



National Railroad Passenger Corporation

AMTRAK

**Fiscal Year 2012 Budget and
Comprehensive Business Plan**

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

**February 2011, revised January 2012 in accordance with Public
Law No. 112-36 “FY2012 Continuing Resolution.”**

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Introduction

The National Railroad Passenger Corporation (Amtrak) is a large, complex enterprise focused on the operation of intercity passenger trains in the U.S. Amtrak was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. It operates more than 300 trains per day over more than 40 routes, carrying an average of 78,500 passengers daily. Amtrak has slightly more than 20,000 employees and had FY2011 revenues of \$2.7 billion, which included intercity passenger revenues, revenues from related businesses and state capital payments. Despite recent growth, the United States still has one of the lowest intercity rail usages in the developed world.

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

- 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
- Managing 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 management's vision for Amtrak along with strategies and tactics to achieve that vision. The plan also places greater emphasis on improving financial performance. The following is an excerpt from the Strategic Plan:

The focus of this plan is to make Amtrak's bottom line the center of our attention. Certainly we must keep safety and security as our top priority, and we have other responsibilities to fill as America's Railroad. Our strategic plan is a crucial starting point to carrying out our mission in the most financially effective way possible.

The Strategic Plan 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.

In particular, Strategy 7 calls for an extensive overhaul of Amtrak’s corporate and management structure. This overhaul involves the establishment of six “business lines” that focus on the overall performance of specific Amtrak products and services. Each business line will have a management structure that is accountable for every aspect, including as appropriate infrastructure and fleet delivery, train operations, safety and on-time performance, passenger and customer interactions, and financial performance. 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**
The host railroad operation, design, construction and maintenance of Amtrak-owned infrastructure, in order to support the operation of Amtrak trains and other rail service providers. This includes Northeast Corridor “state of good repair,” high-speed rail investment and planning.
2. **Northeast Corridor Operations**
The delivery of integrated high-speed rail services in the Northeast Corridor, including Acela Express, Northeast Regional and Keystone Service trains and the proposed high-speed “Acela II” rail system improvements.
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.

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, as well as contract management services for access and other cost-sharing agreements that allow commuter agencies to utilize Amtrak property or services.

5. Long-Distance Services

The operation of Amtrak's national network of 15 interstate routes of 750 miles or more that connect communities with the nation's major regions.

6. Corporate Asset Development

The development and commercialization of latent Amtrak assets, such as real estate, mechanical services, technical expertise, intellectual property and other resources.

The implementation of the six business lines began in early fiscal 2012 with the naming of senior management for the NEC Infrastructure and Investment Development (NEC-IID) business line. The completion of this corporate realignment will continue throughout fiscal 2012 and will continue to mature in subsequent years.

Such reorganization necessitates significant changes to the existing corporate structure and its employees. With the establishment of the NEC-IID the company announced the dissolution of its former Policy & Development and High Speed Rail organizations, which impacted more than fifty management employees. The company has also announced that major reorganizations are in development for its Government Affairs Division, Marketing & Product Management Division and its Operations Division, which includes the Transportation (train operations), Mechanical (fleet maintenance) and Engineering (infrastructure maintenance) departments. The company expects that the organizational realignments taking place through 2012 will result in a reduction in the number of non-agreement employees across all departments, and a Reduction in Force is expected to begin in January 2012.

In order to ease the impact of a Reduction in Force, Amtrak offered a Voluntary Separation Incentive Program (VSIP) to all non-agreement employees with at least one year of service who wished to voluntarily leave the company. The VSIP offered severance pay of up to sixteen weeks based on length of service, as well as up to one year of health care coverage, through COBRA, again based on length of service. A total of 174 employees applied for the VSIP and the company accepted 161 of the applications. These employees, whose aggregate annual salaries totaled \$14.9 million, ended their Amtrak employment by December 30, 2011. Some of these vacated positions may be filled by employees that are displaced as the company reorganizes, some may be filled externally, and others will be abolished.

Federal Support

As Table 1 below demonstrates, Amtrak has received decreasing levels of federal funding in recent years. During this period, through revenue growth and cost control efforts, the company's operations have absorbed hundreds of million of dollars in inflationary costs including contractual wage increases for agreement employees, volatile and increasing energy prices, and rapidly rising health care costs. While operational cost pressures may be offset with revenue growth and other management actions, decreasing federal appropriations have more detrimental impact on the capital programs. The recent capital appropriation levels allow for little more than maintaining the current status of the infrastructure and rolling stock; there are no available funds for addressing deferred maintenance, investing in improvements that would grow the business, or replacing aged rolling stock. Rolling stock that continues

to be used past its normal operating life results in higher maintenance costs, lower reliability and reduced equipment availability which negatively impacts on-time performance and other key operating metrics.

The need to invest in capital programs beyond federal support levels has caused the company to begin funding certain critical projects by reducing operating costs and allocating revenue to continue critical capital programs. As Table 1 indicates, Amtrak’s FY2012 budget designates \$121 million of revenue to be used to fund capital projects. Such use of revenue is only made possible by reductions of operating costs by a similar amount, and accordingly this budget reflects actions that are discussed later in this document.

In summary as shown in Table 1, the FY2012 budget from appropriations totals \$1,409 million as follows:

- Operating support - \$466 million
- Capital Programs - \$671 million not including amounts designated to the Federal Railroad Administration for oversight and the NEC Advisory Commission (differences due to rounding)
- Debt Service – not to exceed \$271 million.

Table 1 – Recent Federal Appropriations

Amtrak Funding (\$millions) excluding Amtrak OIG	PRIIA Authority	FY2010 Appropriation	FY2011 Appropriation	FY2012 Appropriation	FY2012 Budget
Operating Grant	101(a)	563	562	466	345
General Federal Capital⁽¹⁾	101(c)	574	649	607	623
Americans with Disabilities Act Investment	219 (b)	144		50	50
NEC Gateway Project Capital Funds				15	15
Plus amount Retained by FRA from Capital & DS for Oversight⁽²⁾	103	10	9	10	10
Subtotal DOT Capital Grant		728	658	681	697
Capital Funded with Amtrak Ticket Revenue					121
Debt Service ⁽³⁾	102(a)	264	264	271	255
Subtotal DOT Debt Service Grant		264	264	271	255
Total Amtrak Appropriation		1,555	1,484	1,418	1,418
Net Funding to Amtrak		1,545	1,474	1,409	1,409

⁽¹⁾This FY2012 General Capital budget includes \$16.5 million from the Debt Service portion of the Capital Appropriation

⁽²⁾ Appropriations allow for FRA to deduct .5% for oversight of the capital programs and .5% to fund expenses associated with implementing PRIIA section 212 (NEC Infrastructure and Improvements.)

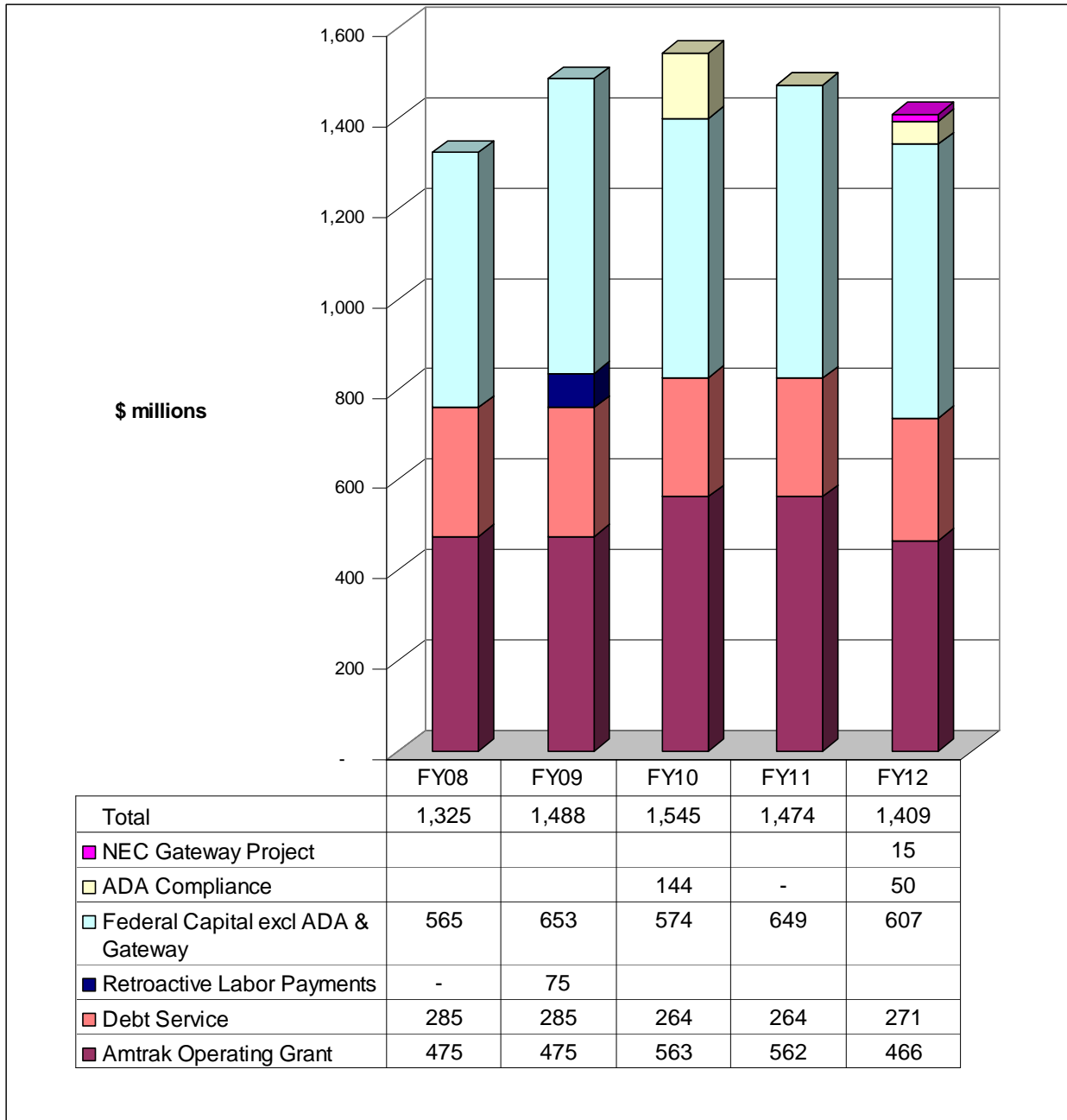
⁽³⁾ Appropriations are designated as a not to exceed amount for scheduled principal and interest payments.

In addition to the appropriations shown in Table 1, Amtrak’s FY2012 budget includes funding from other federal grants and loan programs such as the following:

- High Speed Inter-city Passenger Rail Grant: \$ 7.3 million
- DHS Grants: \$41.1 million
- DOT, Positive Train Control (V-ETMS) Grant: \$ 7.7 million
- ARRA 2009 Police Operations Package: \$ 2.1 million
- US Treasury Department Equipment Lease Early Buy-Outs: \$258.8 million.
- Railroad Rehabilitation & Improvement Financing (RRIF): \$119.6 million loan to replace aging rolling stock and add revenue capacity.

Chart 2 below displays the history of Federal support for Amtrak for operating expenses, capital investment and debt service from FY2009 to FY2012 from annual general appropriations from the Department of Transportation.

Chart 2 – Historical General Federal Appropriations (DOT Grant)



Budget Development

Each year Amtrak departments and finance staff formulate one-year budgets and five-year plan documents. These efforts are greatly impacted by the timing of federal appropriation actions and are

governed by the **Passenger Rail Investment and Improvement Act of 2008 (PRIIA)**. Typically our planning cycles involve the following major milestones:

1. A detailed one-year budget is developed and submitted in February each year as our annual grant request. Concurrent with this budget is the submission of the *FY2013 Legislative and Grant Request, Budget and Comprehensive Business Plan*.
2. Revisions to the one-year budget are performed throughout the ensuing months and finalized when a federal appropriation is enacted. Amtrak is statutorily required to submit this final document within sixty days after passage of the bill. Congress enacted the FY2012 Appropriations Act signed by the President on November 18, 2011. This document satisfies this requirement for FY2012.
3. The Five Year Financial Plan is revised as necessary after passage of the annual appropriations bill and Amtrak is statutorily required to submit this document within sixty days of passage of the appropriations bill or October 1, whichever is later. The current version of this document is the *FY2012-FY2016 Five Year Financial Plan*.
4. A preliminary Five Year Financial Plan will be developed for FY2013-2017 and delivered not later than October of each year to satisfy requirements to communicate the next fiscal year plan for FY2014.

Although the Amtrak Office of the Inspector General (OIG) is a part of the National Railroad Passenger Corporation, federal funding is appropriated directly to the OIG and is not a part of this budget.

Operating Budget Base and New Activities

Consistent with the methodology of previous years, the FY2012 operating budget segregates costs by Continuing and New Activity.

1. Continuing Activity consists of activity in FY2012 that is consistent with FY2011 activity including, as necessary, annualized costs of partial year activity and cost inflation or deflation of prior year expenses.
2. New Activity captures costs and revenues of any activity that is wholly or primarily new in FY2012. This includes changes to service or business methods, new activity related to achieving corporate strategies and objectives, and other company priorities. Table 3 below lists the net impact for items categorized by activity in the FY2012 Budget.

Table 3 – New Activities and Initiatives

		\$ Millions		
		Revenue	Expenses	Net
<i>New Revenue Initiatives</i>	Launch of Wi-Fi Systemwide	\$13.7		\$13.7
	Contact Center Booking Fee	\$5.9	(\$2.5)	\$8.4
	Marketing, Advertising & Social Media activities	\$4.5		\$4.5
	Launch of enhanced next generation eTicketing channel	\$0.9		\$0.9
	Other	(\$0.0)	\$0.0	(\$0.0)
Total FY12 New Revenue Initiatives		\$24.9	(\$2.5)	\$27.4
<i>Mobility & Connectivity</i>	HSR Business Plan Funding Study		\$2.5	(\$2.5)
	HSR Next Generation Implementation Studies		\$2.5	(\$2.5)
	Other HSR planning, marketing, and development support efforts		\$2.6	(\$2.6)
	Additional resources for NEC Infrastructure planning, analysis, and support		\$2.0	(\$2.0)
	Additional resources for Commuter contracting		\$0.4	(\$0.4)
Subtotal Mobility & Connectivity Initiatives			\$10.0	(\$10.0)
<i>Customer Service</i>	Additional Ticket Agents Cary/Raleigh NC		\$0.3	(\$0.3)
	Service/staffing increases on targeted long distance routes (route performance improvement)		\$3.8	(\$3.8)
Subtotal Customer Service Initiatives			\$4.1	(\$4.1)
<i>Safety</i>	Claims reductions from Safe-2-Safer program education		(\$2.3)	\$2.3
	Abestos Management Plan		\$0.9	(\$0.9)
	Other		\$0.2	(\$0.2)
Subtotal Safety Initiatives			(\$1.2)	\$1.2
<i>Security</i>	Back-up security network operational cost		\$1.5	(\$1.5)
	Amtrak's headquarter front desk – Contracted security officers		\$0.3	(\$0.3)
	Maintenance and Way Inventory Security Initiative		\$0.1	(\$0.1)
	Ivy City building – Contracted security officers		\$0.3	(\$0.3)
	Operational fees for monitoring cameras at Penn Station NY		\$0.3	(\$0.3)
	Safety Engineering		\$0.5	(\$0.5)
	CCTV Maintenance		\$0.5	(\$0.5)
	Issuance of Smart ID Cards for contractors access to Amtrak's property		\$0.5	(\$0.5)
	Virtual Fence Monitoring Cost		\$0.9	(\$0.9)
	Police Department Expansion - add 50 officers		\$2.4	(\$2.4)
	Other		\$1.9	(\$1.9)
Subtotal Security Initiatives			\$9.1	(\$9.1)
<i>Environmental</i>	Fuel Conservation Program		(\$3.3)	\$3.3
	Utility conservation - installation of high efficiency lighting		(\$0.9)	\$0.9
	Climate Registry Verification		\$0.1	(\$0.1)
Subtotal Environmental Initiatives			(\$4.1)	\$4.1
<i>Organizational Excellence</i>	SAM Savings		(\$2.8)	\$2.8
	Wellness Programs		\$0.1	(\$0.1)
	Close Jacksonville Crewbase		\$0.2	(\$0.2)
	Amtrak Leadership Program		\$0.2	(\$0.2)
	Police Fitness Program		\$0.5	(\$0.5)
	Fleet Other		\$3.7	(\$3.7)
Subtotal Organizational Excellence Initiatives			\$1.8	(\$1.8)
<i>Organizational Excellence IT</i>	Replace Outsourced Service with Employees		(\$1.2)	\$1.2
	IT cost to support new Software and Applications		\$10.1	(\$10.1)
	IT cost of SAP Center of Excellence		\$7.3	(\$7.3)
Subtotal Organizational Excellence Initiatives-IT			\$16.3	(\$16.3)
Total FY12 New Activity		\$24.9	\$33.4	(\$8.5)

Capital Budget Processes

When planning and documenting capital investment projects, specific information is submitted that enables Amtrak's compliance with mandatory reports to the Federal Railroad Administration (FRA). In addition, Amtrak conducts a review of the projects according to Generally Accepted Accounting Principles (GAAP) to properly account for operating versus capital costs.

The following is a summary and brief description of the information that is required for Capital budget submissions:

- Project Scope – A description of what the project is and the intended purpose/objective of the project.
- Project Justification – An explanation of why the project is necessary and how performance will be measured.
- Funding Sources – The assumed source of funds that will pay for the project.
- National Environmental Policy Act (NEPA) Codes – Codes that describe the status of environmental impact of a project.
- Project Phases – The capital planning process requires that costs be budgeted by phases. This information is required to conduct a Generally Accepted Accounting Principles (GAAP) review of the projects.
- Return on Investment Analyzer – The submissions included an analysis estimating the return on a capital investment. All projects that claim business improvement benefits were required to have this analysis completed; state of good repair programs including rolling stock rehabilitation are excluded.
- Project Outcome and Performance Measures – The submission included a worksheet to input outcomes and performance measures. This is a brief description of major outcome or outcomes anticipated upon completion of the project, and the measurement.

A Capital Budget Appendix that contains Program and Project Summaries in this budget is available.

Risks

We must address the possibility that matters beyond our control may alter our current estimate of our needs for capital and operating funding. The unsettled state of the economy and the fluctuations of fuel prices are serious concerns. Fuel prices have been particularly volatile in recent years and the potential for price increases poses a serious risk to the financial health of the company. Similarly, an economic downturn, particularly in the Northeast Corridor region could lead to unfavorable results in ridership and revenues. Budgetary issues faced by some of our state partners could likewise pressure our operating budget needs. Risks that can impact Amtrak's operating and capital funding needs include:

- If Amtrak does not receive sufficient Federal Government funding, Amtrak's ability to operate in our current form may be adversely affected.
- Amtrak's business is capital intensive, and without sufficient capital investment, Amtrak will be unable to maintain and improve current infrastructure and rolling stock.
- Instability or unavailability of Amtrak's information technology systems could have a detrimental effect on Amtrak's business.
- Legal proceedings may adversely affect Amtrak's business operations.
- Amtrak's business is subject to numerous operational risks – such as changes in general economic, weather or other conditions, equipment failure, disruption of its supply chain, war, acts of terrorism and other catastrophic events – which could result in significant disruptions to Amtrak's operations, increased expenses or decreased revenue.
- Amtrak's costs and revenues could be substantially adversely or positively affected by competition from airlines, buses and other modes of transportation.
- Amtrak's business is vulnerable to rising fuel costs and disruptions in fuel supplies.
- Amtrak's business is subject to federal, and to some state and local, laws and regulations.
- Amtrak's business is subject to environmental laws and regulations that may result in significant costs.
- Most of Amtrak's employees are represented by unions, and failure to negotiate reasonable collective bargaining agreements may result in strikes, work stoppages or substantially higher ongoing labor costs.
- Catastrophic events could result in liabilities exceeding Amtrak's insurance coverage.
- Amtrak has a mature work force, with substantial employee retirements expected in upcoming years, and therefore has large potential pension and other post-employment benefit obligations.

Operating Budget

Amtrak's FY2012 operating budget represents a significant change from previous years. As noted earlier, the recent trend of decreasing federal appropriations for capital investment has necessitated the use of revenue to continue critical capital projects. The Strategic Plan places increased emphasis on improving fiscal results while also improving operations and services. Accordingly, management has taken bold action to reduce Amtrak's operating costs for FY2012 and beyond. The actions taken are planned to reduce Amtrak's FY2012 net operating loss compared to appropriation by \$120.7 million. The savings are primarily from reduced non-agreement headcount, reduced advertising, and reductions in usage of professional services including outside legal counsel and consultants. The details of these reductions are contained in Table 8 under the Expenses section of this document.

As previously stated, the savings will allow Amtrak to supplement federal capital appropriations with revenue funds in order to complete critical investments. In compliance with accounting principles, and for presentation purposes for this document, the capital programs are shown to exceed federal funding and the operations are shown to be favorable to federal funding due to the application of operating revenue to fund capital programs. As shown, Amtrak has an operating budget that is approved to require \$345.3 million for operating expenditures not including the Office of the Inspector General. The FY2012 federal appropriation for operating needs is \$466 million.

