AMERICAN PASSENGER RAIL TRANSPORT ACT

An Informative Packet on Restructuring U.S. Passenger Rail

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Overview

As of 2026, passenger rail in the United States lags far behind its counterparts in Europe, East Asia, and even parts of the developing world. Outside of a handful of dense corridors, most Americans have no practical rail option for either daily commuting or long-distance travel. The result is a transportation system almost entirely dependent on cars and airplanes, with all of the congestion, emissions, and cost-of-living pressure that dependency implies.

This packet lays out a proposal, the American Passenger Rail Transport Act, that would rebuild the national rail network from the ground up. It replaces the current single-operator model with a tiered system of regional, competitively operated rail corporations, funded through a public-private partnership and unified for the rider through a single fare card. The goal is a system that is fast, dependable, and financially self-sustaining within a generation, rather than permanently subsidized and permanently underbuilt.

The remainder of this packet walks through the proposal in the same order it would be implemented: first the status of Amtrak and why it would be restructured, then the three-tier hierarchy that replaces it, the ownership and governance rules that apply across all three tiers, the specific build-out requirements for each tier, and finally the funding and fare systems that tie the whole network together.

> *This is an informative and persuasive packet describing a legislative proposal, not an enacted bill or formal legal text. Where the packet uses terms like "required" or "mandated," it is describing what the proposed legislation would require if passed, not a current legal obligation.*

Addressing Amtrak

Amtrak was created by the Rail Passenger Service Act of 1970 as a quasi-public corporation to take over intercity passenger service that private freight railroads no longer wanted to run. More than fifty years later, Amtrak remains what that compromise produced: a single, federally subsidized operator running mostly on tracks it does not own, sharing right-of-way with freight railroads that are legally required to give passenger trains preference but often fail to, with little consequence. The result is chronic delay, thin frequency outside the Northeast Corridor, and rolling stock that is expensive to maintain and slow to modernize.

Amtrak is not a failure of effort so much as a failure of structure. A single national operator has little competitive pressure to improve, little access to the capital markets that private infrastructure operators use to fund expansion, and little ability to prioritize regional needs over network-wide averages. This proposal treats that structural problem as the thing to fix, rather than proposing another round of subsidy increases for the existing model.

What Dissolution Would Involve

- Amtrak would be wound down, and its infrastructure, rolling stock, maintenance facilities, and station assets would be transferred to the new regional rail corporations described later in this packet, following an allocation set out in the federal transition plan.
- Ownership of the Northeast Corridor, Amtrak's most valuable asset and one of the only segments of true high-speed-capable track in the country, would transfer to the Northeast express rail corporation and the long-distance high-speed rail coalition jointly, reflecting its dual role in both tiers.

- The new corporations would inherit Amtrak's legal right to run on freight railroads' tracks and its legal preference over freight trains, so that passenger service does not lose track access when Amtrak is dissolved.
- Existing Amtrak debt would be assumed by the federal government rather than passed on to the new corporations, so that new operators are not starting from a negative capital position. Amtrak's outstanding stock would be canceled, with its private common stockholders paid fair market value.
- Current Amtrak employees would be given hiring priority at the successor companies operating in their home region or taking over their route, and existing collective bargaining agreements would carry over to the new operators for a minimum transition period rather than being voided outright.
- Existing pension obligations under the Railroad Retirement Board would remain federally backed and would not be transferred to the new private operators.
- Amtrak's long-distance routes would continue operating under their current schedules until the corresponding new operator is running, to avoid a service gap during the transition.

> *Winding down a corporation of Amtrak's size is itself a multi-year undertaking. The bill sets a four-year deadline for dissolution, extended if needed until every long-distance route has a new operator, and requires the Secretary of Transportation to submit a detailed transition plan to Congress within 180 days, before any dissolution work begins.*

Reestablishing Transportation Hierarchy

In place of Amtrak's single tier of service, this proposal establishes three distinct levels of rail, each matched to a different kind of trip and each run by its own set of operating companies. The tiers are designed to interconnect, so that a rider can move from a local metro line, onto a regional express train, and finally onto a long-distance high-speed line, using the same fare card at every step.

The Three Tiers

- Short-Distance Metro Lines — local transit within a single metropolitan area, serving daily commuters and intra-city trips.
- Mid-Distance Express Rail — regional service connecting cities within a defined multi-state region, serving trips too long for a car commute but too short to justify air travel.
- Long-Distance High-Speed Rail — a national trunk network connecting the regional networks, serving the trips currently dominated by domestic air travel.

Each tier is deliberately scoped to the distance and demand pattern it serves best. Metro systems are built and sized for ridership within a single urban area; express rail is sized for trips of roughly 100 to 500 miles, the range where rail can beat both driving and flying door-to-door; and high-speed rail is sized for the trunk routes between major regions, where speed matters more than frequency. This tiering mirrors the structure used successfully in France, Japan, and Germany, each of which separates local transit, regional rail, and high-speed trunk lines into distinct systems with distinct funding and equipment standards, while still allowing riders to transfer seamlessly between them.

