



National Railroad Passenger Corporation

AMTRAK

Fiscal Year 2014 Budget Request Justification

**Operating, Capital Programs
And Debt Service Expense**

May 2013

Table of Contents

Introduction.....	4
Strategic Vision and Key Management Actions.....	4
Financial Foundation	5
Corporate Realignment.....	7
Superstorm Sandy	12
Fleet Strategy	13
Risks to Amtrak’s Business Plans.....	15
FY2014 Request for Federal Support - Overview	17
FY2014 Request for Operating Support	18
Discussion of FY2014 Revenue and Ridership	19
Passenger Revenue.....	19
State Supported Services.....	20
Other Operating Revenue	21
Discussion of Operating Expenses.....	22
Salaries, Wages, Taxes and Employee Benefits	22
Fuel, Power and Utilities.....	23
Train Operations	25
Materials	25
Facility, Office, Communication	25
Advertising and Sales	25
Professional Services	26
Data Processing Services and Supplies.....	26
Casualty Claims	26
Operating Expenses Paid by Capital Projects.....	26
All Other	26
FY2014 Request for Capital	27
Infrastructure Investments	28
Structures	29
Communications and Signals.....	30
Electric Traction.....	30
Track	31
Life Safety.....	31
Track Equipment.....	31
New Jersey High-Speed Rail Improvement Program.....	31
The Gateway Program	32
Stations/ADA Improvements.....	35
Positive Train Control.....	37
Other Infrastructure.....	37
Fleet Overhauls	39
Locomotive Overhauls.....	39
<i>Acela</i> Overhauls	40
Other Fleet Programs	40
Fleet Acquisitions	40
Marketing and Sales Customer Experience Investments.....	41
Information Technology Investments	42
Environmental Remediation Capital Investments	45
Debt Service and Debt Related Equipment Purchases	47
Principal and Interest	47

Early Buyout Option (EBO)	47
Sources and Uses of Cash – Budget Basis.....	48
Appendix.....	49
Total Operating Expenses	49
Salaries	50
Wages and Overtime.....	51
Employee Benefits	52
Employee Related	53
Train Operations	54
Fuel, Power, and Utilities.....	55
Materials	56
Facilities, Communication, and Office	57
Advertising and Sales	58
Casualty and Other Claims	58
Professional Services	59
Data Processing Services	60
Environmental and Safety.....	61
Maintenance of Way Services	61
Accommodation for Passenger Inconvenience.....	62
Financial Services	62
Operating Expenses Paid by Capital Projects.....	63
Amtrak FY2014 Capital Project Detail.....	64
GAAP Basis Summary Income Statement	72

Tables and Charts

Chart 1 – History of Operating Deficits in 2012 Dollars.....	6
Chart 2 – History of Outstanding Debt.....	6
Table 3 – Pro-Forma Business Line Financial based on FY2011 and FY2012.....	11
Table 4 – Rolling Stock Unit Acquisition Plan	14
Table 5 – FY2014 Request and Recent Federal Appropriations	17
Table 6 - Projected Profit and Loss Statement.....	18
Chart 7 – Ridership Trends	19
Chart 8 – Ticket, Food and Beverage Revenue Trends	20
Table 9 – Operating Expenses by Category.....	22
Chart 10 – Salaries, Wages, Taxes and Benefits	23
Chart 11 – Diesel Fuel	24
Chart 12 – Fuel, Power and Utilities.....	25
Table 13 – Summary Capital Funding.....	27
Table 14 –Infrastructure Capital Request	29
Table 15 –Fleet Overhaul Capital Request	39
Table 16 – Rolling Stock Acquisitions	41
Table 17 – Customer Experience Management Program	41
Table 18 - Technology Spend Plan	43
Table 19 – Environmental Remediation Capital Requests	45
Table 20– Options for Early Buyout of Leases	47
Table 21 – Simple Sources and Uses	48

Introduction

The National Railroad Passenger Corporation (Amtrak) was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate the national rail passenger transportation system as defined in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). Amtrak operates more than 300 trains per day over more than 40 routes, carries a daily average of 85,000 passengers and employs slightly less than 20,000 people. Amtrak's projected revenues for FY2013 are \$2.9 billion.

In addition to providing the full range of functions and activities required to operate the national train system, Amtrak engages in related ancillary business activities, including:

- Operating commuter railroads under contract to their agencies
- Providing infrastructure access to commuter agencies and freight railroads
- Performing rail services for other rail operators, both commuter agencies and freight railroads, on a reimbursable basis
- Management and leasing of commercial real estate

Strategic Vision and Key Management Actions

In October 2011 Amtrak released its new Strategic Plan, covering fiscal years 2011 through 2015. This plan communicates the vision of Amtrak's management and Board of Directors for the company along with supporting strategies designed to achieve that vision. The plan is focused on improving financial performance, safety, and customer service. It contains the following vision statement for Amtrak:

Amtrak is America's first intercity travel choice for connections to and between the nation's key metropolitan areas, providing customer-driven, safe, environmentally-sustainable, energy-efficient and inter-modally linked service to passengers, communities and partners. Through recognized organizational excellence, Amtrak's diverse and talented team will lead the development and growth of the high-speed and intercity passenger rail system in North America.

In support of this statement, the Strategic Plan establishes the following corporate goals that align with the Amtrak vision:

- Goal 1 – Safety and Security: Become North America's safest, most secure railroad by creating a collaborative, team-oriented workplace culture that minimizes risks and maximizes passenger and employee safety.
- Goal 2 – Customer Focus: Advance customer service quality by responding to the wants, needs and expectations of our customers in order to improve their experience and maximize passenger and partner satisfaction.
- Goal 3 – Mobility and Connectivity: Improve national mobility and connectivity by growing Amtrak's business through new partnerships, routes and frequencies to increase ridership system wide.
- Goal 4 – Environment and Energy: Contribute to the nation's environmental health by attracting automobile and air travelers to trains, while improving Amtrak's efficiency and reducing transportation-related carbon emissions and fossil fuel consumption.
- Goal 5 – Financial and Organizational Excellence: Attain a standard of organizational excellence by aligning our products, services, processes and culture with stakeholder expectations to improve financial performance and overall business results.

The Strategic Plan includes measurable metrics and improvement targets for each of these goals. In order to accomplish these corporate goals and achieve the improvement targets, the Strategic Plan specifies the following seven corporate strategies:

- *Strategy 1* – Continue and expand Safe-2-Safer, our proven behavior-based change initiative in order to improve our culture and other areas critical to financial and organizational excellence.
- *Strategy 2* – Integrate our field operating departments within geographic divisions to maximize collaboration, efficiency and service delivery.
- *Strategy 3* – Implement best practices related to human capital management in order to develop a workforce that is best equipped to achieve our corporate goals.
- *Strategy 4* – Expand our use of risk management principles to further improve our multi-layered security program so we can better prevent and deter acts of terrorism and criminal behavior within our system.
- *Strategy 5* – Expedite our ongoing programs to make Amtrak accessible for all individuals.
- *Strategy 6* – Identify and invest in systems and technologies that will reduce both energy usage and operating expenses.
- *Strategy 7* – Establish business lines within the company to better manage our financial performance and respond to the wants, needs and expectations of our various customer groups.

Amtrak's Strategic Plan is designed to be a living document that is updated periodically. A refreshed Strategic Plan that will update and extend the vision beyond FY2015 is under development and is expect to be delivered in early FY2014.

Financial Foundation

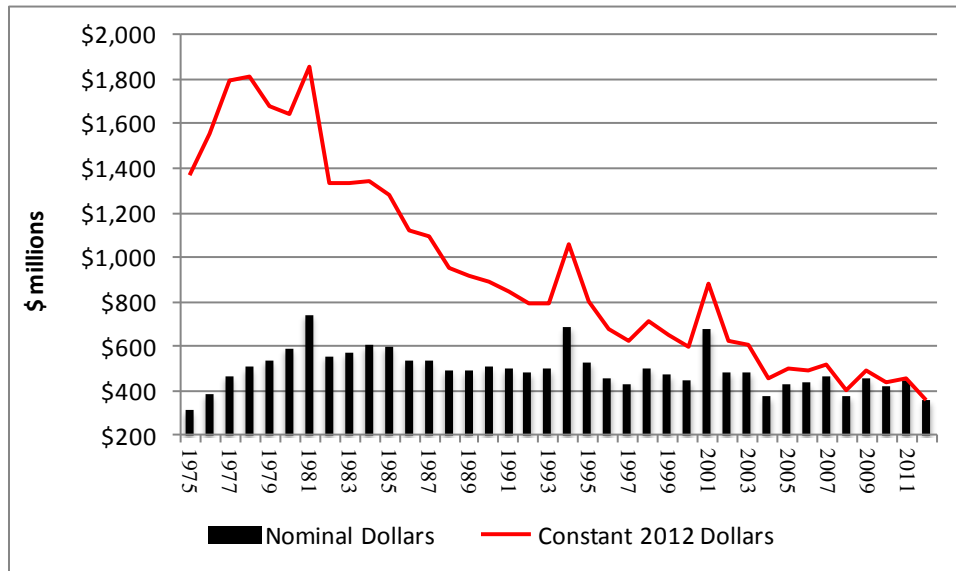
Corporate goal 5 establishes Financial Excellence as a primary objective. Amtrak has devoted considerable effort to improving our financial position in recent years. Corporate debt today stands at less than half the level it reached in 2002, and in terms of constant-value dollars our need for operating support is roughly half of what it was in 2004. Amtrak's financial condition has improved significantly in recent years, and the company has a strong financial base on which to build.

Operational Efficiency Improvement

In nominal dollars, Amtrak's operating deficit in FY2012, excluding non-cash expenses, was at its lowest level since 1975, Amtrak's fourth year of operations. Stated in constant dollars, the FY2012 deficit was the lowest in Amtrak's history. A common measure of financial efficiency in passenger rail transportation is the proportion of operating expenses which are paid by the company's revenue. In FY2012 Amtrak's operating revenues covered 88% of operating expenses (excluding non-cash items) the highest passenger rail operating ratio in the United States and one of the highest in the world.

When viewed in constant dollars, Amtrak's history of operating deficits demonstrates consistent improvement over a long period. Chart 1 below shows Amtrak's operating deficits in constant 2012 dollars. As this chart demonstrates, Amtrak's nominal 1975 operating deficit of \$315.8 million would have been \$1,373.1 million in 2012 dollars, peaking in 1981 at \$1,858.7 million.

Chart 1 – History of Operating Deficits in 2012 Dollars

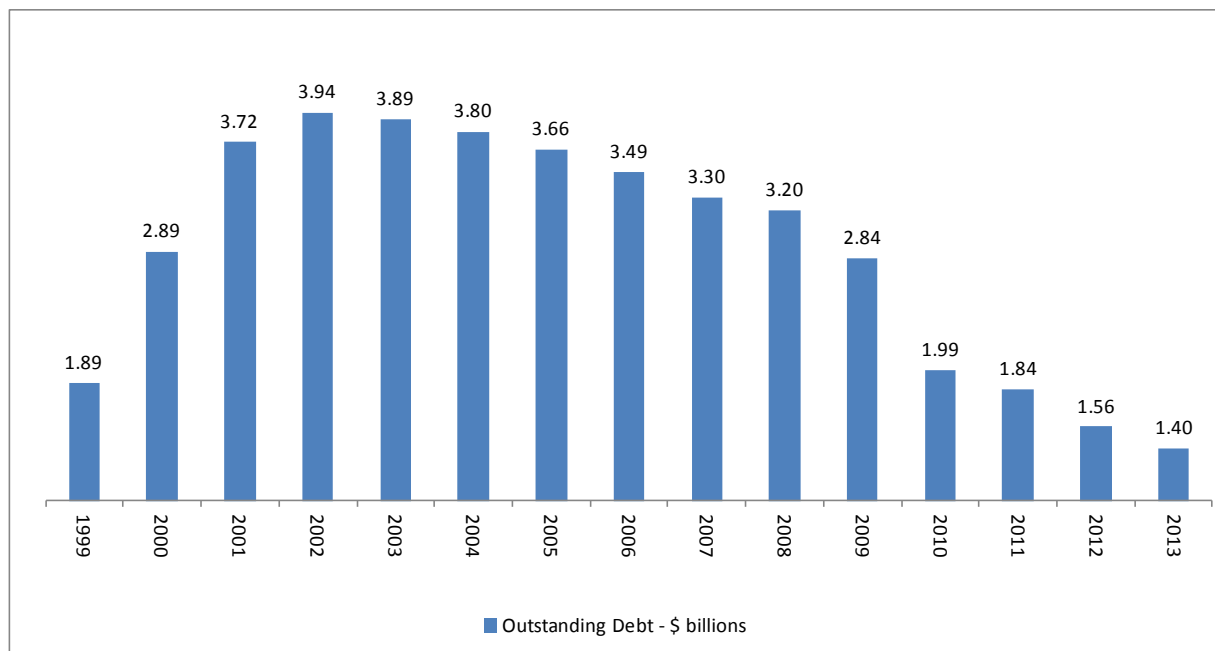


Dollar conversion data for Chart 1 obtained from http://www.bls.gov/data/inflation_calculator.htm

Debt Reduction

Amtrak has worked hard to cut its debt. Total indebtedness peaked at \$3.9 billion in FY2002, following financing of the *Acela* train sets, and had declined to \$1.4 billion by December 31, 2012. Benefits of the reduction in debt include lower debt service payment, a better credit rating, and improved capacity to finance new equipment acquisitions.

Chart 2 – History of Outstanding Debt



The reduction in debt has accelerated in recent years in part because Amtrak enjoyed special financing from the U.S. Treasury, authorized by Section 205 of the Passenger Rail Investment and Improvement

Act of 2008 (PRIIA), that funded approximately \$420 million of equipment lease buyouts. This investment will save approximately \$582 million in future debt payments, in effect saving the taxpayers about \$162 million in future interest payments.

Amtrak has similar opportunities in FY2014. As the PRIIA-authorized Treasury program is ending at the conclusion of FY2013, Amtrak is requesting \$196.5 million in FY2014 to exercise additional early buyout options that will save approximately \$304 million dollars in future debt payments, saving the taxpayers another \$107.5 million in future interest payments.

Rating Agencies

In the last few years, Moody's raised Amtrak's credit rating to A1 from A2, the highest rating that Moody's has ever assigned to Amtrak, and Standard & Poor's raised Amtrak's credit rating to A – from BBB+.

Corporate Realignment

As described above, Corporate Strategies 2 and 7 of the Strategic Plan layout a comprehensive realignment of Amtrak's business operations:

- ***Corporate Strategy 2:*** Integrate operational functions (Transportation, Mechanical, Engineering) within divisions to maximize collaboration, efficiency and improve service delivery. The product of this integration provides the building blocks for the creation of business lines (Corporate Strategy 7) and therefore the successful completion of Strategy 2 can be considered the key component of enacting the entire strategic plan.
- ***Corporate Strategy 7:*** Establish a business line focus within the company to better respond to the wants, needs and expectations of customer segments and improve financial performance.

The implementation of these strategies began in late 2011 with the creation of the Northeast Corridor Infrastructure and Investment Development (NECIID) business line. The implementation of Strategy 2 began in April, 2012. The initial phases of the realignment are expected to be complete in FY2014. Amtrak will require another year to fully align support systems and technologies to the new organization and thus FY2015 will be the first year in which all corporate capabilities are fully aligned. At the present time, many key reorganization decisions remain in the planning and development phase. Consequently, this document describes the realignment in current terms, with the stipulation that some aspects of the plan will be subject to revision.

Corporate Strategy 2: Integrate Transportation, Mechanical & Engineering Functions

Amtrak's current structure follows a traditional department-based railroad organization, with three departments providing all of the railroad-specific operational functions. All train operations are staffed and managed by the Transportation Department, all rolling stock is maintained by the Mechanical Department, and all track infrastructure and stations are maintained by the Engineering Department.

The guiding principle of the operations integration plan is the assignment of direct supervisory responsibility to the General Managers who will oversee each train operations business line (Strategy 7). The General Managers will supervise delivery of each element of train service delivery (train operations, station operations, mechanical services, and other services) in their geographic or service territory, rather than having those functions segregated along traditional departmental lines. The most important aspect of this approach is the integration of these functions within terminal groups. A terminal is an organization with a geographic boundary that includes all stations, crew bases, mechanical facilities, and functions within that boundary. A terminal manager will have direct management authority and accountability over all operations functions within his or her territory. Each Amtrak terminal will have a single manager who is accountable for ensuring that passengers arrive at clean stations with excellent ticketing and boarding services, trains depart on time with superior

customer service, and that equipment is clean, comfortable, and reliable. All terminal managers residing within a business line will report to the business line General Manager, in accordance with the general principles established by Strategy 7. Examples of integrated functions that will report to a terminal manager include:

- Crew bases that provide train crews (conductors, locomotive engineers, on-board services) to all trains operating from those crew bases. Terminal managers will be accountable for all personnel decisions including hiring and training.
- Mechanical facilities that provide train turnaround and repair services
- Station operations and personnel

Those existing departments will continue as scaled-down and redefined organizations that support the business lines. “Support functions” will include provision of administrative, policy, and other services to support the terminals. These support functions include:

- Transportation Services: set, manage, and maintain operating rules and policies that ensure trains operate within Federal requirements; maintain relationships with host railroads; lead fuel conservation and cost reduction efforts
- Customer Services: oversee system operations including the Consolidated National Operations Center (CNOC); manage central food & beverage operations; provide crew management and scheduling services; establish and monitor station and on-board service level expectations; coordinate special trains and intermodal connectivity
- Safety Services: establish and enforce health and safety standards, policies, programs, initiatives, and reporting to ensure customer and employee safety; oversee environmental control issues; oversight of Operation RedBlock
- Mechanical Services: provide major overhaul work to rolling stock at Amtrak’s three mechanical backshops; provide rolling stock engineering and standards; manage fleet assignments
- The Engineering Department will remain intact, operate as a “Service Center”, and continue to provide maintenance and capital improvements to Amtrak’s owned infrastructure and facilities including the Northeast Corridor (NEC)

The Engineering department will remain intact, operate as a “Service Center”, and continue to provide maintenance and capital improvements to Amtrak’s owned infrastructure and facilities.

Corporate Strategy 7: Establish a Business Line Focus

Amtrak is establishing six “business lines” that focus on the overall performance of specific Amtrak products and services. The Strategic Plan includes detailed goals for each business line which are aligned with the corporate goals, as well as performance metrics and improvement targets. The six business lines are:

1. Northeast Corridor Infrastructure and Investment Development (NECIID)

NECIID establishes a host railroad organization within Amtrak that is responsible for the planning, development, and delivery of Amtrak-owned Northeast Corridor infrastructure in support of train operations. NECIID will establish the capital investment priorities for Amtrak’s infrastructure and will manage the relationships and operating agreements with users that operate service on Amtrak’s NEC infrastructure, including Amtrak’s four train-operating business lines. NECIID will manage track assets as well as Amtrak’s stations and facilities within the Northeast Corridor. Key NECIID responsibilities presently include:

- NEC infrastructure planning and development
- NEC station planning and development

- Management of access agreements with all services and tenants operating on or making use of Amtrak's NEC infrastructure including Amtrak's own train operations business lines
- Establishment of a new cost allocation methodology for the use of NEC infrastructure as required by Section 212 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA)
- Capital project agreements with external partners
- NEC high-speed rail planning and development

NECIID was the first business line to be established and key managers are in place. At this time the details of how the department will manage and price its business are under development. It is anticipated that new access agreements with train operators will be negotiated according to the requirements established by PRIIA Section 212.

2. Northeast Corridor Operations

This business line will deliver integrated high-speed rail train operating services in the Northeast Corridor, including *Acela Express*, *Northeast Regional* and *Keystone Service* trains and subsequent generations of high-speed services within the NEC, as well as NEC train operations on behalf of Amtrak's other operating business lines that use the NEC, including Long Distance, State-Supported, and Commuter services. This business line was established in October 2012.

3. State Supported Services

Rail transportation and related services provided in partnership with state governments, including conventional passenger train operations, development of new high-speed rail services, equipment maintenance, service planning, marketing, and reservation systems. This business line was established in November 2012.

4. Commuter Services

Rail transportation and related services provided as a contractor to local or regional commuter authorities, including passenger train operations, equipment maintenance and maintenance-of-way. This business line is currently under review.

5. Long-Distance Services

This business line will operate Amtrak's national network of 15 interstate routes of 750 miles or more in length that connect communities with the nation's major regions. This business line was established in November 2012.

6. Corporate Asset Development

The Corporate Asset Development business line will be a small group of professionals focused on identifying new revenue opportunities, including advancing the development and commercialization of Amtrak real estate, mechanical services, technical expertise, intellectual property and other resources in partnership with other Amtrak Business Lines. This business line remains in development.

The four business lines that deliver Amtrak train operations (NEC Operations, Long Distance, State Supported, and Commuter Services) will be largely comprised of terminal groups supported by central operations services. The General Managers of the business lines will have direct management responsibility for the vast majority of Amtrak's operating personnel. There will, however, be significant overlap in the train operations of the business lines. In the Northeast Corridor, terminals support train operations from all business lines, while off-corridor terminals may support any or all business lines other than NEC Operations. The owning business line will have the budget for all functions and will be accountable for service delivery to the other business lines utilizing the terminal. Those relationships will be established via written service level agreements.

In order to properly manage and fund these disparate businesses, Amtrak must properly assign costs to each business line. It is anticipated that FY2015 will be the first detailed Amtrak budget to be created in the new Business Line alignment.

Corporate Department Realignments

In addition to the integration of the operations functions and the creation of the six business lines, Amtrak is also realigning portions of its corporate support groups in order to provide better support to business line operations. These changes will include:

- Reassigning the former Policy & Development department's State Contract responsibilities into the State-Supported Business Line.
- With the operations reorganization into terminals that comprise business lines, the remaining elements of the former Transportation department will be incorporated into the new Customer Service and Safety departments to better support the business lines.
- The Product Development and Food & Beverage functions have been consolidated into the new Customer Service support group within Operations. Advertising and sales continue as the Marketing and Sales organization.
- Functions relating to corporate security, threat assessment, emergency preparedness and response to incidents, and continuity of operations have been consolidated under a single command reporting directly to the Chief Executive Officer (CEO). Previously these functions were spread among multiple departments.
- The Environmental, Health, and Safety functions have been divided between the Legal department (environmental compliance, public health), the Human Capital Management department (employee health services), or the Safety Services department (safety policies and programs, safety reporting, industrial hygiene).

