The framework is in place.
Outlines principles/value regarding Amtrak's role	Lack of clarity remains, particularly regarding need for national system.
Attempts to minimize volatility of the "Amtrak issue."	Funding Amtrak remains as volatile.

Stimulus Funded Capital Projects

February 2009 – Amtrak received \$1.3 billion from the American Recovery and Reinvestment Act (ARRA). \$977,909 was invested in Colorado.

ARRA funded projects		
Location	ARRA \$\$	Program description
Grand Junction	\$150,275	New wheelchair lift
Winter Park/Fraser	\$150,275	New wheelchair lift
Glenwood Springs	\$18,000	Design for improved ADA access
Trinidad	<i>completed</i>	ADA platform upgrade
La Junta	\$150,275	New wheelchair lift
Granby	\$150,275	New wheelchair lift
Lamar	\$358,809	New ADA compliant, 550' concrete platform



State Support

In 2010, Amtrak partnered with 15 states, which provided operating and often capital support for shorter-distance trains; these services comprise more than half of Amtrak's departures.

1. California
2. New York
3. Missouri
4. Michigan
5. Maine
6. Illinois
7. Wisconsin
8. Washington
9. Vermont
10. Virginia
11. Texas
12. Pennsylvania
13. Oregon
14. Oklahoma
15. North Carolina



Breakdown of Amtrak's Finances

FY2010:

Net revenue	\$2.513 billion
Net operating expenses	(\$3.722 billion)
Other expense	(\$0.101 million)
<u>Operating grant from annual appropriation</u>	<u>\$0.563 million</u>
Net operating loss	\$0.747 million

Amtrak covers 85% of its operating costs through revenues. The federal operating appropriation covers 15% of operating costs.

Total FY11 Amtrak Appropriation:

Capital	\$0.921 billion
<u>Operating</u>	<u>\$0.563 million</u>
Total	\$1.484 billion

Selected Impacts of Underfunding Intercity Rail

1. Amtrak's fleet is old and needs replacement; its age and size hampers ridership and revenue.
2. Before 1997, Colorado was served by four Amtrak routes; today, two remain.
3. Amtrak's ability to partner with states and host railroads on infrastructure improvement projects is extremely limited.
4. America's ability to realize the benefits of high/higher speed rail are diminished.
5. Amtrak's current level of service does not reflect market demands.



Conclusion



- In the forty years of Amtrak's existence, the Federal government has invested a total of **\$36 billion in the Amtrak system, and ~\$10.5B in HSR.**



- Between 1971 and 2008, the Federal government invested **more than \$421 billion in aviation and over a trillion dollars in highways.**

- Despite chronic financial challenges, Amtrak's fiscal performance is far superior than most other transit providers.

- Even with its myriad problems, ridership continues growing...what are the lessons?



Thank you