The Groundwork of This Proposal

All three tiers share a common structural framework, described here once rather than repeated in each section. Understanding this framework is necessary before reading the tier-specific requirements that follow.

Formation and Auction

- For each required network, the federal government charters a new rail corporation and then auctions the corporation's shares to the highest qualified bidder, with the proceeds going to the U.S. Treasury.
- Bidders may be existing transportation companies, infrastructure investment firms, or private citizens who meet minimum capitalization and safety-certification requirements set by the Federal Railroad Administration.
- No bidder, and no group of commonly controlled bidders, may hold a controlling stake in more than one metro company and one express rail company at the same time, so that no single entity accumulates outsized control over the national network.

Ownership Timeline

- Winning bidders may hold their company as a private entity for up to five years following the auction, giving them time to build out infrastructure without the reporting burdens and short-term earnings pressure of public markets.
- At the end of the five years, each company is required to complete an initial public offering, after which it operates as a publicly traded, but still independently and privately managed, corporation.
- The federal government retains a non-controlling golden share in each company solely to enforce safety, interoperability, and fare-card standards. It can veto charter changes that would undercut those standards and go to court to enforce them, but it does not participate in day-to-day management.

Competition and Cooperation

- Direct mergers or acquisitions between rail corporations chartered under this Act are prohibited, to prevent the re-formation of a single national monopoly under a different name.
- Corporations are, however, required to enter into binding interoperability agreements covering shared track access, through-ticketing, and common signaling standards, so that competition between operators does not become an excuse for a fragmented, incompatible network. Approved agreements are shielded from antitrust challenge so that operators can coordinate on tickets and track access.
- A national Rail Interoperability Board arbitrates disputes between operators over track access, scheduling conflicts, and technical standards. Its seven members are appointed by the Secretary of Transportation and chaired by the head of the Federal Railroad Administration, none may hold a stake in a rail corporation, and it consults an advisory committee of the regional operators before setting standards.

> *The five-year private window and mandatory IPO are modeled loosely on how infrastructure REITs and utility spin-offs are often structured: enough runway to build without quarterly earnings pressure, followed by public accountability once the asset is operating and generating revenue.*

Short-Distance Metro Lines

The federal government would charter and auction a metro rail corporation for every metropolitan statistical area with a population of 1.5 million or greater, with light rail as the minimum acceptable mode; heavy rail, subway, or commuter rail systems may substitute where they already exist or where ridership projections justify the additional expense. Smaller metropolitan areas may still opt in voluntarily and would remain eligible for the same funding formula described later in this packet.

Cities and states that already operate a government-run metro system, such as New York's MTA or the Washington Metropolitan Area Transit Authority, could transfer that system to a chartered rail corporation under the same auction and ownership rules that apply to newly built systems, and would be paid fair market value for it. A system that is not transferred would not be eligible for the federal funding formula. Existing employees, union contracts, and accessibility commitments under the Americans with Disabilities Act would transfer to the new operator, and existing riders would keep the fare structures they currently rely on until the new fare card rolls out region-wide.

Why 1.5 Million

The 1.5 million threshold is drawn from the smallest end of the population range where light rail systems in the United States already demonstrate viable ridership today, including systems in metro areas such as Norfolk and Milwaukee. Setting the bar there brings roughly forty metro areas into the mandate without forcing rail construction in areas too small to sustain it, while leaving room for smaller cities to build voluntarily where local demand supports it.

Qualifying Metropolitan Areas

The following metropolitan statistical areas meet or exceed the 1.5 million population threshold and would receive a metro rail corporation under this proposal:

Metropolitan Statistical Area	Population
New York-Newark-Jersey City, NY-NJ-PA	~20.1M
Los Angeles-Long Beach-Anaheim, CA	~13.2M
Chicago-Naperville-Elgin, IL-IN-WI	~9.6M
Dallas-Fort Worth-Arlington, TX	~8.3M
Houston-Pasadena-The Woodlands, TX	~7.8M
Miami-Fort Lauderdale-West Palm Beach, FL	~6.5M
Atlanta-Sandy Springs-Roswell, GA	~6.5M
Washington-Arlington-Alexandria, DC-VA-MD-WV	~6.4M
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	~5.9M
Phoenix-Mesa-Chandler, AZ	~5.2M
Boston-Cambridge-Newton, MA-NH	~5.0M
Riverside-San Bernardino-Ontario, CA	~4.7M
San Francisco-Oakland-Fremont, CA	~4.6M