Realignment Progress and Milestones

The following major milestones have been achieved in the Amtrak realignment:

- October 2011 – Strategic Plan published, establishing the realignment vision and outline
- November 2011 – Vice-President (VP) of Northeast Corridor Infrastructure and Investment Development business line is named. Government Affairs department absorbs the State Partnerships organization, thereby uniting Federal and state governmental relationships under common leadership until ultimate transfer to the State-Supported Services Business Line occurs. Voluntary separation program announced in advance of large scale reorganization.
- April 2012 – VP of Operations named and given responsibility for integrating operations functions. Emergency Management and Corporate Security department established, centralizing under one executive the responsibility for responding to emergencies, maintaining continuity of operations, and corporate security.
- June 2012 – Recruiting begins for General Managers of NEC Operations and Long Distance Operations business lines; Operations Transition Team named and tasked with managing the integration of operations functions
- July 2012 – Recruiting begins for Chief Transportation Officer and Chief of Customer Service
- October 2012 – General Manager named for the NEC Operations business line; the former Environmental Health and Safety department is dissolved with its functions distributed to the Operating, Legal, and Human Capital departments
- November 2012 – General Manager named for the Long Distance business line
- December 2012 – Chief Transportation Officer named
- February 2013 – Chief of Customer Service named; recruiting begins for Chief of Operations Research and Planning

Pro-Forma Business Line Financial Statements

As previously noted, the new business line structure is still being established and the specific financial transactions for each business line can only be finalized when the structure is complete. FY2015 is expected to be the first year that a budget can be built in full business line structure. However, to demonstrate the potential financial picture of each business line, the operating statements for FY2011 and FY2012 have been organized into future Business Line structure as shown in Table 3:

Table 3 – Pro-Forma Business Line Financial based on FY2011 and FY2012

FY2011 Summary by Business Line

\$ millions	NEC	State	Long	Commuter			Total Amtrak	
	Operations	Supported	Distance	Services	NEC-IID	CAD		Other
Revenue	\$1,052.3	\$599.6	\$520.4	\$172.9	\$181.0	\$149.7	\$30.9	\$2,706.8
Operating Expenses	804.3	740.9	1,073.9	139.7	211.5	114.2	68.4	3,152.9
Cash Operating Contribution/(Loss)	\$248.0	(\$141.3)	(\$553.5)	\$33.2	(\$30.5)	\$35.5	(\$37.5)	(\$446.1)

FY2012 Summary by Business Line

\$ millions	NEC	State	Long	Commuter			Total Amtrak	
	Operations	Supported	Distance	Services	NEC-IID	CAD		Other
Revenue	\$1,121.3	\$618.0	\$557.1	\$130.5	\$200.9	\$216.0	\$32.8	\$2,876.6
Operating Expenses	817.5	769.1	1,115.7	127.5	226.4	147.4	34.8	3,238.4
Cash Operating Contribution/(Loss)	\$303.8	(\$151.1)	(\$558.6)	\$3.0	(\$25.5)	\$68.6	(\$2.0)	(\$361.8)

These income statements represents the total federal support required for Amtrak operations. These statements do not represent a Generally Accepted Accounting Principles (GAAP) financial statement. As compared to a GAAP financial statement, these statement exclude costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), net interest expense (funded by debt service appropriation), depreciation (non-cash expense), and accruals for estimated future post-retirement employee benefits (non-cash expense).

The pro-forma Business Line results were compiled utilizing the Amtrak Performance Tracking (APT) system which directly charges or fully allocates, as appropriate, Amtrak's revenues and expenses to the current lines of business within Amtrak. The effects of potential cross-charges were not factored into the results above due to the uncertain organization of the new business line structure. However, potential cross charges would not materially affect the cash operating contribution or loss of the business lines as presented. The pro-forma business lines were compiled based on the following:

- NEC Operations – Results for the Acela, Northeast Regional and Keystone routes.
- State Supported – Results of all routes less than 750 miles in length, excluding the NEC.
- Long Distance – Results of all routes of 750 miles or more in length.
- Commuter – Results of current Commuter operating customers.
- NECIID – Result of freight and commuter access revenues less allocated maintenance of way expenses for those services.
- Corporate Asset Development (CAD) – Results of Commercial and Reimbursable operating activity.
- Other – Results of miscellaneous items not covered by other business lines.

Superstorm Sandy

Background

On the evening of Monday, October 29, 2012 Superstorm Sandy made landfall on the New Jersey coast and slowly moved westward, covering the Northeast Corridor. As a precaution, Amtrak suspended service throughout the NEC corridor prior to the storm's arrival. The storm flooded four of the six underwater tunnels in the New York City area, flooded electrical power substation 41 in Kearny, New Jersey, caused washouts, and left debris on the track in numerous places, some of which also damaged the electric traction or signal systems. The flooded tunnels curtailed rail access to New York City for Amtrak and commuter rail carriers, and service disruptions continued after the tunnels were drained because the damage to the Kearny substation limited the number of trains that could be run per hour on the southern entry into New York. Partial service was restored between Washington, DC, and Newark, New Jersey on October 31, 2012. Full service in the NEC was restored on November 11, 2012.

Identified direct operating repair costs associated with Superstorm Sandy damages for Amtrak are currently estimated at \$66 million, but could increase over time. The estimate includes, but is not limited to, the costs associated with pumping and cleaning the tunnels in New York City, pumping, cleanup and electrical repairs to the Kearny, New Jersey electrical substation and the cost of removing debris from the right of way and repairing the damage from wind, water and deadfall. It is also estimated that Amtrak lost \$28 million in direct ticket revenue during the time train service was suspended within the NEC. As of this date, the total estimated operational economic impact of Superstorm Sandy on Amtrak is \$94 million.

Need For Immediate Infrastructure Hardening

The unprecedented flooding of Amtrak's New York City rail tunnels and the resulting service outage into Manhattan highlighted the serious need for vital improvements, improved resiliency, and redundant capacity that will protect the existing Penn Station tunnel system from floods and other emergencies. Since no two flooded locations were breached in exactly the same way, a combination of solutions is needed to prevent future flooding or enhance the redundancy of the system. In December of 2012 Amtrak requested \$276 million in supplemental FY2013 Federal funding to advance these measures. The improvements would include:

- **Penn Station and Tunnel Improvements: Enhanced Protection Against Flooding or Emergency Disruptions (\$65 million)** – This package includes improvements to protect the existing tunnels and station complex from flooding and other emergency disruptions, and to improve system resiliency. Fully submersible dewatering pumps, control systems, and power supplies will be installed in the Hudson River and East River tunnels and at dikes and/or levees to protect tunnel portals, Penn Station, and Hudson Rail Yard in Harrison, New Jersey. Other measures include raising ventilation gratings in Manhattan, and flood protection for Penn Station Control Center's electrical, power and control systems. Substation 41 in Kearny, NJ, which was completely flooded by Superstorm Sandy, would also be completely replaced and rebuilt at a new location and higher elevation, making it less susceptible to flooding.
- **Penn Station and Tunnel Improvements: Enhanced Recovery Capability (\$20 million)** – These measures accelerate a recovery effort in the event that future flooding of the tunnels or Penn Station terminal complex does occur. Emergency generators would be installed at Penn Station, with sufficient capacity to run the complete station ventilation and dewatering systems. Amtrak would also acquire mobile pumps and a pipeline for water discharge, and reconfigure the dry standpipe system for secondary dewatering capacity. A program to provide alternative power feeds in cooperation with PSE&G and Consolidated Edison would be completed.
- **The Gateway Program: Start Design and construction of New Hudson River Tunnels (\$191 million)** – In order to provide permanent and substantial new levels of flood prevention, redundancy, and capacity, Amtrak will advance design and early construction elements of the

Gateway Program. This includes completing design and beginning construction of an 800-ft right of way preservation project through the Hudson Yards development between 10th and 11th Avenues to preserve the right-of-way for a future tunnel to Penn Station. It also includes construction of the first phase of the “Portal North” high-level bridge over the Hackensack River to replace the existing, century-old, swing-span Portal Bridge. This category includes design work for new track configuration, signaling, and electrical traction elements to support the new infrastructure that will be created by the Gateway Program. Planning for pedestrian flows and design of the new Moynihan/Penn Station complex in Block 780 is also included.

Of these requested amounts, up to \$112 million (after sequestration) is available for grants to Amtrak through the Department of Transportation from the Hurricane Sandy-related Disaster Relief Appropriations Act of 2013, including up to \$30 million to cover storm-related operating costs and \$82 million to advance capital projects that address Northeast Corridor infrastructure recovery and resiliency in the Hurricane-affected areas. Additionally, Amtrak intends to seek further funding for these mitigation efforts that may be available from this Act or other sources in FY2013. If funding for these additional efforts is not available in FY2013, then Amtrak’s FY2014 request will likely be increased over the coming months to fund this important mitigation work.

Our first priority is the hardening of Amtrak’s current infrastructure against the risks that were revealed by Superstorm Sandy. However, in order to truly address the full range of known vulnerabilities, and to eliminate the potential for future catastrophic outages, additional system redundancy and prevention measures must be taken to improve our resiliency. These additional improvements can only be realized through completion of the Gateway Program which is discussed in detail in the Infrastructure Investments section of the Capital Request that follows.

Fleet Strategy

Each year Amtrak publishes its updated fleet strategy. The current version was published March 29, 2012 and is available at www.amtrak.com. Future fleet plans will be developed on a business line basis and reflect the equipment needed to implement their business plans. Since these individual business plans are still under development, the fleet acquisition plans discussed in this document reflect the 2012 version. No changes, however, are expected to the acquisition plan outlined in Table 4 through 2017.

The need to sustain fleet recapitalization is urgent. The average age of our equipment is just over 29 years. As the equipment has aged, the demands on our maintenance organization have grown and service delivery has become more challenging and expensive. In addition, aged equipment presents a poor appearance to customers, with undesirable consequences for ridership and revenue. New equipment is a vital pre-requisite for the improved passenger rail service envisioned by PRIIA, and replacement equipment investments must be made if the service is to be both sustained and grown. Rebuilding aging equipment is an interim solution, and Amtrak has continued this practice principally because it represents the only available means for obtaining the equipment needed to deal with burgeoning ridership. If passenger rail service is to be sustained and grown, equipment investment must be accepted as part of the process.

The current rolling stock acquisition plan is shown in Table 4.

Table 4 – Rolling Stock Unit Acquisition Plan

Year	Locomotives			Cars			HSR
	Electric	Diesel	Switcher	Single Level	Bi-Level	Auto Carriers	New High Speed Trainsets
2013			3				
2014	23		1	64			
2015	36		2	64			
2016	11						
2017							6
2018							6
2019		50	5	100			
2020		50	5	100			
2021		50	5	100	100		4
2022		50	5	100	100		2
2023		50	5	100	100		8
2024		30	5	100	100		6
2025				95	100		
2026					8		
2028						80	
Cycle 1	70	280	36	823	508	80	32
2036							6
2037							6
2038			6				
2039	23		6				
2040	36	50	5				
2041	11	50	5				4
2042		50	5				2
2043		50	5				8
2044							6
Cycle 2	70	200	32				32
Total	140	480	68	823	508	80	64

Seventy electric locomotives have been ordered and Amtrak expects to receive the first units for testing in the second half of calendar year 2013. One-hundred thirty of the 825 single level cars have been ordered and deliveries are projected to begin in the second quarter of FY2014. These cars will replace the Heritage equipment (which is in or past its sixth decade of service) on long distance trains.

One pending change from the March 2012 fleet plan that should be noted is the decision to accelerate the procurement of new next generation high-speed trainsets. Amtrak had previously intended to purchase 40 new *Acela* coaches to supplement capacity for the existing *Acela* trainsets, pending arrival of the next generation of high-speed trainsets; this plan has been discarded. The fleet plan is now being revised to eliminate the additional coaches for the existing trainsets, replacing them with next generation high-speed trainsets to supplement current *Acela Express* service and add seating capacity in the near-term. The precise number of new trainsets will be determined by market analysis presently underway. To advance this procurement, Amtrak recently partnered with the California High Speed Rail Authority to issue a Request for Information (RFI) to gather information regarding available high-speed trainsets which could be used both on the Northeast Corridor and the future California High-Speed Rail system. Based on information gathered through this RFI, including information regarding financing and procurement approaches, Amtrak intends to issue a subsequent Request for Proposal (RFP) in September, 2013, for expedited delivery of new equipment for initiation of service as soon as the 2017-2018 timeframe. Our FY2014 request includes an estimated cost to begin this procurement and associated improvements to support the new trainsets of \$200 million.

The new fleet acquisition cost in FY2014 (excluding buyouts of existing leases and RRIF financing) is estimated to \$339.5 million, including purchases of switcher locomotives. This amount is included in the FY2014 Federal capital appropriation request.

Risks to Amtrak's Business Plans

To ensure progress over the long term, investments must be made today, with the expectation that they will generate future benefits. Amtrak's reliance upon the annual appropriations cycle, without access to secure long-term funding, creates several risks to the successful execution of the plans articulated in this document and in related business plans. These risks include:

- 1. Enactment of a Federal Appropriation Act for FY2014:** The ability for the company to follow-through on its FY2014 plans and commitments will be affected by the passage (or failure to pass) and the timing of an FY2014 appropriation.
- 2. Amtrak's Authorization Expires in FY2013:** Amtrak's authorization under PRIIA expires at the end of FY2013 and a new authorization bill has not yet been presented.
- 3. Status of the Federal Debt Ceiling:** Amtrak's business plans depend upon the successful resolution of the Federal debt ceiling debate that will enable Federal funds to be spent.
- 4. Sequestration:** Amtrak's business plans, particularly capital investment plans, are dependent upon a Federal budget that mitigates the effects of sequestration in FY2014 and beyond. The effects of lowered discretionary spending caps could adversely impact Amtrak's ability to fund key infrastructure and fleet initiatives.
- 5. State Compliance with PRIIA 209 Pricing:** PRIIA directed Amtrak, in consultation with relevant States, to develop and implement standard pricing for state-supported services and to implement the pricing model in FY2014. Amtrak and the States developed the model which was approved by the Surface Transportation Board (STB) in March 2012. The FY2014 operating grant request assumes that Amtrak and the States impacted by the Section 209 requirement execute contracts implementing the new pricing model. The FY2014 request assumes incremental state revenue totaling \$85.0 million. The ability or willingness of the state partners to conclude these pricing agreements could pose a potential risk to this plan.
- 6. Superstorm Sandy Supplemental Funding:** Amtrak incurred an estimated \$94 million of operating losses from Superstorm Sandy in the form of lost ticket revenue and one-time recovery costs. The recently enacted Disaster Relief Appropriations Act of 2013 awarded Amtrak up to \$32 million (\$30 million after sequestration) for recovery of operating expenses leaving an estimated \$20 million. Because the FY2013 appropriation process has not addressed this loss, the unfunded amount must be recovered through normal business activities or a new appropriation. If this recovery is not made there will be corresponding financial risk to Amtrak's business plans and cash position. Additionally, a provision in the Disaster Relief Appropriations Act of 2013 effectively restricts Amtrak's ability to access \$86 million (\$82 million after sequestration) in funding appropriated by Congress to protect critical Northeast Corridor infrastructure in the area affected by Superstorm Sandy from future storms and flood events. If that provision is not amended or repealed, Amtrak will be forced to forgo the \$86 million and leave the very infrastructure damaged by Superstorm Sandy susceptible to future weather and other disruptive events.
- 7. Availability of New Fleet Financing:** Amtrak's long-term strategy to replace its aging fleet and procure new high speed rolling stock requires several billion dollars of investment over the

next decade. The FY2014 grant request includes roughly \$356 million for fleet acquisition investments, excluding the buyout of leases on existing equipment, planned in FY2014. The production of rolling stock is a multi-year process that requires multi-year commitments. When Amtrak orders rolling stock, the financial commitment is several years in duration and the total costs could extend into the billion dollar range. Such planning and investment is simply not possible when capital fund sources are annual only and are subject to change. Investment of this magnitude requires long-term Federal support and commitment and lack of such commitment presents a significant risk to the long-term success of Amtrak's plans.

- 8. Early Buyout Financing (EBO):** For the past several years Amtrak has aggressively pursued the buyout of capitalized leases of its rolling stock. Exercising buyout options lowers lease payment and debt service costs and ensures access to the fleet that carries Amtrak's passengers. From FY2011 through FY2013 Amtrak enjoyed special financing from the U.S. Treasury, authorized by PRIIA, that funded approximately \$420 million of lease buyouts. By exercising those buyout options, future debt service obligations were reduced by \$582 million, saving the taxpayer about \$162 million. Amtrak does not have access to this separate funding in FY2014 but has \$196.5 million of buyout options available. Exercising the FY2014 options would reduce future payment obligations by another \$304.0 million, saving the taxpayers an additional \$107.5 million. Accordingly, funding of the FY2014 early buyouts is requested in the FY2014 capital and debt service grant.
- 9. Post-Retirement Employee Benefit Liability:** Amtrak's workforce is older than a typical workforce and a large percentage of that population is at or nearing retirement age. Each year an actuary updates Amtrak's forecast of post-retirement health care and insurance costs for current and projected retirees. This liability, which is not funded, is approaching \$1.4 billion and is growing by tens of millions of dollars annually.

FY2014 Request for Federal Support - Overview

As in previous years, Amtrak will require Federal operating and capital support in FY2014. Our company has, however, been working hard to trim operating costs, and the results can be seen in the table below. This year's operating request will be lower than our FY2013 request, as a result of expected improvements in ridership and revenue, debt buyouts, and other cost control measures. While we have undertaken these measures to trim our dependence on Federal support, it should be noted that larger economic trends continue to drive costs upward. Amtrak's budget has been increased by contractual wage increases for agreement employees, volatile and increasing energy prices, and rapidly rising health care costs. Our ability to generate offsetting revenue is in large part a product of the careful capital investments made in Amtrak's infrastructure and fleet in preceding decades. There is, however, a pressing need for higher levels of capital investment if this trend is to be sustained. Recent investment levels allow Amtrak to maintain the current status of the infrastructure and rolling stock but leave little room for improvements; there are few available funds for addressing deferred maintenance or replacing aged rolling stock. The long-term stability and improvement of the infrastructure and the development of high-speed intercity passenger rail service in coming years will depend upon continued Federal capital investment.

Amtrak requests \$2.6 billion of Federal support for FY2014, as summarized in Table 5 below:

Table 5 – FY2014 Request and Recent Federal Appropriations

<i>\$ Millions</i>	<u>Recent Appropriations</u>				FY2014 Request
	FY2010	FY2011	FY2012	FY2013	
<u>Capital/Debt Service</u>					
Capital Grants - Ongoing	\$594	\$658	\$616	\$642	\$1,270
ADA Capital	144		50	47	75
NEC Gateway			15	14	152
Rolling Stock Acquisitions					340
Equipment Lease Buyouts					197
Total Federal General Capital	738	658	681	703	2,032
Debt Service	264	264	271	199	199
Total Capital and Debt Service	1,002	922	952	902	2,232
Operating Grant	563	562	466	442	373
Superstorm Sandy Operating Supplemental				30	
Total Grants	1,565	1,484	1,418	1,374	2,605
Less Amount Retained by FRA	(10)	(9)	(10)	(9)	(20)
Net Grants to Amtrak	\$1,555	\$1,475	\$1,408	\$1,365	\$2,585

Note: FY2013 Operating and Superstorm Sandy Supplemental Grant amounts are after sequestration

FY2014 Request for Operating Support

Amtrak's FY2014 request for Federal support of Operations is \$373.1 million. Table 6 shows the calculation of this amount, compared to recent years' operating results.

Table 6 - Projected Profit and Loss Statement

\$ millions	FY2012	FY2013	FY2014	FY2014 Fav/(Unfav) to FY2013	
	Actual	Budget	Request	\$	%
Ticket Revenue	\$1,968.2	\$2,099.1	\$2,124.7	\$25.6	1.2%
Food and Beverage	122.0	123.0	128.3	5.2	4.3%
Subtotal Passenger Revenue	2,090.2	2,222.1	2,253.0	30.9	1.4%
State Supported Train Revenue ¹	179.0	195.4	286.6	91.1	46.6%
Commuter	140.4	109.9	121.1	11.2	10.2%
Reimbursable	121.4	135.8	132.5	(3.3)	-2.4%
Commercial Development	93.9	80.0	76.0	(4.0)	-5.0%
Other Transportation	147.2	138.0	145.2	7.2	5.2%
Freight Access Fees and Other	72.1	60.0	54.2	(5.9)	-9.8%
Subtotal Other Revenue	574.9	523.8	528.9	5.2	1.0%
Total Operating Revenue	2,844.1	2,941.3	3,068.5	127.2	4.3%
<i>Salaries, Wages and Benefits:</i>					
Salaries	267.2	267.4	285.2	(17.7)	-6.6%
Wages & Overtime	1,033.3	1,068.8	1,100.1	(31.2)	-2.9%
Employee Benefits	608.5	610.7	652.0	(41.3)	-6.8%
Employee Related	29.4	29.1	29.9	(0.8)	-2.7%
Salaries, Wages and Benefits	1,938.5	1,976.1	2,067.1	(91.1)	-4.6%
Train Operations	245.2	283.7	282.1	1.7	0.6%
Fuel, Power, & Utilities	355.3	375.5	373.7	1.9	0.5%
Materials	184.8	188.3	187.3	1.0	0.6%
Facility, Communication, & Office	166.5	169.5	174.0	(4.6)	-2.7%
Advertising and Sales	78.5	98.4	99.8	(1.4)	-1.5%
Casualty and Other Claims Total	50.7	56.9	56.0	0.8	1.5%
Amort of Gain On Sale/Leaseback	(4.1)	(3.8)	(4.1)	0.3	-6.7%
Professional Fees	81.4	105.8	93.6	12.2	11.6%
Data Processing Services and Supplies	135.7	124.4	136.7	(12.4)	-9.9%
Environmental and Safety	7.1	9.1	10.2	(1.0)	-11.1%
M of W Services	33.5	38.9	39.0	(0.1)	-0.3%
Passenger Inconvenience	12.9	11.8	12.5	(0.7)	-6.2%
Financial ¹	39.9	45.4	66.5	(21.1)	-46.4%
Pcard Transactions	0.8	0.5	0.2	0.3	62.9%
Expense Transfers	7.1	0.2	0.0	0.2	94.4%
Other Expenses	0.8	4.4	(0.1)	4.6	102.7%
Transfer Credits (from Capital Projects)	(128.7)	(128.9)	(133.9)	5.0	-3.9%
Total Expenses	3,205.9	3,356.3	3,460.7	(104.4)	-3.1%
Operating Loss (Cash Basis)	(361.8)	(415.0)	(392.2)	22.8	6.3%
Exclude Repayment of RRIF Loan ²			19.1		
Federal Operating Support Need	\$361.8	\$415.0	\$373.1	\$41.9	11.6%
Federal Appropriation	\$466.0	\$441.6	NA		

This income statement represents the Federal support required to supplement Amtrak's non-Federal operating revenue. This income statement does not represent a Generally Accepted Accounting Principles (GAAP) financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and certain contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation), depreciation (non-cash expense), and accruals for estimated future post-retirement employee benefits (non-cash expense).

¹ FY2014 growth in State Supported Train Revenue exceeds the expected \$85 million gain from PRIIA 209 because ticket revenue on state routes is projected to \$6M favorable to budget in FY2013, which lowers state payments.