Table 4 – Profit and Loss Statement

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Fav/(Unfav) to FY11	
				\$	%
REVENUES:					
<i>Passenger Related:</i>					
Ticket Revenue	1,702.1	1,851.5	1,967.9	116.4	6.3%
Food and Beverage	97.5	109.4	109.3	(0.1)	-0.1%
State Supported Train Revenue	174.3	191.1	192.9	1.8	0.9%
Subtotal Passenger Related Revenue	1,973.9	2,152.0	2,270.1	118.0	5.5%
Commuter	152.5	173.4	140.0	(33.4)	-19.3%
Reimbursable	100.7	84.1	103.0	18.9	22.4%
Commercial Development	74.8	76.2	71.8	(4.4)	-5.8%
Other Transportation	135.6	139.5	143.3	3.8	2.7%
Freight Access Fees and Other	47.0	50.6	59.0	8.3	16.5%
Subtotal Other Revenue	510.5	523.8	517.0	(6.8)	-1.3%
Total Operating Revenue	2,484.4	2,675.9	2,787.1	111.2	4.2%
<i>Salaries, Wages and Benefits:</i>					
Salaries	239.1	258.3	263.5	(5.2)	-2.0%
Wages & Overtime	941.8	1,008.5	998.1	10.4	1.0%
Employee Benefits	534.9	609.9	600.1	9.8	1.6%
Employee Related	26.1	33.3	27.6	5.6	16.9%
Salaries, Wages and Benefits	1,741.9	1,909.9	1,889.3	20.6	1.1%
Train Operations	262.4	253.6	271.8	(18.2)	-7.2%
Fuel, Power, & Utilities	299.7	337.9	369.5	(31.6)	-9.4%
Materials	184.2	191.7	200.6	(8.9)	-4.6%
Facility, Communication, & Office	178.0	172.5	176.6	(4.0)	-2.3%
Advertising and Sales	113.7	112.9	80.4	32.5	28.8%
Depreciation	602.5	602.6	671.4	(68.8)	-11.4%
Other Non-labor Fees and Services	177.1	210.6	208.0	2.5	1.2%
Total Expenses	3,559.6	3,791.7	3,867.6	(75.9)	-2.0%
Operating Loss	(1,075.2)	(1,115.9)	(1,080.5)	35.4	3.2%
Post Retirement (OPEB's)	79.1	61.8	102.5	2.0	3.2%
Pay-As-You-Go Offset (OPEB)	(26.4)		(38.7)		
Depreciation	602.5	602.6	671.4	68.8	11.4%
Adj for Non-Cash Depreciation/OPEBs/Impairment	655.2	664.4	735.2	70.8	10.7%
Net Operating Loss	(419.9)	(451.5)	(345.3)	106.2	23.5%
Federal Appropriation/PRIIA Authorized	563.0	561.9	466.0	(95.9)	-17.1%
Over/(Under) Federal Support	(143.1)	(110.4)	(120.7)		

This income statement represents the total federal support required for Amtrak operations. This is not a 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 state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

FY2012 Operating Budget Assumptions

Revenue

Passenger Revenue, including ticket sales, was developed with the assistance of an outside firm. The consultant 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.

- **Ticket Revenue** – Other than a temporary setback in 2009 due to recession, Amtrak has experienced consistent growth in ticket revenue since 2003 through continued delivery of quality service, proactive revenue growth actions and modest pricing actions. Amtrak is positioned to deliver continued strong ridership with ticket revenue expected to achieve \$1.97 billion in FY2012, representing an increase of \$116.4 million (6.3%) over FY2011.
- **Food and Beverage Revenue** - Amtrak has Food and Beverage operations which provide consumers with meal options while onboard our trains and is projected to earn revenues of \$109 million in FY12.

State Supported Revenue was budgeted in accordance with existing state contracts and projected route performance in those states. Currently, Amtrak has contractual agreements to operate in 15 states. These contracts will account for roughly \$193 million of revenue in FY2012.

Ancillary Business Revenue, consisting of Commuter, Reimbursable, and Commercial Development revenue was budgeted according to the operating agreements and operating expenses needed to deliver 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 contribution of \$140 million in FY2012.
- **Reimbursable Revenue** - Amtrak performs reimbursable project work for a number of state agencies on as needed basis.
- **Commercial Development** - Amtrak earns revenue from its real estate operations by leasing retail space at its stations, operating parking garages and leveraging its land holdings by partnering with builders.
- **Other Revenue** - Amtrak leverages its ownership of track in the Northeast Corridor by charging freight railroads access fees in relation to their use of 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.

Total operating revenue in FY2012 is budgeted to be \$2.79 billion, an increase of \$111.2 million (4.2%) from FY2011 actual results. Included in this sum is \$24.9 million from new revenue initiatives and \$6.5 million in an effort to help fund capital projects by extending efforts with Amtrak.com partners. A summary of changes in Operating Revenue in FY2012 follows in Table 5. Chart of projected Ridership and Revenue growth follow in Charts 6 and 7.

Table 5 – Summary of Changes in Operating Revenue

		\$ Millions
FY11 Total Actual		\$2,675.9
<i>Changes to Base Activity</i>		
	Impact of changes in demographics and the economy	\$53.0
	Inflation including ticket price increases, labor agreements, fuel prices, and other	\$39.8
	Normalization of Reimbursable revenue expectations as compared to reduced activity in FY11	\$18.9
	Additional day of ticket revenue in FY12 due to leap year	\$5.0
	Increased capacity on Northeast Regional and Empire trains	\$3.2
	Commercial revenue decrease due to one-time revenues in FY11 not recurring in FY12	(\$4.4)
	Decrease in Commuter revenue and expenses primarily due to loss of contract	(\$33.4)
	All Other	(\$2.2)
	Base Activity Increase/(Decrease) from Prior Year	\$79.8
Total FY12 Base Activity Budget		\$2,755.7
<i>New Activity</i>		
<i>New Revenue</i>	Launch of Wi-Fi Systemwide	\$13.7
<i>Initiatives</i>	Contact Center Booking Fee	\$5.9
	Marketing, Advertising & Social Media activities	\$4.5
	Launch of enhanced next generation eTicketing channel	\$0.9
	Other	(\$0.0)
	Total FY12 New Revenue Initiatives	\$24.9
FY12 Budget before Management Actions		\$2,780.6
<i>Management Cost Reduction Actions</i>		
<i>Revenue Increase</i>	<i>Incremental revenue from Amtrak.com related partners</i>	\$6.5
FY12 Final Budget		\$2,787.1

This represents revenue that contributes to the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this excludes revenue for state contributions associated with capital projects (funded by capital appropriation).

Chart 6 – Ridership Trends

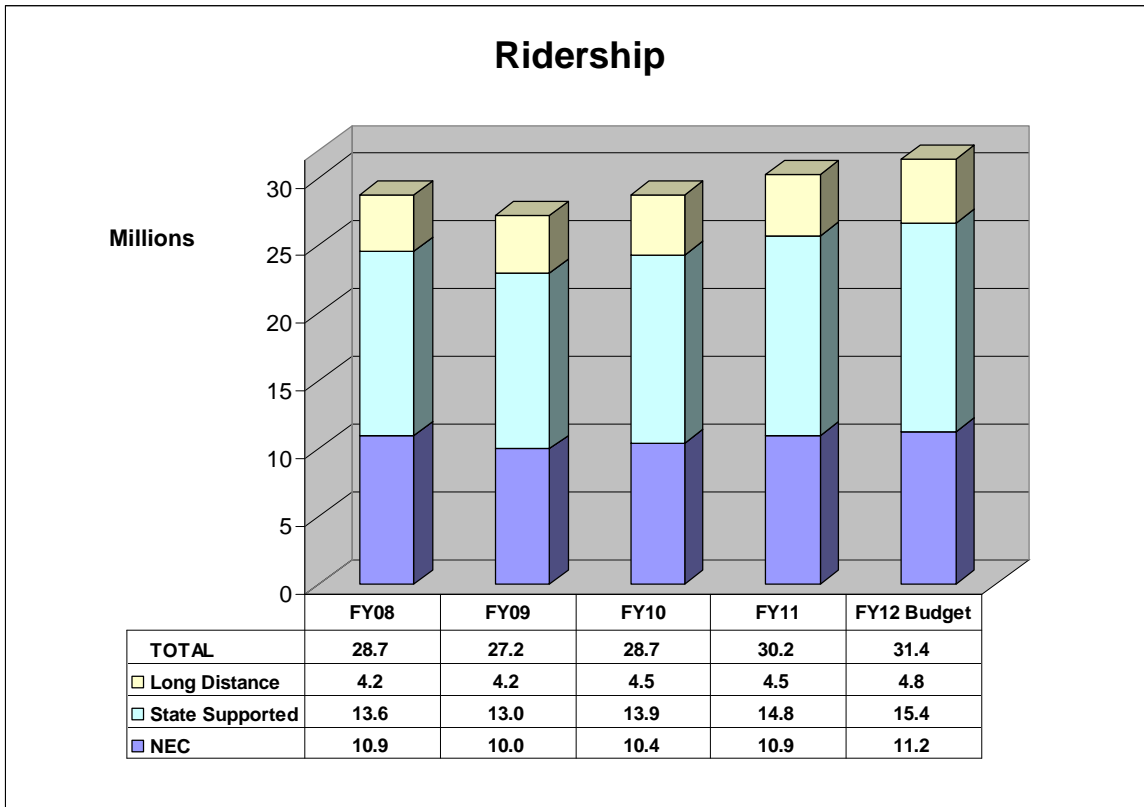
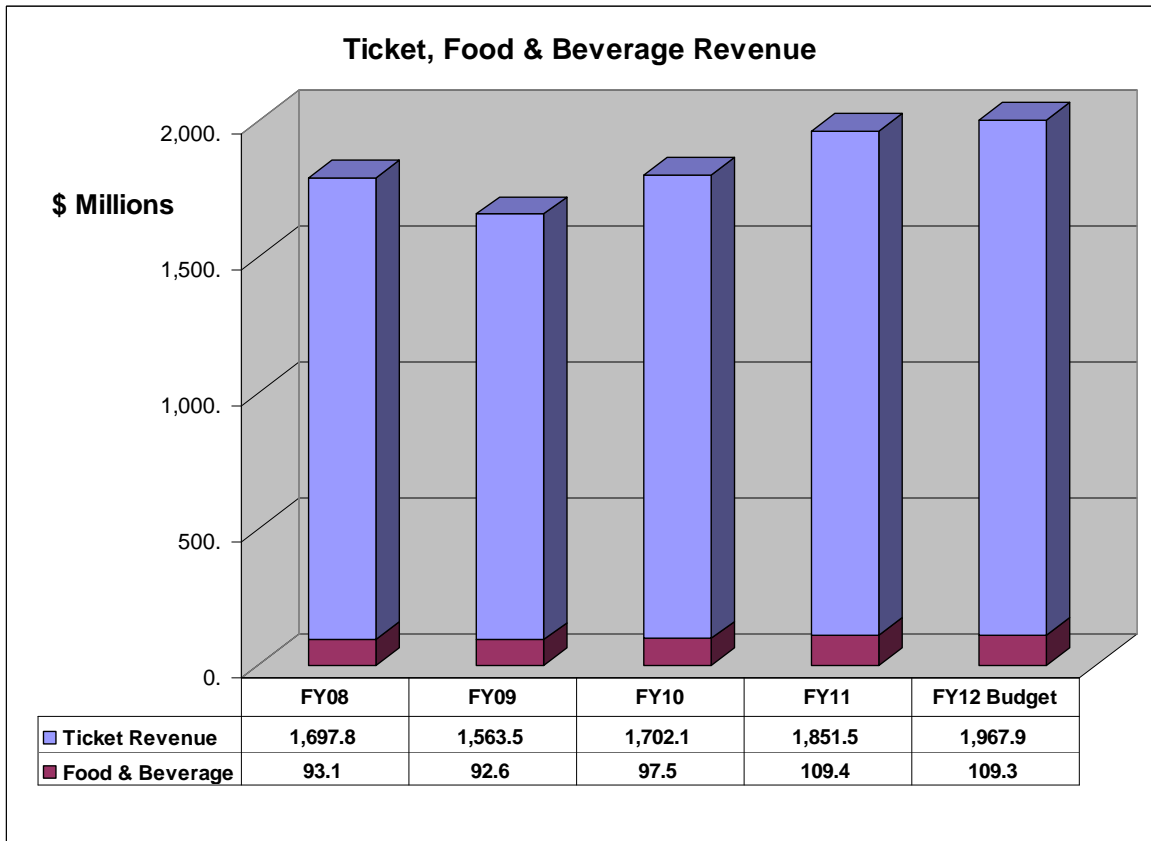


Chart 7 – Ticket, Food and Beverage Revenue Trends



Expenses

Expenses in the FY2012 budget request were segregated between ongoing (base) activity, activity in support of corporate goals that is wholly or primarily new in FY2012, and management actions taken to reduce operating expenses in accordance with the strategic direction and the need to make revenue available to fund critical capital projects. Table 8 contains a crosswalk of expenses from FY2011 actual expenses to FY2012 budgeted expenses that differentiates between the types of activity.

Table 8 – Reconciliation of FY12 Operating Expense Budget to FY11 Expenses

	\$ Millions
FY11 Total Actual	\$3,791.7
<i>Changes to Base Activity</i>	
Inflation including ticket price increases, labor agreements, fuel prices, and other	\$114.1
Increased depreciation expense due to increase in asset base	\$68.8
Decrease in Commuter expenses primarily due to loss of a contract	(\$43.3)
Decrease in overhead transfer credits to capital projects due to reduced capital program in FY12	\$20.6
Increase in Train Operations due to expected higher payments for schedule adherence (see subsequent reduction in Management Actions below)	\$19.8
Increase in fleet maintenance materials primarily due to growth in active fleet from ARRA restorations	\$8.4
Increase in Commission Credit Cards due to higher revenue	\$2.7
Decrease in labor cost primarily due to expected reduced overtime wages in FY12	(\$9.4)
Decrease in Payroll Taxes due to lower headcount	(\$4.8)
All Other	(\$2.9)
Base Activity Increase/(Decrease) from Prior Year	\$174.0
Total FY12 Base Activity Budget	\$3,965.7
<i>New Activity</i>	
<i>New Revenue</i>	
<i>Initiatives</i>	
Contact Center Booking Fee	(\$2.5)
Total FY12 New Revenue Initiatives	(\$2.5)
<i>Mobility & Connectivity</i>	
HSR Business Plan Funding Study	\$2.5
HSR Next Generation Implementation Studies	\$2.5
Other HSR planning, marketing, and development support efforts	\$2.6
Additional resources for NEC Infrastructure planning, analysis, and support	\$2.0
Additional resources for Commuter contracting	\$0.4
Subtotal Mobility & Connectivity Initiatives	\$10.0
<i>Customer Service</i>	
Additional Ticket Agents Cary/Raleigh NC	\$0.3
Service/staffing increases on targeted long distance routes (route performance improvement program)	\$3.8
Subtotal Customer Service Initiatives	\$4.1
<i>Safety</i>	
Claims reductions from Safe-2-Safer program education	(\$2.3)
Abestos Management Plan	\$0.9
Other	\$0.2
Subtotal Safety Initiatives	(\$1.2)
<i>Security</i>	
Police Department Expansion - add 50 officers	\$2.4
All Other Initiatives to increase security for passengers, employees and assets	\$6.7
Subtotal Security Initiatives	\$9.1
<i>Environmental</i>	
Fuel Conservation Program	(\$3.3)
Utility conservation - installation of high efficiency lighting	(\$0.9)
Climate Registry Verification	\$0.1
Subtotal Environmental Initiatives	(\$4.1)
<i>Organizational Excellence</i>	
SAM Savings	(\$2.8)
Wellness Programs	\$0.1
Close Jacksonville Crewbase	\$0.2
Amtrak Leadership Program	\$0.2
Police Fitness Program	\$0.5
Fleet Other	\$3.7
Subtotal Organizational Excellence Initiatives	\$1.8
<i>Organizational Excellence IT</i>	
Replace Outsourced Service with Employees	(\$1.2)
IT cost to support new Software and Applications	\$10.1
IT cost of SAP Center of Excellence	\$7.3
Subtotal Organizational Excellence Initiatives-IT	\$16.3
Total FY12 New Activity	\$33.4
FY12 Budget before Management Actions	\$3,999.1

Table 8 Continued – Reconciliation of FY12 Operating Expense Budget to FY11 Expenses

Management Cost Reduction Actions

<i>Workforce</i>	Reduction of Management workforce including associated benefits	(\$25.7)
<i>Related</i>	Reduced FELA liability due to decrease in management workforce	(\$3.4)
<i>Actions</i>	Reduction of Agreement overtime including benefits	(\$3.8)
	Reductions to employee travel and other employee related expenses	(\$2.8)
	<i>Subtotal Workforce-related Management Actions</i>	(\$35.7)
<i>Other</i>	Reduce Advertising and Promotional expenditures	(\$43.6)
<i>Actions</i>	Reduce usage of outside professional, legal, and consultant services	(\$27.3)
	Increase in transfer credits due to funding additional capital projects with revenue	(\$8.0)
	Adjustment to host railroad expense assumptions (see increases to base activity)	(\$4.2)
	Further reduction to electric locomotive propulsion power due to negotiation of favorable rates	(\$2.8)
	Reductions to telephone, long distance, and cellular phone usage	(\$2.5)
	Reduction to motor coach connecting services	(\$1.6)
	Decrease in fleet and track maintenance materials due to funding additional capital projects with ticket revenue	(\$1.5)
	Reductions to facility maintenance activities	(\$0.8)
	Reduction to on-board crew costs, primarily reduced layover costs	(\$0.8)
	Reductions to office supplies and express mail services	(\$0.3)
	All other actions	(\$2.4)
	<i>Subtotal Other Management Actions</i>	(\$95.8)
	Total Management Cost Reduction Actions	(\$131.5)
	FY12 Final Budget	\$3,867.6

This represents expenses that contribute to the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this excludes 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), non-cash depreciation, and non-cash post-retirement benefit accruals.

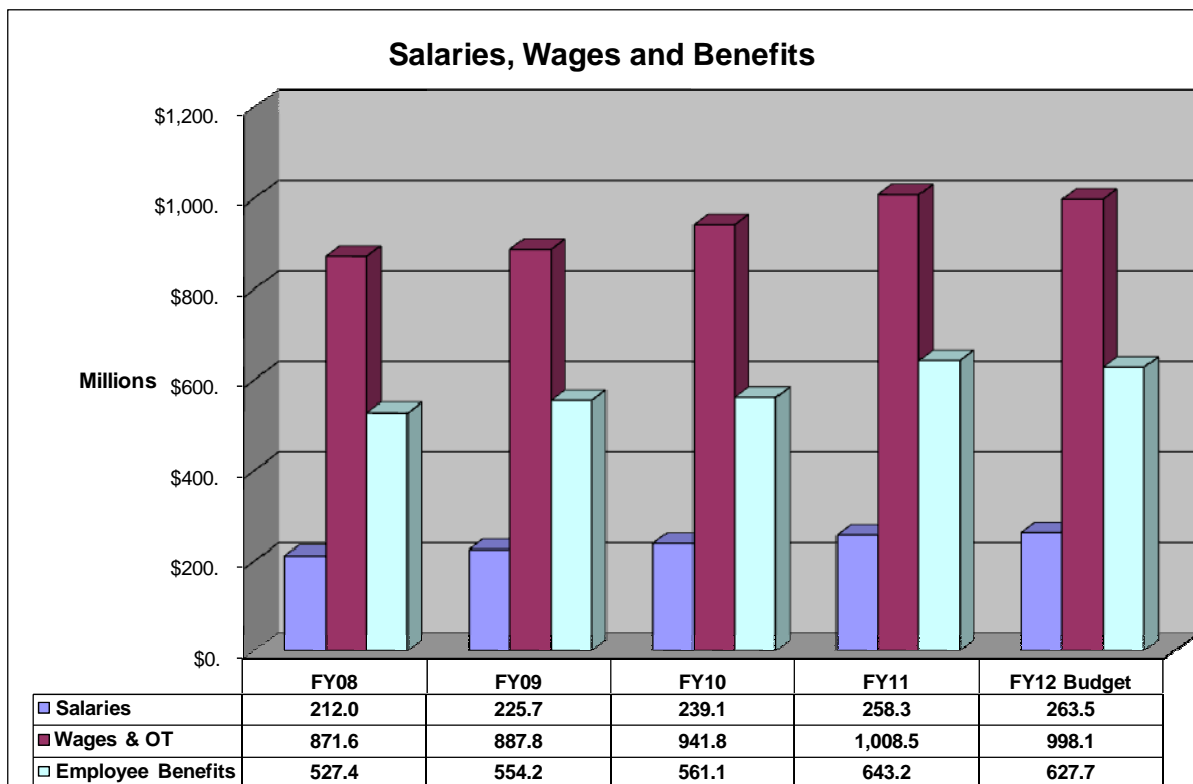
Salaries, Wages, Taxes and Employee Benefits

Salaries: Salaries are basically flat to FY2011. In FY2012, Amtrak has decided to forego performance pay increases to non-agreement employees, but the company did award one-time lump sum payments to eligible employees in lieu of performance merit raises. Also, as previously described, 162 employees voluntarily left Amtrak in December 2011 as a result of the VSIP program. However because many of these employees will receive severance pay through April 2012 and medical coverage for a full year, the savings in FY2012 are minimal but will be fully realized in future years. By not increasing base wages, over a period of five years the company is estimated to forgo approximately \$50 million in salaries and payroll taxes.

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. FY2012 Wages are planned to decrease from FY2011 due to the loss of a commuter contract.

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. The decrease from FY2011 is primarily due to a vacation accrual adjustment in FY2011 that is not recurring in FY2012.

Chart 9 – 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 kept this major expense at little to no inflation for several years.

Gallon consumption of diesel fuel to power the off-corridor diesel locomotives was planned in accordance with the service schedule and historical per-mile consumption statistics. The price per gallon of diesel fuel was computed using a historic correlation between the price of oil (per barrel), retail gasoline, and diesel fuel. Diesel fuel prices vary by geographic region due to the sourcing, delivery and transportation options available in each area. Overall, the diesel fuel budget averages \$3.11 per gallon. Two charts follow that show the trends for these costs.