Metropolitan Statistical Area	Population
Detroit-Warren-Dearborn, MI	~4.4M
Seattle-Tacoma-Bellevue, WA	~4.1M
Minneapolis-St. Paul-Bloomington, MN-WI	~3.8M
Tampa-St. Petersburg-Clearwater, FL	~3.4M
San Diego-Chula Vista-Carlsbad, CA	~3.3M
Denver-Aurora-Centennial, CO	~3.0M
Charlotte-Concord-Gastonia, NC-SC	~2.9M
St. Louis, MO-IL	~2.8M
Baltimore-Columbia-Towson, MD	~2.8M
Orlando-Kissimmee-Sanford, FL	~2.8M
San Antonio-New Braunfels, TX	~2.7M
Austin-Round Rock-San Marcos, TX	~2.5M
Portland-Vancouver-Hillsboro, OR-WA	~2.5M
Sacramento-Roseville-Folsom, CA	~2.5M
Pittsburgh, PA	~2.4M
Las Vegas-Henderson-North Las Vegas, NV	~2.35M
Cincinnati, OH-KY-IN	~2.3M
Kansas City, MO-KS	~2.28M
Columbus, OH	~2.19M
Nashville-Davidson-Murfreesboro-Franklin, TN	~2.15M
Cleveland-Elyria, OH	~2.15M
Indianapolis-Carmel-Greenwood, IN	~2.1M
San Jose-Sunnyvale-Santa Clara, CA	~2.0M
Virginia Beach-Chesapeake-Norfolk, VA-NC	~1.8M
Jacksonville, FL	~1.7M
Providence-Warwick, RI-MA	~1.68M
Milwaukee-Waukesha, WI	~1.56M
Raleigh-Cary, NC	~1.5–1.66M

> *Population figures are approximate 2024–2026 metropolitan statistical area estimates and are provided for planning purposes; the enacting legislation ties the threshold to the most recent Census Bureau estimates and OMB delineations at the time of implementation, so that the list of covered areas updates automatically rather than requiring repeated amendment.*

Mid-Distance Express Rail

Mid-distance express rail is the backbone of the proposal and the tier most directly responsible for closing the gap between short car commutes and long-haul air travel. The federal government would charter one express rail corporation per region below, each covering a cluster of states chosen for shared geography, existing freight corridors, and travel-demand patterns rather than strict adherence to census divisions.

Within each region, the corporation is responsible for connecting every qualifying metro area (see the Short-Distance Metro Lines section) to at least one express line, and for maintaining minimum service frequency standards set by the Rail Interoperability Board. Express rail is designed for average trip lengths of roughly 100 to 500 miles, running at conventional or higher-speed (up to 125 mph) equipment rather than the true high-speed equipment reserved for the long-distance tier.

Regions

Region	States Covered	Notes
Alaska	AK	Standalone network; not connected to the continental grid.
Appalachia	KY, NC, TN, VA, WV	Mountainous terrain requiring the highest investment in tunneling and grading.
Cascadia	ID, OR, WA	Connects the Pacific Northwest I-5 corridor and inland Idaho.
Deep South	AL, AR, LA, MS	Connects Gulf Coast and interior population centers.
Great Lakes	IL, IN, MI, OH	High-density industrial corridor with strong existing freight rights-of-way.
Hawaii	HI	Standalone network; inter-island only, not part of the mainland network.
Heartland	KS, MO, ND, NE, SD	Longest average trip lengths; lowest population density served.
Mountain West	CO, MT, UT, WY	Serves ski and resort corridors alongside major metro links.
New England	CT, MA, ME, NH, RI, VT	Densest small-state cluster; shortest average inter-city distances.
Northeast	DC, DE, MD, NJ, NY, PA	Anchors the busiest ridership corridor in the country.
South Central	OK, TX	Serves the fast-growing Texas Triangle.
Southwest	AZ, CA, NM, NV	Longest desert segments; highest cooling and power demands.
Sun Belt	FL, GA, SC	High tourism and retirement-driven ridership.
Upper Midwest	IA, MN, WI	Connects agricultural corridors to the Great Lakes network.

Interconnection Requirement

Every pair of neighboring regions would be required to jointly build at least one direct connecting line between their networks, so that a rider could, in principle, travel from the core of one regional network into the core of an adjacent one without switching to a different transportation mode. Alaska and Hawaii are structurally exempt from this requirement, since neither can be physically connected to the continental network by rail; both instead operate as standalone regional networks eligible for the same federal funding formula as their continental counterparts.

Long-Distance High-Speed Rail

The long-distance tier is what most distinguishes this proposal from incremental improvements to the current Amtrak model. Rather than a single national operator running long-haul trains at conventional speeds over shared freight track, this tier establishes a dedicated high-speed network, built for top speeds of at least 150 mph, and 220 mph where terrain and demand allow, on largely grade-separated, electrified, dedicated right-of-way, similar in engineering standard to Japan's Shinkansen, France's TGV network, or China's high-speed rail system.