² A projected RRIF loan repayment of \$19.1 million is included in the Financial expense line but subsequently excluded from the request for Federal operating support

Discussion of FY2014 Revenue and Ridership

Passenger Revenue

Passenger ridership and revenue projections are developed with the assistance of a market research consulting firm. The firm employs a complex model that takes into account numerous factors such as population growth, shifts, and preferences, travel industry competition including the price of gasoline, economic conditions, service schedules, and proposed pricing actions. Amtrak has experienced consistent growth in ticket revenue since 2009 through continued delivery of quality service, proactive revenue growth actions and modest pricing actions. **Amtrak is positioned to deliver ridership at levels slightly higher than today's, with passenger revenue expected to total \$2.25 billion in FY2014, representing an increase of \$63.0 million (2.9%) compared to FY2013.**

Chart 7 – Ridership Trends

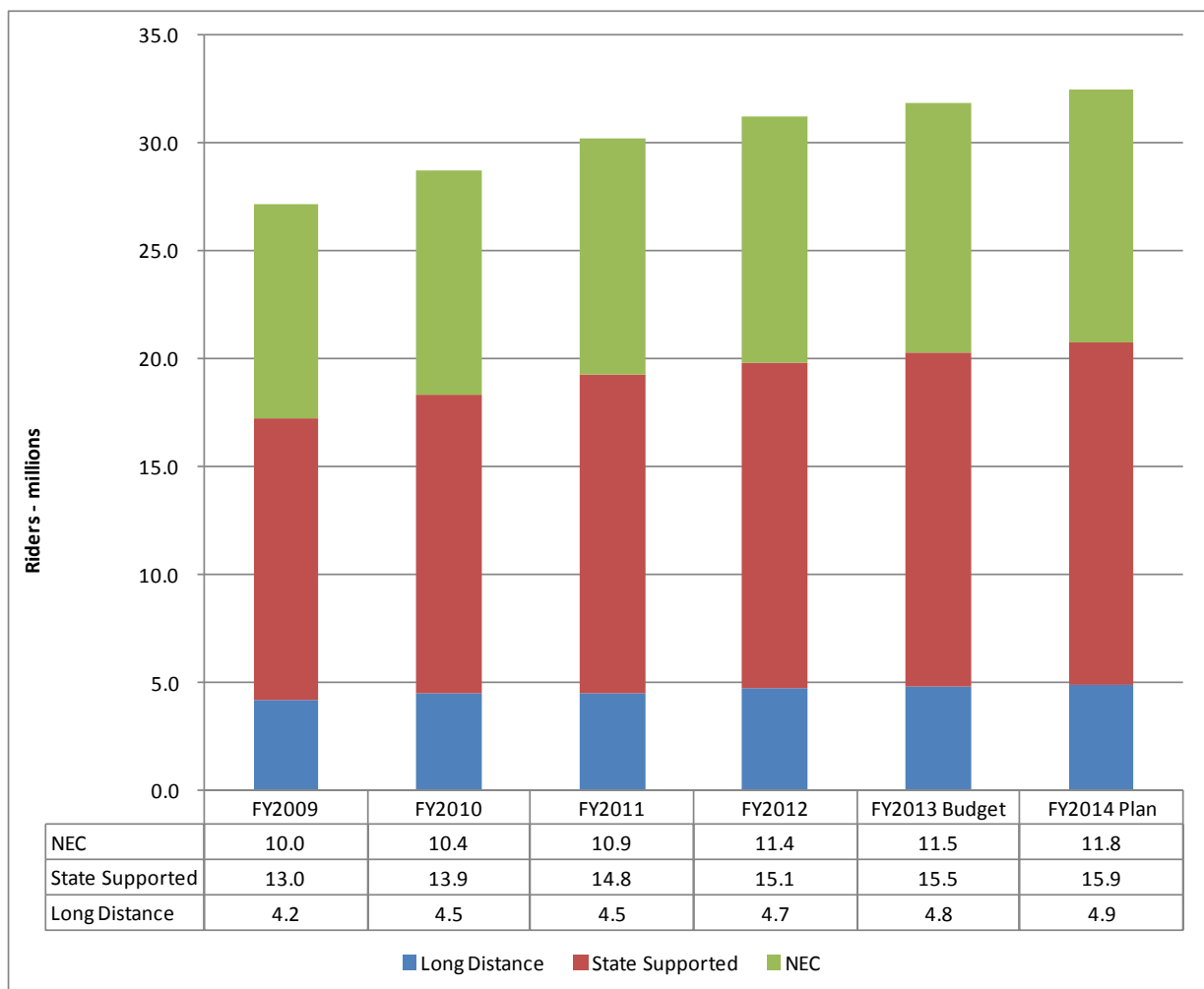
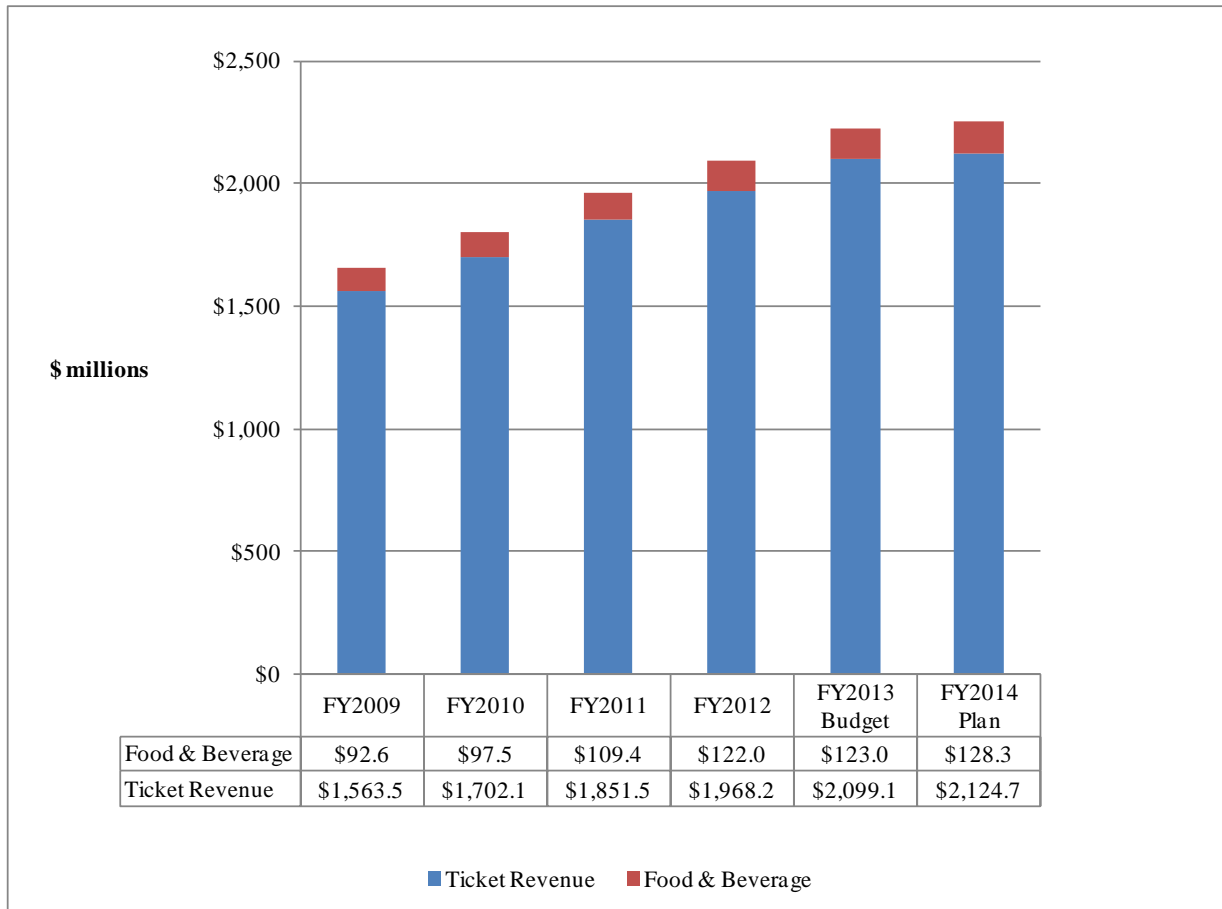


Chart 8 – Ticket, Food and Beverage Revenue Trends



State Supported Services

Amtrak has contractual agreements to provide services to 15 states which are in turn to provide financial support to those trains. Section 209 of PRIIA gave Amtrak the following direction for state-supported services: “Within 2 years after the date of enactment of this Act, the Amtrak Board of Directors, in consultation with the Secretary (of US DOT), the governors of each relevant State, and the Mayor of the District of Columbia, or entities representing those officials, shall develop and implement a single, nationwide standardized methodology for establishing and allocating the operating and capital costs among the States and Amtrak associated with trains operated on each of these routes [defined as less than 750 miles]” and that “ensures, within 5 years after the date of enactment of this Act, equal treatment in the provision of like services of all States and groups of States...and allocates to each route the costs incurred only for the benefit of that route and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 route.”

In FY2014, as a result of the implementation of Section 209, Amtrak estimates that state support will increase by approximately \$85.9 million, an increase of 42.8% over FY2013.

Amtrak’s efforts with respect to state supported services extend beyond cost-sharing methodology. In November 2012, through partnership with the New York State Department of Transportation and a long-term lease with CSX, Amtrak took over dispatching and maintenance of approximately 100 miles of the Empire Corridor between Poughkeepsie and Schenectady NY. In addition, Amtrak has agreed to construct approximately \$200 million of infrastructure improvements to this corridor. The program is

funded through a combination of the American Recovery and Reinvestment Act's (ARRA) High-Speed Intercity Passenger Rail program ("HSIPR"), and state funds and includes:

- Albany-Schenectady Double Track - 17 miles of second main track and upgraded signals
- Albany-Rensselaer station – 4th track
- Schenectady station - new platform
- Replacement of old signal pole lines - new underground cables between Poughkeepsie and Red Hook (north of Rhinecliff)
- Upgrading of three at-grade public rail crossings

When completed in 2016, the improvements will provide the capacity needed to expand rail service, improve service reliability and decrease trip times along the Empire Corridor.

On December 7, 2012 the Michigan Department of Transportation (MDOT) purchased the 135-mile Norfolk Southern (NS) rail line between Kalamazoo, Michigan and Dearborn, Michigan. Today Amtrak uses this line to connect major cities such as Chicago and Detroit through the Wolverine service. The purchased line connects to the Amtrak owned and operated Michigan Line between Kalamazoo and Porter, Indiana. Amtrak has negotiated and signed agreements with MDOT to provide dispatching, maintenance, management, and service outcomes on the MDOT-owned portion of the line for 20 years following completion of approximately \$200 million of infrastructure improvements. The purchase and subsequent improvements are funded by the Federal Railroad Administration (FRA) pursuant to the Consolidated Appropriations Act, 2010 (Pub. Law 111-117), the HSIPR program, and by state funds. The infrastructure projects include track improvements to support increasing maximum speeds to 110 mph on portions of the line, and installation of a new signal system and Positive Train Control System on the line. Most agreements between MDOT and NS, MDOT and Amtrak, and Amtrak and NS were completed December 7, 2012, and construction on the infrastructure improvements are planned to begin during 2013. Completion of the infrastructure program is anticipated to reduce trip times and delays. The Hudson and Michigan Line agreements are expected to have minimal impact on Amtrak costs as the States will reimburse Amtrak for its expenses.

Other Operating Revenue

Other operating revenue is budgeted according to the operating agreements for delivering those services.

- **Commuter Revenue** - In addition to providing 15 states with Amtrak service, we also partner with the states or regional transportation authorities in Maryland, Florida, Connecticut, California, and Washington to provide commuter services with annual revenue projected to be \$121.1 million in FY2014.
- **Reimbursable Revenue** - Amtrak performs reimbursable project work for a number of state agencies on an as-needed basis. Reimbursable revenue is equally offset by operating expenses to perform the work.
- **Commercial Development** - Amtrak leverages and maximizes revenue from its real estate holdings through retail, parking, advertising real property leases/easements/sales and right-of-way fees.
- **Other Revenue** - Amtrak leverages its ownership of track in the Northeast Corridor by charging other railroads access fees for their passage on the NEC. Other revenue sources include resale of electric propulsion to state commuter agencies, commissions from co-branded credit cards, and revenue from other travel partners.

Discussion of Operating Expenses

Amtrak's FY2014 operating expenses total \$3.46 billion inclusive of \$19.1 million for RRIF loan repayment. Table 9 summarizes these expenses by major category. The appendix contains additional breakdown of each expense category.

Table 9 – Operating Expenses by Category

\$ millions	FY2012	FY2013	FY2014	FY2014 Fav/(Unfav) to FY2013	
	Actual	Budget	Request	\$	%
Salaries	\$267.2	\$267.4	\$285.2	(\$17.7)	-6.6%
Wages & Overtime	1,033.3	1,068.8	1,100.1	(31.2)	-2.9%
Employee Benefits	608.5	610.7	652.0	(41.3)	-6.8%
Employee Related	29.4	29.1	29.9	(0.8)	-2.7%
Salaries, Wages and Benefits	1,938.5	1,976.1	2,067.1	(91.1)	-4.6%
Train Operations	245.2	283.7	282.1	1.7	0.6%
Fuel, Power, & Utilities	355.3	375.5	373.7	1.9	0.5%
Materials	184.8	188.3	187.3	1.0	0.6%
Facility, Communication, & Office	166.5	169.5	174.0	(4.6)	-2.7%
Advertising and Sales	78.5	98.4	99.8	(1.4)	-1.5%
Casualty and Other Claims Total	50.7	56.9	56.0	0.8	1.5%
Amort of Gain On Sale/Leaseback	(4.1)	(3.8)	(4.1)	0.3	-6.7%
Professional Fees	81.4	105.8	93.6	12.2	11.6%
Data Processing Services and Supplies	135.7	124.4	136.7	(12.4)	-9.9%
Environmental and Safety	7.1	9.1	10.2	(1.0)	-11.1%
M of W Services	33.5	38.9	39.0	(0.1)	-0.3%
Passenger Inconvenience	12.9	11.8	12.5	(0.7)	-6.2%
Financial ¹	39.9	45.4	66.5	(21.1)	-46.4%
Pcard Transactions	0.8	0.5	0.2	0.3	62.9%
Expense Transfers	7.1	0.2	0.0	0.2	94.4%
Other Expenses	0.8	4.4	(0.1)	4.6	102.7%
Transfer Credits (from Capital Projects)	(128.7)	(128.9)	(133.9)	5.0	-3.9%
Total Expenses	\$3,205.9	\$3,356.3	\$3,460.7	(\$104.4)	-3.1%

¹ A projected RRIF loan repayment of \$19.1 million is included in the Financial expense line but subsequently excluded from the request for Federal operating support

Salaries, Wages, Taxes and Employee Benefits

Salaries: In FY2012, Amtrak elected to not award performance pay increases to non-agreement employees for one year. By not increasing base wages in FY2012, over a period of five years the company estimates that it will save approximately \$50 million in salaries and payroll taxes. A modest pay increase was granted in FY2013 and the FY2014 request includes a provision for modest merit-based pay increases in FY2014.

Wages: Wage rates are governed by the new labor agreements that began being ratified in the summer of 2010 and which remain in effect until June 30, 2015. Agreements with all unions follow the same wage increase patterns, and accordingly all unions including those still not yet ratified by the unions were budgeted using the terms of the new agreements.

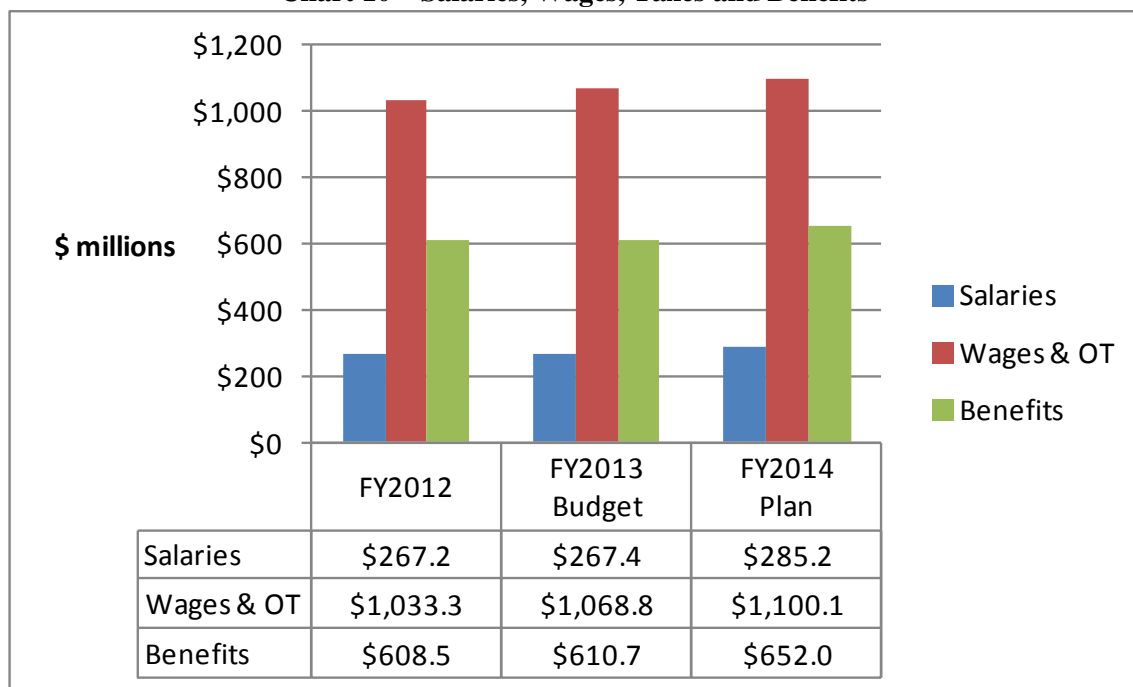
Employee Benefits: Employee benefit costs were calculated using total planned payroll expense across all business activity including capital and reimbursable projects. An outside consulting firm provided actuarial projections for the pension and retirement expense planning. Insurance costs were

projected by Amtrak’s Benefit Accounting group, with assistance from the outside firm, using the projected participation in each plan and the projected costs of those plans. Railroad taxes were planned in accordance with the prevailing tax rates applied to wage and salary budgets.

Employee health care is an area of considerable financial risk to the company. Amtrak’s employee population is considerably older than an average company. Most of Amtrak’s health plan members are covered by labor agreements and the company is self-insured, factors that result in less flexibility and less control over health care costs. Another potential risk is the taxation on high value health plans, to which Amtrak’s plans may be subject.

Amtrak has taken proactive steps to mitigate rising benefits costs. In late FY2011, Amtrak successfully renegotiated its existing pharmacy administration services contract with a prescription benefit provider for agreement-covered employees. The revised contract is estimated to save Amtrak 8.5% of the plan’s total projected cost for pharmaceuticals over the three year contract period (2012-2014). In late FY2011 Amtrak also rebid its medical and pharmacy administration services contracts for non-agreement employee plans. The new three year contract with the prescription benefit provider for non-agreement plan pharmacy administration services is estimated to save 9.8% of the plan’s total projected cost. These revisions will save Amtrak a total of \$12 million over three years.

Chart 10 – Salaries, Wages, Taxes and Benefits



Fuel, Power and Utilities

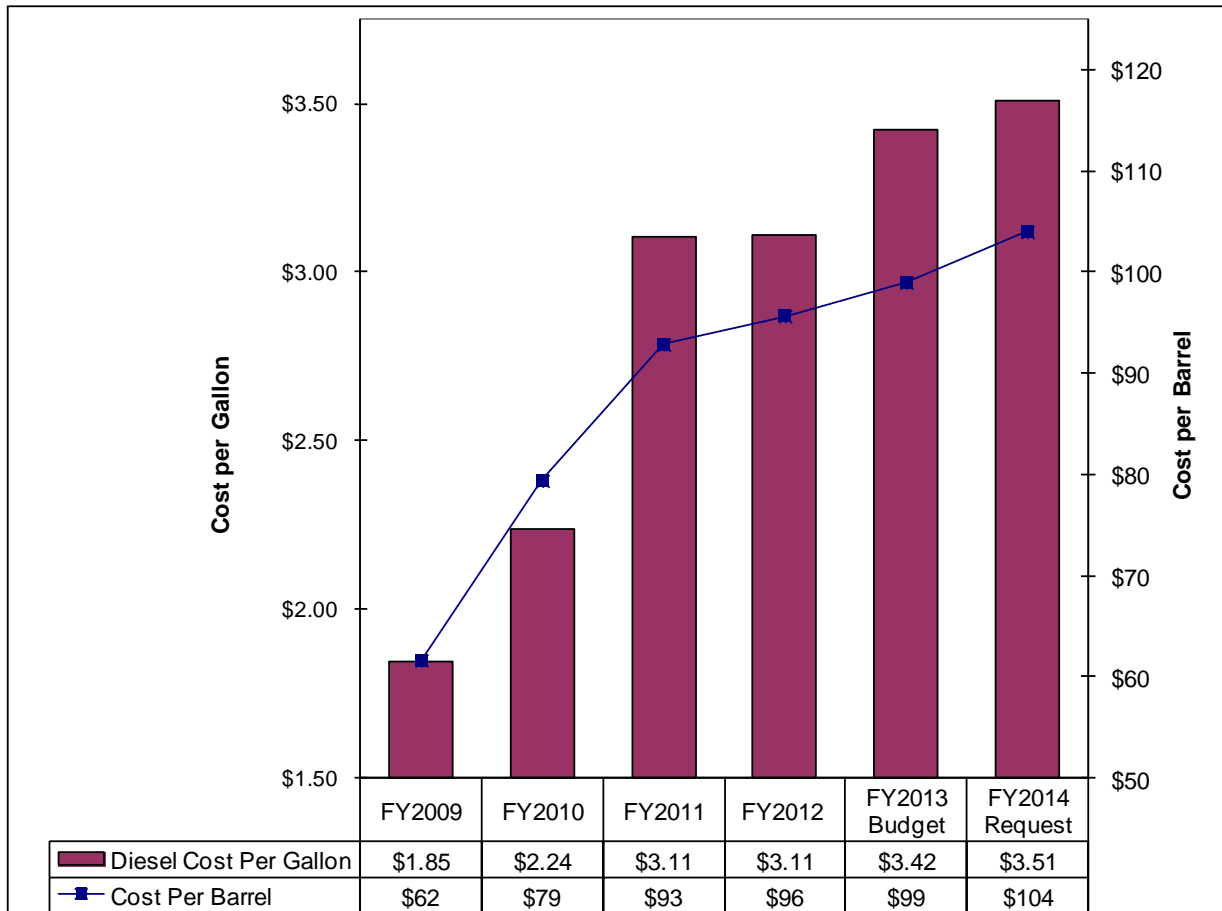
Train Propulsion: Electricity to power electric locomotives operating in the NEC was budgeted in accordance with projected contractual power costs and projected consumption based on the service schedule. Amtrak negotiates multi-year contracts for bulk electric power to be used for train propulsion. All propulsion power distribution is provided by the Philadelphia Electric Company (PECO) but three companies – Exelon, Constellation New Energy, and GDF Suez – are utilized as power generation resources. The most recent contracts became effective January 1, 2011 and provide favorable pricing that has limited growth of this major expense for several years.

Consumption of diesel fuel to power off-corridor diesel locomotives was planned in accordance with the service schedule and historical per-mile consumption statistics. Diesel fuel prices per gallon were

estimated using the Department of Energy’s long term price forecasts and have been indexed to account for geographic price variation due to the sourcing, delivery and transportation options available in each market.

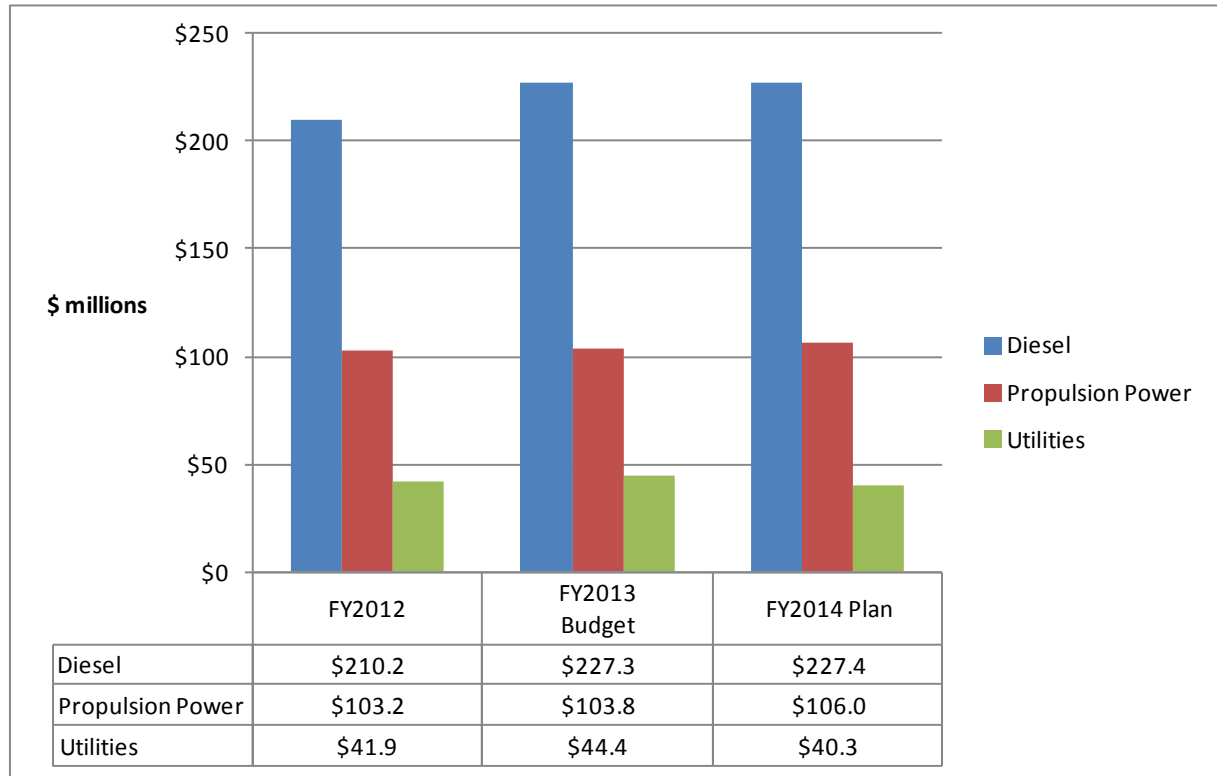
The volatility of petroleum markets poses a significant economic risk to Amtrak. Amtrak consumes approximately 66 million gallons of diesel fuel annually, and an unexpected increase of one or two dollars per gallon can have significant economic consequences. To mitigate this risk, Amtrak routinely purchases fuel hedges on about half of the projected gallon consumption. Typically these hedges could provide up to one dollar per gallon price protection against sudden price increases.