Chart 10 – Diesel Fuel

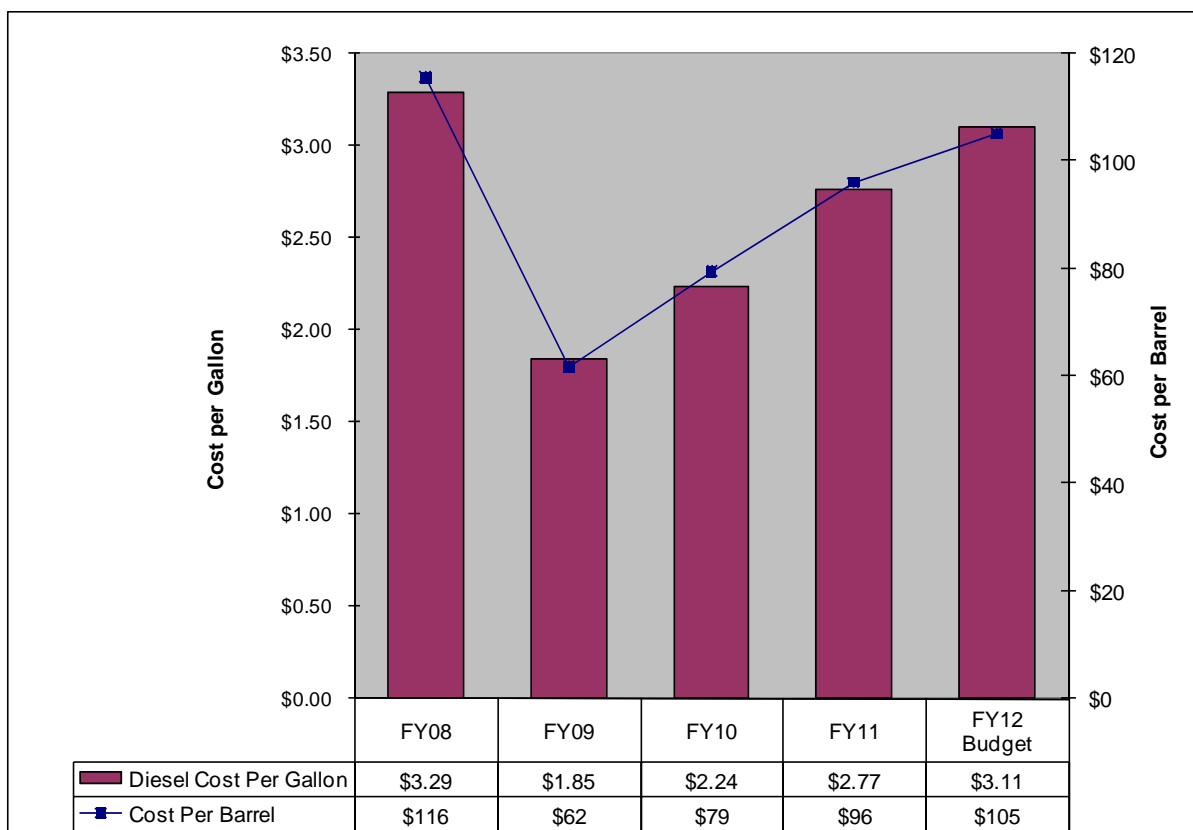
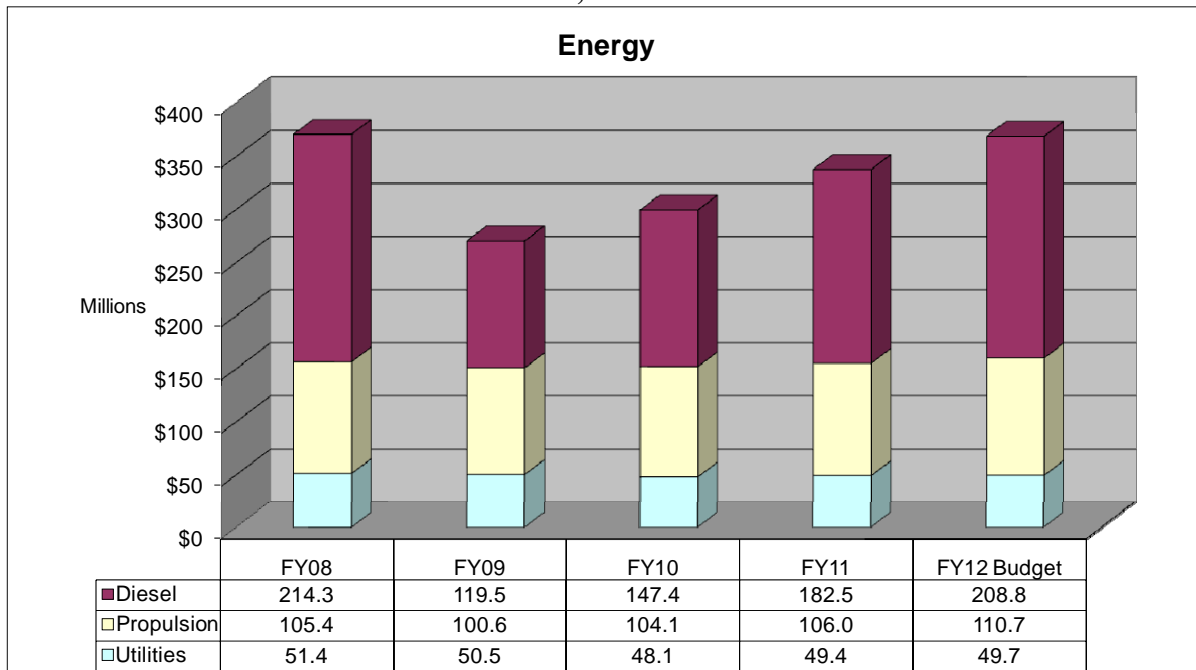


Chart 11 – Fuel, Power and Utilities



Utilities:

FY12 utility budgets were developed with the assistance of an energy management consultant based upon historical utility cost analyses at a detail level.

Other Expenses

Materials: Materials consumed in the maintenance of track infrastructure and train equipment was budgeted by the Engineering and Mechanical departments according to the work production plans in each department.

Occupancy: Rent, Common Area Maintenance, and other occupancy costs were budgeted by the Real Estate department to reflect lease agreement terms in fiscal 2012 and are part of the “Facility, Communications and Office” Account.

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

Capital Budget

Amtrak receives funds from state and local entities for capital programs as well as from Federal appropriations. The total FY2012 Capital Budget (not including debt service) is \$1,086.4 million from all sources with \$686.6 million from general federal appropriations after a deduction for FRA oversight estimated to be \$9.5 million. Of this amount, \$50 million is programmed for projects at stations that will advance compliance with the Americans with Disabilities Act (ADA) and \$15 million to begin preliminary engineering for the NEC Gateway Project. This budget includes \$41.1 million from

Department of Homeland Security grants and \$127.5 million from state and local agencies and other sources. Amtrak's plans to replace its aging fleet begins with \$62.6 million of internal revenue invested in the purchase of single-level long-distance cars while RRIF loan financing is estimated to be \$119.6 million for the replacement of the electric locomotive fleet and the plan to purchase 40 additional Acela passenger cars.

Table 12 – Summary Capital Programs

	FY2010 Actual	FY2011 Actual	FY2012 Budget	FY2012 Variance to FY2011
Federal General Capital	\$591.3	\$658.4	\$646.1	(\$12.3)
ADA Compliance Projects	\$18.6	(Note 1)	\$50.0	\$50.0
Subtotal General Capital	\$609.8	\$658.4	\$696.1	\$37.7
Less FRA General Oversight & Section 212 Fu	(\$10.0)	(\$9.5)	(\$9.5)	
Net Capital to Amtrak	\$599.8	\$648.9	\$686.6	\$37.7
Internally Generated Funds	\$5.5	\$134.0	\$94.6	(\$39.4)
Total Federal General & Internal Funds	\$605.3	\$782.9	\$781.2	(\$1.7)
RRIF		\$97.9	\$119.6	\$21.7
State, Local, Other	\$98.1	\$244.0	\$176.3	(\$67.7)
Total Capital Program Funding before Stimulus	\$703.4	\$1,124.8	\$1,077.1	(\$47.7)
Economic Stimulus	\$731.9	\$568.5	\$9.4	(\$559.1)
Grand Total Capital Programs	\$1,435.3	\$1,693.3	\$1,086.4	(\$606.8)

¹ \$99.9 million of federal capital carried forward from the FY10 grant was spent on ADA projects in FY11. This amount is included in the State, Local, and Other FY11 total.

Table 13 – Summary FY2012 Capital Program Budget by Department (millions)

Department	General Federal Capital	Other Federal Grants	Homeland Security Grants	RRIF Loan	Internal Amtrak Funds	State, Local, & Other	Total Capital
Engineering	\$300.0				\$2.1	\$114.3	\$416.4
V-ETMS Interoperability on the NEC		\$7.7			\$1.9		\$9.6
ADA Compliance	\$50.0						\$50.0
ARRA High Speed Rail		\$7.3					\$7.3
Mechanical	\$250.0				\$0.6	\$2.6	\$253.2
Rolling Stock Acquisitions				\$119.6	\$72.2	\$2.4	\$194.2
2009 ARRA TSGP Operations Package		\$2.1					\$2.1
Amtrak Police Department	(\$0.0)		\$41.1		\$2.4		\$43.5
Chief Financial Officer					\$0.4		\$0.4
Chief Operating Officer							
Environmental					\$3.8		\$3.8
Information Technology	\$30.3				\$5.5		\$35.8
Marketing and Product Management	\$20.2				\$3.0		\$23.2
Policy & Dev/NEC IID	\$6.5				\$2.7	\$8.2	\$17.4
Procurement							
Real Estate	\$17.0						\$17.0
Transportation	\$12.7						\$12.7
Total Capital Programs	\$686.6	\$17.1	\$41.1	\$119.6	\$94.6	\$127.5	\$1,086.4

ADA Compliance

Amtrak serves 482 rail stations that are required by the ADA to be “readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, as soon as practicable”. The funding requirement towards achievement of ADA compliance for rail stations served by Amtrak and subject to the ADA is estimated to be \$50 million in FY2012.

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* (“Access Report”). This report, which was delivered pursuant to section 219 of the PRIIA, detailed the scope of Amtrak’s need and proposed the level of federal assistance necessary to attain full compliance. An update to this report was issued August 8, 2011 to update Congress on the progress made toward compliance with the ADA at stations we serve and to describe Amtrak’s plans. This report is available on [www.Amtrak.com/Inside Amtrak](http://www.Amtrak.com/Inside%20Amtrak).

On September 19, 2011, DOT issued a final rule (“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. The Rule is based on a notice of proposed rulemaking (“NPRM”) that DOT issued on February 27, 2006, as well as a public hearing held on August 20, 2010. The Rule as a whole takes effect on October 19, 2011, though certain provisions do not become binding until February 1, 2012.

The Rule generally requires Amtrak to provide level entry boarding at stations where the tracks are not shared with freight rail, and allows Amtrak to provide alternative boarding mechanisms at stations where tracks are shared with freight rail. However, for any station where Amtrak does not plan to provide level entry boarding, Amtrak has to provide FRA with detailed reports regarding how it proposes to board passengers with disabilities, and FRA (jointly with FTA where applicable) has responsibility to review, comment and approve all submitted plans. Due to the Rule Amtrak will not be able to achieve compliance at all remaining stations by our previous goal date of September 30, 2015.

The cost and duration impact of the Rule is currently being analyzed internally and results will be provided when complete. Achieving compliance at all Amtrak-served stations is a complex and resource-intensive challenge that will take several years to complete and it is anticipated the Rule will increase both the cost of the program and duration needed to complete that was previously forecasted.

As described more fully in Amtrak’s supplemental reports to Congress regarding the status of the ADA compliance program, Amtrak had previously projected that by the end of 2011 it would have fully complied with its ADA obligations at 53 stations and progressed detailed design at more than 100 stations. Due to the Rule, the number of ADA compliant stations at the end of 2011 remains at 48. More detailed information about Amtrak’s planned ADA compliance work at specific stations is contained in the document “*An Update on Accessibility and Compliance with the Americans with Disabilities Act of 1990*” on www.Amtrak.com.

Two sources of funding have underwritten a significant expansion of Amtrak’s ADA compliance program. Legislation passed in FY2010 required that Amtrak invest \$144 million towards this program. ARRA and appropriated capital funds have been used to jump-start a program of construction, with a total of \$144 million being spent over the FY2010-FY2011 time period and \$50 million planned for FY2012.

The greatest challenges to program completion will continue to be:

- The new DOT final rule and the impact on both cost and program duration.
- Agreements. Gaining agreement among the stakeholders for individual projects continues to be a challenge. To advance progress, those stations for which Amtrak has sole or primary

responsibility are advanced to the highest priority while planning and agreements on other stations are advanced.

- Timing. The scheduling of projects is controlled by the design, funding and agreement process. As such, program plans for future years will be advanced as later update reports are developed and released.
- Funding. As the program planning advances and project scopes and designs are advanced for each year of Amtrak's ADA station compliance program, funding requirements become more clearly defined.
- Linkage to Station Improvement plans. Many jurisdictions that own stations have plans for expansion, modification, and/or investments to create intermodal transportation centers or other commercial development concepts. Incorporation of ADA improvement elements that are Amtrak's responsibility into other agency plans will require considerable coordination and could complicate the scoping and agreement process.

Fleet Programs

To ensure that adequate rolling stock is in place to safely meet operating needs, Amtrak created the "Amtrak Fleet Strategy" and published an update in February 2011. The FY2012 update will be released in February 2012. In addition to operating requirements and state of good repair needs, this plan will identify "baseline" capacity needs and state of good repair requirements for the fleet and identifies the numbers and types of equipment that will be required to address projected growth on existing and planned services through 2024.

The following table shows the planned units to be 'shopped' in maintenance shops for maintenance and overhaul activity.

Table 14 - Rolling Stock Counts & Availability (includes Funded State Corridor Growth)

	End FY11 Actual			End FY12 Projected		
	Active	Planned Shop	Net Available	Active	Planned Shop	Net Available
<u>Car Fleet</u>						
Amfleet I	458	49	409	473	46	427
Horizon	95	17	78	95	17	78
Surfliner	49	9	40	49	9	40
California Cars	78	10	68	78	10	68
North Carolina Cars	12	-	12	12	-	12
Amfleet II	145	26	119	145	22	123
Heritage	73	13	60	73	13	60
Heritage Diner	20	5	15	20	5	15
Heritage Dome/Parlor Cars	6	2	4	6	1	5
Viewliner	51	10	41	51	10	41
SuperLiner	428	79	349	428	77	351
Auto Carrier	80	9	71	80	9	71
Cab Cars / NPCU	39	8	31	39	8	31
Other ¹	4	-	4	4	-	4
Total Car Fleet	1,538	237	1,301	1,553	227	1,326
<u>Locomotives</u>						
Electric Locomotives	62	18	46	62	17	45
Diesel Locomotives	309	46	246	309	45	264
Switchers	37	-	37	37	-	37
Locomotives Totals	408	64	329	408	62	346
<u>Train Sets</u>						
Acela						
- Cars	121	24	97	121	24	97
- Locomotives	40	8	32	40	8	32
Talgo						
- Cars	60	3	57	60	3	57
- Locomotives	6	1	5	6	1	5
Total Train Sets	227	36	191	227	36	191
Grand Total	2,173	337	1,821	2,188	325	1,863
Planned Availability %			83.8%			85.1%

¹ Other cars include two wheel cars, two track inspection cars, and one training car

Rolling stock that continues to be used past its normal operating life results in higher maintenance costs, lower reliability and reduced equipment availability which negatively impacts on-time performance and other key operating metrics. In fiscal year 2010, Amtrak completed negotiations and entered into purchase agreements for the delivery of:

- 130 single-level long-distance cars to replace old Heritage equipment, including 55 baggage, 25 baggage-dormitory, 25 dining and 25 sleeping cars for a total contract price of \$298 million between FY2010 and FY2014.
- 70 electric locomotives to replace and augment locomotives in service on the Northeast Corridor at a total cost of \$466 million to be paid starting in FY2011 and ending FY2016.

Amtrak is funding \$62.6 million in payments for the single-level long-distance cars from internally generated revenue in FY2012. As previously discussed, operating costs have been reduced significantly in

order to support critical capital programs from revenue. Subsequent payments will be requested in annual appropriations.

The electric locomotive purchase is funded by a loan agreement under the Railroad Rehabilitation and Improvement Financing (RRIF) Program provided by the Department of Transportation. Amtrak projects that improved ticket revenue from more reliable locomotives can fund the debt service payments to repay this loan. \$82.8 million is programmed into the FY2012 capital program for these locomotives.

Northeast Corridor (NEC) Investments

State of Good Repair (SGR): A Foundation for Growth

While Amtrak largely utilizes the rail infrastructure of the private freight railroads for the operation of most of its national network, Amtrak controls and is directly responsible for the condition and reliability of most of the Northeast Corridor (NEC) between Boston, New York, and Washington, which hosts the nation's most intense and complex passenger train operations. 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 the Michigan Line serving the Chicago to Detroit corridor.

The cost of managing, maintaining, and improving these assets is substantial. In the NEC Master Plan, published in May 2010, Amtrak estimated that the State of Good Repair (SGR) backlog alone on Amtrak-owned/operated NEC infrastructure is about \$5.2 billion in FY10 dollars. On top of this, the incremental investment needed to renew these existing infrastructure assets once SGR has been achieved is estimated to be \$330 million per year.

It is important to note that Amtrak reprioritizes SGR spending when necessary to allow it to address safety and operability issues as they arise. A backlog of SGR should not, therefore, be understood as an accumulation of disintegrating or unsafe structures; rather, it is a list of projects that have passed the end of their useful life but may continue to carry traffic safely, albeit at times with the additional burden of increased maintenance 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 Tunnels dating to the post-Civil War period;
- many rail interlockings (junctions and crossovers) that are functionally obsolete; and
- electric traction systems relying on 1930s-era components.

It also includes structural improvements to the tunnels serving New York and station backlog costs as reported in the February 2009 ADA Accessibility Report.

Amtrak estimates that even with adequate funding, resources and additional equipment, it will take a minimum of 15 years to resolve the backlog while still maintaining a reliable level of rail service throughout the necessary maintenance and construction work. Failure to adequately invest in this work on an annual basis will merely push the completion date out further and raise the costs and impacts of such work, as the backlog increases and Amtrak is forced to play "catch-up" year after year.

To achieve a 15-year SGR plan for Amtrak's infrastructure assets will require an average of \$700 million per year – \$350 million per year on average for the normalized replacement of assets and \$350 million per year on average for addressing the SGR backlog. The following table shows how Amtrak intends to fund significant infrastructure projects for FY12.

Table 15 – State of Good Repair Funding Plan

<i>\$Million</i>	FY2011 (a)			FY2012		
	Federal & Amtrak	Third Party & Special Grants	Total	Federal & Amtrak	Third Party & Special Grants	Total
Bridges/Culverts/Tunnels	20.4	3.5	23.9	62.2	6.0	68.1
Facility/Station/Other	19.0	13.0	32.1	37.1	12.9	50.0
Signal Systems	16.3	1.8	18.1	35.7	5.8	41.5
Communication Systems	0.4	-	0.4	2.4	7.7	10.1
Overhead Catenary and Transmission systems	18.9	0.4	19.3	14.2	1.4	15.6
Substations/Frequency Converters	8.2	3.0	11.2	9.3	4.7	14.0
Track Replacement	149.4	25.1	174.5	102.6	64.2	166.7
Interlocking Renewal	20.1	5.0	25.1	9.0	6.9	15.9
Equipment Purchase/Replacement	19.0	-	19.0	13.9	(0.0)	13.9
Seattle King St. Coach Yd	32.8	-	32.8	7.0	0.0	7.0
Freight Railroad Improvements	2.4	-	2.4	-	-	-
ADA Compliance	94.6	-	94.6	50.0	-	50.0
Fire & Life Safety	5.2	24.9	30.1	10.7	12.5	23.2
<i>Subtotal General Approp & Other</i>	406.8	76.7	483.5	354.0	129.3	483.3
ARRA Funds						
Bridges/Culverts/Tunnels		106.1	106.1			
Facility/Station/Other		33.6	33.6			
Electric Traction		-	-			
Track		29.6	29.6			
Communication and Signals		-	-			
Security and Life Safety		68.0	68.0			
<i>Subtotal ARRA Funds</i>		237.3	237.3			
Total	406.8	314.0	720.8	354.0	129.3	483.3

(a) FY2011 Federal Capital includes FY2010 Federal Capital spent in fiscal 2011

Additional funding provided under the FRA-Administered High-Speed Intercity Passenger Rail Program (HSIPR) is providing resources for the design and environmental review of other major backlog projects, including the planned replacement of the 140 year old Baltimore and Potomac (B&P) tunnel south of Baltimore and the century old Susquehanna River Bridge in Northern Maryland.

Amtrak is also investing \$450 million between 2012 and 2017 under a recently awarded HSIPR grant to Amtrak to upgrade catenary, track, signal and electric power systems on the four-track NEC main line between New Brunswick and Trenton, New Jersey. This budget includes \$7.3 million in funding from this grant. When completed in 2017, this project will increase the top speed for high-speed train operations from 135 mph to 160 mph and improve reliability for all passengers including intercity and commuters on one of the most heavily trafficked sections of the Northeast Corridor.

Additional projects underway with HSIPR funding awarded to third parties but impacting the Amtrak network, include a new third track and platform improvements at Kingston, Rhode Island and double tracking key portions of the Springfield Line in Connecticut. Also planned is the construction of a new grade-separated “flyover” at Harold Interlocking in New York, at the junction where Amtrak and MTA Long Island Rail Road trains converge east of Penn Station New York; installation of a third NEC Main Line track segment in Delaware, and upgrade of State Interlocking in Harrisburg on the Keystone Line in Pennsylvania.

The above projects reinforce Amtrak’s approach to SOGR which is to ensure that every project undertaken not only replaces an aging asset and improves the reliability of existing services, but provides a solid foundation for future growth as discussed in the following section.

Beyond SGR: A Vision for the Future

In addition to state of good repair needs, the Northeast Corridor faces capacity constraints. Some 2,200 trains operate on the corridor on a daily basis, including Amtrak, commuter and freight trains.

Amtrak's New York Penn Station and the Hudson River Tunnels that feed it traffic from New Jersey are at capacity today, and a number of other major segments are at or nearing their capacity limits, as documented in the Northeast Corridor Infrastructure Master Plan, published in May 2010.

In addition, Amtrak faces increasing demand for service due to high fuel prices combined with congestion and capacity constraints affecting many of the region's major highways and airports. This situation is likely to worsen in coming years as growth outpaces the region's ability to add transportation capacity due to funding, environmental and land constraints.

To help address these issues, Amtrak in September 2010 issued "A Vision for High-Speed Rail in the Northeast Corridor." The "Vision" outlined a conceptual framework and provided an initial review of the feasibility of improving the existing NEC alignment to handle growth in regional, commuter and freight services, while simultaneously planning and building a new, dedicated, two-track, high-speed rail alignment between Boston and Washington to serve the fast-growing intercity rail market, provisionally known as the NEC Next Generation High-speed Rail or "NextGen HSR" system.

