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News

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U.S. Transportation Secretary Pete Buttigieg Announces \$1.69 Billion for Amtrak in Response to COVID-19

WASHINGTON – U.S. Secretary of Transportation Pete Buttigieg today announced that the Department of Transportation’s Federal Railroad Administration (FRA) is making more than \$1.69 billion available to the National Railroad Passenger Corporation (Amtrak) to provide relief from the impacts of COVID-19 to the company’s business operations, workforce, and state funding partners. The funding is provided under the American Rescue Plan Act of 2021.

“Help is here. The President’s American Rescue Plan is already delivering for workers and the traveling public,” said Secretary Pete Buttigieg. “This new assistance for Amtrak will get employees back to work and restore service on routes across the country, at a time when this help is urgently needed.”

After experiencing its best year in 2019, Amtrak has faced an unprecedented decline in ridership since the start of the pandemic, which led the company to furlough employees and reduce service levels in response to revenue shortfalls. Funding from the American Rescue Plan will be used primarily to offset the loss of ticket revenue that Amtrak uses to operate its trains and maintain its infrastructure. Amtrak has begun recalling furloughed employees and plans to restore long-distance service starting in late May.

FRA has obligated \$969,388,160 for the Northeast Corridor (NEC) and \$728,611,840 for the National Network of state-supported and long-distance intercity passenger routes as mandated by Congress to prevent, prepare for, and respond to the coronavirus.

“The timing of this funding is essential to helping ensure that Amtrak is able to quickly return to service supporting the Nation’s transportation needs and recovery from the COVID-19 pandemic,” said FRA Acting Administrator Amit Bose. “For our part, we are committed to transparency and are requiring enhanced reporting from Amtrak to show how funding from the American Rescue Plan is being efficiently and effectively used to respond to present challenges.”

In the grant agreement with Amtrak, FRA requires the railroad company to report on the number of furloughed employees recalled to service and provide a schedule for the expected recall of all furloughed employees.

As part of the funding package, at least \$109.8 million will be used to help states and commuter railroads cover their share of capital costs associated with using the NEC.

In addition, \$174 million must be used to offset amounts that states are required to pay for covered state-supported routes along the National Network. Like the NEC set-aside for states and commuter railroads mentioned above, this funding will help states by covering their share of costs to have Amtrak operate state-supported service.

The American Rescue Plan provides up to \$100.8 million for debt relief that Amtrak incurred before March 11, 2021.

The Biden-Harris Administration has worked diligently to support the Nation's transportation systems that have been hard hit by COVID-19. The American Rescue Plan will provide much-needed relief to Amtrak, states, commuter railroads, and to Amtrak employees.

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