Chart 11 – Diesel Fuel



Utilities: Utility budgets were developed with the assistance of an energy management consultant who also audits and pays our utility bills, and maintains an extensive database of Amtrak’s usage history and price agreements that facilitates accurate planning. The company is engaged in several energy conservation efforts that are containing or reducing utility expenses.

Chart 12 – Fuel, Power and Utilities



Train Operations

Payments to host railroads for performance incentives and maintenance were planned in accordance with prevailing contracts and projected route performance. For comparison purposes, Amtrak benefited from a \$22 million non-recurring expense recovery from a dispute settlement with a freight railroad in FY2012. Costs for on-board food service were planned in accordance with concessionaire agreements and projected food & beverage on-board sales.

Materials

Materials consumed in the maintenance of track infrastructure and train equipment were budgeted by the Engineering and Mechanical departments according to the work production plans in each department, including materials used in reimbursable work.

Facility, Office, Communication

Rent, Common Area Maintenance, and other occupancy costs were budgeted by the Real Estate department to reflect current lease agreements.

Advertising and Sales

These costs include credit card commissions as well as the costs associated with advertising media and production, the Amtrak Guest Rewards loyalty program, timetable and railway guides, and third party sales channels such as travel agent sales system commissions and connections. Prior to FY2012 the company evaluated its advertising mission and strategy and reduced its expenditures on traditional advertising, sales promotions, timetables, exhibits, special events, and merchandising. These expenditures were reduced by about 55% from FY2010 levels, a savings of about \$38 million. After experiencing a reduced growth rate in ridership, advertising expenditures have been partially restored in both FY2013 and FY2014 but still represent a decrease of about 34% from FY2010 levels. This

increase is funding new campaigns for both *Acela* and Northeast Regional to stimulate growth in these markets.

Professional Services

Requirements for external legal services, consultants, and contracted professional services were planned by individual departments. Growth in Professional Services from FY2012 to FY2014 is driven primarily by restoration of market research and advertisement production that was suspended in FY2012, the extension of the Safe-2-Safer initiative, and software development for Human Capital applications.

Data Processing Services and Supplies

The costs for contracted providers to operate Amtrak's data centers, networks, and communications infrastructure were planned in accordance with existing contracts and projected usage.

Casualty Claims

Estimates for casualty claims including employee Federal Employers' Liability Act (FELA) and passenger liability were developed with assistance from actuarial consultants.

Operating Expenses Paid by Capital Projects

Overhead and management attributable to capital projects are allocated to the projects with an offsetting reduction to operating expense. These offsetting reductions to operating expenses, commonly known as "transfer credits", were calculated using capital project plans and current transfer credit rates. Transfer credits are applied only to Amtrak workforce labor utilized on a capital project, and materials that are procured, warehoused, and distributed by Amtrak facilities. The migration of capital investment away from workforce projects and into outsourced investments such as the purchase of rolling stock poses the potential reduction to transfer credits, and therefore an increase to operating support requirement.

All Other

All other operating expenses were developed at the department level based upon known and/or planned contractual commitments and other operational impact.

FY2014 Request for Capital

Amtrak's FY2014 request for Federal capital support is \$2.032 billion.

Amtrak receives capital funding from state and local entities as well as from the Federal government. The total Capital Program plan summary is presented below. Key program requests that are new or significantly different from prior years include:

- **Advancing the Gateway Program (\$151.6 million):** The Gateway Program is planned to begin in FY2013 with the start of construction in the Hudson Yards in order to preserve the right of way for the future Gateway tunnel, as discussed in the Superstorm Sandy section of this document. FY2014 funds will fund commence work on the replacement of the Portal Bridge (\$100 million), continuing design of future Gateway phases (\$42 million) and other related track investment (\$8.6 million). These amounts are included with Infrastructure in Table 13.
- **Special funding of Early Buyout of Equipment Leases ends in FY2013 (\$196.5 million):** PRIIA Sections 102 (b) and 205 established the authority for the United States Treasury to fund early buyouts of Amtrak's leased rolling stock. Grant Agreement DTFRDV-11-G-00003 funded these buyouts from FY2011 through FY2013, and provided approximately \$420 million for this purpose. By exercising those buyout options, future debt service obligations were reduced by \$582 million, saving the taxpayer about \$162 million. In FY2014 Amtrak does not have access to this separate funding, but has \$196.5 million of buyout options available. Exercising the FY2014 options would reduce future payment obligations by another \$304.0 million, saving the taxpayers an additional \$107.5 million. Accordingly, funding of the FY2014 early buyouts is requested in the FY2014 capital grant.
- **Advancing fleet replacement (\$339.5 million):** Amtrak has begun the replacement of its aging fleet. In FY2014, the company plans to spend \$139.4 million on the replacement of long-distance Heritage equipment, representing a \$66.7 million increase over FY2013. In addition, the acquisition of the next generation of high-speed trainsets for the Northeast Corridor service is expected to begin in FY2014, with \$200 million requested in FY2014 to begin the procurement process and related improvements to support the new vehicles.

Table 13 – Summary Capital Funding

<i>\$ millions</i>	Federal Capital		Other Fund Sources ¹		Total Capital Program	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Infrastructure	\$385.2	\$1,029.5	\$242.6	\$391.4	\$627.8	\$1,420.8
Fleet Acquisitions - New	68.2	339.5	136.1	71.8	204.3	411.3
Early Lease Buyouts		196.5	109.9		109.9	196.5
Fleet Overhauls and General	229.4	332.1	5.7		235.1	332.1
Information Technology	15.6	82.2	37.8		53.3	82.2
Sales & Marketing		42.2	17.2		17.2	42.2
Environmental Remediation	4.6	9.4			4.6	9.4
Security			37.1	10.0	37.1	10.0
Other	0.3	1.0	5.3	7.0	5.6	8.0
Total Capital Program	\$703.3	\$2,032.3	\$591.7	\$480.2	\$1,295.0	\$2,512.5

¹ Other fund sources include: contributions from state and local partners; RRIF loan financing; special grants from the Departments of Treasury and Homeland Security; special Federal programs such as Disaster Relief, ARRA, and HSIPR as applicable

Infrastructure Investments

While 70% of Amtrak's train-miles are run on the rail infrastructure of the private freight railroads, Amtrak controls and is directly responsible for the condition and reliability of 363 miles of the 457 mile Northeast Corridor (NEC) between Boston, New York, and Washington. This route hosts the most intense and complex passenger train operations on the North American continent. Additionally, Amtrak owns the Harrisburg and Springfield lines that connect with it; the 11-mile "Empire" connection linking Penn Station with Spuyten Duyvil on the Albany Line; a number of stations and yard facilities in major urban hubs, and approximately 100 miles of the Michigan Line serving the Chicago to Detroit corridor.

The cost of managing, maintaining, and improving these assets is substantial. Amtrak's most recent estimate is that the State of Good Repair (SOGR) backlog on Amtrak-owned/operated NEC infrastructure is about \$5.8 billion in FY2012 dollars. On top of this, the incremental investment needed to renew these existing infrastructure assets once SOGR has been achieved is estimated to be \$380 million per year.

It is important to note that Amtrak reprioritizes SOGR spending when necessary to allow it to address safety and operability issues as they arise. A backlog of SOGR should not, therefore, be understood as an accumulation of disintegrating or unsafe structures; it is rather a list of projects that have passed the end of their designed life but may continue to carry traffic safely, albeit at times with the additional burden of increased maintenance costs or impacts on reliability and performance.

The infrastructure backlog includes:

- More than 200 bridges, most dating to the turn of the last century;
- Baltimore's B&P and Union Tunnels, built in 1873;
- Many rail interlockings (junctions and crossovers) that are functionally obsolete; and
- Electric traction systems relying on 1930s-era components.

Amtrak estimates that even with adequate funding, resources and equipment, it will take a minimum of 15 years to resolve the backlog while still maintaining a reliable level of rail service – a requirement that complicates the maintenance and construction work considerably. Failure to adequately invest in this work on an annual basis will increase the exposure to costs and performance impacts stemming from the use of out-of-SOGR assets and merely push the completion date out further and raise the costs and impacts of the capital work, as the backlog increases and Amtrak is forced to reprioritize to address new and pressing problems. Amtrak's infrastructure assets will require an average of \$760 million per year to achieve its 15 year state of good repair plan (SOGR) – \$380 million per year for the normalized replacement of assets and \$380 million per year to address the SOGR backlog. In addition to state of good repair needs, the Northeast Corridor is operating at or near capacity on many segments. Some 2,200 trains operate on the corridor on a daily basis, including Amtrak, commuter and freight, and traffic is expected to increase by approximately 50% by 2040 and more than double by 2050, being driven in part by increasingly congested highway and air networks. With Amtrak's recently released Northeast Corridor Vision Update report issues in July, 2012 serving as a base, Amtrak is currently working closely with the Northeast Corridor Infrastructure and Operations Advisory Commission, the U.S. Department of Transportation, the Northeast states and other commuter and freight railroads to prepare an NEC Comprehensive Infrastructure Investment Plan that will identify, in addition to SOGR needs, high priority capacity improvements that are essential to move forward in the next five years to accommodate increasing demand for improved and expanded rail services in the heavily congested Northeast Corridor.

Amtrak's FY2014 request for Federal capital investment in infrastructure is \$1,029.5 million as summarized in Table 14. The total infrastructure investment from all funding sources is \$1,420.8 million. Descriptions of the infrastructure programs follow Table 14.

Table 14 –Infrastructure Capital Request

<i>\$ millions</i>	Federal Capital		Other Fund Sources ¹		Total	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Structures	\$82.7	\$247.7	\$43.6	\$65.8	\$126.3	\$313.5
Communications & Signals	17.5	24.3	\$4.3	8.5	21.8	32.8
Electric Traction	24.0	128.1	\$8.9	7.3	32.9	135.4
Track	133.4	200.1	\$92.0	116.3	225.4	316.4
Life Safety	3.4	7.5	\$13.1	13.0	16.5	20.5
Track Equipment	14.7	40.0	\$0.0		14.7	40.0
Annual Track Infrastructure Renewal	\$275.8	\$647.7	\$161.9	\$210.9	\$437.7	\$858.6
New Jersey High-Speed Improvement Program			\$51.4	\$86.3	\$51.4	\$86.3
Gateway Project	20.0	151.6	14.2	91.0	34.2	242.6
NEC Stations Improvements	2.5	78.5			2.5	78.5
ADA	50.0	75.0	3.1		53.1	75.0
Positive Train Control	16.3	41.0	9.6	3.2	25.9	44.2
Mechanical Facility Improvements	3.8	14.5			3.8	14.5
Renovations to Philadelphia 30th Street Garage	15.0	18.0			15.0	18.0
Other	2.0	3.2	2.4		4.4	3.2
Total Infrastructure Projects	\$385.2	\$1,029.5	\$242.6	\$391.4	\$627.8	\$1,420.8

¹ Other funding sources include: contributions from state and local partners and special Federal programs such as Disaster Relief, ARRA, and HSIPR

Structures

Bridges, Culverts and Tunnels

- **Movable Bridges** – funding to bring Amtrak's movable bridges to a state of good repair. Some of the bridges will be brought to a state of good repair through selective component replacement while others require complete replacement of movable structure, mechanical and electrical systems.
- **Fixed bridges upgrade** – repair under-grade rail bridges and to convert open deck bridges to ballast deck for improved train performance.
- **Tunnels** – bring tunnels to a state of good repair. This will be accomplished primarily through component replacement or through complete replacement of the tunnel under extreme circumstances.
- **Major Bridge Special Projects** – address major bridges currently not in a state of good repair for improved train performance, eliminating slow orders that Amtrak must impose when bridge components fail and disrupt the train traffic. Continuous maintenance costs due to temporary repairs will also be avoided.

Facility, Station and Other

- **Maintenance of Equipment Facilities** – Upgrades to engineering equipment maintenance facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- **Maintenance of Way Base** – Various upgrades to maintenance of way facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- **Station Upgrades** – Upgrades to stations to include HVAC, roofing, lighting, and other interior improvements.
- **Transportation Department Facilities** – renewal of interlocking control towers such as the “K” tower and Dock interlocking tower.
- **Sunnyside Yard New Mechanical Facility** – plan and begin construction on a new consolidated Mechanical, Engineering, and Transportation maintenance facility and

warehouse at Sunnyside Yard outside of New York Penn Station. The program is pending completion of the Sunnyside Yard master plan.

Communications and Signals

Signal Systems

- Automatic Block Signal (ABS) – bring ABS assets to a state of good repair. ABS component failures have been identified as a major contributor to train delay. Upgrading of outdated components will result in increased reliability, improved on-time performance and railroad safety.
- Advanced Civil Speed Enforcement System (ACSES) – ACSES is the Positive Train Control (PTC) system used on the NEC. This program includes upgrades to Central Instrument House (CIH), radio transmission equipment, and wayside interface units. For interoperability with freight carriers operating on the NEC, Amtrak will install an Interoperable Electronics Train Management System (I-ETMS) overlay that will allow freight trains and some commuter trains to operate on the NEC without ACSES equipment. See the Positive Train Control section of this document for additional detail.
- Interlocking – Communications & Signals –upgrade signal systems at inter-locking(s) to eliminate equipment failures and reduce maintenance costs. This program involves conversion of air switch machines to electric machines, automation of manual towers and replacement of obsolete interlocking signal system components.
- Crossings – upgrade highway crossing detection devices for more reliable operation of warning systems and enhance grade crossing system safety while reducing maintenance costs.
- Centralized Traffic Control (CETC) – replace centralized traffic control equipment in CETC locations with modern server-based systems. The three existing locations do not have back-up capability. Server-based systems will allow for simplified back up in case of a disaster.

Communications Systems - the renewal and replacement of radio assets to bring Amtrak in compliance with the Federal Communications Commission. Work performed under this program includes the renewal of battery back-up systems at radio locations and the replacement of analog radio equipment with digital narrowband equipment.

Electric Traction

Overhead Catenary and Transmission Systems

- Catenary –the replacement and renewal of catenary wire, insulators and hardware currently not in a state of good repair. Elements of this program include not only replacement of components that are beyond their useful life, but also the replacement of wire that is beyond the allowable wear percentages.
- Catenary Pole – many of the catenary poles are over 90 years old and are beyond their designed service life. Replacement of the poles will provide physical support to the power transmission and catenary systems.
- Transmission – the replacement of traction power transmission cable and associated hardware. Much of the existing cable has been in service for over 70 years and has far exceeded its useful life.

Substations Frequency Converters - improvements made to the electric traction and substations along the Northeast Corridor. Some examples of work performed under this program are: replacement of rotary traction power frequency converters, replacement or renewal of existing power machine, and

renewal of substation components such as power transformers, circuit breakers and control cables. The reliable operation of these assets is critical to on-time performance.

Track

Track Replacement

- Track Ballast – perform work that will bring the ballast assets to a state of good repair. Examples of work performed under the program are replacement through spot undercutting and shoulder cleaning where total replacements are not needed.
- Track Drainage – renew and replace track drainage assets currently not in a state of good repair. If not corrected, poor drainage will result in slow orders and higher maintenance costs associated with the accelerated degradation of track geometry.
- Track Rail Replacement – replacement of rail that is currently not in a state of good repair. There is roughly 1,600 miles of main line track that is 40 to 50 years old. Amtrak replaces an average of 35 miles of rail per year. Useful service life of rail has been exceeded once horizontal or vertical wear limits, internal defect rates, or surface conditions are approaching safety limits. This program will help to reduce maintenance costs and slow orders.
- Crosstie / Timber – replace crosstie and track timber along the NEC which will reduce train delays, track geometry degradation, FRA track defects, and switch failures.
- Track Laying System (TLS) – utilization of TLS for the complete replacement of wood tie track with concrete cross ties including replacement of concrete ties that have been found to be defective. This replacement program will reduce maintenance costs, potential slow orders, and provide for an increase in on-time performance.
- Track Turnouts – replacement of standard wood turnouts and associated components not currently in a state of good repair. Associated components include frogs, switch points, and wood and concrete switch timbers and other track turnout material.
- Track Geometry – surfacing, realignment and re-profiling of track surface as required to meet FRA Track Safety Standards, maintain ride quality standards and extend the life of track components.

Interlocking Renewal - total renewal of the existing track structure within interlocking limits with new advanced technology; updates include repair or replacement of turnouts, concrete switch ties, moveable point frogs, and switches. These interlocking renewal projects will move the railroad towards a state of good repair by eliminating failures and reducing maintenance costs.

Life Safety

This program will provide emergency access/egress in the New York City area tunnels, providing proper ventilation, removing smoke from the affected areas. The system will provide responding local Fire Department with access to the fire suppression system within the tunnels and provide Amtrak passengers with a better opportunity to survive a catastrophic event in the New York Tunnels and Penn Station.

Track Equipment

The program will replace existing track equipment at the end of its useful service life. This will increase efficiency, utility and production capacity of the equipment by taking advantage of technological advances within the industry.

New Jersey High-Speed Rail Improvement Program

Upgrade and improve the catenary, power, track and signal systems on the NEC primarily between New Brunswick, NJ and Trenton, NJ, and to improve the western approach tracks in Penn Station New York in order to facilitate increased speeds and improved reliability for all users and eventual higher levels of service. The program will also support the goals of increased service capacity, helping Amtrak

to meet near-term rising demand for high-speed service on the NEC by operating additional trains in the 2018 to 2023 timeframe and beyond.

The Gateway Program

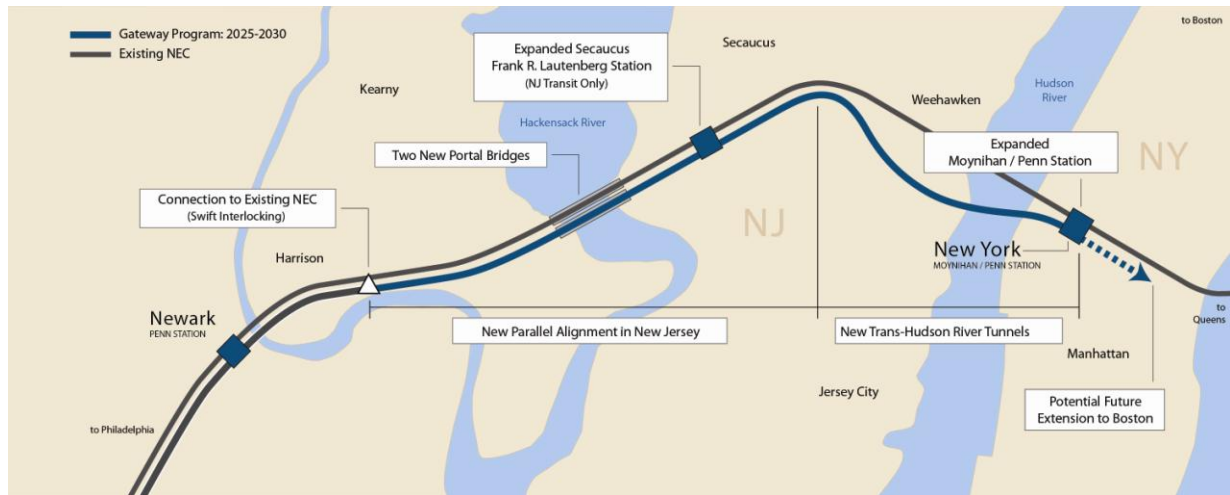
The Gateway Program is a comprehensive program of infrastructure improvements that will improve current assets, increase track, tunnel, bridge and station capacity serving New York City, and allow the eventual doubling of passenger trains into Manhattan. The new tunnels and supporting infrastructure will be designed to comply with updated FEMA flood criteria – a level of protection which would have prevented the recent flooding. The Gateway Program will also permit the closing of the existing century-old tunnels for extended periods so that much-needed repair and improvement work can be done. The current volume of traffic through the tunnels is so dense that long-term closures are impossible because the disruption of the daily traffic into and out of Manhattan would be too great. Today, work is done on one tunnel at a time, during elaborately scheduled 55 hour weekend periods to avoid service disruptions – but longer-term closures are needed to support a full program of flood prevention retrofits and other state of good repair improvements to the tunnels. While some improvement work in today’s tunnels can be accomplished during these existing outage periods, even the relatively small ongoing Fire and Life Safety program of improvements to the New York tunnels will have taken more than a decade to complete, once it is finished.

While the Gateway Program is a long-term project spanning more than a decade, elements of it must begin immediately in order to meet the critical time schedule imposed by the ongoing Hudson Yards development project west of Penn Station. Failure to advance these crucial first elements will permanently preclude new tunnel alignments from connecting into Penn Station, and raise the costs of future track and terminal capacity improvements in Manhattan significantly.

The Gateway Program is envisioned as a critical incremental investment to maintain the Northeast Corridor as the nation’s premier rail corridor for the next century. As such, the design of the program elements has been carefully crafted to permit anticipated capacity additions in the decades ahead, including the future construction of a new lower-level “Penn South” concourse for additional capacity; a future extension of selected “Penn South” station tracks eastward to Manhattan’s Eastside, Queens and points north; and additional future tunnels under the Hudson river. Planning is also underway to coordinate Gateway Program elements with the recommendations of the on-going Penn Vision Study, which is considering the future of Penn Station upon the opening of Moynihan Station. Gateway’s modular design allows the entire terminal complex to expand in a cohesive, integrated manner, transforming Penn Station into one of the greatest railway facilities in the world.

Key Components of the Gateway Program

- ***New Trans-Hudson River Tunnels*** – Two new trans-Hudson River rail tunnels from the Bergen Palisades in New Jersey to Manhattan, New York will directly serve the Penn Station/Moynihan complex. These new tunnels will provide operational benefits for the existing Penn Station and increased capacity for commuter and inter-city rail operations including New Jersey Transit and Amtrak’s proposed next generation high-speed rail project (NextGen HSR) by providing a connection to a future “Penn South” concourse discussed below. Preservation of a 800-foot right of way through the Hudson Yards development site in west midtown Manhattan must begin construction in summer 2013 in order to preserve a future right of way alignment for the Gateway tunnels into Penn Station. Amtrak has begun design work for this tunnel segment and is currently in negotiations with the Related Companies and the Long Island Railroad to progress construction. Amtrak is presently seeking approximately \$120 million of funding in FY2013 supplemental Federal funding for this construction project over the next two years.