This Vision is currently being further evaluated and refined so that it may serve as one of the bases for the more significant planning efforts in FY 2012 and beyond. Amtrak has presently underway, and to be completed by summer, a business and financial planning effort to further consider the financial feasibility and business strategies necessary to pursue improvements set forth in the Vision. Also early in 2012, the Federal Railroad Administration (FRA) is expected to begin work on a Tier 1 Programmatic Environmental Impact Statement (PEIS) for the Northeast Corridor that will consider various alternative development strategies and configurations for the future of the NEC with the aim of minimizing possible environmental impacts from the improvement and expansion of NEC intercity rail service.

Amtrak expects that the concepts set forth in the Vision will be one of the major alternatives evaluated under the PEIS. To advance these plans, Amtrak is also working closely with the Northeast Corridor Infrastructure and Operations Advisory Commission, which is primarily made up of representatives of the FRA, Amtrak and the Northeast states. The Commission, created under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008, aims to help guide the EIS process and is developing policy, funding and financing options to improve intercity passenger rail service in the Northeast.

Implementing the Vision: A Phased Approach

While it is estimated that implementing Amtrak's total Vision for an improved NEC complemented by a new NextGen HSR system with a dedicated two-track alignment between Boston and Washington will take until roughly 2040 to fully complete, significant improvements to the NEC and intercity passenger rail service are achievable in the nearer term. Such opportunities through 2025 include targeted improvements to the existing NEC alignment, expansion of tunnel and station capacity in New York City, expansion of servicing facilities in Boston, MA, Queens, NY and Washington, DC and acquisition of new rolling stock that is will provide additional capacity and improved service on the NEC in the short to medium term.

Amtrak is currently in the initial phases of planning for these improvements, driven by the clear need for greater NEC intercity capacity and performance in the coming years and decades.

The initial Stair-Step Plan calls for expanding Acela Express train lengths from six to eight cars by 2016

The existing Acela train sets will be converted from a 1-6-1 to a 1-8-1 configuration (power car-passenger cars-power car). This adds two coach cars to each of the 20 train sets increasing ridership capacity by 130 seats per train set. Increasing the length of the train sets will require infrastructure changes including lengthening the Acela maintenance facilities in Washington, New York, and Boston in the future. The costs and expected revenue increases for this program are incorporated in Amtrak's Five Year Financial Plan. \$36.8 million is programmed into FY2012 for these acquisitions.

Beyond 2020, however, no significant expansion of intercity service is possible in the Northeast without providing additional rail capacity into and through Midtown Manhattan. Under the "Gateway" portion of the Plan, Amtrak could triple premium high-speed service, to three round trips per hour, between New York and Washington by 2025. To facilitate this service expansion, the Gateway Program includes new tunnels under the Hudson River and replacement of the century-old Portal Bridge east of Newark, New Jersey with two new high level spans. Expansion of station facilities in New York is also necessary in conjunction with the construction of a new "Moynihan Station" directly across 8th Avenue from the existing Penn Station on the site of the former Farley Post Office. This budget includes \$15 million in federal appropriations designated for the Gateway Program.

While significant planning work remains, initial estimates show that the Gateway Program is expected to cost approximately \$14 billion to \$16 billion, depending on the configuration of an expanded Penn Station to accommodate both commuter and intercity rail. Of the estimated cost for Gateway, \$137 million of funding has already been made available to begin work on the program, including funding for design and early phase construction at Moynihan Station under a \$83M TIGER grant; final design of one of two Portal bridges under a \$38.5M million HSIPR grant, and the \$15 million in federal general capital grants to Amtrak provided in the FY12 Appropriations Act.

Debt Service and Debt Related Equipment Purchases

Principal and Interest

Principal and interest payments for FY2012 amount to \$254.5 million and are detailed in Table 16 below.

Table 16 - Debt Service

<i>\$ Millions</i>	Q1	Q2	Q3	Q4	FY12
Principal	49.6	71.0	37.5	13.7	171.9
Interest	25.4	19.4	24.9	13.0	82.6
<i>Total Cash P&I (DOT Debt Service Grant)</i>	75.0	90.4	62.4	26.7	254.5

Early Buyout Options (EBO)

An Early Buyout Option 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 205 provides that the Secretary of the Treasury may make agreements to restructure (including repaying) 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. Amtrak, Treasury and the Department of Transportation, acting through the Federal Railroad Administration (FRA) entered into a Memorandum of Understanding (MOU) to fund the exercise of certain EBOs on select leases entered into by Amtrak, up to the amounts and on the dates shown in Table 17.

Table 17 – Leases in Treasury MOU – Early Buyout Options

Lease Name	EBO	FY2011	FY2012	FY2013
	Payment Date			
Trust 2001-L-B (2nd closing) for 16 GE P42-DC Locomotives	03-Jan-11	28.40		
Trust 2000-L-A (2nd closing) for 16 GE P42-DC Locomotives	30-Sep-11	23.34		
Trust 94B-A for 6 Superliners	3-Jan-12		11.92	
Trust 94B-C for 8 Superliners	3-Jan-12		17.73	
Trust 98C for 107 Superliners (Secured Note matures on 3-29-12)	31-Jan-12		134.02	
Trust 96A-B for 13 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-12		20.18	
Trust 96B for 20 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-12		30.97	
Trust 97D for 50 Amrail Viewliner Passenger Cars	2-Jul-12		44.01	
Trust 96A-C for 7 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Oct-12			11.12
Trust 97A for 25 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Oct-12			39.66
Trust 96A-D for 19 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-13			28.70
Trust 94B-B for 7 Superliners	1-Jan-13			13.40
Trust 2000 SD-A (2nd closing) for 10 Surfliners	19-Jun-13			17.03
Total Leases in Treasury MOU		51.74	258.85	109.91
Grand Total				420.49

Sources and Uses of Cash – Budget Basis

Amtrak's FY2012 Simple Sources and Uses (Cash flow) is based on this budget and the receipt of federal funding of \$1,408 million during the year. Amtrak continues to have no access to short-term credit lines.

The following summarizes Amtrak's planned source and use of funds for FY2012 based upon this budget assuming funding will be appropriated as presented in this document.

Table 18 – Simple Sources and Uses

	\$Millions
Beginning Available Cash (after outstanding payments)	120.2
 <u>Uses:</u>	
Operating Expenses (Net operating loss including Depreciation & Non-Cash OPEB's ⁽¹⁾)	1,080.5
Non-Cash Adjustments (Depre & Non-Cash OPEB's)	(735.2)
<i>Net Operating Loss</i>	345.3
Capital Expenditures	1,086.4
Debt Service Principal & Interest	254.5
Equipment Lease Buyout	258.8
Total Uses	1,945.1
 <u>Sources:</u>	
<u>Federal Grants:</u>	
Operating	466.0
Capital	671.5
Debt Service Principal & Interest	271.0
<i>Subtotal Federal DOT Grants</i>	1,408.5
EBO (from EBO Grant)	258.8
RRIF Loan Financing of Equipment Acquisitions	119.6
Third Party and Special Grants	185.7
Total Sources	1,972.6
 Estimated Ending Cash	 147.7
Net change in assets & liabilities	-
Total Cash	147.7

⁽¹⁾ OPEBs - Other Post Retirement Employee Benefits

⁽²⁾ Does not include ARRA funds

Department Operating and Capital Programs

Amtrak Police Department

Overview of the Department

The Amtrak Police Department is committed to maintaining the safety and security of the rail traveling public, improving the quality of life of Amtrak personnel and safeguarding the trains and rails through Customer-Oriented Policing. This will be accomplished by building partnerships to enhance capacity to protect a nation in transit. The Amtrak Police organization consists of three Divisions:

1. Patrol Division makes up the majority of the department with officers nationwide at more than 30 locations protecting our passengers, employees and assets. The Patrol Division consists of professionally trained sworn police officers who work closely with local, state and Federal agencies.
2. The Special Operations Division includes a contingent of sworn Special Agents who work in concert with police officers to protect Amtrak passengers, employees and assets. This Division has oversight and coordination responsibilities of Amtrak's nationwide robust and expertly trained explosive detection canine program. Special Operations also includes Amtrak's Intelligence Unit consisting of contract intelligence analysts and sworn personnel assigned to Joint Terrorism Task Forces (JTTFs) in New York, Washington, and Chicago.
3. The Corporate Security Division identifies and implements counterterrorism mitigation strategies in the form of policies, programs and standards to ensure the protection of Amtrak's employees, passengers, assets and critical infrastructures. This Division collaborates with the Patrol and Special Operations Divisions on counter-terrorism and infrastructure protection projects. The Corporate Security function oversees corporate security improvements including security related capital investments.

The Amtrak Police Department total budget request for FY12 is \$73.9M representing an increase of \$10.3M compared to FY11 actual(s).

Base Activity:

The FY12 base budget is \$65.3M, with initiatives of \$9M and target budget reductions of (\$0.4M) for a total request of \$73.9M. A summary of the FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements \$1.2M
- Increase in Wages and Benefits due to vacant positions in FY11 \$2.1M
- Decrease in Security expenses due to anticipated reduced activity in FY12 (\$0.6M)
- Decrease in Professional Fees expenses due to anticipated reduced activity in FY12 (\$1.1M)
- Other \$0.1M

New Activity:

- Police Fitness Program-Testing and evaluating candidates to meet established physical fitness standards \$0.5M
- Virtual Fence Monitoring Cost \$0.8M
- Increase in Wages and Benefits due to new contract with the Fraternal Order of Police \$1.9M

- Increase in policing and security scope and coverage \$5.8M

Operating Expense Summary FY10 –FY12: Amtrak Police Department

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$7.5	\$6.4	\$6.8	\$0.4	6.0%
Wages & Overtime	\$26.6	\$29.5	\$34.4	\$4.9	16.7%
Employee Benefits	\$16.3	\$18.7	\$20.4	\$1.7	9.3%
Employee Related	\$1.5	\$1.8	\$2.3	\$0.5	27.5%
Salaries, Wages and Benefits	\$51.9	\$56.4	\$64.0	\$7.5	13.4%
Train Operations	\$0.0	\$0.1	\$0.1	\$0.0	49.7%
Fuel, Power, & Utilities	\$0.0	\$0.0	\$0.0	\$0.0	32.5%
Materials	\$0.0	\$0.2	\$0.0	(\$0.2)	-80.2%
Facility, Communication, & Office	\$4.2	\$3.2	\$5.6	\$2.5	77.6%
Casualty and Other Claims Total	\$1.2	\$0.7	\$1.3	\$0.6	93.7%
Professional Fees	\$1.7	\$1.0	\$1.2	\$0.1	12.0%
Data Processing Services and Supplies	\$0.0	\$0.1	\$0.0	(\$0.0)	-39.8%
Environmental and Safety	\$0.4	\$0.5	\$0.1	(\$0.3)	-77.3%
M of W Services	\$1.3	\$1.4	\$1.5	\$0.0	3.3%
Total Operating Expenses	\$60.9	\$63.6	\$73.9	\$10.3	16.2%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$63.6
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$1.2
Increase in Wages and Benefits due to vacant positions in FY11	\$2.1
Decrease in Security expenses due to anticipated reduced activity in FY12	(\$0.6)
Decrease in Professional Fees expenses due to anticipated reduced activity in FY12	(\$1.1)
Other	\$0.1
Base Activity Increase/(Decrease) from Prior Year	\$1.7
Total FY12 Base Activity	\$65.3
New Activity	
Police Fitness Program-Testing and evaluating candidates to meet established physical fitness standards	\$0.5
Virtual Fence Monitoring Cost	\$0.8
Increase in Wage/Benefits due to new contract with the Fraternal Order of Police	\$1.9
Increase in policing and security scope and coverage	\$5.8
Total FY12 New Activity	\$9.0
FY12 Budget before Reductions	\$74.3
FY12 Reduction	(\$0.4)
FY12 Final Budget	\$73.9

Capital Projects: Amtrak Police Department

\$ Millions

Program Title	Project	GCAP	State, Local & Other	Total
Safety & Security	Special Operations Division Equipment	\$0.0	\$0.5	\$0.5
	Security and Protection Interoperability (SPI)	\$0.0	\$2.0	\$2.0
	Police Canine Expansion	\$0.0	\$1.8	\$1.8
	Intelligence Support Phase II	\$0.0	\$0.6	\$0.6
	DHS2010 Operational Packages	\$0.0	\$0.6	\$0.6
Infrastructure Protection	Access Control System Expansion	\$0.0	\$1.2	\$1.2
	CCTV and Communications	\$0.0	\$3.3	\$3.3
	CCTV and Communications	\$0.0	\$2.4	\$2.4
	CCTV Maintenance and Monitoring	\$0.0	\$0.3	\$0.3
	Bridge and Tunnel - Security Improvements	(\$0.0)	\$2.7	\$2.7
	Bridge and Tunnel - Security Improvements	\$0.0	\$1.8	\$1.8
	Substation - Security Improvements	\$0.0	\$0.8	\$0.8
	Amtrak Police Department Personal Protection Equipment	\$0.0	\$0.4	\$0.4
	Station Hardening	\$0.0	\$2.7	\$2.7
	DHS2010 Communications Control Center	\$0.0	\$3.0	\$3.0
DHS2010 Infrastructure Protection	\$0.0	\$5.0	\$5.0	
Planning & Assessments	Security Systems - Future Design	\$0.0	\$0.5	\$0.5
	Station Action Team (SAT) Tool Kit	\$0.0	\$1.5	\$1.5
	DHS2010 Planning and Assessments	\$0.0	\$1.3	\$1.3
Public Awareness	Public Security Awareness Program	\$0.0	\$0.6	\$0.6
Exercises	Station Action Plan Testing and Implementation	\$0.0	\$1.8	\$1.8
Training	Security Canine Procurement and Training	\$0.0	\$0.7	\$0.7
	Security Training	\$0.0	\$1.5	\$1.5
	DHS2010 Training and Public Awareness	\$0.0	\$1.6	\$1.6
2011 DHS TSGP	DHS2011 Transit Security Grant Program (TSGP)	\$0.0	\$5.0	\$5.0
ARRA Law Enforcement Grant	2009 ARRA TSGP Operations Package	\$0.0	\$2.1	\$2.1
Amtrak Police Department		(\$0.0)	\$45.6	\$45.6

Safety & Security Program: \$5.5M

- Special Operations Division Equipment - \$ 0.5M: This project involves the purchase of communication and tactical equipments (e.g. chemical and explosive detectors, vehicle transport equipment, satellite communication equipment and mobile handheld communication equipment) for Amtrak Police Department (APD) to support its increased counter-terrorism and operational activities pertaining to the intercity passenger rail system.
- Security and Protection Interoperability - \$2.0M: This project will enable Amtrak to exchange useful data on demand in real time across disparate systems with each other and with law enforcement agencies, transit departments, emergency responders and federal agencies. This project coincides with the DHS SAFECOM Interoperability Continuum including conducting a technical and operational capabilities assessment and the creation and implementation of a security communications plan to enhance communication between Amtrak, and police, fire and emergency medical response services, essential in responding to incidents
- Police Canine Expansion - \$1.8M: This project supports the expansion of the number of APD canine teams and the program overall to increase capacity for explosive detection. It covers canine teams with refresher training and recertification, startup equipment, supplies and vehicles.
- Intelligence Support Phase II - \$0.6M: This project involves the continuous development and use of Intelligence unit to provide relevant, focused, and continuous threat assessment that will enable decision-makers to take cogent defensive/protective actions against threats. This project contracts intelligence professionals to liaison with fusion centers and other key intelligence organizations to conduct analysis of security information to enhance rail security.
- Department of Homeland Security (DHS) Operational Packages - \$0.6M: This project provides equipment and reimbursement of operational expenses for a four-person mobile screening team in the New England region to augment surge, counter-surveillance and show of force activities.

Infrastructure Protection Program: \$23.6M

- Access Control System Expansion - \$1.2M: This project covers the expansion of access control systems and intrusion detection systems to additional facilities that will integrate alarm system with access control alarm monitoring. Current card access system contains over 300 access points throughout the corporation. Goal is to expand card access to larger facilities where key control is difficult due to large number of employees.
- Closed-Circuit Television (CCTV) and Communications – \$5.7M: This project will provide funding to hire contractors to design and install CCTV surveillance systems including new CCTV cameras, conduit, wirings, recorders, monitors, accessories and an addition of new capabilities to existing cameras. The CCTV system will provide increased capability to monitor and respond to incidents at stations and enhance the security surveillance in support of counter terrorism efforts.
- CCTV Maintenance and Monitoring - \$0.3M: This project will continue to create new CCTV and Communications capabilities in stations in East Coast Operations and Western Operations that will integrate into a video management system. The signals results can be transmitted to National Communications Center (NCC) or remote locations. The APD will have the ability to intelligently dispatch resources and give responding personnel real-time information.
- Bridge and Tunnel Security Improvements - \$4.5M: The scope of this project is to control access, detect unauthorized entry, and deter the ability to carry out terrorist activities against critical infrastructure by hardening the bridges and tunnels in the national passenger rail system. It also intends to secure the right of way leading to each side of a bridge or tunnel and to install CCTV cameras, intrusion detection and motion sensors around the bridges and tunnels to alert security personnel of unauthorized entry in the secured zones.
- Substation Security Improvements - \$0.8M: This project involves the installation of intrusion detectors, CCTV systems, and motion detectors to secure the areas near critical power infrastructure.
- Amtrak Police Department Equipment Purchase - \$0.4M: This project is to purchase variety of equipment for the APD and Mobile Team to support their increased counter-terrorism and operational activities pertaining to the intercity passenger rail system. The Mobile Team consists of specialized counter-terrorism agents that work collaboratively with APD to detect, deter, and respond to potential acts of terrorism. The project also includes funding to supply both forces with communication and tactile equipment such as satellite communication equipment, mobile handheld, chemical and explosive detectors etc.
- Station Hardening - \$2.7M: This project will increase security by designing and installing station hardening systems including new bollards, gateway checkpoints, and protection pillars integral to the stability of the building at top priority stations. This will provide increased capability to protect, monitor, and respond to incidents at the stations. Some of the stations may be registered as historic properties which require discussions and negotiations with the State Historic Preservation Offices before upgrades can be completed.
- Department of Homeland Security (DHS) 2010 Communications Control Center - \$3.0M: This project will increase the capacity for detection, prevention and response to security threats by developing a strategic implementation plan and purchasing recommendations for equipment enhancements to improve surveillance and alarm monitoring. This will also fund the improvements of infrastructure and purchase and installation of equipment as needed and suggested per the plan, to increase capacity to monitor alarms and CCTV systems currently deployed in the facilities.
- Department of Homeland Security (DHS) 2010 Infrastructure Protection - \$5.0M: This project supports the measures to prevent terrorist attacks against infrastructure and mitigate potential risk to rail passengers and assets. The 2010 grant funds will be applied to measures aimed at facility hardening, Chemical, Biological, Radiological, Nuclear, Explosives detection, HVAC improvements including the detection of airborne particulates and to follow up on Full Spectrum Integrated Vulnerability Assessment recommendations and blast mitigation studies funded by DHS and ARRA grants.

Planning & Assessments Program: \$3.3M

- Security Systems – Future Designs - \$0.5M: This project will support the development of a geospatial tool for situational awareness response planning and command and control purposes.
- Station Action Team (SAT) Toolkit - \$1.5M: This project is a continuation of the implementation of the SAT toolkit components used for security assessment and analysis at various stations. The toolkit includes vulnerability assessments, digital mapping of rail assets, pedestrian flow modeling studies, and creation of site specific station action plans. SAT toolkit components assist in identifying, mitigating and managing terrorism risks to employees, passengers and critical infrastructure.
- Department of Homeland Security (DHS) 2010 Planning and Assessments - \$1.3M: This project supports the planning and assessments activities required to develop and implement efforts aligned with security strategies. Activities under this project include contracting a vendor to conduct a system-wide risk and vulnerability assessment of the national passenger rail infrastructure.

Public Awareness: \$0.6M

- Public Security Awareness Program - \$0.6M: The goal of this program is to improve public safety through knowledge and wider participation in security measures. Amtrak will educate the travelers on trains and at stations on personal preparedness measures, terrorism awareness, warning alert systems, and state and local emergency plans via various communication channels. The public awareness campaign is critical to achieving improvements in risk communications to passengers regarding appropriate responses to suspicious packages, persons and ambient terrorist risks.

Exercises Program: \$1.8M

- Station Action Plan Testing and Implementation - \$1.8M: Amtrak is required to conduct exercises to test, analyze and understand strengths and weaknesses in its security systems and protocols and to adjust them accordingly. This program will focus on recovery and resilience exercises throughout the rail network and provide recommendation to enhance station action plans.

Training Program: \$3.8M

- Security Canine Procurement and Training - \$0.7M: As part of their National Explosive Detection Canine Team Program, the Transportation Security Administration (TSA) will provide free explosives detection trained canines and \$40K per team per year, for five years to offset equipment and operating expenses. TSA also provides \$500 per year towards refresher training and certifications.
- Security Training - \$1.5M: This project involves ongoing counter-terrorism and security training for Amtrak Police Department and Amtrak Mobile Teams and security training to Amtrak employees through targeted computer based and classroom training.
- Department of Homeland Security (DHS) Training and Public Awareness - \$1.6M: This program supports the planning and implementation of security awareness programs to inform and enlist the public support for security efforts. It will also provide security awareness training to employees by giving them opportunities to learn to detect a variety of threat scenarios and take appropriate actions to protect themselves and passengers.

Department of Homeland Security (DHS) 2011 Transit Security Grant Program: \$5.0M

- This project covers the implementation of a range of security and counter-terrorism projects to be developed through a cooperative agreement with the Department of Homeland Security that will help deter, detect and respond to potential acts of terrorism and related incidents. Funds will be used for Amtrak's infrastructure protection program, communication and situational awareness

programs, planning and assessments, security operations and equipment purchases and training, exercise and public awareness efforts.

ARRA Law Enforcement Grant: \$2.1M

- 2009 ARRA TSGP Operations Package - \$2.1M: Amtrak will use these grant funds to pay for personnel costs such as salary, overtime and benefits for 16 officers for a 36 month period plus the costs to outfit them with standard equipment such as uniforms and radios as well as specialized equipment to carry out their appointed duties such as explosive detection equipment and consumables for screening teams and vehicles and kennels for canine teams.

