

Federal Subsidies for Passenger Transportation, 1960-2009

Summary of Results

From 2002-2009, private sector commercial air passenger carriers, Amtrak, and mass transit combined received 98.6 percent of the total federal subsidy. Automobiles and private sector commercial buses each received less than one percent.

From 2002-2009, subsidies per passenger trip were significantly different across modes, with Amtrak and private sector commercial air passengers receiving subsidies as much as 400 times greater than passengers of less subsidized modes (Figure 1).

- Amtrak received \$57.04 per trip.
- Private sector commercial air received \$6.35 per passenger trip.
- Publicly funded Mass transit received \$0.95 per passenger trip.
- Private sector commercial bus received \$0.10 per passenger trip.

When considering subsidies per passenger mile, again Amtrak received most. However, because of the relatively short distances traveled by mass transit riders, on a per passenger mile basis, mass transit is the second most highly subsidized mode.

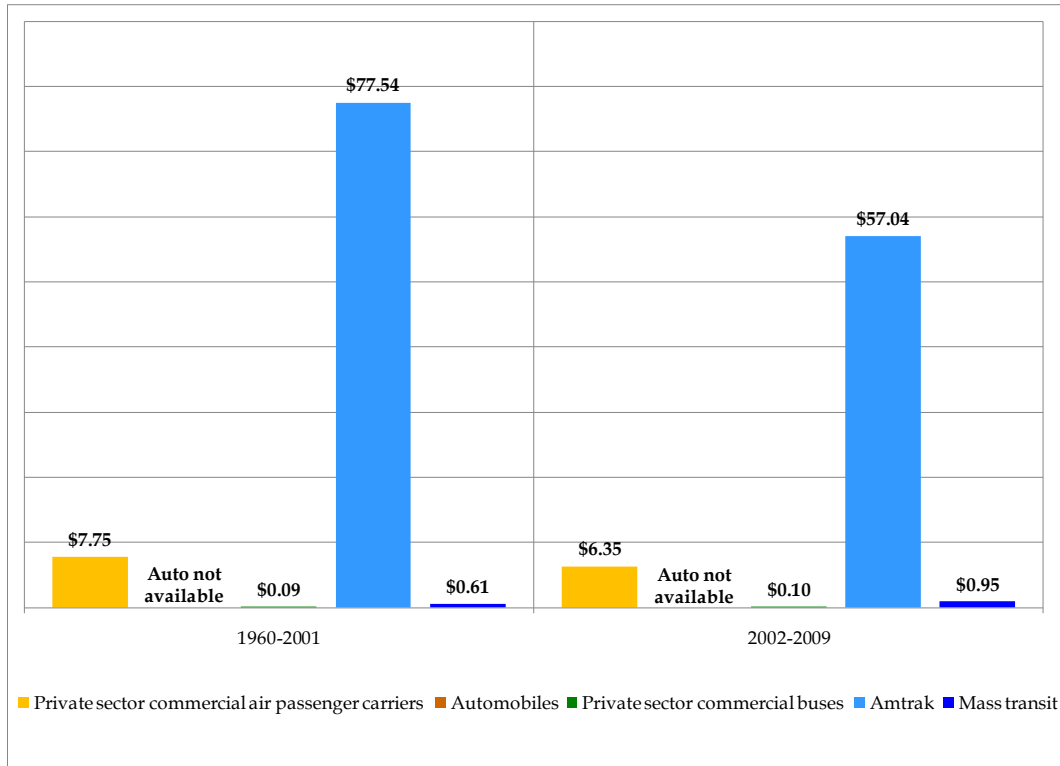
- Amtrak received a subsidy of \$0.254 per passenger mile.
- Mass transit received a subsidy of \$0.193 per passenger mile.
- Private sector commercial air passenger carriers received a subsidy of \$0.008 per passenger mile.
- Private sector commercial buses received a subsidy of less than \$0.001 per passenger mile.

It is important to note that the Motorcoach industry provides an average of 745 million passenger trips annually which is comparable to the domestic airlines and 25 times more than Amtrak.

