

Amtrak Is Barely Hanging On

by Marcia Merry-Baker

Amtrak, the American national rail passenger system, is barely surviving on stop-gap infusions from a \$300 million bailout package wrested from Congress and the Bush Administration over the Summer. At present, Amtrak is receiving portions of the Summer subsidy, in the form of temporary spending measures authorized by Congress, until the new Congress convenes in January 2003 and approves a Transportation Department budget.

As of the lame-duck session following the Nov. 5 elections, Congress remained at odds, with the House of Representatives speaking of \$760 million for Amtrak, while Amtrak sought at least \$1.2 billion for Fiscal Year 2003 (which began on Oct. 1, 2002). Nothing was done.

Even if \$760 million were given Amtrak, it would not be enough to keep it going, according to Amtrak head David Gunn, who, since he came into office in May, has already made deep cuts; shutdown of a further six western and southern routes is under consideration.

Amtrak will have to cease operating a few months into 2003, if nothing is done, according to the estimate of the National Association of Rail Passengers. Besides lack of Fed-

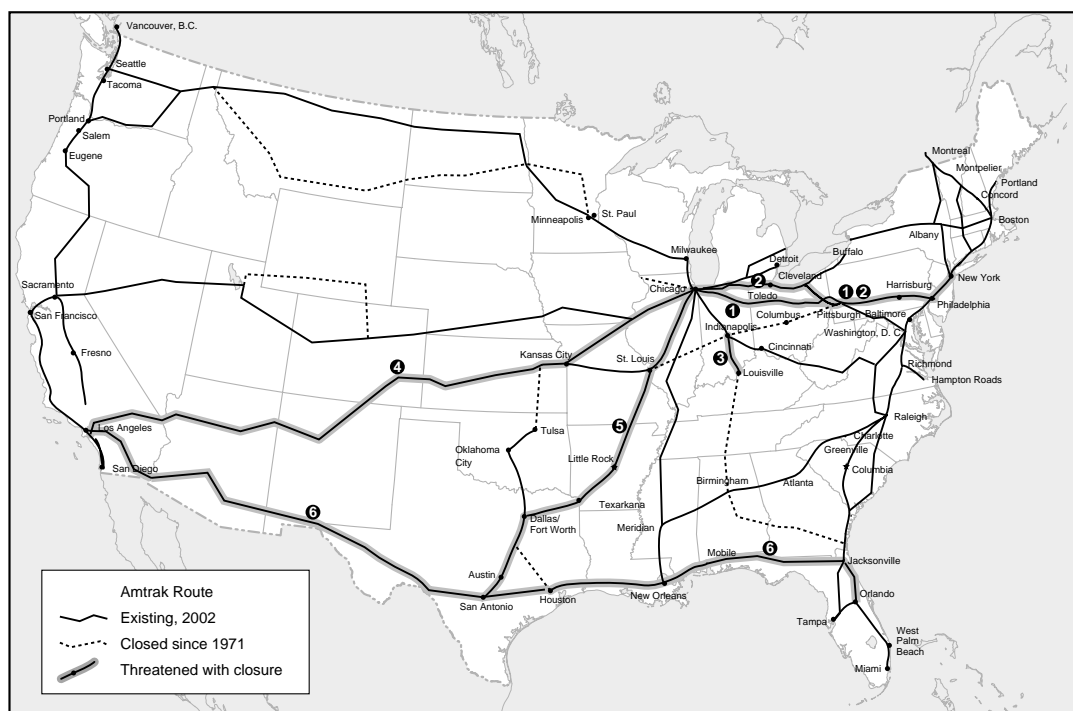
eral funding, the company is also squeezed by the state budget outlay collapse: e.g., Michigan, from which Amtrak sought \$7.9 million for FY 2003; the state, instead, promised \$5.7 million, and of that, expects to sign a contract for only six months at \$2.85 million. So the fate of Michigan Amtrak service after March 31, is unknown. This is typical of a number of states.

In Iowa, only six railroad stations remain open, with sharply cut hours; over the past year, Amtrak ridership dropped 18% in the state. In Michigan, ticket offices will close in Flint, East Lansing, and Port Huron on Jan. 5, amid other cuts.

Sen. Ernest Hollings (D-S.C.) has proposed a "National Rail Defense Act" with funding of \$22 billion to refurbish Amtrak's inter-city rail, including high-speed links; but this early 2002 draft bill remained stalled out in the 107th Congress. Hollings is now the lame-duck Chairman of the Senate Commerce Committee.

Sen. John McCain (R-Ariz.) spoke out against Amtrak, previewing his intentions as incoming head of the Committee, which has oversight over the railroad. Speaking on the Senate floor on Nov. 14, McCain said, "Subsidizing forever of Amtrak is nothing that this Senator will ever support." He singled out Hollings' \$22 billion plan for special attack. McCain said that Amtrak can get all it needs out of a proposed, delimited \$1.7 billion "security" measure—also on hold—for earmarked security expenses in all economic sectors. Of Hollings' bill, he complained, "The reason we don't have rail security is because of the desire to add billions that don't have anything to do with rail security."

FIGURE 2
**Major Amtrak Routes—
Closed and
Threatened
with Closure**



Source: Amtrak (1971, 2002); EIR