- Expanded Moynihan/Penn Station** – An expansion of existing New York Penn Station tracks and platforms and the creation of new “Penn South” concourses with direct connections to the future Moynihan Station. These improvements will support the long-term growth of commuter and intercity passenger rail service at both Penn Station and the historic Farley Post Office Building, which is being transformed into the new “Moynihan Station”. The expanded Moynihan/Penn Station complex creates a consolidated Amtrak operation on Manhattan’s west side and the high level of service and connectivity required for the growth of Amtrak’s *Acela* and future NextGen high-speed rail services.
- New Portal Bridges** – Two new high-level bridges, known as Portal North and South Bridges, will replace the vulnerable 100-year-old moveable Portal Bridge over the Hackensack River between Kearny and Secaucus, New Jersey, doubling Corridor capacity. Amtrak is requesting \$100 million in FY2014 funding for obligation of initial construction elements of the Portal North Bridge. Final design for this bridge will be completed in FY2013 and an approximately \$900 million, 5-year construction program will then be ready to commence. Amtrak’s request would advance the first year of construction of this project with the expectation that contributions proportional to the planned commuter usage of this structure and in accordance with the new cost allocation method developed under Section 212 of the Passenger Rail Investment and Improvement Act of 2008, would be available to cover a portion of the additional costs of the project, once such methodology is available.
- Newark-to-Secaucus Improvements** – The existing NEC will be greatly improved between Newark and Secaucus, New Jersey. The mainline will be expanded from two to four tracks between Newark and the Bergen Palisades tunnel portals, better connections will be built to link the NEC with the New Jersey Transit Morris and Essex Lines, and various bridges will be upgraded.

Timeline and Cost

Amtrak projects that the first two phases of the Gateway Program could be completed in approximately 12 years, under a best case scenario, at a preliminary cost estimate of approximately \$15 billion (in constant 2011 dollars). If funding is available to begin preliminary engineering and environmental review in FY2013, in coordination with the Federal Railroad Administration’s NEC FUTURE Tier 1 PEIS, and construction funds are available to permit tunnel construction in the Hudson Yards development site, it is estimated that the Program could be completed in 2025, with the significant construction period beginning in 2017, assuming unconstrained funding. Further refinement of these costs and schedules will be available upon completion of additional planning and preliminary engineering and design work.

Project Phases and Total Cost Estimates:

- Phase One – Newark, NJ to Penn Station, New York, 2013-2025, ~\$12.5 Billion: Construct new two-track mainline and Hudson River tunnels from Swift Interlocking to Penn Station and improve existing NEC mainline and tunnel infrastructure.
- Phase Two – Penn Station Expansion and Elizabeth-Newark Improvements, 2017-2025, ~ \$2.5 billion: Expand Penn Station to Block 780 to create the upper-level concourse of Penn South and add a 5th track from Elizabeth to Newark, New Jersey to provide increased capacity to access new Gateway trackage and capacity.
- Phase Three – Penn South Expansion: Expand Penn South through the addition of the lower-level concourse and tunnel connections to Gateway Tunnels at 12th Avenue.

New Urgency – Connecting to Penn Station through the Hudson Yards

The Gateway Program has taken on new urgency in recent months, as engineers have determined the only feasible route to connect the Gateway Tunnel directly to Penn Station will intersect the Hudson Yards development over the Long Island Rail Road's West Side Yards, where Related Companies is breaking ground on a multi-billion dollar, mixed-use commercial and residential development project. Amtrak is working with Related Companies and the Long Island Rail Road, which owns the maintenance yards (which are also impacted by the development project and tunnel) to design and begin construction of an 800-foot structure to secure a right of way for a future Gateway Tunnel through the site, which lies between 11th and 12 avenues and 31st and 32nd streets in Manhattan. Amtrak is seeking approximately \$180 million in FY2013 to cover the costs of completed design and construction of this project. Design efforts are currently underway and construction will begin in summer 2013, with a planned completion in FY2016.

Progress to Date

Funding to date has been primarily directed toward utility relocation in preparation for replacing the 100-year-old Portal Bridge over the Hackensack River between Kearny and Secaucus, New Jersey, Hudson Yards Tunnel right of way preservation design and environmental work, expediting environmental documentation, and resuming planning on a companion Portal South Bridge. In addition, this funding supports planning and design efforts to replace other aging bridges between Newark and the Bergen Palisades, all of which are more than 100 years old. It is also being used to advance new Gateway Program-related passenger facility designs.

FY2014 Gateway Request (all funds to be available until expended)

Gateway Preliminary Engineering and Environmental Review - \$42 million

The next phase of Gateway is comprised of three elements: System Level Design, Program Development and Program Management. This requested funding would continue system-level design of the Gateway program scheduled to start in FY2013 to develop concepts for signalization, train control, ventilation, system safety and security. Additionally, this funding would also support program development and program management activities. Program development activities, commencing in early FY2014, include refining the concept of operations (CONOPS), addressing operational and business aspects with potential partners, and developing a full implementation plan with realistic schedules and cash flow requirements. This work will also further the safety review and considers real estate and other funding opportunities, as well as innovative deployment methods. Program Management activities include development of a contract packaging approach and issuing the first design and environmental review package for the proposed tunnels within FY2014.

This requested FY2014 funding would also include continuation of existing Gateway tasks already underway from FY2012 and FY2013 as well as commencement of NEPA reviews, as

required, to advance specific projects or as guided by determinations from the FRA NEC FUTURE Programmatic Tier I.

- Portal Bridge North Construction - \$100 million - *See above*
- Other related track investments - \$8.6 million
- This funding would advance construction of Hudson Interlocking which is essential to provide additional operational flexibility as an initial aspect of Gateway. Also includes conceptual design and staging design of the Saw Tooth bridges and preliminary design of Portal South Bridge.
- Total FY2014 Gateway Federal General Capital Request - \$151.6 million

Stations/ADA Improvements

Stations are the public gateways to the passenger rail transportation system. Unfortunately, many stations are increasingly congested and in a state of disrepair and must be improved and expanded. Amtrak and its partners recently completed a Washington Union Station Master Plan, calling for a major expansion of the facility to accommodate current passenger levels and future growth. Amtrak's FY2014 request includes Phase One funding of the program to begin improving the station concourse and platforms to better accommodate current passengers and lay the groundwork for future growth. In addition, the FY2014 request includes similar station planning efforts at Baltimore and Philadelphia, as well as engineering for facility and passenger flow improvements at both Newark, NJ and New York Penn Stations. The needed improvements include better platform and concourse-level accessibility, street-level signage, pedestrian way-finding and passenger amenities, and other station facility enhancements that have been identified as part of conceptual design studies currently underway at both stations in partnership with Long Island Rail Road and/or New Jersey Transit. Amtrak's Gateway program also includes initial preliminary design work for New York Penn Station expansion (Penn South), which would create six to eight additional platform tracks immediately south of the existing station and expand the pedestrian concourse with robust linkages to the local transit system.

Amtrak is also continuing to work closely with its state and local partners, using prior approved grant funding and state and local sources, to advance station improvement projects at Boston South Station, New York (Moynihan Station Phase One) and BWI / Thurgood Marshall Airport Station in Maryland. The preliminary engineering work at Boston and BWI is intended to provide additional capacity and passenger handling capability at critical terminal locations and chokepoints on the corridor. At Moynihan Station, slated in its Phase Two to become a premier intercity station in midtown Manhattan, Amtrak is working closely with New York State and the Port Authority using prior year TIGER grant funds and local sources to advance Phase One platform and connecting concourse-level improvements.

ADA Station Improvements: Amtrak is updating train station platforms, elevators, escalator and restrooms, and making other improvements necessary to ensure compliance with the requirements of the Americans with Disabilities Act (ADA). Amtrak serves over 500 stations and has at least partial ADA responsibility for some component (i.e., station structure, platform or parking lot) of approximately 380 stations. Amtrak presented an estimate of its needs to the Congress on February 1, 2009, in its report "*Intercity Rail Stations Served by Amtrak: A Report on Accessibility and Compliance with the Americans with Disabilities Act of 1990*". This report, which was delivered pursuant to section 219 of the PRIIA, detailed the scope of Amtrak's needs and proposed the level of Federal assistance necessary to attain full compliance. Subsequent updates to this report were issued in August 2011, May 2012, August 2012, and December 2012.

On September 19, 2011, the U.S. Department of Transportation (DOT) issued a final rule amending its ADA regulations regarding, among other things, level boarding, alternatives to level boarding, and procedures for obtaining approval of FRA and/or FTA in situations where level boarding is not provided. Issuance of this final rule has had a significant impact on Amtrak's program and needs.

Amtrak operates a 21,100 mile system, and 20,000 of those miles of track belong to other companies, principally freight railroads. The platforms in these locations are owned primarily by the freight railroads but typically Amtrak has the responsibility to ensure that the platforms are ADA accessible. The DOT has issued subsequent guidance on “existing freight operations” that expands on the level boarding obligations and requires a detailed station by station evaluation to determine where level boarding is required. Also, at stations where multiple tracks are available to carry freight, a platform by platform and track by track analysis and subsequent negotiation with the host railroad must be conducted to determine the proper approach. Finally, FRA review and approval will be required for platform designs where level boarding is not provided. The complexity of the challenge and the scale of the system have created a requirement for considerable additional analysis which will result in additional time and likely higher costs than previously estimated.

Amtrak’s **Accessible Stations Development Program (ASDP)** includes a complete master schedule for the stations for which Amtrak has some degree of responsibility for accessibility. In FY2012 and FY2013, the ASDP focused primarily on stations that have freight traffic directly adjacent to the platforms and, as a result, were not required to have level boarding. In FY2014 and over the next five years, Amtrak will focus on components of stations that increase passenger mobility and system accessibility. This work will address inaccessible components (other than platforms, assuming the platforms are currently usable by passengers with disabilities) such as: the path of travel to a station and/or platform or the path of travel between accessible elements, and restroom accessibility. This work will progress while we work to address the platform gap that is created when mini-high level boarding platforms are provided at stations that have shared freight traffic. Mini-high platforms must be set back from the centerline of the track at a greater distance to allow freight traffic to pass freely by the platforms, thereby creating a larger gap between our passenger trains and the mini-high platforms. The resulting gap requires a level boarding solution that can be deployed each time a passenger train boards or detrains at the mini-high platforms. For FY2014, Amtrak is requesting \$75 million for accessibility improvements which include the advancement of construction at approximately 45 stations, the progression of design efforts at as many as 75 stations, and the conducting of ADA assessments and property surveys at numerous additional stations. This work will continue to improve station accessibility.

Positive Train Control

Positive Train Control (PTC) is an information and communication system that improves traditional collision prevention measures and adds an entirely new layer of automated protection by enforcing permanent and temporary speed restrictions. On January 15, 2010 the FRA issued its PTC Rule which, pursuant to the Rail Safety Improvement Act of 2008, requires Class I railroads and each railroad hosting intercity or commuter rail passenger service to have a PTC system installed and operating by December 31, 2015. A Class I railroad is defined as having 5 million or more gross tons of railroad traffic per year, or used for regularly scheduled intercity or commuter rail passenger service. The PTC Rule provides for exceptions to PTC requirements, which are subject to FRA approval, on rail lines hosting passenger trains on which freight traffic volumes, and the number of passenger trains operated, do not exceed limits specified in the rule.

Continued use of a number of existing PTC systems will be allowed. These systems include:

- Advanced Civil Speed Enforcement System (ACSES) I & II
- Incremental Train Control System (ITCS)
- Burlington Northern Santa Fe Railway systems (ATS and ETMS)
- Vital Electronic Train Management System (V-ETMS, or simply ETMS)

Amtrak presently uses two of these PTC systems. ACSES was installed on portions of the Northeast Corridor (NEC) in the beginning of 2000 with the startup of *Acela* services, and ITCS is used on about 60 miles of the 97 mile Michigan Line and on the Chicago-St. Louis line. Amtrak's PTC effort includes installation of ACSES on the remainder of the NEC and its tributary routes and installation of ITCS on the state-owned portion of the Michigan Line. In addition, Amtrak will work with Federal, state, and local authorities and commuter and freight railroads to ensure Amtrak trains are compliant with PTC systems adopted for use by host railroads. Compliance with V-ETMS will be a significant element of the PTC efforts. Amtrak will add V-ETMS to the portions of the NEC where freight or commuter trains equipped with V-ETMS will operate and will coordinate with these railroads to ensure that their rolling stock will be equipped with V-ETMS where not controlled by ACSES. Amtrak will also equip its diesel locomotives with V-ETMS which will operate in V-ETMS territory on host railroads. V-ETMS will be implemented in Chicago Union Terminal and New Orleans Union Passenger Terminal.

Amtrak invested \$64 million of American Recovery and Reinvestment Act (ARRA) funds to install PTC on Amtrak-owned infrastructure. Further, in February, 2011, Amtrak received a grant in the amount of \$12.85 million (limited to 80% of the estimated cost) to obtain seamless interoperability on the NEC by Norfolk Southern, CSX, Conrail, and Connecticut Southern freight trains, and MARC commuter trains equipped with the V-ETMS onboard system, by providing a V-ETMS overlay on the portions of the NEC where these trains will operate.

Additional funding to fully comply with PTC requirements is necessary. It is important to note that compliance with PTC requirements on the host railroads outside of the NEC could drive significant costs to Amtrak. Amtrak's contribution to PTC installation and maintenance on host railroad property will be based on the Federal statute governing "incremental costs", which are costs incurred by hosts solely as a result of Amtrak's presence. Changes in freight and passenger traffic on Class I host railroad lines could cause changes to PTC requirements. If those incremental costs can be attributed solely to Amtrak's operations on the property, the company could be responsible for significant costs outside of its own infrastructure.

Other Infrastructure

- **Mechanical Facility Improvements** - modernization and upgrades for various Service and Inspection (S&I) facilities and heavy overhaul shops to include electrical power system improvements and updating tooling and machinery.

- **Philadelphia Contact Center HVAC Upgrade** - funds the replacement of the HVAC System in the Philadelphia Contact Center that has reached end of its useful life.
- **Install high efficiency lighting at Mechanical facilities** – this is an annual effort to install high efficiency lighting at mechanical facilities and shops by replacing old HID lighting fixtures with fluorescent technology that will produce higher quality light at a lower cost.
- **Material management facilities state of good repair** - improvements to materials store rooms, warehouses, and rail yards including storage racking system and decking to improve storage capacity; security fencing/cameras/doors; upgrades to sprinkler system; roll up doors; dock levelers; upgrades to rail yard and bases, including cable storage barns, heating and lighting improvements, floor resealing, paving and roof replacements.
- **Philadelphia 30th Street Station Garage Reconstruction** - permanent replacement of deteriorated structural columns, beams and surface decking of the under-street parking facility below 30th Street Station, Philadelphia, PA. The work also includes remedying the water infiltration problems throughout the facility; sandblasting, inspecting, replacing and painting the structural steel below the North Parking Deck that has not already been improved or replaced. These repairs are required to be in compliance with the PEDFA bond covenant.
- **NEC Station Upgrades**
 - **Washington Union Terminal:**
 - **Washington Union Terminal Phase I Improvements** (\$10.0 Million)– funds a study of the Washington Union Terminal (WUT) to advance improvements critical to mitigating congestion at WUT, resulting in reduced delays, improved on-time service, expanded services, and improved regional mobility and accessibility.
 - **Washington Union Terminal Master Plan Phase B** (\$2.0 Million) – Detailed phasing and planning work in support of implementation of Master Plan
 - **REA Building** (\$45.0 Million) – Purchase of REA building and accompanying air rights to support operational functions currently handled within existing station facility but must be relocated to support Master Plan implementation.
 - **Crew Base Relocation** (\$5.0 Million) – Relocation of crew base and support facilities for Amtrak Transportation and/or Mechanical forces from west side of station to permit new track and platform construction.
 - **WUT Substation Replacement** (\$11.0 Million) Supports first year of three year project to replace existing traction power substation which is in severe disrepair. Alternately, requested funding amount would also support a more short term rehabilitation of the existing substation to prolong its useful life. The rehabilitation option would be selected if a full replacement were not feasible due to required property acquisitions and third party agreements to support replacement not being resolved.
 - **Baltimore Penn Station Planning Studies** (\$ 0.68 Million) – Funds the SOGR study which will perform a full evaluation of the station to assess its condition and develop recommended improvements to bring the facility to a State of Good Repair. In addition, Amtrak will fund the Strategy Plan to create a long term vision for the station and determine future transportation related needs and associated infrastructure requirements.
 - **Philadelphia 30th Street Station Planning Initiatives** (\$1.5 Million) – Funds the Amtrak Transportation Master Plan as well as Amtrak provided technical, planning, Engineering Department, and other administrative support for the Drexel University funded development plan for 30th Street Station.
 - **Newark (NJ) Penn Station** (\$0.5 Million) – Design for platform access and vertical circulation improvements

- *New York Penn Station* (\$1.75 Million) – Design for wayfinding signage and preliminary design for interim corridor widening within the station. In addition funds the design and fabrication of exterior street level signage.

Fleet Overhauls

Amtrak is also responsible for the condition and reliability of its rolling stock fleet. The fleet is a unique competitive advantage for Amtrak: it provides the basis for daily service and has the capability, if the national network is maintained, to provide “surges” of capacity in response to changes in demand, such as seasonal traffic or disaster relief needs. While the capacity of lines and terminals cannot be changed in the short term, the fleet provides the vital flexibility that allows Amtrak to develop or improve service on short timelines, and it is therefore a uniquely important asset. Equipment requires continual maintenance and cannot be purchased on the spur of the moment. Its configuration and operating qualities are long-term factors that can exert major influence on revenues and costs. For these reasons, the fleet requires detailed and careful management.

Amtrak’s request for FY2014 Fleet Overhaul program is \$332.1 million as shown in Table 15. The growth from prior year is attributable to increased overhauls of the *Acela*, *Amfleet*, and *Superliner* fleets, and assuming Positive Train Control budget from Infrastructure (contained in Fleet Engineering). In FY2014, states will be contributing under Section 209 of PRIIA for a portion of equipment overhauls. The amount that states contribute will change based on actual capital work performed and actual equipment used by states. Descriptions of the fleet overhaul programs follow Table 15.

Table 15 –Fleet Overhaul Capital Request

<i>\$ millions</i>	Fleet Overhauls	
	FY2013	FY2014
Locomotive OH	\$36.5	\$46.6
Acela OH	43.6	91.1
Amfleet OH	66.7	76.5
Superliner OH	54.4	64.3
Auto Carrier OH	0.5	
Heritage OH	2.9	1.8
Horizon OH	6.7	8.1
Surfliner OH	3.7	1.3
Talgo OH	1.0	0.5
Viewliner OH	7.6	9.2
Fleet Overhauls	\$223.6	\$299.3
Fleet Engineering	3.5	27.8
Mandatory Revisions	2.3	5.0
Fleet General	\$5.8	\$32.8
Total Fleet	\$229.4	\$332.1

Locomotive Overhauls

- Amtrak locomotive programs will involve the various levels of overhaul for electric locomotives (AEM-7 DC, AEM-7 AC, and HHP-8) and Life Cycle Progressive Maintenance (LCPM) for diesel locomotives and modifications required by Federal agencies including Transportation Safety Administration (TSA), Environmental Protection Agency (EPA) and Federal Railroad Administration (FRA).
- This program will enable Amtrak to bring the locomotive fleet to a state of good repair, increase locomotive reliability and availability, extend the useful life of the locomotive, comply with applicable Federal rules and regulations, and mitigate future expenses associated with an aging fleet.

***Acela* Overhauls**

Funding is included to continue the *Acela* Overhaul Program. The FY2014 investment is the third year of a multi-year program addressing the system overhaul needs of the *Acela* train sets. Overhaul requirements are identified by major system condition assessments, fatigue life calculations, and reliability data trends.

Other Fleet Programs

- The **passenger car programs** fund the various levels of overhauls that range from mandatory maintenance to complete equipment overhauls, reconfigurations and conversions of equipment, and modifications required by statutes including the Americans with Disabilities Act (ADA) and modifications required by the Federal Railroad Administration (FRA). These programs service the *Amfleet*, *Superliner*, *Viewliner*, *Talgo*, *Heritage*, *Horizon*, and *Surfliner* fleets. All car configurations including passenger coach, diner, café/club, lounge, sleeper, and cab cars are included. These passenger car programs will enable Amtrak to maintain equipment in a state of good repair, to return the assets to current Amtrak standards, improve reliability and availability of equipment, enhance overall customer experience, comply with applicable Federal regulations and mitigate equipment failures which result in customer discomfort and inconvenience.
- The **non-passenger car programs** fund the overhaul or modification of various non-passenger equipment types such as baggage cars and auto carriers.
- **Fleet Engineering** projects include design, specification, engineering and blueprinting of future improvements to existing rolling stock, design of new rolling stock, and deployment of Positive Train Control technology upgrades on the locomotive fleets.
- **Mandatory revisions** result from changes in regulations that require modifications to existing fleet. These revisions vary annually.

Fleet Acquisitions

Amtrak's request for FY2014 capital for acquiring rolling stock is \$536.0 million as shown in Table 16. The key elements of this request are:

- **Early Buyout of Equipment Leases ends in FY2013 - \$196.5 million:** Special U.S. Treasury funding was made available from FY2011- FY2013 and funded approximately \$420 million of buyouts of leased Amtrak rolling stock. The program will end in FY2013. By exercising those buyout options, future debt service obligations were reduced by \$582 million, saving the taxpayer about \$162 million. In FY2014 Amtrak does not have access to this separate funding, but has \$196.5 million of buyout options available. Exercising the FY2014 options would reduce future payment obligations by another \$304.0 million, saving the taxpayers an additional \$107.5 million. Accordingly, funding of the FY2014 early buyouts is requested in the FY2014 capital grant.
- **Purchases of new Long Distance equipment continues - \$139.4 million:** FY2014 marks the third year of Amtrak's program to replace 130 cars in its long distance fleet which are well past their useful life. In FY2014, the company projects to spend \$139.4 million towards this purchase. The total program is expected to cost \$298 million when completed.
- **Procurement of new High-Speed equipment begins in FY2014 - \$200.0 million:** the acquisition of the next generation of high-speed trainsets for the Northeast Corridor service is expected to begin in FY2014, with \$200 million requested in FY2014 for procurement start-up and other related costs.

Table 16 – Rolling Stock Acquisitions

<i>\$ millions</i>	Federal Capital		RRIF Loan		US Treasury		State, Local, Other		Total Fleet Acquisitions	
	FY2013	FY2014	FY2013	FY2014	2013	2014	FY2013	FY2014	FY2013	FY2014
	Next Gen HSR Trainsets	\$0.8	\$200.0					\$1.2		\$2.0
Lease Early Buyouts (EBO)		196.5			109.9				109.9	196.5
Long Distance Cars (130)	67.4	139.4							67.4	139.4
Electric Locomotives (70)			130.8	70.0					130.8	70.0
Low Emission Switchers		0.1					4.1	1.8	4.1	1.9
Total Fleet Acquisition	\$68.2	\$536.0	\$130.8	\$70.0	\$109.9		\$5.3	\$1.8	\$314.2	\$607.8

Marketing and Sales Customer Experience Investments

Amtrak pursues a number of programs designed to grow revenue and ridership by improving the customer’s overall travel experience. These programs capitalize on data gathered from market research and analysis to target opportunities for improvement, with the ultimate goals of driving increases to ridership and sales, and improving efficiency.

