

REPORT BY THE

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Comptroller General

OF THE UNITED STATES

Amtrak's Income Diversification Program: Potential For Increased Earnings And Reduced Federal Financial Support

In 1981, the Congress encouraged Amtrak to embark on an income diversification program to more fully use its resources through agreements with the private sector. The objective was to increase Amtrak's revenues and minimize its Federal subsidies.

GAO was requested to review the program and found that:

- Amtrak is operating the program within the framework of the law, which gives it considerable flexibility.
- To date, the program's scope has been limited primarily to the overhaul and assembly of passenger cars of mass transit systems, but potential exists for increased earnings.
- It is too early to assess the potential overall effect the program might have on Amtrak's need for Federal subsidies.

GAO raises some matters for congressional consideration that relate to the disposition of diversification program profits and improved program reporting. GAO also makes a recommendation to the President of Amtrak aimed at improving program administration.



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GAO/RCED-84-41
OCTOBER 14, 1983

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