Engineering

Overview of the Department

Amtrak's Engineering department can be described as an engineering firm and operating/construction company responsible for keeping infrastructure in a state of good repair. That includes maintenance, testing, and inspection of Amtrak's physical infrastructure, including track, signals, electric traction, tunnels, and bridges on Amtrak owned right of way and stations and facilities along the right of way. The group is responsible for the maintenance and overhaul of roadway machines and equipment used in the operation. In addition to the core maintenance activities, the group is also responsible for developing and executing the plan to bring the infrastructure into a state of good repair, and support reimbursable project activity in conjunction with state and local agencies on and along our right of way.

Base Activity:

Engineering's FY12 base budget is \$289.9M, with Initiatives of \$0.4M and target budget reductions of (\$14.5M) for a total budget request of \$275.8M.

A summary of the FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements \$7.3M
- Increase in costs for Reimbursable Services offset by Increase in Reimbursable revenue \$10.3M
- Decrease in Wages (\$12.8M)
- Decrease in Overtime and employee related expenses due to unexpected additional work for weather conditions in FY11 and anticipated less activity in FY12 (\$6.4M)
- Decrease in benefit expenses due to decrease in Wages and change in benefit rates (\$8.2M)
- Decrease in Material expense due to less expected activity in FY12 for core operation (\$1.3M)
- Increase in Building Maintenance due to new facilities in Los Angeles, Seattle, Hialeah, and upgrades in Oakland \$6.2M
- Increase in FELA allocated cost due to change in methodology in FY11 \$1.3M
- Increase in Professional Fees due to ventilation fans maintenance \$6.4M
- Decrease in Outsourced Services due to maintenance cost transferred to IT Department (\$1.4M)
- Increase in Maintenance of Way services due to additional cost of tree trimming \$2.7M
- Decrease in transfer credits to capital projects due to reduced capital activity in FY12 \$15.4M
- Other (\$0.9M)

New Activity:

New activity in the department totals \$0.4M and is primarily driven by continuing safety operation improvements.

**Operating Expense Summary FY10 –FY12:
Engineering**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$24.8	\$27.2	\$28.3	\$1.0	3.8%
Wages & Overtime	\$134.3	\$149.4	\$139.7	(\$9.8)	-6.5%
Employee Benefits	\$71.4	\$85.5	\$79.9	(\$5.6)	-6.6%
Employee Related	\$5.7	\$7.2	\$6.0	(\$1.3)	-17.7%
Salaries, Wages and Benefits	\$236.2	\$269.4	\$253.8	(\$15.7)	-5.8%
Train Operations	\$0.2	\$0.4	\$0.0	(\$0.4)	-91.9%
Fuel, Power, & Utilities	\$8.2	\$9.3	\$9.0	(\$0.3)	-3.3%
Materials	\$20.0	\$21.9	\$22.1	\$0.2	0.8%
Facility, Communication, & Office	\$29.2	\$17.3	\$24.2	\$6.9	40.1%
Casualty and Other Claims Total	\$4.5	\$2.7	\$4.0	\$1.3	47.0%
Professional Fees	\$6.1	\$7.2	\$11.1	\$4.0	55.8%
Data Processing Services and Supplies	\$2.8	\$3.0	\$1.6	(\$1.4)	-45.2%
Environmental and Safety	\$3.8	\$4.1	\$4.5	\$0.4	10.9%
M of W Services	\$24.1	\$30.1	\$31.0	\$0.9	2.9%
Financial	\$2.3	\$1.6	\$2.4	\$0.8	53.5%
Pcard Transactions	\$0.2	\$0.2	\$0.0	(\$0.1)	-79.1%
Expense Transfers	(\$1.0)	(\$1.2)	(\$0.8)	\$0.4	-30.5%
Indirect Costs Capitalized To P&E	(\$94.2)	(\$94.6)	(\$87.2)	\$7.4	-7.8%
Total Operating Expenses	\$242.5	\$271.3	\$275.8	\$4.5	1.7%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$271.3
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$7.3
Increase in costs for Reimbursable Services offset by Increase in Reimbursable revenue	\$10.3
Decrease in Wages	(\$12.8)
Decrease in Overtime and employee related expenses due to unexpected additional work for weather conditions in FY11 and anticipated less activity in FY12	(\$6.4)
Decrease in benefit expenses due to change in rate	(\$8.2)
Decrease in Material expense due to less expected activity in FY12 for core operation	(\$1.3)
Increase in Building Maintenance due to new facilities in LA, Seattle, Hileah, and upgrades in Oakland	\$6.2
Increase in FELA allocated cost due to change in methodology in FY11	\$1.3
Increase in Professional Fees due to ventilation fans maintenance	\$6.4
Decrease in Outsourced Services due to maintenace cost transferred to IT Deaprtment	(\$1.4)
Increase in Maintenance of Way services due to additional cost of tree trimming	\$2.7
Decrease in transfer credits to capital projects due to reduced capital activity in FY12	\$15.4
Other	(\$0.9)
Base Activity Increase/(Decrease) from Prior Year	\$18.6
Total FY12 Base Activity	\$289.9
New Activity	
Salaries and benefits related to Safety Operations improvements	\$0.4
Total FY12 New Activity	\$0.4
FY12 Budget before Reductions	\$290.3
FY12 Reduction	(\$14.5)
FY12 Final Budget	\$275.8

**Capital Projects:
Engineering**

\$ Millions

Program Title	GCAP	State, Local & Other	Total
Bridges, Culverts and Tunnels	\$62.2	\$6.0	\$68.1
Facility, Station, and Other	\$37.1	\$12.9	\$50.0
Signal Systems	\$35.7	\$5.8	\$41.5
Communication Systems	\$0.5	\$0.0	\$0.5
Overhead Catenary and Transmission Systems	\$14.1	\$1.5	\$15.6
Substations Frequency Converters	\$9.3	\$4.7	\$14.0
Track Replacement	\$102.6	\$64.2	\$166.7
Interlocking Renewal	\$9.0	\$6.9	\$15.9
Equipment Purchase, Replacement	\$13.9	(\$0.0)	\$13.9
Seattle King St. Coach Yard	\$7.0	\$0.0	\$7.0
Fire & Life Safety	\$8.7	\$14.5	\$23.2
ADA Compliance	\$50.0	\$0.0	\$50.0
High Speed Inter-city Passenger Rail Program	\$0.0	\$7.3	\$7.3
V-ETMS Interoperability on the NEC	\$0.0	\$9.6	\$9.6
Total Engineering	\$350.0	\$133.3	\$483.3

Bridges, Culverts and Tunnels \$68.1M

- Fixed bridges upgrade (\$20.9M) – The scope of this program is to address under grade bridges and to convert open deck under grade bridges to ballast deck for improved train performance.
- Major Bridge Special Projects (\$35.0M) – The scope of this program is to address major bridges currently not in a state of good repair for improved train performance, eliminating slow orders that would occur when bridge components fail and disrupt the train traffic and continuous maintenance costs due to temporary repairs.
- Other programs (\$12.2M)
 - \$2.6M for movable bridges
 - \$2.0M for replacement of timber bridge ties
 - \$1.0M for replacement of culverts
 - \$1.6M for fences
 - \$2.4M for tunnels
 - \$2.3M for retaining wall masonry and concrete work
 - \$0.4M for interlocking

Facility, Station and Other \$50.0M

- Maintenance of Equipment Facilities (\$11.9M) – Upgrades to engineering equipment maintenance facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- Maintenance of Way Base (\$6.3M) – Upgrades to maintenance of way facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- Station Upgrades (\$26.5M) – Upgrades to stations to include elevators, escalators, HVAC, roofing, lighting, bathroom, and other interior improvements.
- Transportation Department Facilities (\$1.4M) – The scope of this program is the renewal of interlocking towers such as the “K” tower and Dock interlocking tower.

- Sunnyside Yard New Mechanical Facility (\$4.0M) – The scope of this program is to build a new consolidated Mechanical, Engineering, and Transportation maintenance facility and warehouse at Sunnyside Yard outside of New York Penn Station. This program is 100% funded by external agencies (MTA).

Signal Systems \$41.5M

- Automatic Block Signal (ABS) (\$6.0M) – The scope of the program is to 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) (\$12.5M) – This program involves the relocation of the system database to the on-board locomotive computer from its wayside location. Positive Train Control (PTC) is required by the FRA to operate speeds in excess of 125 mph; operations beyond 125 mph are only possible with ACSES. This program will enhance safety by ensuring positive stops at all stop signals and ensuring speed enforcement at curve restrictions, therefore eliminating exposure to human error train collisions.
- Interlocking – Communications & Signals (\$8.8M) – This program will 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 (\$2.8M) – The scope of this program is to upgrade highway crossing detection devices for more reliable operation of warning systems. It will enhance grade crossing system safety and reduce maintenance costs.
- Centralized Traffic Control (CETC) (\$11.5M) – The scope of this program is to 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 easy back up in case of a disaster.

Communications Systems \$0.5M

- Radios (\$0.5M) – The objective of this program is 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.

Overhead Catenary and Transmission Systems \$15.6M

- Constant Tension Catenary (\$9.3M) – The scope of this program involves the replacement of the constant tension catenary system which is utilized for providing power from the transmission system to the electric train sets. Failure of the catenary system would prohibit movement of the electric train sets and lead to excessive train delays and decrease on-time performance.
- Catenary Pole (\$5.3M) – 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 (\$1.0M) – The scope of this program is 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 \$14.0M

The scope of this program is to make improvements of 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 machines; 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 Replacement \$166.7M

- Track Ballast (\$4.4M) – The scope of this program is to 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 (\$2.1M) – The scope of this program is to 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 (\$16.5M) – The goal of this program is the 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 must replace 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 (\$22.3M) – This program will replace crosstie and track timber along the Northeast Corridor which will reduce train delays, track geometry degradation, FRA track defects, and switch failures.
- Track Renewal (\$56.4M) – The scope of this program includes renewal of the entire track structure at specific location. Rather than component replacement (e.g.: rail, ties, fasteners, ballast) the entire track will be rebuilt from the ballast level up to the top of the rail.
- Track Laying System (TLS) (\$30.0M) – This program is the 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 (\$7.8M) – This program involves the replacement of standard wood turnouts and associated components not currently in state of good repair. Associated components include frogs, switch points, and wood and concrete switch timbers and other track turnout material.
- Track Crossing Road (\$1.5M) – The scope of this program includes the reconstruction or removal of at grade rail crossings. Examples of work included under this program includes the renewal of ties, rail, and crossing material at road crossing as well as concrete tie installation at grade crossing.
- Track Geometry (\$15.6M) – 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.
- Construction Applications (\$10.2M) – The scope of this program includes the development of the Maximo Work Management System (MWMS) for the Engineering Department, development of an infrastructure asset library, development of the Engineering Personnel System (EPS), and the development of an Enterprise Project Management System (EPM). It also builds on earlier investments in Timberline estimating and Primavera scheduling and document management.

Interlocking Renewal \$15.9M

The scope of this program is the total renewal of the existing track structure within interlocking limits with new advanced technology, turnouts including 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.

Equipment Purchase/Replacement \$13.9M

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

Seattle King St. Coach Yard \$7.0M

This program involves upgrades to the Seattle maintenance of equipment facility to meet contractual obligations for Sound Transit and to provide increased capacity to maintain Talgo & Amtrak fleets.

ADA Compliance \$50.0M

This investment will provide necessary improvements for multiple stations to improve access for disabled patrons and comply with ADA regulations for numerous stations across the United States. This is the next stage in Amtrak's ADA compliance plan to achieve access for disabled passengers at Amtrak's stations.

Fire & Life Safety \$23.2M

- First Avenue Construction (\$19.5M) – The project consists of the reconfiguration of two shafts, north and south structures connecting to the East River Tunnels at First Avenue in New York. The inadequate ventilation system is being replaced with high capacity bi-directional fans that will be computer controlled by computer at a remote location. This will require the relocation of all utilities. A new structure will be constructed at the top of the shafts to house the new fans, new utility systems and to provide access to the new stairwells.
- North River Tunnels Ventilation Construction (\$2.0M) – This project is located in Weehawken, NJ and consists of the replacement of high capacity bi-directional fans that will be computer controlled at a remote location.
- Standpipe Installation (\$1.1M) – This project consists of the installation of approximately 16 miles of a remote computer-controlled fire standpipe system along the North and East River tunnel systems. In addition, includes the installation of an air monitoring system to the existing standpipe system which incorporates the addition of Air-Vacuum Isolation valves with fail safe actuators in the tunnels and the installation of Standpipe Deluge Valves and Air compressors and associated piping, electrical power and controls to provide a fully operable fire standpipe system. This also includes bonding and grounding installation for the standpipe system.
- Miscellaneous Design & Construction (\$0.6M) – Two construction projects are planned to improve communications: one will provide radio coverage in all tunnels for local Fire Department personnel, and the other one will provide redundant communication capability

High Speed Inter-city Passenger Rail Program \$7.3M

The general objective of the program, funded by a multi-year grant for a total of \$450 million, is to 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 upgrades described, along with equipment acquisition are currently in the planning stages. This will allow Amtrak to achieve up to 160 mph operating speeds between New Brunswick and Trenton, and substantially improve the reliability of intercity and commuter services in one of the most heavily used sections of the Corridor.

V-ETMS Interoperability on the NEC \$9.6M

The purpose of this program is to design, develop and install Advanced Civil Speed Enforcement System (ACSES) with interoperable electronic train management system. This system will be designed to interface Amtrak's current PTC system with foreign railroad's PTC system.

Environmental Health and Safety

Overview of the Department

The Amtrak Environmental Health and Safety (EHS) Department performs in five functional areas: System Safety (including Industrial Hygiene), Public Health, Environmental Management, , Health Services (including Employee Assistance Programs and Operation Redblock) and Medical Services.

The ***Safety*** group is responsible for the System Safety program, chemical product evaluation and selection, OSHA compliance, Federal Railroad Administration (FRA) safety compliance, management of Operation Lifesaver program, facility safety audits, employee exposure surveys and controls, safety training program development, and expert OSHA testimony for Claims. In addition, the Safety group includes the Central Reporting Office, responsible for compliance with FRA injury/illness reporting, input and tracking of passenger safety incident reports and Claims support.

The ***Public Health*** group oversees Food and Drug Administration (FDA) food service and sanitation compliance, Environmental Protection Agency (EPA) drinking water compliance, passenger and employee food-borne illness investigations, Sanitation Task Force facility audits, pest control service contract management, Pandemic Flu preparation and FDA food car design requirements.

The ***Environmental*** group supports Amtrak facilities and functions by providing both companywide and facility specific compliance guidance. Compliance activities include development and delivery of training programs, permit applications, routine inspections and monitoring, and submittal of required agency reports. The environmental audit and assessment program is a part of the Environmental Management System and is used to identify non-compliance issues and develop corrective actions to prevent these non-compliance issues from re-occurring which could lead to enforcement actions. Amtrak's Environmental Management System (EMS) is coordinated and led by the Environmental group. EMS helps Amtrak departments address environmental activities through awareness, training and outreach. Monthly interdepartmental meetings are held to discuss environmental issues and set goals for environmental improvements. Performance against goals is also tracked through the EMS. The EMS is also used to support marketing with environmental attributes of Amtrak various advertising campaigns. In addition, the Environmental group provides project management for both operating and capital projects. These projects include remediation of contamination or risk reduction projects at facilities. These projects keep Amtrak in compliance with environmental regulations and clean-up requirements and create more valuable property. Amtrak's Environmental Reserve Schedule, in compliance with GAAP, lists over \$60 million in known contamination needing to be remediated over the next 5-15 years. The group has also worked with the Mechanical department to obtain \$4 million in grants for more efficient locomotives.

In addition to tracking emissions from the company's carbon footprint and helping with programs to reduce greenhouse gas emissions, the Environmental group provides support to Marketing and Government Affairs regarding sustainable practices and the environmental attributes of passenger rail travel.

The **Health Services** group is responsible for providing programs and services for Amtrak employees (and families) that improve their well-being in order to be productive and safe in the workplace. They oversee and implement programs through the Employee Assistance Program (EAP); drug and alcohol testing; audiometric testing under the Hearing Conservation program; accommodations through the Americans with Disability Act; and wellness programs. The EAP assist employees to restore and maintain their full capabilities and emotional well being when trying to cope with grief, trauma, marital/relationship/family problems, depression, and other stressors; to help maximize safety in all aspects of Amtrak operations; to assist in retaining valued employees; to reduce overall incidence of substance abuse in the workplace, toward the ultimate goal of maintaining a drug-and-alcohol-free work environment. The EAP oversees the Critical Assistance and Response for Employees (CARE) program. They work collaboratively with Operation RedBlock teams to assist employees with drug and alcohol problems. The drug and alcohol testing program provides the services of a Designated Employer Representative (DER) and oversees the following testing programs – random, rule G follow-up, pre-employment, return-to-duty from 30 day leave, fitness-for-duty, periodic, for cause, FRA/FMCSA Federal Post accident. The wellness program promotes program to establish a healthy life style such as walking, weight-reduction, smoking cessation, health assessments and biometric screens.

The **Medical Services** group is responsible for the review and processing of all medical examinations, including pre-employment, periodic, Commercial Drivers License (CDL), respirator clearance, and return to work, assuring compliance with both regulatory and corporate standards. Additional responsibilities include extensive case management of Medical Leave of Absence occurrences, providing Fitness for Duty determinations and regular collaboration with other departments on medical issues. Oversight of the Work with Medications (Form 3133) process involves the careful review of records, medical conditions and job descriptions by the Medical Services professional staff in making approvals or non-approvals. The Medical Services group also manages and oversees the network of 200 provider clinics to make certain that quality services are provided to our employees and identified standards are maintained.

The total FY12 Budget request is \$14.3M which represents a reduction of \$2.3M compared to FY11 actual(s).

Base Activity:

The Environmental Health and Safety Department's FY12 base budget is \$15.5M. However this budget is reduced by \$2.3M due to target budget reductions across the company. The FY12 budget is mainly driven by labor costs with a total of \$10.6M.

A summary of FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements \$0.3M
- Decrease in Medical expenses due to duplicate posting in FY11 reversed in FY12 (\$0.9M)
- Decrease in Professional Fees due to inclusion of Asbestos plan expenses in FY11, reported as Initiative in FY12 (\$0.7M)
- Other \$0.2M

New Activity:

A summary of FY12 new activity includes the following:

- Development of Asbestos building plan \$0.9M
- Contract with Liberty Mutual for cross functional teams to improve work place safety processes \$0.1M
- Injury Analysis \$0.1M
- Climate registry verification and verification of Greenhouse Gas Emissions \$0.1M
- Wellness programs such as smoking cessation and weight reduction \$0.1M

**Operating Expense Summary FY10 –FY12:
Environmental**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$5.0	\$5.1	\$5.3	\$0.2	3.7%
Wages & Overtime	\$0.4	\$0.3	\$0.4	\$0.1	31.3%
Employee Benefits	\$2.8	\$3.0	\$2.9	(\$0.1)	-3.6%
Employee Related	\$2.0	\$2.8	\$1.9	(\$0.9)	-31.3%
Salaries, Wages and Benefits	\$10.2	\$11.2	\$10.6	(\$0.7)	-6.0%
Facility, Communication, & Office	\$0.6	\$0.5	\$0.6	\$0.2	33.2%
Advertising and Sales	\$0.0	\$0.0	\$0.0	\$0.0	41.8%
Casualty and Other Claims Total	\$0.0	\$0.0	\$0.0	\$0.0	111.1%
Professional Fees	\$0.9	\$1.4	\$1.0	(\$0.4)	-25.8%
Data Processing Services and Supplies	\$0.0	\$0.1	\$0.0	(\$0.1)	-88.4%
Environmental and Safety	\$2.6	\$3.4	\$2.0	(\$1.4)	-41.4%
Expense Transfers	\$0.1	\$0.0	\$0.0	\$0.0	0.0%
Total Operating Expenses	\$14.5	\$16.6	\$14.3	(\$2.3)	-14.1%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$16.6
Changes to Base Activity	
Inflation of Prior Year expenses including labor agreements	\$0.3
Decrease in Medical expenses due to duplicate posting in FY11 reversed in FY12	(\$0.9)
Decrease in Professional Fees due to inclusion of Asbestos plan expenses in FY11, reported as Initiative in FY12	(\$0.7)
Other	\$0.2
Base Activity Increase/(Decrease) from Prior Year	(\$1.1)
Total FY12 Base Activity	\$15.5
New Activity	
Development of asbestos building plan	\$0.9
Contract with Liberty Mutual for cross functional teams to improve work place safety processes	\$0.1
Injury Analysis	\$0.1
Climate registry verification and verification of Greenhouse Gas emissions	\$0.1
Wellness programs such as smoking cessation and weight reduction	\$0.1
Total FY12 New Activity	\$1.1
FY12 Budget before Reductions	\$16.6
FY12 Reduction	(\$2.3)
FY12 Final Budget	\$14.3

Capital Projects: Environmental, Health and Safety

\$ Millions				
Program Title	Project	GCAP	State, Local & Other	Total
Environmental Risk	Beech Grove Facility - Waste Water Treatment System Remediation	\$0.0	\$0.5	\$0.5
Environmental Remediation Program	Asbestos, Lead Paint and Mold Abatements	\$0.0	\$0.5	\$0.5
	Sunnyside Yard Oil/PCB Remediation	\$0.0	\$1.5	\$1.5
	Cedar Hill Remediation	\$0.0	\$0.1	\$0.1
	Wilmington Maintenance of Equipment Facility-PCB/Other	\$0.0	\$1.2	\$1.2
	Environmental Remediation Program	\$0.0	\$3.3	\$3.3

Environmental Risk Reduction: \$0.5M

The goal of the Environmental Risk Reduction program is to use preventive measures to mitigate potential environmental issues.

- **Beech Grove Facility – Wastewater Treatment System Upgrades - \$0.5M:** This project includes the replacement of the existing wastewater treatment system that is 60 years old and built below ground which has the potential to leak to the groundwater. Amtrak will also replace or reroute the sewers that are discharging storm water to the industrial wastewater system. The system is outdated and requires major repairs. This is mandatory from the City of Beech Grove to reduce the discharge of storm water into the city sanitary sewer.

