

RAILCET INTELLIGENCE REPORT

To: RAILCET
From: Ray Chambers
Date: June 25, 2025

Subject: Senate Commerce Hearing “On the Right Track: Modernizing America’s Rail Network.” Dust up over Amtrak and Brightline

Senator Bernie Moreno (R-Ohio) sparked controversy at last week’s Senate Commerce Hearing comparing Amtrak unfavorably to Brightline. *“Why are we even in this business?”* Moreno asked. *“Why are we subsidizing passenger rail in America when we are terribly bad at it. The government is objectively, really, really bad at running that. If we had government airlines, Holy Lord, can you imagine what that would look like? Why don’t we just get out of that business completely, let the private sector run it?”*

This created considerable controversy within the APTA Intercity Passenger Rail Steering Committee. One member noted *“We need to re-educate a new generation of politicians who are unaware of the history of Amtrak. It was created because the private sector could not make money running passenger trains. For all the talk of Brightline, they lost \$400 million last year in Florida.”* Other members agreed.

From my perspective the “slash and burn” privatization of Amtrak which both Elon Musk and Moreno have advocated is the wrong course. We need to step back and take a deep breath. The AIPRO/RAILCET reforms propose commercializing Amtrak, separating out the infrastructure from operations, creating commercially based agreements to access freight track and introducing competition for corridor operations. Similarly, the Discovery Institute of Seattle (where I am Transportation Fellow) is initiating a major project on Intercity Passenger Rail Reform, which aligns with the AIPRO/RAILCET proposals. The draft policy paper, about to be released, says this about the Musk proposal.

There is an argument that Amtrak could be entirely privatized at this point. That was the recommendation of Elon Musk and DOGE when they first looked at Amtrak (as well as Senator Bernie Moreno in a June Senate Commerce hearing). It would require an Act of Congress. Would that be a smart move? Probably not.

If the government were to completely withdraw subsidies for operating the national network without providing significant infrastructure support, it would be too risky for any private company to undertake. Private companies are unlikely to fill the gap in the

foreseeable future. Amtrak, uncapitalized, would fail. The current intercity passenger rail network would collapse.

Both the AAR President and Husein Cumber for Brightline skillfully avoided comment on the Senator's "slash and burn" proposal. In fact, full Commerce Chair Cruz asked Cumber what changes in intercity passenger policy he would recommend. Cumber was general but gave a shout out to reforms put forward by the Association for Innovative Passenger Rail Operations that promote competition. He suggested the AIPRO proposal should be given consideration for inclusion in the new rail title to the reauthorization.

The practical approach being taken by AIPRO/RAILCET appears to be similar to the path being taken by Secretary Duffy at USDOT. The Trump Administration has restructured Amtrak's Board and leadership and is open to reform. They are not taking the Musk approach to cut off Amtrak. The Trump Budget for 2026 calls for an Amtrak subsidy of \$1.58 billion for the National Network (an increase of \$1.29 billion from last year) and \$850 million for the NEC (a decrease of \$1.14 billion from last year)

Earlier this month, the Amtrak Board released a plan to be profitable by 2028. The new plan calls to separate accounting into two categories: passenger operations and infrastructure/construction. The new Amtrak plan is in line with the AIPRO/Discovery recommendations.

Overall, things are moving in a good direction.

<https://www.cleveland.com/news/2025/06/us-sen-bernie-moreno-calls-for-end-to-rak-funding-as-ohio-studies-new-amtrak-routes.html>

2025



U.S. Sen. Bernie Moreno calls for end to Amtrak funding as Ohio studies new Amtrak routes

WASHINGTON, D. C. - U.S. Sen. Bernie Moreno, a Westlake Republican, suggested the U.S. government should stop funding Amtrak, the nationwide intercity passenger railroad company controlled by the U.S. government. Speaking at a Senate Commerce subcommittee ...

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