Amtrak’s FY2014 request for Marketing & Sales Customer Experience capital is \$42.2 million, as shown in Table 17:

Table 17 – Customer Experience Management Program

<i>\$ millions</i>	Federal Capital		Other Fund Sources		Total	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
	Customer Experience Programs		\$11.0	\$0.4		\$0.4
Enhancements & Upgrades to Amtrak.com		3.2				3.2
e-Ticketing Initiative		2.0	3.0		3.0	2.0
Wi-Fi Program Expansion		13.5				13.5
Passenger Information Systems		7.5				7.5
Revenue Management System Forecasting Upgrade		2.0	2.8		2.8	2.0
Point Of Sale System		3.0	9.0		9.0	3.0
Chase Instant Credit System Upgrade			0.5		0.5	
Marketing eCRM Platform Upgrade			1.0		1.0	
Human Emulation Technology			0.6		0.6	
Acela Wi-Fi Upgrades			(0.3)		(0.3)	
Aramark Food & Beverage Invest			0.2		0.2	
Total Marketing & Sales Customer Experience Projects	\$0.0	\$42.2	\$17.2	\$0.0	\$17.2	\$42.2

- Customer Experience Programs** - The Customer Experience Programs interact with Amtrak’s reservation systems to deliver customer-facing functionality through our distribution channels. In FY2014, the Customer Experience Program will modernize the interface to the reservations system which will improve customer service capabilities for call center and station ticket agents; enable access to “Fare Family” functionality in all distribution channels, thereby allowing customers to select from products and fare choices that best suit their needs; allow all distribution channels to access customer profile information from the reservations system which will provide customers more personalized travel options.
- Enhancements and Upgrades to Amtrak.com** - updates the interaction between Amtrak.com and the reservations system to integrate the new functionality created by the Customer Experience Programs.
- eTicketing** - the initial phase of eTicketing was launched on July 30, 2012. This solution delivers “print anywhere” capability to approximately 90% of Amtrak customers. Customers now have the ability to purchase and print tickets at home, or to be paperless by using a smartphone application, greatly simplifying the customer ticketing process. Furthermore, conductors and accounting

personnel no longer have to use paper tickets to capture revenue, and conductors have access to real-time passenger information and greatly improved passenger manifest lists. The eTicketing solution has proven to be very successful with conductors and customers alike. The FY2014 eTicketing program will focus on extending the complete eTicketing solution to Amtrak's intermodal partners (e.g. bus, airline, etc) as well as adding enhancements for conductors, customers and state partners through the addition of enhanced reporting and accounting controls.

- **Wi-Fi Program Expansion** – this project builds on that success of Wi-Fi in the NEC by extending the installation of Wi-Fi networks to the remaining trains system-wide, beginning with the long distance fleets. In addition to providing Internet access, the network will serve as a platform for other passenger services (e.g. movies, news, and games) and business services (e.g., on board system communications with Amtrak's corporate network).
- **National Passenger Information Systems (OPIS)** – this program will extend and build upon current Passenger Information Display System (PIDS) capability and deliver an On-board Passenger Information System (OPIS) which, in addition to providing travel information to passengers, will deliver on-board media and entertainment purchase options such as movies, music and games, creating new passenger revenue opportunities.
- **Revenue Management System (RMS)** - a multi-year project that will automatically and accurately forecast demand by city pair and by price point for each of Amtrak's train departures, optimizing ticket revenue. RMS will provide price point inventory authorizations to Arrow, Amtrak's reservation system, and passenger demand forecasting to Capacity Management Systems. The result for Amtrak will be incremental ticket revenues from a more efficiently revenue-managed system.
- **Point of Sale Upgrade** - new Point Of Sale technology for food car sales will drive financial performance improvements by aligning business practices with hospitality industry best practices, improving accessibility and reliability of data, increasing employee productivity and job satisfaction, enhancing inventory controls, enabling pricing flexibility and product differentiation and increasing cost recovery based on more sophisticated sales data analysis.

Information Technology Investments

Like track infrastructure and rolling stock, information platforms and systems are critical components of Amtrak's service delivery and must be maintained in reliable and efficient working order. However, information technology (IT) systems have a far shorter useful life than infrastructure and rolling stock. Many of Amtrak's existing information systems and infrastructure are outdated, inefficient, lack technical support or upgrades and over time will become more prone to failure. Working with outdated technology places Amtrak at a competitive disadvantage, limits growth potential, and restricts the company's ability to implement operational improvements. Furthermore, the increasing risk of failure of key systems must be addressed in order to ensure the uninterrupted continuity of operations.

Amtrak's FY2014 request for Information Technology is \$82.2 million. The need for IT capital has been significantly reduced in recent years due to the completion of the Strategic Asset Management project and the migration to outsourced data center and network providers that include hardware replacement as part of the operating costs. The current IT request is shown in Table 18, followed by descriptions of the requests.

Table 18 - Technology Spend Plan

<i>\$ millions</i>	Federal Capital		Other Fund Sources		Total	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Next Generation Reservations System Project	\$0.0	\$14.4	\$15.2		\$15.2	\$14.4
Technology State of Good Repair and Cost Optimization	0.0	10.3	10.1		10.1	10.3
Transportation Foundation Project	5.5	10.0			5.5	10.0
Transportation Labor Management System Integration	5.0	10.0			5.0	10.0
Credit Card System Upgrade	1.8	8.9			1.8	8.9
Amtrak Reorganization Systems Changes		5.0				5.0
Amtrak Foundation-Reporting & Dashboards		3.6	0.2		0.2	3.6
Amtrak Foundation - Train Operations Technology		3.0	3.5		3.5	3.0
Human Capital Management (HCM) Foundations		3.0	1.0		1.0	3.0
Cyber Information Security		3.0	1.1		1.1	3.0
Network Redesign and Expansion		3.0	2.8		2.8	3.0
Enterprise Resource Planning (ERP) Foundation		2.5	2.2		2.2	2.5
Mechanical Technology	1.8	2.5			1.8	2.5
Corporate Systems Foundation		2.0	1.3		1.3	2.0
Electronic Delay Reporting	1.5	1.0			1.5	1.0
Strategic Asset Management (SAM)			0.5		0.5	
BPC/APT Conversion To SAP Code Block			0.1		0.1	
Total Information Technology Projects	\$15.6	\$82.2	\$37.8		\$53.3	\$82.2

- **Next Generation Reservations System** - Modernize, streamline and significantly reduce business and technical risks from Amtrak’s sales, reservation and ticketing system. The current foundation for Amtrak’s sales, ticketing, and operational processes - including customer service and train operations - is over 30 years old and is based on outdated technology. The potential failure of this outdated infrastructure presents a critical business risk that must be addressed.
- **Technology State of Good Repair and Cost Optimization** - Refreshes and expands the IT infrastructure not provided by the data center and network providers, including desktop applications, personal computers and workstations, and independent servers and storage.
- **Transportation Foundation Project** - Multi-year project will build accurate and accountable data repositories that are fully integrated and able to consolidate important operational data. The project will be implemented in series of phases that are prioritized by Transportation stakeholders. The project will include: Variance Reporting, ARROW Migration, and Foundation Data.
- **Transportation Labor Management System Integration** – Replace existing Labor Management System (LMS) with a new system integrated across the organization. The LMS system provides position assignment, crew scheduling, labor processing verification, earnings and hours tracking, training and certification functions for conductors, engineers and on board service staff for Amtrak trains. The current LMS was developed 15 years ago and while the system has undergone many enhancements and modifications to keep it working, it has made the system overly complex and difficult to maintain due to lack of availability of key developers, resulting in high maintenance cost.
- **Credit Card System Upgrade** - Modernizes Amtrak's credit card processing systems in order to comply with payment card industry requirements and reduce Credit Card Interchange costs
- **Amtrak Reorganization System Changes** – Begins the analysis and blueprinting of changes to Amtrak’s financial and management systems that will enable financial transactions and appropriate assignment of revenues and costs to Amtrak’s business line structure that is being created according to the Strategic Plan. Changes to systems are a critical component to the success of the business line structure and is expected to be a multi-year effort.

- **Amtrak Foundation Reporting & Dashboards** – Improves management reporting with emphasis on Food & Beverage information aimed at reducing costs and increasing revenue; completes the Enterprise Data Warehouse (EDW) design and builds reports that use EDW data for revenue and ridership reporting; implements a strategic Key Performance Indicators (KPI) dashboard.
- **Train Operations Technology** – Improves train operation efficiency by introducing and integrating mobile devices into work flows; consolidating Enterprise Asset Management to a single system for managing facility assets and warranties on assets and asset components.
- **Human Capital Management (HCM) Foundations** – Improves communication to employees and automates several HCM processes. Impacted systems and processes include Employee Information Management system enhancements, Employee Communications Portal, e-Recruiting Resume Parsing Module, Family Medical Leave Act Administration System, Human Capital e-Forms and New Hire Onboard Automation System.
- **Cyber Information Security** – Continuation of a multi-year program that enhances and refreshes Amtrak’s information security technology. This program ensures compliance with regulatory and legal requirements, improves the ability to ensure the confidentiality, integrity, and availability of Amtrak’s critical infrastructure systems, safeguards customer transaction information, and enables quick response to vulnerabilities in the information technology infrastructure.
- **Network Redesign and Expansion** – Refreshes and expands network infrastructure to provide a highly secure and dependable network for the enterprise.
- **Enterprise Resource Planning (ERP) Foundation** – Increases the operating efficiency of the enterprise SAP system by integrating the Logistics Warehouse Management system and adding SAP licenses.
- **Mechanical Technology** – Ongoing investment into the Work Management, Mobile Data Management, and Locomotive Health Monitoring & Analysis applications to improve the ability to schedule and monitor mandatory rolling stock maintenance, reduce manual processes and improve reliability and performance of rolling stock.
- **Corporate Systems Foundation** – Upgrades document management by implementation of the Documentum system. This system will enhance the electronic storage capabilities of labor relations, claims, and legal documents
- **Electronic Delay Reporting** – Enable conductors to enter service delay information into a hand-held mobile device, which transmits to the On-Time Performance System in near real time, eliminating the need for paper-based form, decreasing input errors, and improving the reliability and timeliness of delay reports.

Environmental Remediation Capital Investments

Amtrak's request for Environmental Remediation capital is \$9.4 million. These clean-up efforts are required by state directive or by agreement.

Table 19 – Environmental Remediation Capital Requests

<i>\$ millions</i>	Federal Capital	
	FY2013	FY2014
New Brunswick Commuter Yard Remediation	\$0.1	\$1.3
Trenton NJ - Commuter Yard Remediation	0.1	0.9
Wilmington Shop Replace Petroleum Tanks	0.2	
Asbestos/Lead Paint/Mold Abatement	0.7	0.8
Penn Station Track Remediation	0.2	0.2
Sunnyside Yard Oil/PCB Remed	1.1	1.0
Los Angeles Wastewater Treatment Upgrade	0.2	1.0
Cedar Hill Remediation	0.1	0.6
Wilmington Remediation	1.3	2.3
Beech Grove Facility - Wastewater Treatment Upgrades	0.6	1.5
Hialeah PAHS Remediation	0.1	
Environmental Remediation Projects	\$4.6	\$9.4

- **County Yard Environmental Remediation** - Commuter yard in New Brunswick, NJ is owned by Amtrak but has never been operated by Amtrak; rather New Jersey Transit operates the facility under an operating agreement for commuter operations. The State of New Jersey has been notified of PCB contamination at the site and directed remediation. As owner Amtrak is responsible for ensuring remediation.
- **East Barracks Yard Remediation** - Commuter yard in Trenton, NJ is owned by Amtrak but has never been operated by Amtrak; rather New Jersey Transit operates the facility under an operating agreement for commuter operations. The State of New Jersey has been notified of PCB contamination at the site and directed remediation. As owner Amtrak is responsible for ensuring remediation.
- **Asbestos, Lead Paint and Mold Abatements** - Multi-year initiative to remove or remediate asbestos, mold and lead paint as encountered during construction projects.
- **Penn Station Track Remediation** - Mandatory multi-year project to properly disposing of soil contaminated with Polychlorinated Biphenyls (PCBs) soil during track work. Extensive PCB contamination exists at Penn Station and remediation has occurred annually since 2003.
- **Sunnyside Yard Oil/PCB Remediation** - By order of the New York State Department of Environmental Conservation, Amtrak and New Jersey Transit are involved in a multi-year effort to remove PCB-contaminated soil and clean-up of ground water at New York's Sunnyside Yard.
- **Los Angeles Facility Wastewater Treatment System Upgrades** - Covers the potential elimination or reduction in use of 80 year old wastewater treatment ponds at Los Angeles Yards that have considerable potential for non-compliant discharges. This project anticipates design of

subsurface storm water diversion features and construction of storm water diversion devices such as containment curbs, canopies or other enclosures.

- **Cedar Hill Remediation** – Maintenance of Way facility in Connecticut has PCB soil contamination soil that must be remediated by direction of the Connecticut Department of Environmental Protection.
- **Wilmington Facility Remediation** – Amtrak has signed a Voluntary Cleanup Agreement with the Delaware Department of Natural Resources and Environmental Control to remediate PCB and petroleum soil contamination at the Wilmington maintenance facility and initiate erosion control measures.
- **Beech Grove Facility Wastewater Treatment System Upgrades** - Replaces the existing wastewater treatment system that is 60 years old and which has the potential to contaminate ground water.

Debt Service and Debt Related Equipment Purchases

Principal and Interest

Principal and interest payments for FY2014 are projected to be \$199.2 million, excluding costs for repayment of the RRIF loan for the purchase of electric locomotives. Principal and interest payments have declined in recent years due to aggressive exercise of early buyout options on leased equipment.

Early Buyout Option (EBO)

An Early Buyout Option (EBO) is a contractual right for Amtrak to terminate a long term lease of equipment, in part or in whole, on favorable terms. The EBO gives Amtrak the rights to a) buy the equipment which is owned by a bank and, separately, to b) pay off the rest of Amtrak's lease payment obligations to the bank. The EBO occurs at a specified, fixed price, one time only, late in the term of the lease. It is the only right of voluntary pre-payment in the lease. PRIIA Section 102 (b) authorized such sums as may be necessary to permit Amtrak to pay the costs of exercising early buyout options if the exercise of those options is determined to be advantageous to Amtrak.

Furthermore, PRIIA Section 205 provides that the Secretary of the Treasury may make agreements to restructure (including repay) Amtrak's indebtedness, including leases, outstanding as of the date of enactment of PRIIA upon such terms as Treasury deems favorable to the interests of the United States Government. Accordingly, Grant Agreement DTFRDV-11-G-00003 awarded Amtrak funds for these purposes from FY2011 through FY2013, and approximately \$420 million of early buyouts were exercised in this period will save approximately \$582 million in future payments, in effect saving the taxpayer approximately \$162 million. In FY2014 Amtrak has \$196.5 million of available buyout options, but the special grant is no longer available. Accordingly this amount has been requested as part of the FY2014 Federal capital request. The \$196.5 million in up-front costs will save approximately \$304.0 million in future payments, in effect saving taxpayers \$107.5 million.

The equipment in all cases was leased from the time of first use by Amtrak. Exercising the EBOs reduces the risk to Amtrak from the need to reach agreement with the banks on the cost which Amtrak must pay the banks to buy the equipment at the end of the leases or the risk of having that cost determined by binding arbitration.

Table 20– Options for Early Buyout of Leases

\$ millions

	EBO Date	FY2014
Trust 94D-A for 5 Superliners	29-Jun-14	\$8.4
Trust 94D-B for 2 Superliners	28-Sep-14	3.5
Trust 2000-L-A (1st closing) for 12 GE P42-DC Locomotives	2-Jan-14	19.2
Trust 2001-L-B (1st closing) for 8 GE P42-DC Locomotives	2-Jan-14	13.5
Trust 2001-L-B (2nd closing) for 16 GE P42-DC Locomotives	2-Jan-14	27.5
Trust 2000-L-A (2nd closing) for 16 GE P42-DC Locomotives	2-Jan-14	26.2
Trust 2001-L-A (1st closing) for 31 GE P42-DC Locomotives	2-Jul-14	53.8
Trust 2000 SD-A (3rd closing) for 10 Surfliners	26-Mar-14	15.9
Trust 2000 SD-A (1st closing) for 19 Surfliners	28-Mar-14	28.4
Total Early Buyout Equipment Purchase Options		\$196.5

Sources and Uses of Cash – Budget Basis

Amtrak's simple cash flow projection is based upon the operating, capital and debt service expenditures presented in this plan. Amtrak continues to have no access to short-term credit lines.

The following table summarizes Amtrak's estimated sources and uses of funds for FY2014.

Table 21 – Simple Sources and Uses

	<i>\$ Millions</i>
Beginning Available Cash (after outstanding payments)	\$143.2
 <i>Uses:</i>	
Operating Expenses (Net operating loss including Depreciation & Non-Cash OPEB's ⁽¹⁾)	1,179.3
Non-Cash Adjustments (Depreciation & Non-Cash OPEB's)	(787.1)
<i>Net Operating Loss</i>	392.2
Capital Expenditures	2,512.5
Debt Service Principal & Interest	199.2
<i>Total Uses</i>	3,103.9
 <i>Sources:</i>	
<u>Federal Grants:</u>	
Operating ⁽²⁾	373.1
Capital	2,032.3
Debt Service Principal & Interest	199.2
Less Amount Retained by FRA	(20.0)
<i>Subtotal Federal DOT Grants</i>	2,584.6
RRIF Loan Financing of Equipment Acquisitions	70.0
Third Party and Special Grants	410.2
<i>Total Sources</i>	3,064.8
 Total Cash ⁽²⁾	\$104.1

⁽¹⁾ OPEBs - Other Post Retirement Employee Benefits

⁽²⁾ Operating grant assumption reflects unfunded repayment of \$19.1 million of RRIF



Appendix

Total Operating Expenses

\$ Millions	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$1,428.7	\$1,472.8	\$1,512.3	\$39.4	2.7%
Engineering	330.1	348.4	323.8	(24.6)	-7.1%
Mechanical	530.4	560.9	583.1	22.2	4.0%
Deputy RCM	0.8	(0.0)	0.0	0.0	-100.0%
Customer Service	99.5	103.1	104.7	1.6	1.6%
Operations Research & Planning	0.0	0.7	0.6	(0.0)	-3.7%
Chief Transportation Officer	13.7	15.0	15.7	0.7	4.8%
Safety	4.5	3.8	4.5	0.7	19.1%
COO Staff	1.8	2.2	1.0	(1.2)	-54.0%
Total Operations	2,409.5	2,506.9	2,545.8	38.9	1.6%
Finance	47.5	47.6	48.8	1.2	2.6%
Procurement	55.3	57.5	58.7	1.1	2.0%
Real Estate	9.9	11.8	12.5	0.7	5.7%
NEC Advisory Comm (reimbursed)	0.8	4.8	6.9	2.1	43.1%
Treasury Mandatory	68.2	94.2	109.1	14.9	15.8%
NEC Electric Propulsion Power	102.9	103.8	106.0	2.2	2.2%
Corp Common	(47.6)	(80.8)	(77.7)	3.1	-3.9%
Total CFO	237.0	239.0	264.3	25.4	10.6%
CEO	1.8	1.9	1.6	(0.3)	-17.4%
Marketing	154.7	184.3	190.0	5.7	3.1%
IT	208.4	209.3	211.3	2.0	0.9%
Amtrak Police	64.0	68.8	73.1	4.3	6.2%
Human Capital Management	33.6	46.0	49.6	3.6	7.8%
Emergency Mgmt & Corp Security	8.0	10.1	10.7	0.5	5.4%
Corp Research & Strategy	0.8	2.1	2.4	0.2	11.5%
NEC IID	12.2	11.7	13.4	1.7	14.4%
General Counsel	60.6	60.5	62.0	1.5	2.5%
Government Affairs	10.1	11.5	12.6	1.1	9.9%
Subsidiaries & Elimination	5.1	2.1	3.0	0.9	40.0%
Planning Contingency	0.0	2.0	21.0	19.0	957.6%
Total Amtrak Expenses	\$3,205.9	\$3,356.3	\$3,460.7	\$104.4	3.1%

The sum of individual amounts may differ slightly from the Totals due to rounding

Salaries

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$67.0	\$65.4	\$68.9	\$3.6	5.4%
Engineering	29.5	31.0	32.7	1.7	5.5%
Mechanical	33.2	33.7	34.6	0.9	2.8%
Customer Service	4.0	4.0	4.4	0.4	10.7%
Operations Research & Planning	0.0	0.4	0.4	0.0	1.6%
Chief Transportation Officer	5.2	5.2	5.5	0.3	5.0%
Safety	1.7	1.4	1.7	0.3	19.6%
COO Staff	0.8	0.8	0.4	(0.4)	-50.6%
Total Operations	141.3	141.8	148.6	6.8	4.8%
Finance	16.5	17.4	19.0	1.7	9.6%
Procurement	11.8	11.8	12.0	0.2	1.7%
Real Estate	2.6	3.1	3.2	0.1	3.4%
NEC Advisory Comm (reimbursed)	0.3	0.7	0.8	0.1	20.8%
Total CFO	31.3	32.9	35.1	2.1	6.5%
CEO	1.0	0.9	0.8	(0.1)	-5.9%
Marketing	17.5	16.7	17.9	1.2	7.3%
IT	29.7	25.6	29.3	3.6	14.2%
Amtrak Police	4.4	4.1	4.3	0.2	5.5%
Human Capital Management	15.3	17.9	19.7	1.7	9.7%
Emergency Mgmt & Corp Security	2.7	3.5	3.6	0.1	3.3%
Corp Research & Strategy	0.2	0.7	0.7	(0.0)	-0.1%
NEC IID	3.9	3.7	4.4	0.7	19.5%
General Counsel	14.6	14.4	15.3	0.8	5.7%
Government Affairs	5.2	5.1	5.5	0.4	8.2%
Total Amtrak Expenses	\$267.2	\$267.4	\$285.2	\$17.7	6.6%

Salaries include only non-agreement employee payroll. Agreement employee payroll is recorded to Wages & Overtime.

The sum of individual amounts may differ slightly from the Totals due to rounding

Wages and Overtime

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$561.0	\$560.9	\$581.8	\$20.9	3.7%
Engineering	163.0	170.6	162.3	(8.3)	-4.9%
Mechanical	212.9	235.3	247.3	12.0	5.1%
Customer Service	0.1	0.1	(0.0)	(0.1)	-122.4%
Chief Transportation Officer	1.0	1.2	1.5	0.3	25.2%
Safety	0.3	0.3	0.3	(0.0)	-7.5%
Total Operations	938.3	968.4	993.2	24.8	2.6%
Finance	4.4	3.8	4.0	0.2	6.5%
Procurement	18.2	17.9	18.7	0.7	4.1%
Real Estate	0.1	0.1	0.1	0.0	4.6%
Corp Common	(13.5)	(12.4)	(13.1)	(0.7)	5.4%
Total CFO	9.2	9.4	9.7	0.3	3.2%
Marketing	39.8	42.5	44.8	2.3	5.4%
IT	0.3	0.3	0.3	0.0	8.8%
Amtrak Police	32.0	35.5	38.8	3.3	9.2%
Human Capital Management	0.1	0.0	0.0	(0.0)	-100.0%
Emergency Mgmt & Corp Security	0.1	0.1	0.1	0.0	1.7%
General Counsel	0.0	0.0	(0.1)	(0.1)	-1136.3%
Government Affairs	0.1	0.0	0.1	0.0	37.2%
Subsidiaries & Elimination	13.5	12.4	13.1	0.7	5.4%
Total Amtrak Expenses	\$1,033.3	\$1,068.8	\$1,100.1	\$31.2	2.9%

Wages & Overtime include straight time and overtime payroll for agreement employees. Non-agreement employee payroll costs are recorded to Salaries.