Environmental Remediation Program: \$3.3M

Environmental remediation involves cleanup at work sites due to a Court or an Agency Administrative Order. In FY12, Amtrak plans to spend \$3.3M on environmental remediation to meet ordered clean ups. The various projects being undertaken as part of this program include:

- **Asbestos, Lead Paint and Mold Abatements - \$0.5M:** As part of multi year initiative, asbestos, mold and lead paint will be removed or remediated during construction projects, as they are encountered. Many of the facilities inherited by Amtrak have asbestos containing materials (ACM) and lead based paint. As part of Federal, state and local regulations, ACM must be abated prior to construction or demolition activities. Mold findings have occurred in facilities occupied by Amtrak employees or at Stations with water leak issues.
- **Sunnyside Yard Oil/PCB Remediation - \$1.5M:** Train operations continuing until the 1970's caused polychlorinated biphenyl (PCB) and diesel fuel releases at Sunnyside Yard which contaminated the subsoil. Amtrak and New Jersey Transit (NJT) signed a consent order with the New York State Department of Environmental Conservation (NYSDEC) to clean up the soil in order to reduce potential PCB exposure to employees. The project involves the continuation of ongoing remediation of contaminated subsoil and groundwater as per NYSDEC orders.
- **Cedar Hill Remediation - \$0.1M:** This project involves removal and capping of PCB contaminated soil in some track areas at this facility. During FY12, Amtrak will begin preparation of a Remedial Action Plan and negotiate a potential Consent Order with the Connecticut Department of Environmental Protection. The remediation work will be carried out in FY14.
- **Wilmington Facility Remediation - \$1.2M:** This project encompasses remediation of PCB and other contaminants and initiating erosion control measures at the Wilmington maintenance facility. The soil at the facility is contaminated with PCBs and petroleum. PCBs can be potentially transported offsite via erosion to surrounding surface water bodies, impacting the aquatic life. Amtrak signed a Voluntary Cleanup Agreement (VCA) with Delaware Department of Natural Resources and Environmental Control (DNREC) and is legally obligated to perform this work.

Finance

Overview of the Department:

The Finance Department is comprised of the CFO Staff, Treasury, Controller (Corporate Accounting, Payroll, Capital Accounting, Accounts Receivable, and Accounts Payable), Financial Analysis, Financial Planning, and Internal Audit functions. The NEC Advisory Commission has also been added to the finance department. The costs for the commission are reimbursable but the revenue for the reimbursement is recorded in another center. In addition to the operating costs of these departments, the Finance operating expense budget contains significant costs for the company as a whole that are not directly attributable to any single department. Of the FY12 Finance operating budget of \$225.3M, only \$40.6M (19.8%) is for departmental costs; the remaining \$184.7M (80.2%) is for general Amtrak expenses, most

notably the cost of electric power for propulsion of the electric locomotive fleet in the NEC, expenses incurred for ticket sales using credit cards, property and liability insurance, financing related costs, and bank and armored car fees.

Base Activity:

The FY12 base budget request is \$228.0M an increase of \$16.5M over the FY11 actual.

- o \$2.1M is inflation primarily related to salaries, wages and propulsion.
- o NEC Advisory Commission \$4.2M (cost will be offset by reimbursable revenue)
- o \$4.6M increase is for propulsion
- o \$3.0M for salaries (includes employees returning from SAM implementation)
- o \$1.1M for Benefits
- o Reduction to Professional fees (\$1.5M)

New Activity:

FY12 budget contains \$3.7M of financing costs for locomotive acquisition and Strategic Asset Management implementation savings of (\$0.9M).

**Finance - Operating Expenses Summary FY10-
FY12**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$14.2	\$15.3	\$17.9	\$2.6	16.7%
Wages & Overtime	\$4.7	\$4.9	\$4.3	(\$0.6)	-12.0%
Employee Benefits	\$10.2	\$11.0	\$11.3	\$0.3	2.7%
Employee Related	\$0.3	\$0.5	\$0.6	\$0.1	22.9%
Salaries, Wages and Benefits	\$29.4	\$31.6	\$34.0	\$2.4	7.5%
Fuel, Power, & Utilities	\$103.2	\$90.7	\$93.5	\$2.8	3.1%
Facility, Communication, & Office	\$2.9	\$2.4	\$2.7	\$0.2	9.6%
Advertising and Sales	\$36.7	\$41.2	\$43.8	\$2.6	6.4%
Casualty and Other Claims Total	\$0.2	\$0.1	\$0.2	\$0.1	71.5%
Professional Fees	\$6.9	\$5.7	\$7.0	\$1.3	22.0%
Data Processing Services and Supplies	\$0.7	\$1.2	\$0.9	(\$0.3)	-21.5%
Financial	\$44.6	\$38.9	\$43.2	\$4.3	11.0%
Indirect Costs Capitalized To P&E	\$0.0	(\$0.4)	\$0.0	\$0.4	-100.0%
Total Operating Expenses	\$224.5	\$211.5	\$225.3	\$13.8	6.5%

Summary of Changes from FY11 to FY12

\$ Millions

FY11 Total Actual	\$211.5
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$2.1
Cost for NEC Advisory Commission (Costs are offset by reimbursable revenue)	\$4.2
Salary (vacant positions and returning employees from SAM project)	\$3.0
Benefits	\$1.1
Fuel, Power and Utilities	\$4.6
Credit Card Commissions (based on revenue)	\$2.6
Professional Fees (portion of reduction offsets employees returning from SAM project)	(\$1.5)
Other	\$0.4
Base Activity Increase/(Decrease) from Prior Year	\$16.5
Total FY12 Base Activity	\$228.0
New Activity	
Financing Related Expense	\$3.7
Strategic Asset Management implementation savings	(\$0.9)
Total FY12 New Activity	\$2.8
FY12 Budget before Reductions	\$230.7
FY12 Reduction	(\$5.5)
FY12 Final Budget	\$225.3

Capital Projects: Finance

\$ Millions

Program Title	Project	State, Local & Other		
		GCAP	Total	Total
Amtrak Performance Tracking	BPC/APT Conversion to SAP Code block	\$0.0	\$0.4	\$0.4
	Chief Financial Officer	\$0.0	\$0.4	\$0.4

BPC/APT Conversion to SAP Code Block (\$0.4M) – The Strategic Asset Management (SAM) system currently being implemented at Amtrak will replace the existing General Ledger Accounting System with SAP’s GL module and will include a new budgeting system: SAP’s PBF module (Public Budget Formulation). Amtrak has two existing SAP BPC apps, APT and FINGATE, each containing multiple applications that have established reports and input templates, dimensions, logic, Data Manager packages, SSIS packages, SQL stored procedures, etc. This project is to make modifications to applications in both apps as required by implementing the new GL and PBF modules.

Government Affairs and Corporate Communications

Overview of the Department

The Government Affairs Department is divided into three functional areas: Government Affairs, Corporate Communications, and Great American Stations. During FY12 the Government Affairs department will be assuming the staff and responsibilities for off-corridor state partnerships from the recently dissolved Policy & Development department.

Government Affairs: Federal grants account for almost half of Amtrak’s overall budget. The Department provides Congress and the Administration with funding requests and documentation required to support the requests, prepares for related hearings before House and Senate Appropriations Committees, and responds to follow-up questions from the Committees. The Department makes annual legislative requests and follows through with appropriate Congressional staff at each step of the way. When multi-year

reauthorization bills are in play, the Department provides Congress and the Administration with information relating to reauthorization proposals, prepares for related hearings before the House Transportation and Infrastructure and Senate Commerce Committees, and responds to follow-up questions from the Committees. The department has omnipresence on Capitol Hill, educating the Members of Congress and staff about Amtrak and passenger rail.

Government Affairs field staff provide education and intelligence to support other departments in advancing the company's needs and business interests. The field staff is active in all States with Amtrak service but mainly focuses on those with State-Supported services. Field staffs are required to visit the Mayor or other leaders of every community served by Amtrak at least once a year.

The Department educates Congressional staff and advocacy groups who wish to advance Amtrak's legislative agenda and convenes regular related meetings. It also represents Amtrak at meetings and hearings at all levels of government and regularly meets with local officials in Amtrak communities. The Department responds to external and internal inquiries, provides written responses for the signature of the CEO and Board Members, prepares speeches and presentations, and assists with public officials' travel arrangements.

Corporate Communications: Employee and Customer Communications prepares and issues the Annual Report, produces the monthly Amtrak Ink employee newspaper, produces the annual Amtrak wall calendar, provides content for the on-board Arrive magazine, and issues weekly employee advisories and service-related customer advisories for posting in stations and on trains. Media Relations responds to media inquiries, prepares news releases and statements, organizes public events, and assists with journalists' travel arrangements.

Great American Stations: This group creates new content for and maintains the Great American Stations website, an Amtrak project that educates local officials and the public about the benefits of station improvements and the importance of ADA compliance projects at stations and how Amtrak can help advance such projects. It also performs outreach to station communities, including through two annual "Civic Conversations," regional conferences of local officials and Amtrak officials to discuss station projects.

Government Affairs with major assistance from the Marketing and Product Management department has been conducting an Amtrak 40th Anniversary effort during FY11, but which will be concluded during FY12.

As of the date of this document and following the company's realignment of functions under the FY 2011-2015 Strategic Plan, the Policy and Development department was dissolved and in large part integrated with the Government Affairs and Corporate Communications department. There will be more changes occurring during fiscal year 2012 following this realignment.

Base Activity:

Government Affairs' FY12 base budget is \$11.0M, with Initiatives of \$0.2M and a target budget reduction of \$3.6M for a total budget request of \$7.6M. Salaries and benefits typically make up more than 90% of the budget. A summary of FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreement \$0.3M
- Increase in Salaries and Benefits Allocation due to more vacant positions in FY11 than expected \$1.3M
- Decrease in Employee Related expenses due to relocation expenses paid in FY11 not expected in FY12 (\$0.1M)
- Increase in Diesel Fuel due to Anniversary display train fuel budgeted in Government Affairs in FY11 but actual(s) recorded in Transportation \$0.2M

- o Decrease in Professional Fees due to anticipated less activity in connection with 40th Anniversary display train (\$0.6M)
- o Increase in Data Processing Services and Supplies due to intranet upgrades and anticipated increased activity \$0.1M

Operating Expense Summary FY10 –FY12: Government Affairs

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$4.5	\$5.1	\$4.5	(\$0.6)	-11.5%
Wages & Overtime	\$0.1	\$0.1	\$0.0	(\$0.1)	-79.8%
Employee Benefits	\$2.5	\$2.8	\$2.2	(\$0.6)	-20.5%
Employee Related	\$0.4	\$0.4	\$0.2	(\$0.3)	-57.8%
Salaries, Wages and Benefits	\$7.4	\$8.4	\$6.9	(\$1.5)	-17.7%
Fuel, Power, & Utilities	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Facility, Communication, & Office	\$0.4	\$0.4	\$0.3	(\$0.1)	-17.0%
Advertising and Sales	\$0.0	\$0.1	\$0.1	(\$0.1)	-51.6%
Professional Fees	\$0.3	\$0.9	\$0.1	(\$0.8)	-86.3%
Data Processing Services and Supplies	\$0.0	\$0.0	\$0.1	\$0.0	0.0%
Total Operating Expenses	\$8.2	\$9.8	\$7.6	(\$2.3)	-23.3%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$9.8
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$0.3
Increase in Salaries and Benefit expenses due to more vacant positions in FY11 than expected	\$1.3
Decrease in Employee Related expenses due to relocation expenses paid in FY11 not expected in FY12	(\$0.1)
Increase in Diesel Fuel due to anniversary display train fuel budgeted in Government Affairs in FY11 but actuals recorded in Transportation	\$0.2
Decrease in Professional Fees and Services due to anticipated less activity in connection with 40th Anniversary display train	(\$0.6)
Increase in Data Processing Services and Supplies due to intranet upgrades and anticipated increased activity	\$0.1
Base Activity Increase/(Decrease) from Prior Year	\$1.2
Total FY12 Base Activity	\$11.0
New Activity	
State Corridors related activity being removed as part of the reduction listed below	\$0.1
High Speed Rail Development Plan related activity being removed as part of the reduction listed below	\$0.1
Total FY12 New Activity	\$0.2
FY12 Budget before Reductions	\$11.1
FY12 Reduction	(\$3.6)
FY12 Final Budget	\$7.6

Capital Projects: Government Affairs

\$ Millions				
Program Title	Project	GCAP	State, Local & Other	Total
Passenger Train Performance	Improved Passenger Train Performance on Host Rail Road	\$0.0	\$2.7	\$2.7
	Government Affairs	\$0.0	\$2.7	\$2.7

Improved Passenger Train Performance on Host Rail Road (\$2.7M):

This project is Amtrak's contribution to the service tunnel (under the tracks) portion of the track relocation project at Sacramento Valley Station.

NEC Infrastructure and Investment Development

Overview of the Department

The new NEC business line is focused on coordinating, managing and developing Amtrak-owned infrastructure in the Northeast to maximize the financial performance of the NEC and to support the current and future operations on the Corridor, including Amtrak, commuter and freight railroad service. It is charged with leading high-speed rail projects, advancing a State Of Good repair, managing capacity allocation and creating new capacity for existing and new rail services on the Corridor.

The High Speed Rail (HSR) is now part of NECIID and will continue to work on a NEC high-speed rail business and financial plan that will address a variety of project financing issues and will identify strategies for financing, including opportunities to maximize private investment(s) in the future development of the NEC.

Base & New Activity:

The base activity includes work done in the predecessor departments. The baseline expenses of \$12.1M and new activities of \$9.9M are significantly reduced by targeted reductions of \$10.8M leaving a net FY12 Budget of \$11.2M.

Base activity details are as follows:

- o Inflation from Prior year - \$0.3M
- o Salaries - \$0.4M
- o Travel - \$0.3M
- o Facilities - \$0.3M
- o Professional Fees -(\$1.2M)
- o Data Processing – (\$0.3)
- o Other – (\$0.1)

New activities include specific HSR projects and strategic NEC projects. A number of the projects will be scaled back due to the targeted budget reductions. The breakdown is as follows:

- o HSR Business Plan Funding Study - \$2.5M
- o 2012 HSR Congress - \$1.0M
- o HSR Marketing & Communications - \$1.0M
- o HSR Next Generation Implementation Studies - \$2.5M
- o NEC Related projects including planning & support -\$2.9M

Operating Expense Summary FY10 – FY12: NEC Infrastructure and Investment Development

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$2.9	\$5.4	\$4.0	(\$1.5)	-27.0%
Employee Benefits	\$1.6	\$3.0	\$2.0	(\$1.0)	-34.1%
Employee Related	\$0.3	\$0.4	\$0.3	(\$0.1)	-32.7%
Salaries, Wages and Benefits	\$4.8	\$8.8	\$6.2	(\$2.6)	-29.7%
Facility, Communication, & Office	\$0.3	\$0.5	\$0.5	(\$0.1)	-10.3%
Professional Fees	\$1.9	\$2.4	\$4.4	\$2.0	81.6%
Data Processing Services and Supplies	\$0.1	\$0.6	\$0.1	(\$0.5)	-79.2%
Total Operating Expenses	\$7.1	\$12.4	\$11.2	(\$1.1)	-9.2%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$12.4
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$0.3
Salaries	\$0.4
Travel	\$0.3
Facility Expenses	\$0.3
Professional Fees	(\$1.2)
Data Processing Services and Supplies	(\$0.3)
Other	(\$0.1)
Base Activity Increase/(Decrease) from Prior Year	(\$0.3)
Total FY12 Base Activity	\$12.1
New Activity	
Business Plan Funding Study	\$2.5
HSR Congress	\$1.0
HSR Marketing & Communications	\$1.0
HSR Next Gen Implementation Studies	\$2.5
Strategic Planning	\$0.6
Organizational Transformation	\$0.7
Commuter Contracts	\$0.4
HSR Development	\$0.5
NEC Commission Support	\$0.4
Analytical Capability	\$0.3
Total FY12 New Activity	\$9.9
FY12 Budget before Reductions	\$22.0
FY12 Reduction	(\$10.8)
FY12 Final Budget	\$11.2

Capital Projects: NEC Infrastructure and Investment Development

\$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
Host Railroad	\$ 6.5	\$ -	\$ 6.5
Reimbursable Commuter Projects	-	8.2	8.2
TOTAL	\$ 6.5	\$ 8.2	\$ 14.7

Host Railroad \$6.5M

- Double Tracking in Carlsbad, California - \$6.5M: This project is an extension of present main line track used by the Amtrak and Caltrans *Pacific Surfliner* service resulting in an additional 2 miles of double track and a universal crossover at CP Farr. This will eliminate most of the

congestion delays for this segment of railroad, improve schedule reliability and on-time performance, and increase capacity and operational flexibility on Amtrak's second-busiest route. Additionally, it will increase passenger train speeds to 90MPH.

Joint Benefit Program \$8.2M

Amtrak will spend contractually obligated funds developed through the joint benefit capital program process for commuter railroads in FY12 as follows:

- Maryland Area Regional Commuter (MARC) – \$7.5M
- Virginia Railway Express (VRE) – \$0.7M

Human Capital Department

Overview of the Department

The role of the Human Capital Department is to partner with managers in developing, implementing and administering strategies that maximize business performance while sustaining an organizational climate that supports workforce inclusion, employee satisfaction and productivity. In order to achieve this objective the Department is organized by the following key functions:

- Recruitment and staffing including employment testing and evaluation
- Employee Relations
- Employee Shared Services
- Compensation Management, Retirement Administration, and HR Technology
- Employee Development including new hire training, supervisory and leadership training and learning management
- Career Management and Employee Recognition Services
- Diversity Outreach Initiatives
- Strategic Workforce Planning including human capital management, workforce analytics and succession planning
- Labor Administration negotiates labor contracts with the fourteen unions and two councils representing Amtrak employees and serves as the authority in labor contract interpretations, appeals and arbitrations of discipline and grievance cases. It provides research, planning support, training and advice on all matters bearing on management and employee rights under twenty-four labor contracts, and serves as liaison between Amtrak management and system level union leaders in the development, communication, and implementation of company-wide initiatives to improve the business and the satisfaction level of employees.

The FY12 total budget request is \$25.6M representing a decrease of \$1.5M compared to FY11 actual(s).

Base Activity:

The Human Capital Department's FY12 base budget is \$28.2M, with Initiatives of \$0.1M and a target budget reduction of \$2.7M for a total budget request of \$25.6M. A summary of FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements \$0.7M
- Increase in Special Awards due to inclusion of agreement employees in the program \$0.3M
- Increase in Office expenses due to office rent and other anticipated higher activity \$0.3M
- Other (\$0.1M)

New Activity:

- Expand Amtrak Leadership Academy to support Human Capital Initiative \$0.1M. The leadership program is designed to address identified competency gaps and provide critical tools required to increase overall operational performance of entry-level managers, intermediate level managers and senior or advanced levels of management. The program will also include managerial coaching to improve performance.

Operating Expense Summary FY10 –FY12: Human Capital Department

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$13.5	\$14.4	\$13.2	(\$1.2)	-8.6%
Wages & Overtime	\$0.1	\$0.1	\$0.1	\$0.0	14.2%
Employee Benefits	\$7.3	\$7.9	\$6.6	(\$1.3)	-16.6%
Employee Related	\$1.9	\$1.6	\$2.1	\$0.4	26.4%
Salaries, Wages and Benefits	\$22.8	\$24.1	\$22.0	(\$2.1)	-8.7%
Fuel, Power, & Utilities	\$0.0	\$0.0	\$0.1	\$0.0	30.6%
Materials	\$0.0	\$0.0	\$0.0	\$0.0	8.8%
Facility, Communication, & Office	\$2.1	\$1.9	\$2.3	\$0.4	22.2%
Advertising and Sales	\$0.1	\$0.1	\$0.1	\$0.1	68.3%
Professional Fees	\$0.7	\$0.5	\$0.9	\$0.4	81.7%
Data Processing Services and Supplies	\$0.4	\$0.3	\$0.1	(\$0.2)	-77.5%
M of W Services	\$0.1	\$0.1	\$0.1	\$0.0	24.0%
Total Operating Expenses	\$26.2	\$27.0	\$25.6	(\$1.5)	-5.4%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$27.0
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$0.7
Increase in Special Awards due to inclusion of agreement employees in the program	\$0.3
Increase in Office Expense due to office rent and other anticipated higher activity	\$0.3
Other	(\$0.1)
Base Activity Increase/(Decrease) from Prior Year	\$1.2
Total FY12 Base Activity	\$28.2
New Activity	
Amtrak Leadership Program	\$0.1
Total FY12 New Activity	\$0.1
FY12 Budget before Reductions	\$28.3
FY12 Reduction	(\$2.7)
FY12 Final Budget	\$25.6

Information Technology

Overview of the Department:

The Information Technology Department (IT) provides the information and technology tools required by the enterprise to safely and reliably provide rail passenger services and meet Amtrak's business partners' needs. The department's mission is to be a collaborative and excellence-driven component of Amtrak's business ecosystem that delivers innovative and world-class business technology solutions which enable the continued transformation of passenger rail and reliably meet the evolving needs and expectations of customers and business partners. In FY12 IT is focused on improving operational stability, improving organizational excellence and transparency, increasing customer and business partner focus and delivery of key projects. The department is organized with three Group Information Officers aligned to support the following areas: Enterprise Resource Planning, Marketing & Product Management, and Operations. There are also Information Technology Officers aligned to the business and supporting teams for Architecture, Technology Operations, Information Security, and Program Management/Business Services.

Operating Budget:

The FY12 base budget request is \$187.4M with initiatives of \$15.9M and targeted reductions of \$12.4M for a net budget request of \$190.9M. The FY12 request is a decrease of \$3.5M compared to FY11 Actual(s). The budget request is mainly driven by expenses related to IT Infrastructure, labor and contracted services.

