



U.S Department of Transportation
Office of Public Affairs
1200 New Jersey Avenue, SE
Washington, DC 20590
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News

Friday, April 10, 2020
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U.S. Transportation Secretary Elaine L. Chao Announces \$1 Billion for Amtrak in Response to COVID-19

WASHINGTON - U.S. Secretary of Transportation Elaine L. Chao today announced that the Department of Transportation's (DOT) Federal Railroad Administration (FRA) is making over \$1 billion available to the National Railroad Passenger Corporation (Amtrak) to support the railroad's activities to prevent, prepare for, and respond to the spread of the coronavirus disease 2019 (COVID-19) in the United States and its impacts on operations and business. The funding is being provided under the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act.

"This \$1 billion in federal emergency assistance to Amtrak will help maintain service for its passengers when the economy recovers," said U.S. Secretary of Transportation Elaine L. Chao.

Amtrak has experienced an unprecedented decline of over ninety percent in ridership in recent weeks as well as a decline in future ticket purchases for the coming months, and has pulled certain routes out of service. The CARES Act funding will be used to offset the loss of ticket revenue, which is used to pay Amtrak's employees, buy fuel for its operations and construction materials for its projects, and otherwise maintain Amtrak's robust network of intercity passenger routes, including routes in rural areas that have seen total cancellation in service. Ticket revenues also fund track and infrastructure maintenance programs on Amtrak's Northeast Corridor which millions of Americans use to commute to their jobs every day.

"This funding will help ensure that Amtrak is able to quickly return to service supporting both the public's transportation mobility needs, and America's economic recovery from the COVID-19 public health emergency," FRA Administrator Ronald L. Batory said. He continued, "We are committed to transparency and are requiring enhanced reporting from Amtrak to show how the CARES Act funding is being efficiently and effectively used to respond to present challenges."

Under the CARES Act, FRA will make or amend existing grants to Amtrak to provide a total of approximately \$1.02 billion; \$492,000,000 for the Northeast Corridor and \$526,000,000 for the in National Network Grants, as authorized by sections 11101(a) and 11101(b) of the Fixing America's Surface Transportation Act, the multimodal surface transportation legislation that provides statutory

parameters for FRA's execution and oversight of grant agreements with Amtrak for Federal funds appropriated by Congress.

"After Amtrak's best year ever in 2019, this essential funding will help keep our people working during this unprecedented reduction in travel demand. We thank Secretary Chao and Administrator Batory for their leadership and with this necessary financial support, we will come out of this crisis ready to continue growing ridership and improving our performance," said Amtrak Senior Executive Vice President Stephen Gardner.

In addition, DOT's investment will help mitigate the cost impact on America's 28 State-supported intercity passenger rail routes, where State governments would otherwise be required to make up ticket revenue shortfalls. At least \$239,000,000 of the funds provided will be used in lieu of any increase in States' payments.

Each year, FRA executes and oversees grant agreements with Amtrak for the Federal funds appropriated by Congress. In conjunction with operating revenues and funds from States, local governments, and other entities, Amtrak uses Federal funds for a wide range of its operating and capital activities, including a portion of its operating expenses, capital maintenance of fleet and infrastructure, capital expansion and investment programs, and capital debt repayment.

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