The sum of individual amounts may differ slightly from the Totals due to rounding

Employee Benefits

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$307.8	\$317.5	\$327.6	\$10.0	3.2%
Engineering	98.6	102.9	100.8	(2.1)	-2.0%
Mechanical	131.5	139.3	146.2	6.9	5.0%
Customer Service	2.6	3.2	3.4	0.2	5.9%
Operations Research & Planning	0.0	0.3	0.3	(0.0)	-6.5%
Chief Transportation Officer	3.9	4.8	5.0	0.2	4.2%
Safety	1.2	1.3	1.4	0.2	13.2%
COO Staff	0.5	0.6	0.3	(0.3)	-54.6%
Total Operations	546.0	569.8	584.9	15.1	2.6%
Finance	12.7	15.8	16.4	0.7	4.1%
Procurement	16.8	18.8	18.9	0.2	0.8%
Real Estate	1.7	2.5	2.6	0.1	3.8%
NEC Advisory Comm (reimbursed)	0.2	0.5	0.6	0.0	8.1%
Corp Common	(67.7)	(111.2)	(96.8)	14.5	-13.0%
Total CFO	(36.2)	(73.6)	(58.2)	15.4	-21.0%
CEO	0.7	0.7	0.6	(0.1)	-14.1%
Marketing	31.3	34.8	35.6	0.7	2.1%
IT	20.9	19.7	21.9	2.2	11.3%
Amtrak Police	19.3	21.0	21.9	0.9	4.2%
Human Capital Management	9.6	14.3	14.5	0.2	1.3%
Emergency Mgmt & Corp Security	1.7	2.9	2.9	0.1	2.7%
Corp Research & Strategy	0.1	0.6	0.6	(0.0)	-5.7%
NEC IID	2.4	2.9	3.4	0.5	17.4%
General Counsel	9.3	11.5	11.7	0.2	1.6%
Government Affairs	3.3	4.1	4.2	0.1	2.4%
Planning Contingency	0.0	2.0	8.0	6.0	302.9%
Total Amtrak Expenses	\$608.5	\$610.7	\$652.0	\$41.3	6.8%

Employee Benefits include the company funded costs for employee payroll taxes (including RRTA Tier II), health insurance, pension, and savings plans. Excludes accruals for estimated future post-employment retiree benefits which have no cash impact in the current fiscal year.

The sum of individual amounts may differ slightly from the Totals due to rounding

Employee Related

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$8.1	\$6.1	\$6.0	(\$0.0)	-0.3%
Engineering	7.2	6.4	6.1	(0.3)	-4.8%
Mechanical	2.7	2.5	2.4	(0.1)	-3.1%
Customer Service	0.2	0.2	0.2	0.1	32.1%
Chief Transportation Officer	2.2	2.3	2.2	(0.1)	-3.4%
Safety	0.2	0.2	0.3	0.1	31.1%
COO Staff	0.0	0.1	0.0	(0.1)	-72.7%
Total Operations	20.6	17.8	17.4	(0.4)	-2.4%
Finance	0.4	0.5	0.7	0.2	40.4%
Procurement	0.3	0.6	0.6	0.0	1.0%
Real Estate	0.1	0.2	0.2	0.0	2.4%
NEC Advisory Comm (reimbursed)	0.0	0.2	0.3	0.1	85.7%
Corp Common	0.2	(0.0)	0.0	0.0	-100.0%
Total CFO	1.1	1.4	1.8	0.4	28.9%
Marketing	0.6	0.8	1.0	0.2	29.8%
IT	0.8	1.1	0.7	(0.4)	-36.9%
Amtrak Police	1.9	1.8	2.0	0.2	13.0%
Human Capital Management	3.1	5.0	5.6	0.6	12.2%
Emergency Mgmt & Corp Security	0.2	0.2	0.3	0.0	16.9%
Corp Research & Strategy	0.0	0.0	0.0	(0.0)	-18.3%
NEC IID	0.2	0.1	0.2	0.0	20.8%
General Counsel	0.6	0.5	0.5	0.1	12.2%
Government Affairs	0.3	0.3	0.3	0.1	27.6%
Subsidiaries & Elimination	0.1	0.0	0.0	(0.0)	-100.0%
Total Amtrak Expenses	\$29.4	\$29.1	\$29.9	\$0.8	2.7%

Employee Related expenses include travel costs, employee recruiting and relocation, employee uniforms, and pre-employment medical screening

The sum of individual amounts may differ slightly from the Totals due to rounding

Train Operations

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$154.5	\$191.4	\$188.5	(\$2.9)	-1.5%
Engineering	0.1	0.2	0.0	(0.1)	-80.7%
Mechanical	0.5	0.3	0.1	(0.3)	-82.6%
Customer Service	88.4	91.7	93.2	1.5	1.6%
Total Operations	243.5	283.6	281.8	(1.8)	-0.6%
Corp Common	1.5	0.0	0.0	0.0	NM
Total CFO	1.5	0.0	0.0	(0.0)	-100.0%
Amtrak Police	0.0	0.0	0.1	0.0	58.2%
Human Capital Management	0.2	0.1	0.2	0.1	176.5%
Government Affairs	0.0	0.0	0.1	0.0	61.8%
Subsidiaries & Elimination	(0.1)	0.0	0.0	0.0	NM
Total Amtrak Expenses	\$245.2	\$283.7	\$282.1	(\$1.7)	-0.6%

Train Operations expenses include access to host railroads and related host railroad costs, cost of Food & Beverage inventory and supplies including cost of outsourced commissary operations, costs of train crew layover including transportation, connecting motor coach services, contracted vehicle loading/unloading service for auto train, and rental of locomotives and cars.

The sum of individual amounts may differ slightly from the Totals due to rounding

Fuel, Power, and Utilities

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$236.4	\$236.3	\$245.4	\$9.1	3.8%
Engineering	7.5	7.4	6.8	(0.7)	-8.8%
Mechanical	17.7	20.8	18.3	(2.5)	-12.0%
Customer Service	0.1	0.1	0.1	0.0	8.0%
Chief Transportation Officer	0.1	0.1	0.1	(0.0)	-5.5%
Total Operations	261.8	264.7	270.6	5.9	2.2%
Procurement	0.3	0.3	0.3	0.0	2.5%
Real Estate	0.3	0.2	0.3	0.1	43.2%
Treasury Mandatory	(10.4)	5.4	(4.2)	(9.6)	-178.0%
NEC Electric Propulsion Power	102.9	103.8	106.0	2.2	2.2%
Corp Common	(0.1)	0.6	0.0	(0.6)	-100.0%
Total CFO	92.9	110.3	102.4	(7.9)	-7.1%
Marketing	0.5	0.5	0.5	0.1	11.0%
Human Capital Management	0.0	0.0	0.1	0.0	41.1%
Government Affairs	0.0	0.0	0.0	0.0	145.5%
Total Amtrak Expenses	\$355.3	\$375.5	\$373.7	(\$1.9)	-0.5%

Fuel, Power, and Utilities include the cost of electric propulsion power for the electric locomotives, cost of diesel fuel for the diesel locomotives, and utilities for buildings, stations, and facilities

The sum of individual amounts may differ slightly from the Totals due to rounding

Materials

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$21.4	\$19.6	\$19.5	(\$0.2)	-0.8%
Engineering	22.8	26.9	23.7	(3.3)	-12.1%
Mechanical	136.9	130.3	130.7	0.4	0.3%
Customer Service	0.1	0.0	0.0	(0.0)	-6.4%
Total Operations	181.2	176.8	173.8	(3.0)	-1.7%
Procurement	(0.7)	0.4	0.2	(0.2)	-56.5%
Corp Common	3.6	10.8	10.1	(0.7)	-6.1%
Total CFO	2.9	11.2	10.3	(0.9)	-7.7%
Marketing	0.1	0.1	0.0	(0.1)	-100.0%
Amtrak Police	0.4	0.1	0.0	(0.0)	-23.5%
Government Affairs	0.0	0.0	0.1	0.0	104.3%
Subsidiaries & Elimination	0.3	0.1	0.0	(0.1)	-100.0%
Planning Contingency	0.0	0.0	3.0	3.0	NM
Total Amtrak Expenses	\$184.8	\$188.3	\$187.3	(\$1.0)	-0.6%

Materials include the parts, components, and supplies used in the maintenance of track infrastructure and rolling stock

The sum of individual amounts may differ slightly from the Totals due to rounding

Facilities, Communication, and Office

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$55.2	\$57.6	\$58.6	\$1.0	1.8%
Engineering	21.9	22.4	20.7	(1.7)	-7.7%
Mechanical	20.3	18.3	19.6	1.3	6.9%
Customer Service	2.1	2.3	2.8	0.5	22.0%
Chief Transportation Officer	0.8	0.7	0.6	(0.0)	-6.3%
Safety	0.4	0.4	0.4	0.0	10.9%
COO Staff	0.5	0.7	0.3	(0.4)	-54.4%
Total Operations	101.2	102.4	103.1	0.7	0.7%
Finance	3.0	2.1	2.1	0.0	0.3%
Procurement	5.2	4.9	5.2	0.2	4.3%
Real Estate	3.2	3.2	3.4	0.1	3.9%
NEC Advisory Comm (reimbursed)	0.1	0.3	0.4	0.1	53.3%
Corp Common	8.5	7.9	8.2	0.3	4.2%
Total CFO	20.0	18.5	19.3	0.8	4.4%
CEO	0.1	0.2	0.1	(0.0)	-26.1%
Marketing	8.7	9.4	9.5	0.1	0.9%
IT	34.8	36.5	37.8	1.3	3.6%
Amtrak Police	3.3	3.4	3.2	(0.2)	-6.7%
Human Capital Management	2.3	3.1	3.1	(0.0)	-0.5%
Emergency Mgmt & Corp Security	2.7	1.5	3.4	1.9	119.8%
Corp Research & Strategy	0.0	0.0	0.0	0.0	16.1%
NEC IID	0.2	0.2	0.2	0.0	19.9%
General Counsel	1.9	2.0	2.0	0.1	4.2%
Government Affairs	0.3	0.4	0.5	0.1	24.9%
Subsidiaries & Elimination	(9.0)	(8.1)	(8.2)	(0.1)	1.3%
Total Amtrak Expenses	\$166.5	\$169.5	\$174.0	\$4.6	2.7%

Facility, Communication, and Office expenses include rental of stations, offices, and facilities; office supplies and equipment including personal computers; building security services; building maintenance and repair services and materials; data and voice network and communication costs including cellular phones.

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Advertising and Sales

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$0.0	\$0.1	\$0.1	\$0.0	6.1%
Safety	0.1	0.0	0.0	0.0	53.8%
Total Operations	0.1	0.1	0.1	0.0	1.7%
Procurement	0.1	0.0	0.1	0.0	101.9%
Treasury Mandatory	40.4	44.5	45.4	0.9	2.0%
Total CFO	40.5	44.5	45.4	0.9	2.1%
Marketing	37.8	53.6	54.2	0.6	1.1%
Human Capital Management	0.0	0.1	0.0	(0.0)	-60.8%
Government Affairs	0.1	0.1	0.1	(0.0)	-33.0%
Total Amtrak Expenses	\$78.5	\$98.4	\$99.8	\$1.4	1.5%

Advertising and Sales includes credit card commissions (Treasury Mandatory); the costs of advertising media and production, the Amtrak Guest Rewards loyalty program, timetables and railway guide, third party sales channels such as ticket agents and airline systems (Marketing)

Casualty and Other Claims

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Corp Common	45.6	49.5	49.5	0.0	0.0%
General Counsel	4.4	5.9	5.9	(0.0)	-0.2%
Subsidiaries & Elimination	0.7	1.4	0.6	(0.8)	-57.6%
Total Amtrak Expenses	\$50.7	\$56.9	\$56.0	(\$0.8)	-1.5%

Casualty & Other Claims include costs associated with claims under the Federal Employers Liability Act (FELA); passenger claims; legal disbursements; cost of investigations, surveillance, and expert witnesses

The sum of individual amounts may differ slightly from the Totals due to rounding

Professional Services

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$4.9	\$9.5	\$8.1	(\$1.4)	-14.9%
Engineering	5.8	8.4	9.0	0.7	7.9%
Mechanical	4.2	5.3	6.6	1.3	24.1%
Deputy RCM	0.8	0.0	0.0	0.0	NM
Chief Transportation Officer	0.0	0.1	0.2	0.1	61.5%
Safety	0.3	0.0	0.0	0.0	75.7%
COO Staff	0.1	0.0	0.0	0.0	NM
Total Operations	16.0	23.3	24.0	0.6	2.7%
Finance	4.3	4.8	4.4	(0.4)	-8.8%
Procurement	2.2	1.8	1.8	0.0	0.5%
Real Estate	1.5	2.1	2.4	0.2	11.1%
NEC Advisory Comm (reimbursed)	0.1	2.9	4.3	1.4	46.8%
Treasury Mandatory	0.9	0.8	0.6	(0.2)	-21.1%
Corp Common	5.2	1.8	2.0	0.2	10.8%
Total CFO	14.3	14.2	15.5	1.2	8.5%
CEO	0.0	0.2	0.0	(0.1)	-76.7%
Marketing	10.4	15.2	16.3	1.1	7.5%
IT	3.3	16.2	0.9	(15.3)	-94.5%
Amtrak Police	0.6	0.8	0.9	0.0	1.6%
Human Capital Management	2.2	3.7	4.1	0.4	10.9%
Emergency Mgmt & Corp Security	0.4	1.8	0.3	(1.6)	-86.2%
Corp Research & Strategy	0.5	0.7	1.0	0.2	32.0%
NEC IID	5.3	4.7	5.1	0.4	9.2%
General Counsel	28.0	23.7	23.6	(0.1)	-0.4%
Government Affairs	0.3	1.2	1.6	0.4	32.9%
Subsidiaries & Elimination	0.1	(0.0)	0.4	0.4	-1204.1%
Total Amtrak Expenses	\$81.4	\$105.8	\$93.6	(\$12.2)	-11.6%

Professional Services includes the cost of consultants, advertising agencies, and outside legal counsel

The sum of individual amounts may differ slightly from the Totals due to rounding

Data Processing Services

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$3.7	\$0.8	\$0.3	(\$0.5)	-64.9%
Engineering	4.0	2.4	1.7	(0.8)	-31.7%
Mechanical	1.9	0.8	0.6	(0.2)	-24.2%
Customer Service	1.0	0.3	0.0	(0.3)	-100.0%
Chief Transportation Officer	0.1	0.3	0.2	(0.1)	-36.6%
Safety	0.2	0.1	0.2	0.1	200.6%
Total Operations	10.9	4.7	2.9	(1.8)	-38.1%
Finance	1.4	1.4	0.3	(1.1)	-77.6%
Procurement	1.0	0.5	0.5	0.1	14.2%
NEC Advisory Comm (reimbursed)	0.0	0.2	0.5	0.2	99.0%
Treasury Mandatory	0.3	0.0	0.1	0.1	1418.3%
Total CFO	2.7	2.1	1.5	(0.7)	-31.5%
Marketing	3.5	6.1	4.6	(1.5)	-24.4%
IT	116.9	109.7	120.4	10.7	9.8%
Amtrak Police	0.1	0.1	0.0	(0.0)	-52.6%
Human Capital Management	0.6	1.6	2.2	0.6	37.0%
Emergency Mgmt & Corp Security	0.1	(0.0)	0.0	0.0	-122.9%
NEC IID	0.2	0.1	0.0	(0.0)	-43.4%
General Counsel	0.1	0.0	0.0	0.0	36.1%
Government Affairs	0.4	0.1	0.1	0.0	28.0%
Subsidiaries & Elimination	0.1	(0.0)	0.0	0.0	-100.0%
Planning Contingency	0.0	0.0	5.0	5.0	NM
Total Amtrak Expenses	\$135.7	\$124.4	\$136.7	\$12.4	9.9%

Data Processing Services include the cost of outsourced data center operations, outsourced IT staff, and software licenses

The sum of individual amounts may differ slightly from the Totals due to rounding

Environmental and Safety

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$1.3	\$1.2	\$1.5	\$0.2	20.5%
Engineering	2.1	2.2	2.1	(0.2)	-7.1%
Mechanical	3.9	3.6	4.2	0.6	15.7%
Chief Transportation Officer	0.4	0.1	0.1	0.0	56.6%
Safety	0.2	0.1	0.1	0.1	56.8%
Total Operations	7.9	7.2	7.9	0.7	10.3%
Procurement	0.1	0.1	0.0	(0.0)	-20.0%
Corp Common	(2.5)	(0.1)	0.0	0.1	-100.0%
Total CFO	(2.4)	(0.0)	0.0	0.1	-303.5%
Marketing	0.0	0.0	0.0	0.0	17.3%
Amtrak Police	0.0	0.0	0.0	(0.0)	-1.5%
General Counsel	1.7	1.9	2.1	0.2	10.2%
Total Amtrak Expenses	\$7.1	\$9.1	\$10.2	\$1.0	11.1%

Environmental and Safety includes the cost of routine and emergency environmental clean-up, hazardous materials disposal, recycling costs, and safety equipment

Maintenance of Way Services

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$2.6	\$1.3	\$1.2	(\$0.0)	-3.6%
Engineering	27.4	33.7	34.1	0.4	1.2%
Mechanical	1.0	0.9	0.8	(0.1)	-9.7%
Customer Service	0.6	0.5	0.5	(0.0)	-3.4%
Chief Transportation Officer	0.0	0.0	0.0	(0.0)	-44.7%
Total Operations	31.7	36.4	36.7	0.2	0.6%
Procurement	0.2	0.4	0.4	(0.0)	-7.0%
Total CFO	0.1	0.4	0.4	(0.0)	-7.0%
Amtrak Police	1.8	1.9	1.8	(0.1)	-4.2%
Human Capital Management	0.1	0.1	0.1	0.0	13.0%
Emergency Mgmt & Corp Security	0.0	0.0	0.0	(0.0)	-12.3%
Subsidiaries & Elimination	(0.2)	0.0	0.0	(0.0)	-100.0%
Total Amtrak Expenses	\$33.5	\$38.9	\$39.0	\$0.1	0.3%

Maintenance of Way includes the cost of track inspection services, vegetation control, leasing of equipment, and work vehicles

The sum of individual amounts may differ slightly from the Totals due to rounding

Accommodation for Passenger Inconvenience

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$8.1	\$6.6	\$7.1	\$0.4	6.6%
Customer Service	0.4	0.6	0.0	(0.6)	-99.0%
Total Operations	8.5	7.2	7.1	(0.1)	-2.0%
Corp Common	(0.0)	0.1	0.0	(0.1)	-100.0%
Marketing	4.5	4.5	5.4	0.9	20.9%
Total Amtrak Expenses	\$12.9	\$11.8	\$12.5	\$0.7	6.2%

Passenger Inconvenience costs are allowances and payments to customers who have been inconvenienced by canceled or delayed service

Financial Services

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	\$0.1	\$0.1	\$0.2	\$0.1	119.2%
Engineering	0.1	0.1	0.0	(0.1)	-97.7%
Mechanical	0.2	0.1	0.1	(0.0)	-20.0%
Customer Service	(0.0)	0.1	0.0	(0.1)	-87.4%
Total Operations	0.4	0.4	0.3	(0.1)	-28.2%
Finance	5.6	1.8	1.8	(0.0)	-2.1%
Real Estate	0.3	0.3	0.3	(0.0)	-0.1%
Treasury Mandatory	37.0	43.5	67.2	23.7	54.4%
Corp Common	(1.6)	1.8	0.0	(1.8)	-100.0%
Total CFO	41.2	47.4	69.3	21.9	46.1%
Subsidiaries & Elimination	(1.7)	(2.4)	(3.1)	(0.7)	27.6%
Total Amtrak Expenses	\$39.9	\$45.4	\$66.5	\$21.1	46.4%

Financial Services include the cost of insurance, bank fees, bad debts, and the repayment of principal and interest of RRIF loans

The sum of individual amounts may differ slightly from the Totals due to rounding

Operating Expenses Paid by Capital Projects

<i>\$ Millions</i>	FY2012	FY2013	FY2014	FY2014 Inc/(Dec) vs FY2013	
	Actual	Budget	Request	\$	%
Transportation	(\$3.4)	(\$1.5)	(\$0.4)	\$1.1	-72.9%
Engineering	(63.1)	(66.9)	(76.1)	(9.2)	13.8%
Mechanical	(36.8)	(30.5)	(28.4)	2.1	-6.9%
Chief Transportation Officer	0.0	0.2	0.3	0.1	39.9%
Total Operations	(103.4)	(98.6)	(104.6)	(5.9)	6.0%
Finance	(0.8)	0.0	0.0	0.0	NM
Corp Common	(26.7)	(30.2)	(33.3)	(3.1)	10.1%
Total CFO	(27.4)	(30.2)	(33.3)	(3.1)	10.1%
Subsidiaries & Elimination	2.1	0.0	0.0	(0.0)	-100.0%
Planning Contingency	0.0	0.0	4.0	4.0	NM
Total Amtrak Expenses	(\$128.7)	(\$128.9)	(\$133.9)	(\$5.0)	3.9%

Operating Expenses paid by Capital Projects, commonly known as "Transfer Credits" represent capital projects absorbing the costs of management, facilities, equipment, employee benefits, and general conditions

The sum of individual amounts may differ slightly from the Totals due to rounding

Amtrak FY2014 Capital Project Detail

Infrastructure Programs (\$ millions)

Project	GCAP	Other	Total Capital
Facility/Station/Other Structures	140.7	13.6	154.3
Bridges/Culverts/Tunnels	43.8	8.7	52.4
Tun B&P Tunnel-Replacment Prelim Dsn	0.0	20.0	20.0
30Th Street Station - Facade Restoration	15.0	0.0	15.0
Ct106.89 Conn Rv Repl Design	10.0	0.0	10.0
Mofe Ssyd - Consolidated Maintaince Faci	0.0	10.0	10.0
Md060.07 Susquehanna Bridge Replacement	0.0	7.0	7.0
Ny015.73 Pelham Bay-Brdg Replacement Dsn	5.0	0.0	5.0
Psny Escalator Replacement	1.6	1.6	3.2
New York Division M/W Building Upgrades	3.0	0.0	3.0
Harrisburg Ln Station Upgrs	3.0	0.0	3.0
New England Div Brg Timbers	2.0	0.0	2.0
Bgug De032.72 White Clay Creek-Ballast	1.8	0.0	1.8
Pa066.71 Piers-Arches-Abutments	1.5	0.0	1.5
Nj057.75 Blst Retainer-Handrail Upgrades	0.6	0.6	1.3
New England Div Wall Upgrs	1.2	0.0	1.2
Adams Subdiv Culvert Upgr	0.6	0.6	1.2
Mofw Bases Inventory Security	1.2	0.0	1.2
Central Divi Sta Upgr/Ada	1.2	0.0	1.2
Providence M/W Base Lighting	1.1	0.0	1.1
Ned - Bridge Pier And Abutment Upgrades	1.1	0.0	1.1
Albany Line - Culverts Upgrades	1.0	0.0	1.0
Ivy City - Car Wash Upgrades	0.0	1.0	1.0
New England Div Culvert Upgr	1.0	0.0	1.0
Harrisburg Line Culverts Upgrs	1.0	0.0	1.0
Michigan Dist Culverts Upgr	1.0	0.0	1.0
Mad Division Bridge Timber Replacement	1.0	0.0	1.0
Brg/Tunnel/Wall Future Design	1.0	0.0	1.0
Jackson Mi Foundation Upgrades	0.0	0.8	0.8
Perryville Subdiv Wall Upgrade	0.8	0.0	0.8
New England Division Fencing	0.7	0.0	0.7
Septa Stations Step Ups Intertk Pltfrms	0.0	0.6	0.6
Psny Platform Upgr 1-7	0.3	0.3	0.6
New York Tunnel Flood Gates Upgrades	0.3	0.3	0.5
Penn Station Ny Elevator Repl	0.3	0.3	0.5
30Th Sta Chiller Replacement	0.5	0.0	0.5
Pa038.44 3Rd Ave - Masonary Up	0.5	0.0	0.5
Chicago Yds Facilities Upgrade	0.4	0.0	0.4
Chicago Yard - Master Plan Development	0.4	0.0	0.4
Penn Coach Yd Electrical Substation Upgr	0.3	0.0	0.3
Sta Chicago Station-Track Ventilation D	0.3	0.0	0.3
Septa Stations Intertrack Fence Upgrades	0.3	0.0	0.3
Psny Facilities Upgrades	0.3	0.0	0.3
Ned Blst Deck Brg Walkway Inst	0.3	0.0	0.3
Wall Pa003.1-Slope/Retaining Wall Impro	0.3	0.0	0.3
Odenton M/W Base Lighting Improvements	0.3	0.0	0.3
Empire Line Overbuild Lighting	0.3	0.0	0.3
Paoli Pa Station Improvements	0.2	0.0	0.2
Ivy City-Train Traffic Upgr Master Pln	0.2	0.0	0.2
Davisville I/L Fence Install	0.2	0.0	0.2
Nj006.10 Repl Rail Lifter	0.1	0.1	0.2