Base Activity:

The base budget includes the entire infrastructure, labor, and contracted services cost required to maintain and operate the organization's systems and equipment. The base budget decrease is \$7.1M in FY12. A summary of FY12 base changes includes the following:

- Inflation of Prior Year Core expenses - \$2.3M
- Salaries for new application support and conversion of contractors to employees (partially offset by employees who left under the Voluntary Separation Incentive Plan or VSIP) - \$3.1M
- Change in Base Employee Benefits & FELA - \$0.8M
- Data Communication – (4.8M)
- Long Distance – (\$1.5M)
- Office & Facilities – (\$0.2M)
- Professional Fees and Program Services – (\$2.6M)
- IBM Data Center Operations – (\$5.7M)
- Software Maintenance and License Agreements - \$1.6M
- Other – (\$0.1M)

New Activity:

There are additional costs to Amtrak with the implementation of the SAP Strategic Asset Management (SAM) project including the creation of "Center of Excellence" (COE) to support Strategic Asset Management (SAM). IT also anticipates costs for Amtrak corporate ADA initiatives to support the new Passenger Information Display Systems (PIDS). There is an initiative to increase support for various Operating Department applications that are being deployed. There are operational savings related to the conversion of existing contractor position to Amtrak employee status. The SAM project is anticipated to reduce cost by \$1.2M due to operational efficiencies related to material handling. Total initiatives in FY12 are \$15.9M which is distributed as follows:

- Increased cost for SAP COE /SAM operations - \$7.3M
- ADA system support cost for new Passenger Information Displays - \$0.5M
- Replace contractors/outsourced services with employees – (\$1.2M)
- Cost to support new Amtrak departmental and corporate applications - \$9.6M
- SAM related operational efficiencies – (\$0.3M)

**Operating Expenses Summary FY10 - FY12: Information
Technology**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$23.5	\$24.0	\$26.0	\$2.0	8.5%
Wages & Overtime	\$0.3	\$0.3	\$0.2	(\$0.0)	-15.2%
Employee Benefits	\$12.7	\$13.3	\$13.0	(\$0.2)	-1.7%
Employee Related	\$1.6	\$1.2	\$0.8	(\$0.4)	-34.9%
Salaries, Wages and Benefits	\$38.2	\$38.8	\$40.1	\$1.3	3.5%
Train Operations	\$0.0	\$0.1	\$0.0	(\$0.1)	-100.0%
Facility, Communication, & Office	\$37.2	\$43.4	\$39.6	(\$3.8)	-8.8%
Professional Fees	\$0.7	\$2.0	\$0.2	(\$1.9)	-92.3%
Data Processing Services and Supplies	\$86.4	\$110.1	\$111.0	\$0.9	0.9%
Total Operating Expenses	\$162.5	\$194.4	\$190.9	(\$3.5)	-1.8%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$194.4
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$2.3
Salaries (Primarily conversion of Contractors to Employees)	\$3.1
Employee Benefits	\$0.8
Data Communication	(\$4.8)
Long Distance	(\$1.5)
Other Office, Facility & Communication	(\$0.2)
Professional Fees & Services and Program Services	(\$2.6)
IBM Data Center Operations	(\$5.7)
Software Maintenance and License Agreements	\$1.6
Other	(\$0.1)
Base Activity Increase/(Decrease) from Prior Year	(\$7.1)
Total FY12 Base Activity	\$187.4
New Activity	
IT Cost of SAP Center of Excellence (IT09)	\$7.3
IT Cost related to ADA / PIDS implementation (IT12)	\$0.5
Replace Outsourced Service with Employees (IT13)	(\$1.2)
New Support for Marketing Applications (IT14)	\$6.0
New Support for Finance, HR, & Corporate Applications (IT15)	\$0.1
New Support for Operating Department Applications (IT16)	\$0.5
New Support for IT Dept Applications (IT17)	\$3.1
Strategic Asset Management project related savings	(\$0.3)
Total FY12 New Activity	\$15.9
FY12 Budget before Reductions	\$203.3
FY12 Reduction	(\$12.4)
FY12 Final Budget	\$190.9

Capital Projects – Information Technology

\$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
Enterprise Resource Planning	\$ 6.0	\$ -	\$ 6.0
Reservation Next Generation	17.0	-	17.0
IT Infrastructure	11.8	-	11.8
Rail Operations	1.0	-	1.0
TOTAL	\$ 35.8	\$ -	\$ 35.8

Enterprise Resource Planning \$6.0M

- **Strategic Asset Management Enterprise (SAM) - \$5.5M** - This is the completion of the current phase of a multi-year strategic project designed to integrate key operational, financial, and human resources business processes and replace core outdated financial, work management, and other systems. It includes implementing a new Public Budget Formulation tool (PBF). In FY2011, the first phase of this effort replaced the majority of Amtrak’s key financial, procurement, and materials management systems.
- **Strategic Asset Management – Enterprise \$0.5M** - This next phase will focus on management and maintenance of rolling stock assets as well as management and maintenance of infrastructure assets. It will provide improved planning and management tools for materials inventory, continue development of materials inventory planning and management, and migration of the current end-of-life rolling stock Work Management System (WMS) into Maximo, our enterprise standard Enterprise Asset Management System. The scope of the FY12 efforts is to complete the planning and definition work that began in FY11. This is in preparation of re-scoping and resizing the project to focus on the critical needs of the Enterprise.

Reservations Next Generation \$17.0M

- **Reservations Ecosystem Next Generation - \$17.0M** the purpose of this program is to modernize, streamline and significantly reduce business and technical risks from Amtrak’s Sales, Reservation and Ticketing system in support of Amtrak’s current and future business needs and opportunities. This involves updating the underlying system, “Arrow” that is over 30 years old and is based on significantly outdated technology which is the backbone foundation for Amtrak’s sales, ticketing and operational processes, including customer service and train operations. Potential failure of this system is a critical business risk that must be addressed as soon as possible. In FY12, RES-NG project will deliver key milestones that include software and platform upgrades, archaic hardware de-commissioning, enhanced ability to share data and information, reduced system outage windows and other sales, reservation, ticketing and operational upgrades to mitigate risk and deploy a “next generation” platform that can flexibly lead and respond to emerging travel industry standards and needs of state sponsored services.

IT Infrastructure \$11.8M

- This is an ongoing program to refresh and expand the IT core infrastructure to ensure reliability standards are met, including network, servers, and workstations. The scope for FY12 includes: refresh network, servers, and storage infrastructure not covered by the new outsource contract; refresh workstations on a three year cycle; begin the upgrade to the new Desktop Operating system and Office Automation software; acquire hardware to stage in field to improve response time to failures; and replace key IT equipment used in field system and Quik-Trak kiosks. Projects included on this program are: PC and field systems state of good repair \$6.8M, Network Expansion – Infrastructure Engineering for \$1.5 M, and network redesign and expansion \$3.5M.

Other Programs \$1.0M

- Migration or Replacement of Labor Management System Application - \$1.0M – Modernizes and replaces an obsolete scheduling and pay calculation system used for On Board Services and Train and Engine crew management. The replacement will provide an integrated, flexible, rules driven and maintainable capability. By implementing a modern solution that integrates with SAP and other transportation systems, this project will reduce the risk of dependence upon obsolete technology and loss of institutional knowledge.

Marketing and Product Development

Overview of the Department

Marketing and Product Development (M&PD) drives Amtrak ridership, ticket revenue, and market share through integrated marketing and sales capabilities and a constant focus on increasing customer satisfaction through targeted product and service improvements. Major departmental functions include sales distribution, customer service, marketing and sales promotion, food and beverage service delivery, market research/analysis, pricing/revenue management, and route-level product management.

M&PD budgeted operating expenses for FY12 are \$255.5M. Major operating expense drivers of the department include advertising and promotional costs, contract management and provisioning costs for food and beverage service, wages and benefits for the reservation/sales call centers, and departmental salaries.

Meeting the new customer satisfaction and route performance targets mandated by PRIIA in Section 207 and route performance improvement plans in Section 210 is the responsibility of M&PD's groups in collaboration with the Operations, and Government Affairs departments.

Targeted metrics as defined under PRIIA Section 207 for financial/operating, on-time performance, train delays, and customer satisfaction will be the focus of management actions to improve and expand passenger rail services. To that end, M&PD will continue to deliver the in-depth customer research program begun in FY10 to evaluate the customer experience and assess customer expectations and help Amtrak prioritize its operating and capital programs.

Continued investments to leverage, build and mature marketing capabilities will be critical to meeting top-line objectives. These will focus on the following:

- Building brand loyalty (by increasing repeat ridership) from the existing customer base
- Stimulating trial to attract new riders from competing travel modes
- Maintaining Amtrak's air/rail market share in the NEC above 60% in the Washington-New York market and above 50% in the New York-Boston market
- Building market share of total trips in high frequency corridors outside of the NEC

Key M&PD advances from capital programs towards these goals will include greater sophistication in the use of electronic direct-to-customer communications, through targeted online interactions, and the development of integrated brand marketing campaigns that communicate the benefits of rail travel across digital, print, broadcast, and entertainment/events/sports marketing venues. Decision support capabilities in Pricing/Revenue Management and Market Research/Analysis will continue to play a critical role in improving revenue performance and guiding the application of marketing resources.

Base Activity:

Marketing's FY12 base budget is \$305.5M. However, target budget reductions of \$47.5M, primarily advertising, significantly reduces the overall FY12 budget. A summary of FY12 base changes includes the following:

- Inflation of prior year including labor contract requirements - \$5.3M
- Salaries - \$1.1M
- Increase in Wages and Overtime - \$2.9M
- Increase in Employee Benefits and FELA - \$0.9M
- Increase in Food & Beverage cost (offset by increase in Food & Beverage revenue) - \$2.1M
- Increase in Food & Beverage Outsourced Commissary Contract - \$0.5M
- Office Facility and Communications - \$0.5M
- Increase in Advertising and Sales Promotion base increase - \$7.1M
- Decrease in Professional Fees – (\$2.9M)
- Decrease Data Processing — (0.4M)
- Decrease in Passenger Inconvenience expense – (\$0.7M)
- Other - \$0.1M

New Activity:

- The FY12 new activity a reduction in expense of \$2.5M related to the part year deployment of a booking fee charges to customers for utilizing the contact center for ticket purchases.

Operating Expense Summary FY10 –FY12: Marketing & Product Development

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$19.5	\$21.7	\$22.2	\$0.5	2.1%
Wages & Overtime	\$37.8	\$38.8	\$41.2	\$2.4	6.3%
Employee Benefits	\$27.8	\$32.2	\$31.0	(\$1.1)	-3.5%
Employee Related	\$1.1	\$1.1	\$0.8	(\$0.3)	-27.6%
Salaries, Wages and Benefits	\$86.2	\$93.7	\$95.2	\$1.5	1.6%
Train Operations	\$82.9	\$87.9	\$91.9	\$3.9	4.5%
Fuel, Power, & Utilities	\$0.6	\$0.6	\$0.6	\$0.0	1.5%
Materials	\$0.0	\$0.1	\$0.0	(\$0.1)	-87.3%
Facility, Communication, & Office	\$10.2	\$10.8	\$11.3	\$0.5	4.7%
Advertising and Sales	\$76.0	\$71.6	\$36.2	(\$35.3)	-49.4%
Casualty and Other Claims Total	\$1.4	\$0.8	\$1.2	\$0.4	52.3%
Professional Fees	\$13.9	\$15.4	\$12.1	(\$3.3)	-21.6%
Data Processing Services and Supplies	\$0.4	\$2.6	\$2.2	(\$0.4)	-15.3%
Environmental and Safety	\$0.1	\$0.0	\$0.0	(\$0.0)	-39.3%
M of W Services	\$0.5	\$0.4	\$0.5	\$0.1	18.7%
Passenger Inconvenience	\$4.5	\$4.8	\$4.3	(\$0.6)	-11.5%
Total Operating Expenses	\$276.7	\$288.8	\$255.5	(\$33.3)	-11.5%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$288.8
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$5.3
Salaries (primarily lower than expected vacancy rates and increased market rate for new hires)	\$1.1
Wages & OT (primarily driven by increases in Amtrak Guest Rewards, increase in average talk time, faster average speed of answer to improve customer service)	\$2.9
Employee Benefits and FELA	\$0.9
Food & Beverage Onboard	\$2.1
Food & Beverage Commissary Outsourced Contract	\$0.5
Office, Facilities and Communication Expenses	\$0.5
Advertising and Sales Promotion Base Increase	\$7.1
Professional Fees (reduction in ad-hoc market surveys and brand guidelines for current and new logos)	(\$2.9)
Data Processing	(\$0.4)
Passenger Inconvenience	(\$0.7)
Other	\$0.1
Base Activity Increase/(Decrease) from Prior Year	\$16.7
Total FY12 Base Activity	\$305.5
New Activity	
Wage & OT (primarily due distribution booking channel shift and implementation of contact center booking fee)	(\$1.6)
Employee Benefits and FELA on Wage & OT on decrease above	(\$0.9)
Total FY12 New Activity	(\$2.5)
FY12 Budget before Reductions	\$302.9
FY12 Reduction	(\$47.5)
FY12 Final Budget	\$255.5

Capital Projects: Marketing & Product Development

\$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
e-Ticketing	\$ 7.9	\$ -	\$ 7.9
E-Commerce / Customer Experience	3.2	-	3.2
On-Board	8.6	-	8.6
Pricing	0.5	-	0.5
Customer Service	3.0	-	3.0
TOTAL	\$ 23.2	\$ -	\$ 23.2

E-Ticketing Program - \$7.9M

- **E-Ticketing - \$7.9M:** The focus of the E-Ticketing program is to reduce manual intervention in the ticketing process, improve safety and security, and improve productivity and efficiency leading to cost savings. This project will transform ticket validation and revenue accounting from a paper based system to an electronic one. The core reservation system changes completed in FY10 resulted in electronic ticket reservations being generated for 95% of sales, enabling automated ticket exchanges in the event of service disruptions. It also enabled Amtrak.com customers to modify their reservations online for the first time, reducing the need for agent assistance to handle customer initiated changes in travel plans. These changes yielded savings of 30 full time equivalent (FTE) positions in the Call Centers. Paper tickets will continue to be issued until completion of the next phase which introduces Conductor Mobile Devices.

In FY11, E-Ticketing was introduced on the Auto Train allowing for electronic check-in and lift of Auto Train tickets. In addition, in FY11 the Conductor Mobile Device was introduced in a pilot phase on the Downeaster route where Conductors scanned paper tickets to validate the connectivity and revenue collection processes associated with the solution.

In FY12, E-Ticketing will continue the pilot on the Downeaster route by introducing *Print Anywhere* allowing customers to print or display their travel documents using the print/display method of their choice. The pilot of the Conductor Mobile Device and the Print Anywhere functionality will be extended to the Capitol Corridor and City of New Orleans routes in 2Q12 with national rollout planned for July 2012. Planning continues for the resources to deliver a full-day training course to 2,000 conductors/assistant conductors throughout Amtrak's system. This training will be scheduled so as not to impact daily train operations and will take 4 to 6 months to complete. Implementation of software changes to support eVouchers, modifications to partially traveled itineraries and revised refund policies will also take place in FY12.

Once complete, this program will reduce costs associated with ticket pouch processing in El Paso, increase revenue through improved release of no-show space for down line sale, reduce fare evasion, improve the customer experience, and improve passenger manifest accuracy, further addressing NTSB recommendations.

E-Commerce / Customer Experience Programs \$3.2M

- **Build In-Path Push Notification Platform - \$1.0M:** This project will build a platform to allow customers to subscribe to receive timely notification about the status of their trip
- **Fix Train Cancellation - \$1.0M:** This project will allow for the accurate capture of train status information so that it can be pushed to mobile customers and displayed accurately on all our distribution channels
- **Build Android App - \$0.3M:** This project will develop the Android version of the mobile rider application to allow more of Amtrak's customers the ability to take advantage of E-Ticketing mobile technology
- **Create e-Coupon Technology - \$0.5M:** Phase 1 of e-Coupon functionality will allow Amtrak to offer targeted, single use promotions. The project will further develop requirements for additional e-Coupon functionality including the ability to upgrade electronically
- **Enhanced Mapping Functionality - \$0.4M:** This project will expand map functionality to use localized content to provide additional information about local transit; areas of interest; local restaurants and attractions to customers

On-Board Programs Technology - \$8.6M

- **Point of Sale System (POS) - \$8.6M:** The POS project will result in an integrated end-to-end system to automate and streamline food and beverage operations through deployment of an on-board POS system in cafes and dinners. This system will be linked to commissary and warehouse systems, thereby allowing real-time food and beverage management and tracking. The new technology will drive financial performance improvements by aligning business practices with hospitality industry best practices, improving access to 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 sales data analysis. Expected annual steady-state benefits of the project range from \$5.0M-9.0M per year. These benefits will be derived from costs savings resulting from:
 - Reduction in labor cost associated with Lead Service Attendant and El Paso F&B support staff;
 - Lower inventory cost due to reduction in shrinkage and increased inventory;
 - Reduction in ARAMARK costs due to elimination on manual data entry and more streamlined receiving and picking process.

The full deployment of back office Food & Beverage and Warehouse Inventory Management System occurred in June 2011. This deployment replaced EATEC, an outdated and unsupported system, as the system of record for Food & Beverage data and provided significantly enhanced controls and reporting. Deployment of a base POS solution in Acela Express bistro cars began in September 2011 and concluded in November 2011. Development of full POS functionality for café and dining cars, begun in FY11, will conclude in FY12. This will allow for POS deployment in all food service cars across the system in FY12.

Pricing - \$0.5M

- **Service Fees - \$0.5M:** The goal of the Service Fee project is to build the ability to apply a "ticket fee" based on the channel utilized to perform a specified transaction. This is intended to influence customer behavior, specifically to encourage customers to use self-service distribution channels when that option is available to them. It is envisioned that such fees will be applied on a per-reservation or per-passenger basis.

Authorized users will be able to establish and manage a service fee structure that will be assessed when a customer books and pays for travel based on the channel selected for the transaction.

Customer Service- \$3.0M

- **Human Emulation Technology - \$3.0M:** The goal of the Human Emulation Technology (HET) project is to procure and install an application that will enable Amtrak staff serving multiple service channels to answer customer questions and or/provide issue resolution. The HET software will help improve customer self service online by querying an automated system that recognizes natural language dialog and searching through an intuitive knowledge base. A key component of the HET software solution will include a state of the art user interface (often referred to as a virtual agent). Amtrak expects to derive many benefits from deploying a Human Emulation Software application, including:
 - Delivering enhanced customer experience: By providing fast and accurate answers to questions without interrupting their online service this will improve customer satisfaction and customer experience across multiple service delivery channels (Amtrak.com, Contact Center, Station Agents, etc)
 - Lowering customer service costs: Reduce the number of questions submitted to live agents via phone or email. This application will be used across all customer service channels to minimize human interaction and the associated costs
 - Increasing Sales Opportunities: By providing personalized product suggestions in an interactive manner this will help customers find the right products and services and also lead to potential up-sell/marketing opportunities
 - Improving understanding of our customers: Through these interactive self service engagements with customers we will gather valuable "voice of the customer" and competitive market intelligence data from customers based on analyzing conversation flows between the virtual agent and customer

Mechanical

Overview of the Department

The Mechanical Department is responsible for the maintenance, repair and upgrade of all of Amtrak's rolling stock (cars and locomotives). With a total labor force of approximately 4,900 employees who are located at eleven (11) major terminals and three (3) back shops throughout the Amtrak system, this department cleans, maintains, repairs, modifies and overhauls the fleet of cars and locomotives to provide

daily service to our passengers. Our staff of engineers also provides process expertise as well as technical assistance with the design and procurement of new equipment and the upgrading of existing rolling stock.

Base Activity:

The FY12 base budget request is \$548.9 for existing operations and savings of \$1.2M for new initiatives and \$2.0M in targeted expense reductions for a total budget request of \$545.7M. The major driving force of the increased operating budgets for FY12 and beyond, are the costs for the maintenance and inspections for rolling stock passenger cars that were returned from storage to revenue service in FY10 and FY11 as part of the ARRA grant. The budget provides funding for:

- o Core operations of equipment turnaround servicing and inspection
- o Operation and maintenance of our Mechanical facilities across the Amtrak system
- o Preventive maintenance and mandatory FRA required inspections on the cars and locomotives

A summary of FY12 base changes includes the following:

- o Inflation of prior year Salary, Wages and labor contracts - \$10.2M
- o Salary increases - \$0.8M
- o Wages (Net of Inflation and Initiatives) - \$4.4M
- o OT savings – (\$14.6M)
- o Change in Base Employee Benefits & FELA - \$3.4M
- o Reduction in Labor Transfer for Component Work-In-Process – (\$9.7M)
- o Employee Related & Employee Travel - (\$0.4M)
- o Change in Fuel, Power and Utilities - \$1.6M
- o Materials (includes Component transfer related to labor transfer above) – \$16.2M
- o Change in Facility, Communication and Office – (\$1.2M)
- o Professional Fees & Data Processing – \$1.5M
- o Indirect Cost Capitalized to Plant & Equipment – (\$0.7M)
- o Other – (\$0.2M)

New Activity:

The implementation of the Strategic Asset Management (SAM) project is anticipated to reduce cost by \$1.2M due to operational efficiencies related to material handling.