All express rail corporations from the mid-distance tier, with the exception of the standalone Hawaii corporation, would automatically become members of a single national high-speed rail coalition, organized as a joint venture governed by one representative of each member. This structure keeps ownership of the long-distance network aligned with the regional operators who understand their own territory, while still requiring them to cooperate on a single, unified trunk network rather than thirteen disconnected regional projects.

Minimum Coverage Requirements

- At least one stop in every state except Alaska and Hawaii, which remain outside the continental high-speed network for the same physical reasons they are exempt from the mid-distance interconnection requirement.
- At least one stop in every metropolitan area that qualifies for mandatory metro rail under the Short-Distance Metro Lines section, so that the highest-ridership markets are guaranteed a direct high-speed connection rather than being served only by a transfer.
- Direct or single-transfer service between the ten largest metropolitan areas in the country, to ensure the busiest existing air travel markets have a genuine rail alternative.

Construction and Right-of-Way

Because true high-speed rail requires dedicated, largely grade-separated track, this tier carries by far the highest construction cost of the three, and is expected to take the longest to build out. The proposal directs the high-speed coalition to prioritize corridors with the highest existing air-travel volume first, both because those corridors offer the fastest return on investment and because they provide the clearest early demonstration of the network's value to the public and to future federal funding decisions.

> *Eminent domain, environmental review, and right-of-way acquisition for high-speed corridors are governed by existing federal law and are not modified by this proposal, and new lines would still need construction approval from the Surface Transportation Board; a companion bill addressing permitting timelines specifically for rail infrastructure would likely be necessary to make the construction schedule implied here realistic.*

Passenger Rail Resources

A network built from dozens of independently owned corporations only works for riders if it feels, from the platform, like a single system. This proposal addresses that through a unified fare and information system that spans all three tiers.

The Unified Transport Card

- Riders use a single contactless transport card to tap onto any metro or express rail line in the country without needing a separate account or ticket for each regional operator.
- High-speed rail tickets, which require seat reservations rather than open boarding, are purchased in advance through an account tied to the same card, whether online, through a mobile app, or at a station kiosk.
- Fare revenue collected through the card is reconciled and distributed among the relevant operators automatically, based on the actual segments each rider traveled, through a clearinghouse system operated by the Rail Interoperability Board.
- Local bus systems, subway systems not otherwise covered by this Act, and other regional transit agencies are encouraged, though not required, to integrate with the card, so that a single piece of plastic can eventually cover a rider's entire trip from door to door.

Accessibility and Standardization

The card system is required to meet Americans with Disabilities Act accessibility standards, including accommodations for riders without smartphones or bank accounts, through cash-loadable kiosks at every station. A single, nationally standardized digital app and website, maintained by the Rail Interoperability Board rather than any individual operator, provides trip planning, real-time schedules, and fare information across all three tiers, so that riders are not forced to check a dozen different regional operator apps to plan a single trip.

Government Funding

Every transit network chartered under this Act, at every tier, is eligible for a dynamic federal funding formula rather than a one-time construction grant. This is intended to give new operators a predictable funding base during their early years while still pushing the system toward long-term self-sufficiency.

The Funding Formula

- The federal government pays one-third of each network's eligible annual operating expenses, with the remaining two-thirds covered by fare revenue and any commercial revenue the operator generates, such as station retail or advertising. The Rail Interoperability Board defines which expenses count, excluding depreciation, debt service, and excessive executive pay.

- A network is considered profitable for the purposes of this formula once its non-federal revenue exceeds its total operating expenses over a rolling three-year average, verified through an independent audit submitted to the Rail Interoperability Board.
- Once a network crosses that profitability threshold, the federal one-third contribution continues, but must be reinvested directly into that network's infrastructure and service improvements rather than distributed as profit. After at least three consecutive profitable years while meeting every performance standard, the network's board may petition the Board for an exemption, and once it is granted the federal contribution ends.
- Construction of new lines, as opposed to ongoing operations, is funded separately through a federal infrastructure grant program and low-interest federal loans, similar in structure to the existing Railroad Rehabilitation and Improvement Financing program, rather than through the operating-expense formula described above.

Oversight

All federal funding under this Act is contingent on operators meeting minimum safety, accessibility, and on-time performance standards set by the Federal Railroad Administration and the Rail Interoperability Board. Operators that fall persistently short of those standards are subject to funding reductions and, in the most severe or repeated cases, revocation of their operating charter and a re-auction of the network to a new operator. In that case a receiver would sell the operating assets and pay creditors first, then shareholders.

> *The one-third funding share is a starting formula for this proposal rather than a figure derived from a specific fiscal analysis. The bill leaves the authorized dollar amount blank until a full cost estimate, likely requiring a Congressional Budget Office score, is completed.*