

ABA Position Paper

Amtrak Reauthorization

Issue

Amtrak reauthorization legislation provides an opportunity for Congress to promote rail-bus intermodalism and prevent Amtrak's predatory pricing strategies that have undermined the intercity bus system in the past.

Background

The reauthorization of the National Rail Passenger Service Corp. (Amtrak) is a perennial issue for Congress as well as the private bus industry. Congress has failed over the last several years to reauthorize Amtrak and its operations. Amtrak therefore "limps" along with funds appropriated each year by Congress and, since 2001, largely without the approval of the Bush Administration. The Administration has made no secret of its desire for an Amtrak operational restructuring before committing to the railroad's sustained funding.

The Administration has devised plans for the "breakup" of Amtrak into segments. One segment would encompass the Northeast Corridor, another along the West Coast and another with operations centered on Chicago and Detroit. For the rest of the nation, the States would be encouraged to enter into regional compacts in order to provide rail service and presumably, heavily subsidized and money-losing passenger "runs" would be state subsidized or discontinued.

For its part, Amtrak consistently requests funding in excess of one billion dollars annually and contends that without such funding it will have to curtail operations. Individual Senators have used their abilities to provide States with federal money to subsidize Amtrak trains, which do not cover their costs. However, without these money-losing runs in its schedule Amtrak would likely lose the support of several influential Senators, which, in turn, ironically, could allow the railroad to begin the process of restructuring. For this reason, Amtrak resists curtailing these money-losing trains and Congress provides, through the appropriations process, enough money for the railroad to survive another year. This state of affairs could continue for some time.

ABA Position

Regardless of the level of Amtrak's funding or from where that money is derived, ABA believes that any funding must come with "safeguards" that will prevent Amtrak from using its funds to engage in predatory pricing and that Amtrak should be prevented from contracting with bus operators to run service in direct competition with existing private bus operator routes. Moreover, Amtrak must be required to follow federal procurement regulations. Finally, Amtrak must be made to engage in intermodal planning with all other modes of transportation. Specifically, Amtrak should be required to, wherever possible, connect with and interline with intercity motorcoach operators.

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