

Bush to propose elimination of federal subsidy for Amtrak

(The following article by Matthew Wald was posted on the New York Times website on February 1.)

WASHINGTON -- The president's budget for the fiscal year that begins on Oct. 1 will propose eliminating operating subsidies for Amtrak, administration officials said on Tuesday evening.

The officials spoke on condition of anonymity because, they said, they were not supposed to give out details of the budget before it was presented on Monday. The decision regarding Amtrak was first reported by the Reuters news agency.

In each of the last few years, the Bush administration's budget for Amtrak has been smaller than what the railroad said it needed to survive, and Congress then raised the amount.

"Historical probabilities are that Congress will restore a fair amount of funding, regardless," said a Capitol Hill aide with much experience in transportation budgets.

For the current fiscal year, the administration proposed \$900 million and Congress raised that to \$1.1 billion, of which about \$570 million was operating subsidies. For next fiscal year, the budget includes nothing for operating subsidies and about \$360 million for capital expenses for the Northeast corridor, the administration officials said.

The White House has always proposed money for Amtrak, but it has threatened to cut subsidies sharply unless the railroad is revamped.

Although this would be the first time the Bush administration has proposed no operating aid, President Ronald Reagan did so in 1985, describing Amtrak as a "mobile federal money-burning machine." Democrats and Republicans voted against Mr. Reagan's proposal.

In 2003 the administration proposed changing the financing for intercity rail service so it would resemble federal aid for transit projects, with Washington paying part of the capital costs and the states covering the rest of those costs and the operating deficits. Amtrak supporters said that structure would probably kill the railroad.

"The basic problem is that despite efforts to reform Amtrak, there has not been substantial improvement in its design and operations since it was created in 1971," an administration official said.

"We have deep reservations about continuing to put billions of dollars into a system that's not functioning properly or effectively delivering its service," the official said, but adding that the administration was committed to maintaining commuter rail service in the Northeast corridor.

The official was asked if the budget cut was intended more to shock Amtrak into action than as a serious effort to eliminate its subsidy, especially given the support that Amtrak has traditionally enjoyed on Capitol Hill. He replied, "Obviously, the possibility of an imminent reduction in the operating subsidy provides an additional impetus to getting reform going."

Richard W. Stevenson contributed reporting for this article.

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