Project	GCAP	Other	Total Capital
Wash Union-Sta Platform Canopy Roof Upgr	0.0	0.2	0.2
Adams Subdiv Njt Platform Upgr	0.0	0.1	0.1
Pa084.16 Bridge Parapet Wall Upgrade	0.1	0.0	0.1
New Haven Ct-Station Waterline Install	0.1	0.0	0.1
Newark Sta-Lead Paint & Asbestos Removal	0.0	0.0	0.0
Moynihan Station - Station Construction	0.0	0.0	0.0
Boston-Car Wash Natural Gas Pipe Install	0.0	0.0	0.0
Was Term Interior Space Upgr	0.0	0.0	0.0
Ri149.47 Structural Steel Upgr	0.0	0.0	0.0
Structures Program	247.7	65.8	313.5
Signal Systems	8.2	5.5	13.7
Phil New CETC Control Center	5.0	0.0	5.0
Dock Interlocking C&S Renewal	1.5	1.5	3.0
Michigan District Mp192 To Mp215 Xings	1.5	0.0	1.5
Eng Communication Systems	1.4	0.0	1.4
Was-Nyp Redundant Comm Cable	1.2	0.0	1.2
Psny Radio System Upgr Dsn And Instl	1.0	0.0	1.0
Bal Subdiv Chrysler Rtu'S Repl	0.9	0.0	0.9
Ct140.55 Palmer'S St Xing Sig	0.8	0.0	0.8
Int High Street Interlocking-Upgrade To	0.7	0.0	0.7
Zoo-Paoli Convert Tk Circuits To 562 Dsn	0.0	0.6	0.6
Ned Interlocking Rtu Upgr	0.6	0.0	0.6
South Penn Interlocking Renewal	0.5	0.0	0.5
Guliford I/L Microlok 2 Upgr	0.5	0.0	0.5
S Bay I/L Upgrade To Microlok2	0.0	0.4	0.4
Transfer-Forest-Plains Sw Mach	0.0	0.3	0.3
Int Signals - Future Design	0.3	0.0	0.3
Phil Subdiv I/L Rtu Upgrades	0.3	0.0	0.3
Ned208.7 Hot Box Detector Repl	0.0	0.2	0.2
Communications & Signals Program	24.3	8.5	32.8
Substations & Frequency Converters	76.8	5.8	82.6
Catenary & Transmission	41.1	1.3	42.4
Pole Zoo To Paoli-Catenary Struct Repla	3.0	0.0	3.0
Sigp Baltim Sub 20-Signal Power Upgrade	1.3	0.0	1.3
Wil-Was Interlocking Rtu Replacement Re	1.2	0.0	1.2
Bal Subdiv Catenary Pole Upgrs	1.0	0.0	1.0
Zoo 9-Disconnect Switch Replacement	0.8	0.0	0.8
Landover Sub 24 - Air Break Replacement	0.5	0.0	0.5
Lamokin Transformer-Breakers Replacement	0.2	0.2	0.4
Phil Subdiv Interlocking Rtu Replacement	0.4	0.0	0.4
Arsenal 2A-Disconnect Switch Replacement	0.3	0.0	0.3
Massachusetts Brg Catenary Upg	0.3	0.0	0.3
New England Div Substa Metering Devices	0.2	0.0	0.2
Phil Subdiv Catenary Pole Replacement C	0.2	0.0	0.2
New England Div Sub Lighting	0.2	0.0	0.2
Glenolden 10 - Disconnect Sw Replacement	0.1	0.0	0.1
Frankford 30 - Disconnect Sw Replacement	0.1	0.0	0.1
Perry-Grace Sig Pwr Upgr	0.1	0.0	0.1
Kinzer Sub 67 Transformer Installation	0.1	0.0	0.1
Phl-Wil Catenary Structure Replace	0.1	0.0	0.1
Lamokin 11-Disconnect Switch Replacement	0.1	0.0	0.1
Winans-Grove Catenary Upgr	0.0	0.0	0.0
Ne Div Double Messenger Clamps	0.0	0.0	0.0

Project	GCAP	Other	Total Capital
Morrisville Sub 34 Improvement	0.0	0.0	0.0
Electric Traction Program	128.1	7.3	135.4
Springfield Ln Double Track	0.0	50.8	50.8
Interlocking Renewal	37.3	3.9	41.1
NED Concrete Tie Replacement	25.7	0.0	25.7
Wash-New York Sys Undercutting	24.0	0.0	24.0
Stip Brandy To Ragan - Section Improve	0.0	15.0	15.0
Landover/Hanson I/L Renewal	14.6	0.0	14.6
Mad Division Surfacing Program	12.0	0.0	12.0
State Interlocking Renewal	0.0	11.8	11.8
Eng Track Replacement	0.5	10.8	11.3
Ert Line 3/4 Rail/Ties	0.0	10.0	10.0
Ny Div Concrete Tie Repl-Tls	8.6	0.0	8.6
Fy05 Eng Amm Development	6.0	0.0	6.0
Kingston Ri Capacity And Platform Imprv	0.0	5.8	5.8
Phil Subdiv Tie/Timber Program	5.5	0.0	5.5
Central Div Tk Rehabilitation	5.0	0.0	5.0
New York Div Surfacing Prgm	2.0	2.0	4.0
Phila Subdiv Interlocking Stl	3.0	0.0	3.0
Ny East Rvr Tun Rail/Tie Ln 1/2	0.8	1.7	2.5
New England Div Crv Patch Rail	2.5	0.0	2.5
Michigan District Rail Renewal	2.4	0.0	2.4
Wash-New York Curve Patch Rail	2.3	0.0	2.3
Frazer-Thorn Wood Ties Track 2	2.2	0.0	2.2
New England Division Wd Ties	2.1	0.0	2.1
Amtk Sys Mud Spot Elimination	2.1	0.0	2.1
New York Div West Tie/Timber	1.0	1.0	2.0
Albany Line - Timber Program	2.0	0.0	2.0
B&P Tun Block Tie/Rail Renewal	2.0	0.0	2.0
Amt Sys Roadbed Stability Upgr	2.0	0.0	2.0
West Albany Hill Concrete Tie Install	1.9	0.0	1.9
Ny Area Rail Replacement	1.9	0.0	1.9
Bryn Mawr I/L Turnout Replacement	1.7	0.0	1.7
Washington Term Turnout Repl	1.7	0.0	1.7
Was-Phl Jnt Elimination	1.7	0.0	1.7
Har Line Xing Elimination	0.8	0.8	1.6
Cynwyd/Paxton I/L Renewal	1.5	0.0	1.5
Mad Turnout Replacement	1.4	0.0	1.4
Zoo-44Th St I/L Reconfiguraton	1.3	0.0	1.3
Springfield Ln I/L Stl Renewal	1.3	0.0	1.3
New England Div Spot U/C	1.3	0.0	1.3
Ties Boston Subdivision-Tie/Timber Prog	1.2	0.0	1.2
Mad Concrete Tie Replacement	1.0	0.0	1.0
Nj006.10 Portal Brg Mitre Rail	0.5	0.5	1.0
West Division - Station Track Upgrades	0.9	0.0	0.9
Ny Div East Interlocking Steel	0.4	0.4	0.8
Michigan Ln Repl Xing Pannels	0.8	0.0	0.8
Kingston-New Haven Joint Elim	0.8	0.0	0.8
New England Dv T/O Replacement	0.8	0.0	0.8
Track - Future Design	0.8	0.0	0.8
Fy04 Eng Amm Development	0.7	0.0	0.7
Ny Div West Joint Elimination	0.4	0.4	0.7
New York Div East Timbers	0.3	0.3	0.7

Project	GCAP	Other	Total Capital
Transfer-N Haven Drainage Impv	0.6	0.0	0.6
Ny Div West Interlocking Stl	0.3	0.3	0.6
Albany Line Curve & Trail Tk Rail Repl	0.6	0.0	0.6
Ny Div-Concrete Ties Replacemn	0.5	0.0	0.5
Mid-Atlantic Div Drainage Upgr	0.5	0.0	0.5
Ned Concrete Tie Replacement	0.5	0.0	0.5
Michigan District Surfacing	0.5	0.0	0.5
Rail Nec/Albany Line-Mitre Rail/Expansi	0.5	0.0	0.5
30Th St Sta Block Ties	0.5	0.0	0.5
Was-Bos Rail Lubicator Replace	0.4	0.0	0.4
Turnout Development/Design	0.4	0.0	0.4
Kingston-New Haven Insul Jts	0.3	0.0	0.3
Mid-Atlantic Div Insul Joints	0.3	0.0	0.3
Michigan Dist T/O Replacement	0.3	0.0	0.3
Amtk Sy Surfacing Prg Develop	0.3	0.0	0.3
Lane Interlocking - Interlocking Renewal	0.1	0.1	0.3
Bridge Interlocking Renewal	0.3	0.0	0.3
Psny Joint Elimination	0.3	0.0	0.3
New England Div Hdblock Ties	0.3	0.0	0.3
Penn Station Ny Fire Life Safty Sys Upgr	0.3	0.0	0.3
Hellgate/Empire Rail Renewal	0.3	0.0	0.3
Ny Div West Insulated Joints	0.1	0.1	0.3
Nec Wayside Detector Comm Sys	0.2	0.0	0.2
Ny Div East Insulated Jt Repl	0.1	0.1	0.2
Michigan District Switch Machine Repl	0.2	0.0	0.2
Hellgate/Empire I/L Steel	0.2	0.0	0.2
Colonie Ny Land Purchase To Limit Curves	0.2	0.0	0.2
New York Div Vacuum Train	0.1	0.1	0.2
Ny Div East Joint Elimination	0.1	0.1	0.2
Trenton Station - Drainage System Upgr	0.1	0.1	0.2
S Bay I/O Turnout Replacement	0.0	0.2	0.2
Pjt Mgt Sys Development	0.1	0.0	0.1
Eng Information Portal Sys	0.1	0.0	0.1
New Orleans- La Wd Tie Repl	0.1	0.0	0.1
Albany Ln Insulated Jnt Renew	0.1	0.0	0.1
Track Program	200.1	116.3	316.4
CETC NY Scada Phase II	4.5	0.0	4.5
Eng Fire & Life Safety	3.0	13.0	16.0
Life Safety Program	7.5	13.0	20.5
Engineering Track Eqi Purchase	37.1	0.0	37.1
Track Equip Heavy Overhuls	2.1	0.0	2.1
Electric Traction Catenary Measuring Sys	0.7	0.0	0.7
Acela Train - Refurbish Accelerometer	0.2	0.0	0.2
Track Equipment Program	40.0	0.0	40.0
Total Infrastructure Renewal	647.7	210.9	858.6
Hamilton Sub NJHSRIP Dsn And Construct -	0.0	13.6	13.6
New Substation NJHSRIP Dsn And Construct	0.0	0.7	0.7
New Brunswick-Trenton NJHSRIP Signals	0.0	6.2	6.2
New Brunswick-Trenton NJHSRIP Brg Upgrs	0.0	8.0	8.0
Penn Sta Ny NJHSRIP I/L Renewal Pm	0.0	0.1	0.1
New Brunswick-Trenton NJHSRIP Catenary -	0.0	31.6	31.6
Brunswick-Trenton NJHSRIP Track Upgrades	0.0	15.0	15.0

Project	GCAP	Other	Total Capital
Penn Sta Ny NJHSRIP Interlocking Renewal	0.0	1.5	1.5
Sys New Brunswick/Trenton NJHSRIP - Impr	0.0	8.2	8.2
Freq Metuchen Converter NJHSRIP-Upgrade	0.0	1.5	1.5
Total New Jersey High-Speed Improvement Program	0.0	86.3	86.3
Portal Bridge Direct Fixation Tk Design	100.0	0.0	100.0
Gateway Preliminary Design And Planning	35.0	0.0	35.0
Gateway Preliminary Design And Planning	1.5	0.0	1.5
Hudson Interlocking-Turnout Installation	4.3	0.0	4.3
Ny Gateway Tunnel - Phase 1 Design	2.2	0.0	2.2
Nec Tier Iii Trains System Analysis	2.2	0.0	2.2
Harrison Ny 4Th Tk Design And Initiation	1.1	0.0	1.1
Portal Br - South Brdg And Approach Dsn	1.1	0.0	1.1
Gateway Construction	4.3	91.0	95.3
Total Gateway Program	151.6	91.0	242.6
NEC Stations Improvement Program	78.5	0.0	78.5
ADA Compliance Program	75.0	0.0	75.0
Acse Amtrak Owned-Positive Train Control	41.0	0.0	41.0
Ptc I-Etms # Acces Interoperability (Fed	0.0	3.2	3.2
Positive Train Control Program	41.0	3.2	44.2
S&I/Running Repair Fac - Was	2.0	0.0	2.0
S&I/Running Repair Fac-Central	2.0	0.0	2.0
Reliability Cntr Improvements	2.0	0.0	2.0
S&I/Running Repair Fac - Ny	1.5	0.0	1.5
Si Running Repair Fac-South	1.5	0.0	1.5
S&I/Running Repair Fac - West	1.5	0.0	1.5
Wilmington Facility Imps	1.0	0.0	1.0
Beech Grove Shops Facility Imp	1.0	0.0	1.0
Bear Facility Improvements	1.0	0.0	1.0
High Speed Facility	1.0	0.0	1.0
Mechanical Facility Improvement Program	14.5	0.0	14.5
Philadelphia Contact Center HVAC Replacement	0.2	0.0	0.2
High Efficiency Lighting at Mechanical Facilities	0.8	0.0	0.8
Materials Management Facility Improvements	2.3	0.0	2.3
Renovations to Philadelphia 30th Street Garage	18.0	0.0	18.0
Total Infrastructure Programs	1,029.5	391.4	1,420.8

Amtrak FY2014 Capital Project Detail

Fleet Programs (\$ millions)

Project	GCAP	Other	Total Capital
Diesel Locomotive LCPM	31.5	0.0	31.5
F59 Locomotive Overhaul	6.6	0.0	6.6
P-32-ED Locomotive Overhaul	3.0	0.0	3.0
Aem-7 Ac Locomotive Overhauls	2.3	0.0	2.3
Locomotive Wreck Program	2.0	0.0	2.0
HHP-8 Locomotive Overhaul	1.2	0.0	1.2
Re-Powering Of Switchers At Ivy City	0.0	0.0	0.0
Locomotive Overhaul Program	46.6	0.0	46.6
Acela Overhaul Program	91.1	0.0	91.1
Amfleet Coach Overhaul Level 2	31.6	0.0	31.6
Amfleet I Coach O/H Level 1	11.0	0.0	11.0
Amfleet I Cafe/Club Overhaul	9.5	0.0	9.5
Amfleet II Coach Ovrhl Level 3	8.5	0.0	8.5
Amfleet I Cafe/Club O/H Lvl 1	3.8	0.0	3.8
Amf II Coach OH Level 1	3.4	0.0	3.4
Cab Car Overhaul - Level 1	3.2	0.0	3.2
Car Wreck Program	2.0	0.0	2.0
Amfleet II Diner O/H Level 1	1.9	0.0	1.9
Caltrans Comet OH For NPCU And Cafe Cars	1.7	0.0	1.7
Amfleet Overhaul Program	76.5	0.0	76.5
Superliner I Coach Level 3 Overhaul	20.7	0.0	20.7
SI I Sleeper Overhaul	9.4	0.0	9.4
Superliner II Sleeper Overhaul	8.9	0.0	8.9
Superliner II Diner Overhaul	6.2	0.0	6.2
Superliner I Lounge Overhauls	4.7	0.0	4.7
Superlnr II Trns Sleepr/Drn Oh	4.2	0.0	4.2
Superliner II Lounge Overhaul	3.4	0.0	3.4
Superliner I Coach Overhauls	3.0	0.0	3.0
Superliner I Diner Overhauls	3.0	0.0	3.0
Superliner II Coach Overhaul	0.8	0.0	0.8
Superliner Overhaul Program	64.3	0.0	64.3
Heritage Diner Overhaul Program	1.8	0.0	1.8
Horizon Coach Overhaul - Level 2	6.9	0.0	6.9
Horizon Cafe Overhaul	1.1	0.0	1.1
Horizon Overhaul Program	8.1	0.0	8.1
Surfliner Coach Overhaul	0.6	0.0	0.6
Surfliner Cab Car Overhaul	0.5	0.0	0.5
Surfliner Business Class Car OH	0.3	0.0	0.3
Surfliner Overhaul Program	1.3	0.0	1.3
Talgo Equipment Modifications	0.5	0.0	0.5
Viewliner Sleeper - Overhaul	6.8	0.0	6.8
Viewliner Sleeper To Coach Conversion	2.4	0.0	2.4
Viewliner Overhaul Program	9.2	0.0	9.2
Total Fleet Overhauls	299.3	0.0	299.3
Positive Train Control (PTC)	18.8	0.0	18.8
Engineering Modification Project	5.0	0.0	5.0
Brake Pad Scan System	1.5	0.0	1.5
Wheel Scan	1.0	0.0	1.0
Automated Pantograph Inspection System	1.0	0.0	1.0
Trackside Acoustic Detection Systems	0.5	0.0	0.5
Fleet Engineering Program	27.8	0.0	27.8
Locomotive Mandatory Programs	3.0	0.0	3.0
Car Mandatory Programs	2.0	0.0	2.0
Mandatory Revisions Program	5.0	0.0	5.0
Total Fleet Programs	332.1	0.0	332.1

Amtrak FY2014 Capital Project Detail

Fleet Acquisition Programs (\$ millions)

Project	GCAP	Other	Total Capital
Next Generation HSR Acquisition	200.0	0.0	200.0
Long Distance Single Level Replacement	139.4	0.0	139.4
Low Emission Switcher Locomotives	0.1	1.8	1.9
Electric Locomotive Purchase	0.0	70.0	70.0
Total New Equipment Acquisition	339.5	71.8	411.3
Early Buyout of Leased Equipment	196.5	0.0	196.5
Total Equipment Acquisition	536.0	71.8	607.8

Customer Experience Management Programs (\$ millions)

Project	GCAP	Other	Total Capital
Customer Experience Programs	11.0	0.0	11.0
Enhancements & Upgrades to Amtrak.com	3.2	0.0	3.2
e-Ticketing Initiative	2.0	0.0	2.0
Wi-Fi Program Expansion	13.5	0.0	13.5
Passenger Information Systems	7.5	0.0	7.5
Revenue Management System Forecasting Upgrade	2.0	0.0	2.0
Point Of Sale System	3.0	0.0	3.0
Total Customer Experience Management Programs	42.2	0.0	42.2

Technology Programs (\$ millions)

Project	GCAP	Other	Total Capital
Next Generation Reservations System Project	14.4	0.0	14.4
Technology State of Good Repair and Cost Optimization	10.3	0.0	10.3
Transportation Foundation Project	10.0	0.0	10.0
Transportation Labor Management System Integration	10.0	0.0	10.0
Credit Card System Upgrade	8.9	0.0	8.9
Amtrak Reorganization Systems Changes	5.0	0.0	5.0
Amtrak Foundation-Reporting & Dashboards	3.6	0.0	3.6
Amtrak Foundation - Train Operations Technology	3.0	0.0	3.0
Human Capital Management (HCM) Foundations	3.0	0.0	3.0
Cyber Information Security	3.0	0.0	3.0
Network Redesign and Expansion	3.0	0.0	3.0
Enterprise Resource Planning (ERP) Foundation	2.5	0.0	2.5
Mechanical Technology	2.5	0.0	2.5
Corporate Systems Foundation	2.0	0.0	2.0
Electronic Delay Reporting	1.0	0.0	1.0
Total Technology Programs	82.2	0.0	82.2

Amtrak FY2014 Capital Project Detail
Environmental Remediation Program (\$ millions)

Project	GCAP	Other	Total Capital
New Brunswick Commuter Yard Remediation	1.3	0.0	1.3
Trenton NJ - Commuter Yard Remediation	0.9	0.0	0.9
Asbestos/Lead Paint/Mold Abatement	0.8	0.0	0.8
Penn Station Track Remediation	0.2	0.0	0.2
Sunnyside Yard Oil/PCB Remed	1.0	0.0	1.0
Los Angeles Wastewater Treatment Upgrade	1.0	0.0	1.0
Cedar Hill Remedation	0.6	0.0	0.6
Wilmington Remediation	2.3	0.0	2.3
Beech Grove Facility - Wastewater Treatment Upgrades	1.5	0.0	1.5
Environmental Remediation Projects	9.4	0.0	9.4

Amtrak FY2014 Capital Project Detail
Other Projects (\$ millions)

Project	GCAP	Other	Total Capital
DHS Security Projects	0.0	10.0	10.0
MARC Joint Benefit Projects	0.0	7.0	7.0
Material Handling Equipment Replacement	1.0	0.0	1.0
Total Other Projects	1.0	17.0	18.0

GAAP Basis Summary Income Statement

\$ millions	FY2012 Actual	FY2013 Budget	FY2014 Request
Ticket Revenue	\$1,968.2	\$2,099	\$2,125
Food and Beverage	122.0	123	128
Subtotal Passenger Revenue	2,090.2	\$2,222	\$2,253
State Supported Train Revenue	179.0	\$195	\$287
Commuter	140.4	110	121
Reimbursable	121.4	136	132
Commercial Development	93.9	80	76
Other Transportation	147.2	138	145
Freight Access Fees and Other	72.1	60	54
Subtotal Other Revenue	574.9	\$524	\$529
Total Operating Revenue	2,844.1	\$2,941	\$3,069
<i>Salaries, Wages and Benefits:</i>			
Salaries	267.2	267	285
Wages & Overtime	1,033.3	1,069	1,100
Employee Benefits	608.5	611	652
Employee Related	29.4	29	30
Subtotal Salaries, Wages and Benefits	1,938.5	\$1,976	\$2,067
Train Operations	245.2	284	282
Fuel, Power, & Utilities	355.3	376	374
Materials	184.8	188	187
Facility, Communication, & Office	166.5	169	174
Advertising and Sales	78.5	98	100
Casualty and Other Claims Total	50.7	57	56
Amort of Gain On Sale/Leaseback	(4.1)	(4)	(4)
Professional Fees	81.4	106	94
Data Processing Services and Supplies	135.7	124	137
Environmental and Safety	7.1	9	10
Maintenance of Way Services	33.5	39	39
Passenger Inconvenience	12.9	12	13
Financial	39.9	45	66
Other Expenses	0.8	4	(0)
Transfer Credits (from Capital Projects)	(128.7)	(129)	(134)
Total Expenses	3,205.9	\$3,356	\$3,461
Operating Loss - Cash Basis	(361.8)	(\$415)	(\$392)
Adjustments to GAAP P&L			
Post-Employment Benefits (OPEB) Net Accrual	63.5	102.1	94.4
Office of the Inspector General Expenses	22.8	22.5	22.4
Depreciation	667.8	685.9	692.7
Non-capitalizable Project Expenses	75.7	37.2	31.3
Interest Expense, Net	80.4	54.2	79.9
Repayment of RRIF Loan			(19.1)
Federal & State Capital Payments (Revenue)	(32.7)	(35.6)	(32.5)
Total GAAP Exclusions from Operating Loss	\$877.6	\$866.4	\$869.0
GAAP Net Operating Loss	(\$1,239.4)	(\$1,281.4)	(\$1,261.2)