



Myths & Facts Around Privatization and Profitability in U.S. Transportation

Myth: Highways pay for themselves through the gas tax.

Fact: Highways are heavily subsidized by a mix of federal and local government.

- The federal gas tax was last raised in 1993. It isn't pegged to inflation, which means the 18.4 cents per gallon has been losing purchasing power every year.
- Since 2008, Congress has approved \$275 billion in general fund transfers to keep the trust fund solvent. The OMB projects the deficit between HTF revenue and outlays between FY2027 and FY2031 will reach \$40 billion annually, or about \$200 billion across the life of the next Surface Transportation Authorization.
- The average State in the U.S. [only covers 73% of state and local road expenditures through user fees](#), with general funds covering the rest.

Myth: Air service doesn't require subsidies.

Fact: Air traffic control systems, the Transportation Security Administration, and airports themselves are the beneficiaries of a variety of state and federal subsidies.

- As part of the Infrastructure Investment and Jobs Act, the Airport Infrastructure Grant program provided \$14.5 billion in funding over five years.
- In 2022, there were \$5.6 billion in general fund subsidies to the Airport and Airway Trust Fund, and another \$2.5 billion in 2023.



Myth: Amtrak needs to run more like a business.

Fact: Congress has directed Amtrak by statute to provide a public service, not make a profit.

- Amtrak’s statutorily defined mission (49 U.S. Code § 24101) directing Amtrak to provide efficient and effective intercity passenger rail service that maximizes the benefits of federal investments.
- Congress has included the following language in multiple pieces of legislation: “It is the sense of Congress that 1) long-distance passenger rail routes provide much-needed transportation access for 4,700,000 riders in 325 communities in 40 States and are particularly important in rural areas; and 2) long-distance passenger rail routes and services should be sustained to ensure connectivity throughout the National Network.”

Myth: Amtrak is financially inefficient.

Fact: Passenger revenues (including state payments for state-supported services) covered 83% of Amtrak’s operating expenses in FY24

Myth: Passenger rail doesn’t work in America.

Fact: Passenger trains solve a geometry problem no other mode can accomplish—moving a large number of people, safely and efficiently, in and out of cities.

- Two railroad tracks can carry as many travelers in an hour as 16 lanes of freeway.
- In 2023, almost 41,000 Americans were killed in motor vehicle crashes, and over 7,300 pedestrians were killed by motor vehicles. Passenger rail and transit is the safer alternative.
- Amtrak trains are 53% more energy efficient per passenger-mile than light trucks, 45% more energy efficient than automobiles, and 34% more energy efficient than domestic airline travel.

For more information visit RailPassengers.org/Leg.Resources