Motorcoach operations form the backbone of the American transportation network by providing flexible cost effective traveling options to the public. In addition bus operations do not require massive new investments in infrastructure and facilities to serve urban centers or rural communities. An industry of small businesses, motorcoach tourism, creates or supports direct employment for over 600,000 Americans that work in local communities and cannot be shipped overseas. Motorcoaches are part of the economic, transportation and environmental solution and should be included as a vital part of federal, state and local transportation planning.

Figure 1

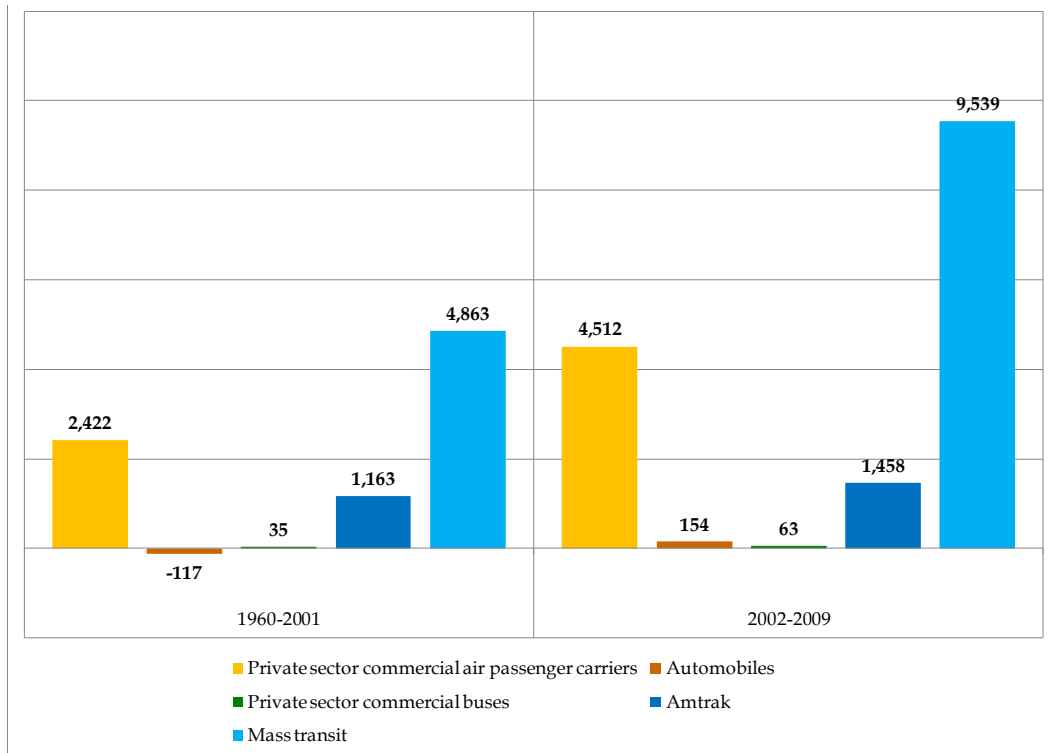
Subsidies per Passenger Trip, 1960-2001 and 2002-2009 (constant 2009 \$)



The effects the recession of 2008 are apparent in subsidy differences across the two sub-periods of the analysis (1960-2001 and 2002-2009) (Figure 3). The average annual subsidy measured in constant 2009 dollars increased for each mode. For private sector commercial air passenger carriers, the average annual subsidy nearly doubled. For automobiles, a mode that has historically received little if any subsidy, the average annual subsidy reached \$154 million in 2002-2009, an effect reflective of ARRA funding.

Figure 3

Average Annual Subsidy by Mode, Fiscal 1960-2001 and Fiscal 2002-2009 (constant 2009 \$ million)



In 2009, the private sector commercial bus industry—the least subsidized mode—received a subsidy of \$83 million (Figure 4). The subsidy was less than half of one percent of subsidies to other modes.

Figure 4
Subsidy by Mode in Fiscal 2009 (\$ million)

