

PRIVATIZE FEDERAL TRANSPORTATION AND UTILITIES**David R. Burton**, Senior Fellow in Economic Policy**Rachel Greszler**, Senior Research Fellow

TOPLINE: The federal government should get out of the business of operating transportation and utility companies.

BACKGROUND: The federal government operates numerous transportation and utility business enterprises, including the United States Postal Service (USPS), National Railroad Passenger Corporation (Amtrak), Tennessee Valley Authority (TVA), Bonneville Power Administration (BPA), Western Area Power Administration (WAPA), Southwestern Power Administration (SWPA), and Southeastern Power Administration (SEPA). (BPA, WAPA, SWPA, and SEPA are collectively referred to as the [Power Marketing Administrations](#).) Most of these enterprises arose, at least in part, out of a desire to connect Americans—whether to communications through mail, to travel by rail, or to electricity.

The problem with government ownership of what would otherwise be private companies is that the operating decisions are separated from the market, so prices do not reflect demand and supply. This arrangement leaves taxpayers on the hook for excessive costs and inefficient operations. The USPS, for example, has [lost money every year](#) since 2007—\$118 billion in total—and its debt and liabilities are twice its annual revenues. In 2025, Amtrak received [more funding](#) from the federal government than it generated in revenues, and yet it operated at a loss. Moreover, the government can use these “business” enterprises for political objectives. For example, power marketing administrations often must sell their power to “preference” customers at [significantly below-market rates](#). Privatizing these entities could generate tens of billions of dollars in revenue for the federal government, reduce taxpayer costs and future risks, and result in a more efficient and ultimately lower-cost delivery of energy and transportation.

Action Items (Congress and States):

- **Congress should privatize the Power Marketing Administrations and the TVA**, with contracts to continue tritium production for the nuclear stockpile.
- **Congress should privatize the USPS and Amtrak.**

How It Would Make Life More Affordable:

- Ending taxpayer subsidies would reduce the fiscal burden of enterprises that cannot cover their costs.
- Privatization would transfer business risks from taxpayers to private owners who have the incentives to control costs, innovate, and respond to customers.

BOTTOMLINE: 21st-century Americans are more connected than ever before; they don't need the government to send and receive communications, to travel, or to connect to the power grid.