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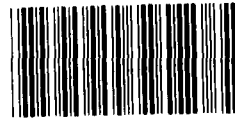
GAO

Fact Sheet for
The Honorable Arlen Specter
The Honorable John Heinz
United States Senate

March 1986

AMTRAK

Cost of Amtrak
Railroad Operations



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

March 27, 1986

B-206551

The Honorable Arlen Specter
The Honorable John Heinz
United States Senate

In your joint February 12, 1986, letter, you asked us to obtain information regarding the financial situation of the National Railroad Passenger Corporation (Amtrak). Specifically, you asked us to obtain data on

- the revenue and cost of Amtrak train routes, including service between Philadelphia and Pittsburgh;
- states' subsidies to Amtrak for providing train service;
- Amtrak's income-producing projects other than rail passenger service; and
- states' ending budget balances.

We discussed the focus of our response with your offices on March 11, 1986, and as agreed this fact sheet summarizes the information which we provided to you.

According to Amtrak records, in fiscal year 1985 none of its passenger train operations were self-supporting. For fiscal year 1985 Amtrak had a \$836.8 million loss for its train route operations.¹ With respect to service between Philadelphia and Pittsburgh, Amtrak had revenues of \$3.7 million and costs of \$8 million, which resulted in a \$4.3 million loss for fiscal year 1985. All Northeast Corridor routes lost money. For example, conventional passenger rail traffic in the Corridor lost \$187.6 million, Metroliner operations lost \$32.2 million, service between New York and Philadelphia lost \$22.9 million, and service between Philadelphia and Harrisburg lost \$26.8 million.

¹The loss is based on fully allocating Amtrak's costs.

To obtain passenger service, some states subsidize Amtrak for providing passenger service in their state. The following table summarizes state payments to Amtrak during fiscal year 1985.

States' Payments to Amtrak

<u>States</u>	<u>Payment to Amtrak</u>
	(000 omitted)
California	\$ 3,843
Florida ^a	625
Illinois	2,514
Louisiana ^a /Alabama ^a /Mississippi ^a	167
Michigan	1,544
Minnesota ^a	311
Missouri	2,935
New York	1,227
North Carolina ^a	824
Pennsylvania	<u>1,190</u>
Total	<u>\$15,180</u>

^aStates that stopped providing subsidies and states where service was discontinued during 1985.

Amtrak officials told us that in January 1986 Pennsylvania increased its payments to Amtrak by \$343,000 for additional service between Harrisburg and Philadelphia.

Amtrak, like other railroads, uses its assets for a variety of revenue-producing activities which are not related to railroad operations. In our October 14, 1983, report (Amtrak's Income Diversification Program: Potential for Increased Earnings and Reduced Federal Financial Support, GAO/RCED-84-41), we discussed several initiatives that Amtrak had under development, including real estate development projects; the assembly or overhaul of passenger rail cars; a fiber optics communications system between Washington, D.C., and New York City; and a power plant to produce electrical and steam energy. An Amtrak official told us that its future planned real estate activity would not generate more than \$1 million each over the next 5 years. In addition, he said that real estate revenues are currently about \$20 million annually and are expected to increase about 5 percent for each of the next 2 years. Amtrak estimates that its profit from the diversification program was about \$29.2 million in fiscal year 1985 of which \$9.2 million is from non-real estate activities.


You also asked us to provide summary data on states' ending budget balances. As reported by the National Association of State Budget Officers, 37 of the 50 states had estimated budgets with positive ending balances for fiscal year 1985. They ranged from

\$1 million to \$1.265 billion; Pennsylvania's estimated ending budget balance was \$305 million. Ten states had budgets with zero ending balances and three states had budgets with negative ending balances. The 50 states' budgets had an average ending balance of \$108.8 million.

We obtained information for this fact sheet from discussions with Amtrak officials and its reports on train operations. As agreed, we did not verify this information. We also obtained data on states' budgets from the National Association of State Budget Officers.

As agreed with your office, we did not obtain written comments on this fact sheet but did discuss its contents with Amtrak officials. They concurred with the facts and their comments have been included where appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 30 days from its publication date. At that time we will provide copies to Amtrak and make copies available to others upon request. If you have any further questions on these matters, please contact me on 275-7783.


Herbert R. McLure
Associate Director



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