Operating Expense Summary FY10 –FY12: Mechanical

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$31.3	\$33.1	\$34.9	\$1.8	5.3%
Wages & Overtime	\$189.0	\$210.2	\$194.5	(\$15.7)	-7.5%
Employee Benefits	\$110.8	\$127.7	\$127.5	(\$0.2)	-0.2%
Employee Related	\$2.5	\$2.6	\$2.1	(\$0.5)	-19.0%
Salaries, Wages and Benefits	\$333.5	\$373.5	\$358.9	(\$14.6)	-3.9%
Train Operations	\$0.1	\$0.2	\$0.1	(\$0.1)	-62.3%
Fuel, Power, & Utilities	\$23.3	\$19.5	\$22.3	\$2.8	14.1%
Materials	\$145.2	\$139.6	\$157.3	\$17.7	12.7%
Facility, Communication, & Office	\$18.6	\$19.4	\$18.4	(\$1.0)	-5.1%
Casualty and Other Claims Total	\$8.4	\$5.1	\$8.2	\$3.2	62.5%
Professional Fees	\$3.6	\$4.3	\$6.4	\$2.1	49.0%
Data Processing Services and Supplies	\$0.2	\$1.9	\$0.7	(\$1.3)	-65.5%
Environmental and Safety	\$5.0	\$4.7	\$5.5	\$0.8	17.2%
M of W Services	\$0.8	\$0.7	\$0.8	\$0.0	6.0%
Financial	\$0.2	\$0.2	\$0.1	(\$0.1)	-61.7%
Pcard Transactions	\$0.0	\$0.0	\$0.0	(\$0.0)	0.0%
Expense Transfers	(\$0.0)	\$0.6	\$0.0	(\$0.6)	-100.0%
Indirect Costs Capitalized To P&E	(\$33.8)	(\$32.3)	(\$33.0)	(\$0.7)	2.1%
Total Operating Expenses	\$505.1	\$537.6	\$545.7	\$8.1	1.5%

Summary of Changes from FY11 to FY12

\$ Millions

FY11 Total Actual	\$537.6
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$10.2
Salaries	\$0.8
Increase In Straight Time Wages	\$4.4
Reduction in OT	(\$14.6)
Reduction in Labor Transfer for Component Work-In-Process	(\$9.7)
Employee Benefits & FELA	\$3.4
Employee Related & Employee Travel	(\$0.4)
Fuel Power & Utilities	\$1.6
Materials (includes Component transfer related to labor transfer above)	\$16.2
Facility, Communication, & Office	(\$1.2)
Professional Fees & Data Processing	\$1.5
Indirect Costs Capitalized To P&E	(\$0.7)
Other	(\$0.2)
Base Activity Increase/(Decrease) from Prior Year	\$11.3
Total FY12 Base Activity	\$548.9
New Activity	
OT Wages (Strategic Asset Management project related savings)	(\$0.9)
Benefits (Strategic Asset Management project related savings)	(\$0.3)
Total FY12 New Activity	(\$1.2)
FY12 Budget before Reductions	\$547.7
FY12 Reduction	(\$2.0)
FY12 Final Budget	\$545.7

Capital Programs: Mechanical

\$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
PASSENGER CAR	\$ 152.9	\$ -	\$ 152.9
LOCOMOTIVE	46.4	-	46.4
ACELA PROGRAM	35.0	-	35.0
FLEET ACQUISITIONS	-	194.2	194.2
NON-PASSENGER EQUIPMENT	7.7	-	7.7
FACILITY IMPROVEMENTS	2.5	0.7	3.2
MECHANICAL IT PROJECTS	2.3	-	2.3
GENERAL SAFETY AND RELIABILITY	5.8	-	5.8
TOTAL MECHANICAL	\$ 252.5	\$ 194.9	\$ 447.4

PASSENGER CAR PROGRAMS \$152.9M

- The FY12 passenger car program will 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 the Federal Railroad Administration (FRA). The equipment to be overhauled includes

- 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.

LOCOMOTIVE PROGRAMS \$46.4M

- In FY12 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 locomotives, comply with applicable federal rules and regulations, and mitigate future expenses associated with an aging fleet.

ACELA PROGRAM \$35.0M

- Funding is included to continue the Acela Overhaul Program. This activity is the second year of a multi-year program addressing the system overhaul needs of the Acela train sets. Overhaul requirements were identified by major system condition assessments, fatigue life calculations, and reliability data trends.

FLEET ACQUISITION PROGRAMS \$194.2M

- In FY12, Amtrak will continue its investment in its fleet acquisition programs for the purchase of 130 single level cars, 40 Acela coaches, 70 electric locomotives, 2 low-emission switcher locomotives and funding for the end of lease purchases of P32-8 locomotives. This program will help the company meet its operating requirements, state of good repair requirements, and capacity needs for its rolling stock equipment fleet.

NON-PASSENGER EQUIPMENT \$7.7M

- Funding is included to continue the overhaul or modification of various non-passenger equipment types such as baggage cars and auto carriers.

FACILITY IMPROVEMENTS \$3.2M

- In FY12 Amtrak plans to continue to invest in facility improvements for modernization and upgrades for various Service and Inspection (S&I) division facilities and heavy overhaul shops. The work to be performed ranges from improvements such as electrical power systems, upgrades to existing facilities, improvements to employee areas, updating tooling, machinery and shop vehicles. The project will enable Amtrak to comply with the Code of Federal Regulations (CFR49) Parts 229 and 238, to bring the facilities to a state of good repair, increase operations safety, reduce employee injuries, increase efficiency, and improve assets safeguarding initiatives. This program also includes an externally funded (State of Maryland) project.

MECHANICAL TECHNOLOGY PROJECTS \$2.3M

- The Mechanical Department will continue its support of three applications: Work Management System, Mobile Data Management System and Locomotive Health Monitoring & Analysis System. These investments are expected to improve the ability to schedule and monitor

mandatory rolling stock maintenance, eliminate cumbersome manual processes and improve reliability and performance.

GENERAL SAFETY AND RELIABILITY PROGRAMS \$5.8M

- General Safety and Reliability programs consist of various projects geared towards locomotive and passenger car reliability and safety measures that are associated with the equipment. The projects are expected to improve customer service, mitigate operating costs, improve operational efficiencies, ensure compliance with the Rail Safety Improvements Act of 2008 (RSIA) and improve the safety of Amtrak's rolling stock equipment.
 - Locomotive Video Cameras/Train Communications: involves the purchase and installation of a digital video recording system on every passenger locomotive in the fleet and 23 work locomotives. This project supports Amtrak's Train Communication Data (TCD) strategy to improve customer service and operational efficiency.
 - Engineering Modification Project: involves funding for modification work on rolling stock equipment that is not scheduled for capital overhaul and will be performed at divisional facilities.
 - Cracked Wheel Detector Project: funds the purchase and installation of two machines for Wilmington Shop and Beech Grove Shop to continue this program to eventually equip all major Mechanical wheel facilities with this technology.

Office of the General Counsel

Overview of the Department

The Amtrak Law department is responsible for supporting virtually every aspect of Amtrak's business. Every member of the department works to achieve four goals: 1) To ensure the company's compliance with all applicable laws; 2) To minimize risks to the company; 3) To protect corporate assets; and 4) To assist the company to achieve its business and financial objectives.

The Amtrak Law department consists of three organizational or budget entities and seven functional or operational groups. The three budget organizations are the General Counsel, the Office of the Corporate Secretary, and Corporate & Litigation Support; the seven functional/operational groups include: two corporate practice groups (one for real estate, procurement and some engineering matters, and a second for the company's host railroad relations, state-supported contracting and commuter services and environmental matters); a general litigation, employment and labor practice group; a claims management and litigation group; Corporate and Litigation Support (the company's document management, including FOIA, program and all legal assistants); the Corporate Secretary's office; and the General Counsel's office (overall management).

The **General Counsel** Budget entity includes the two corporate practice groups, the litigation, employment and labor practice group and claims litigation and adjustment practice group. The groups in this entity advise management on all corporate, commercial, contractual, real estate, financial, statutory and regulatory matters and transactions. Responsibilities include review, negotiation and interpretation of contracts, management and protection of Amtrak's intellectual property portfolio, and compliance with statutory and regulatory requirements. In addition, the litigation, employment and labor group manages all non-tort claims (i.e., injuries to Amtrak employees or passengers), litigation and outside counsel engaged to represent the company, all employment complaints against the company, provides labor law advice and manages the company's internal disciplinary proceedings for agreement employees. Finally, within this entity is the Claims group which manages all personal injury and wrongful death claims against the company and employee claims filed under the Federal Employers' Liability Act (FELA). Primary responsibilities include investigation of accidents, preservation of evidence, litigation management and support, evaluation of claims, settlement negotiations, trial support, management of

outside counsel, review and approval of outside counsel and expert fees, and advice matters ranging from risk management to health and safety issues.

Corporate Secretary: The Corporate Secretary’s office supports the Amtrak Board of Directors and serves as liaison between management and the Board of Directors. The Corporate Secretary works with the CEO and the Board to schedule and prepare for Board of Directors meetings, supports the scheduling and related travel of Board members for Amtrak-related activities, and manages the coming-on-board and orientation of new Board members. The Corporate Secretary also advises the Board of Directors on matters of corporate governance under the company’s articles of incorporation, bylaws and Board resolutions.

Corporate & Litigation Support: This group administers the company’s document management (retention and destruction) program including the Law department’s litigation and advice files and the company’s FOIA responsibilities. In addition, this group is responsible for supporting the General Counsel in developing and monitoring the department’s budget.

The FY12 total budget request is \$51.3M representing a decrease of \$3.1M compared to FY11 actual(s).

Base Activity:

Legal department’s FY12 base budget is \$62.6M however this budget is reduced by \$11.3M due to a target budget reduction across the company for a final budget request of \$51.3M. A summary of FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements \$1.4M
- Increase in Professional Fees due to increased activity (this increase is eliminated via the target budget reductions) \$2.8M
- Increase in Investigative/Surveillance Claims due to less activity than expected in FY11 (this increase is also eliminated via the target budget reductions) \$4.1M

Operating Expense Summary FY10 –FY12: Office of the General Counsel

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$11.2	\$12.4	\$12.1	(\$0.3)	-2.5%
Employee Benefits	\$6.0	\$6.8	\$6.0	(\$0.8)	-11.3%
Employee Related	\$0.5	\$0.5	\$0.4	(\$0.1)	-17.6%
Salaries, Wages and Benefits	\$17.6	\$19.7	\$18.5	(\$1.2)	-5.9%
Facility, Communication, & Office	\$1.4	\$1.4	\$1.8	\$0.4	26.9%
Casualty and Other Claims Total	\$7.2	\$6.3	\$7.4	\$1.0	16.3%
Professional Fees	\$25.5	\$26.8	\$23.5	(\$3.2)	-12.1%
Data Processing Services and Supplies	\$0.0	\$0.1	\$0.0	(\$0.1)	-97.0%
Environmental and Safety	\$0.1	\$0.0	(\$0.0)	(\$0.0)	0.0%
Total Operating Expenses	\$51.8	\$54.4	\$51.3	(\$3.1)	-5.6%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$54.4
Changes to Base Activity	
Inflation of Prior Year expenses including labor agreements	\$1.4
Increase in Professional Fees due to increased activity (this increase is eliminated via the target budget reductions)	\$2.8
Increase in Investigative/Surveillance Claims due to less activity than expected in FY11 (this increase is also eliminated via the target budget reductions)	\$4.1
Base Activity Increase/(Decrease) from Prior Year	\$8.3
FY12 Budget before Reductions	\$62.6
FY12 Reduction	(\$11.3)
FY12 Final Budget	\$51.3

Operations Management / Reliability Centered Maintenance

Overview of the Department

Reliability-Centered Maintenance is an analytical methodology for developing or reviewing a scheduled maintenance program that will realize inherent reliability levels of complex systems and equipment while taking into account safety, operational and economic failure consequences. Reliability-Centered Maintenance is designed to increase equipment availability and reliability, and to improve the effectiveness of the Corporation's maintenance investment. Amtrak began the RCM Program with analysis of maintenance requirements for the High Speed Acela in June of 2006 and has since expanded the program to all rolling stock. The program was further expanded to include a variety of maintenance process improvements including the use of standardized maintenance procedures and more disciplined shop supervision.

Amtrak previously engaged a consultant, The McHenry Management Group, to assist in RCM analysis and program design. The McHenry Group contract was terminated with services to be provided through December 1, 2011. The contract will not be restarted at this time and the activities of this department will not continue past December 2011.

Base Activity:

The FY12 budget request is \$0.8M compared to the FY11 actual of \$7.4M. The reduction is due to the termination of the McHenry Group contract.

Operating Expense Summary FY10 – FY12: Operations Management

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Employee Related	\$0.0	\$0.0	\$0.1	\$0.1	0.0%
Salaries, Wages and Benefits	\$0.0	\$0.0	\$0.1	\$0.1	0.0%
Professional Fees	\$7.2	\$7.4	\$0.7	(\$6.7)	-90.0%
Total Operating Expenses	\$7.2	\$7.4	\$0.8	(\$6.6)	-89.2%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$7.4
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$0.2
Professional Fees & Services	(\$0.1)
Other	\$0.0
Base Activity Increase/(Decrease) from Prior Year	\$0.1
FY12 Budget before Reductions	\$7.5
FY12 Reduction	
FY12 Reduction	(\$6.7)
FY12 Final Budget	\$0.8

Procurement & Materials Management

Overview of the Department:

The department consists of three distinct functional areas: Procurement, Materials Management and Corporate Administration. Procurement is tasked with developing and managing optimal purchasing processes for all capital and operating parts, components and end items for rolling stock, maintenance of way and equipment consumption as well as bidding and contracting for all other outside services and commodities. The Materials Management group operates supply chain activity such as warehousing, transportation and logistics, and inventory planning, management, and control. In addition, this department manages all corporate administrative functions at the corporate offices including mail communications, reprographics center, facility management, construction and space planning.

The FY12 total budget request is \$38.5M compared to \$42.1M for FY11 actual.

Base Activity:

The FY12 base budget request is \$39.1M and it is mainly driven by labor cost, facility expenses and a credit for capitalized overhead expenses. The FY12 base core operating request, as compared to FY11 actual has decreased by \$3.0 M. This decrease is primarily due to:

- Additional capitalization of materials, (\$6.2M). The additional credit is offset by inflation and higher wages totaling \$2.7M.

New Activity:

The implementation of Strategic Asset Management system is expected to show savings in salary, wages and related benefits of (\$0.2M). This is offset by additional Maintenance of Way costs of \$0.1M due to the MW Inventory Security Initiative implemented during FY11.

**Procurement & Materials Management: Operating Expenses Summary FY10-
FY12**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$10.9	\$11.6	\$11.9	\$0.3	2.8%
Wages & Overtime	\$15.6	\$16.8	\$18.9	\$2.1	12.5%
Employee Benefits	\$13.4	\$15.3	\$16.0	\$0.7	4.8%
Employee Related	\$0.7	\$0.6	\$0.8	\$0.1	21.5%
Salaries, Wages and Benefits	\$40.5	\$44.3	\$47.6	\$3.3	7.5%
Fuel, Power, & Utilities	\$0.3	\$0.3	\$0.3	\$0.0	16.9%
Materials	\$0.1	\$0.1	\$0.2	\$0.1	98.9%
Facility, Communication, & Office	\$4.5	\$5.6	\$5.0	(\$0.5)	-9.3%
Advertising and Sales	\$0.1	\$0.1	\$0.1	(\$0.0)	-5.1%
Casualty and Other Claims Total	\$0.7	\$0.4	\$0.7	\$0.3	83.1%
Professional Fees	\$2.4	\$2.3	\$1.6	(\$0.7)	-30.1%
Data Processing Services and Supplies	\$0.5	\$1.9	\$0.8	(\$1.0)	-54.7%
Environmental and Safety	\$0.1	\$0.0	\$0.1	\$0.0	0.0%
M of W Services	\$0.7	(\$0.9)	\$0.5	\$1.3	-154.9%
Pcard Transactions	\$0.0	\$0.3	\$0.0	(\$0.3)	-100.0%
Indirect Costs Capitalized To P&E	(\$18.7)	(\$12.3)	(\$18.5)	(\$6.2)	50.7%
Total Operating Expenses	\$31.2	\$42.1	\$38.5	(\$3.6)	-8.6%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$42.1
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$1.1
Salaries	\$0.3
Wages and Overtime	\$1.7
Benefits	\$1.0
Facilities expense	(\$0.6)
Professional Fees	(\$0.7)
Data Processing	(\$1.0)
Maintenance of Way Services	\$1.3
Allocation of Material Stores	(\$6.2)
Other	\$0.2
Base Activity Increase/(Decrease) from Prior Year	(\$3.0)
Total FY12 Base Activity	\$39.1
New Activity	
Salary, Wages and Benefits	(\$0.2)
Facility Expense	\$0.1
Total FY12 New Activity	(\$0.1)
FY12 Budget before Reductions	\$39.0
FY12 Reduction	(\$0.6)
FY12 Final Budget	\$38.5

Real Estate Development

Department Overview

The Real Estate Development Department (RED) has national responsibility for leveraging and maximizing the revenue opportunities for all Amtrak owned, leased and licensed real estate used for

railroad, corporate and commercial purposes and providing support to the Operating Departments. The Department consists of 26 real estate professionals and their support staff.

RED is comprised of several major components as follows:

Revenue Production

Property development through the long term leasing of Amtrak owned real estate; leasing excess fiber optic capacity in stations and along the right-of-way to telecommunications companies; revenue generation through advertising in stations, along the right-of-way and on-board trains; management of parking facilities through operating agreements; retail leases in stations; special events in stations and filming; pipe and wire occupations; automated teller machines, vending machines and payphones in stations; the sale/lease/easement of excess property and the purchase/lease of property required for Amtrak operations.

Operations Support

Real estate property management including current property maps and title information; enforcement of all terms and conditions of revenue generating leases for Amtrak-owned property; acquisition of, negotiation of, and management of lease documents for properties (station, office, warehouse) occupied by Amtrak to secure cost efficient operations; working with commuter agencies in the joint development and use of stations; working with Federal, state and local agencies in development projects; and providing general real estate services to Amtrak's Engineering, Operations and Law Departments.

The goals of this Department are:

- Meeting the needs of Amtrak internal and external customers for efficient operation of the Railroad
- Revenue production focused on long term revenue generation
- Achieve highest returns and best use of Amtrak owned real estate
- Agreement compliance and enforcement of real estate documents
- Maintenance of real estate records

The Department manages approximately:

- 1,100 real estate leases, licenses, easements and management agreements
- 190 retail leases
- 160 telecommunication agreements
- 2,300 pipe & wire agreements
- 500 requests for property maps/plans/descriptions per year.

The FY12 total budget request is \$9.8M representing an increase of \$0.6M compared to the total FY11 actual of \$9.2M.

Base Activity:

The FY12 base budget request is \$10.1M and it is mainly driven by labor cost and the 30th Street Station (Philadelphia, PA) and Chicago West Loop (Chicago, IL) parking garage operating expenses. The FY12 base operating request, as compared to FY11 actual has increased by \$0.8M. This increase is primarily due to inflation and professional fees.

**Real Estate - Operating Expenses Summary FY10-
FY12**

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$2.2	\$2.4	\$2.5	\$0.1	3.9%
Wages & Overtime	\$0.1	\$0.1	\$0.1	(\$0.0)	-10.3%
Employee Benefits	\$1.3	\$1.4	\$1.3	(\$0.1)	-5.8%
Employee Related	\$0.1	\$0.1	\$0.1	\$0.0	0.1%
Salaries, Wages and Benefits	\$3.8	\$3.9	\$3.9	\$0.0	0.0%
Fuel, Power, & Utilities	\$0.2	\$0.5	\$0.4	(\$0.1)	-23.0%
Facility, Communication, & Office	\$3.1	\$3.1	\$3.2	\$0.1	1.7%
Professional Fees	\$1.5	\$1.4	\$2.0	\$0.7	48.5%
Financial	\$0.3	\$0.3	\$0.3	\$0.0	0.0%
Total Operating Expenses	\$9.0	\$9.2	\$9.8	\$0.6	6.5%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$9.2
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$0.2
Professional Fees	\$0.8
Water & Sewer	(\$0.1)
Other	(\$0.1)
Base Activity Increase/(Decrease) from Prior Year	\$0.8
FY12 Budget before Reductions	\$10.1
FY12 Reduction	(\$0.2)
FY12 Final Budget	\$9.8

Capital Projects: Real Estate Development

Program Title	Project	State, Local		
		GCAP	& Other	Total
Philadelphia-30th St. Station	30th Street Station - Understreet Garage Reconstruction	\$17.0	\$0.0	\$17.0
	Philadelphia-30th St. Station	\$17.0	\$0.0	\$17.0
	Real Estate	\$17.0	\$0.0	\$17.0

Philadelphia – 30th Street Station Garage Reconstruction \$17.0M

- This is a continuing project and involves the 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. Additional scope will include sandblasting, inspecting, replacing and painting the structural steel below the North Parking Deck (NPD) that has not already been improved or replaced.

Transportation

Overview of the Department

The Transportation Department consists of six operating divisions, one customer service division and six support areas including: System Operations (CNO), Risk and Emergency Preparedness Management, Host Railroads, Safety and Operating Rules Compliance, Service Delivery and Operations Management groups. The department has 9,215 authorized headcount comprised of 735 management and 8,480 agreement employees. Transportation is responsible for providing a safe, comfortable and on-time national rail passenger service as well as developing train schedules and dispatching of trains for Amtrak and five Commuter agencies. It has the responsibility for all operations, maintenance and staffing for Amtrak and non-Amtrak owned Stations. Crew Management and Scheduling (CNO) create cost efficient crew couplets to support train operations.

Transportation's funding request is largely based on the number of train miles in the timetable, train schedules and the equipment consist book. Salaries, labor and benefits comprise 64% of our FY12 Operating expenses; other major cost categories are train fuel, host railroad payments, connecting transportation services, utilities, and station/facilities costs.

Base Activity:

Transportation's FY12 base budget is \$1,458.2M with new initiatives of \$0.9M and targeted expense reductions of \$10.8M for a total budget of \$1,448.3M. Labor, benefits and FELA and Host railroad costs are the driving factors in the base increase from FY11 to FY12. A summary of FY12 changes includes the following:

- Inflation of Prior Year base including labor agreement - \$38.5M
- Salary Increases - Lower Vacancy and Increase work scope - \$1.0M
- Wages & OT (Net of Inflation and Initiatives) - \$5.3M
- Change in Base Employee Benefits & FELA - \$16.1M
- Employee Related and Travel – (\$1.6M)
- Other Train Operations – (\$1.7M)
- On Board Services – (\$0.9M)
- Host Railroad Expenses - \$19.7M
- Utilities, Electricity Water & Sewer – (\$3.5M)
- Train Fuel and Power - \$15.3M
- Materials – (\$3.2M)
- Facility, Communications & Office – (\$4.1M)
- Professional Fees (Safe-to-Safer training transitioning to Amtrak employees) – (\$6.4M)
- Passenger Inconvenience – (\$5.4M)
- Loss of commuter contract for 6 months in FY12 (offset by loss of revenue) – (\$36.1M)
- Other - \$0.8M

New Activity:

Transportation has a number of initiatives in the FY12 Plan that will add \$0.9M to FY12 operating expenses. Initiatives include staffing adjustments on board certain routes as well as Route Performance Initiatives (RPIs). A summary of FY12 changes includes the following:

- On Board Services (OBS) increase Lake Shore Limited - \$0.7M
- Fuel Conservation program (\$4.3M)
- RPI on Capitol Limited - \$0.9M
- Additional ticket agents Cary/Raleigh , NC - \$0.3
- Fuel Pricing Adjustment - \$1.0M

- RPI City of New Orleans - \$0.6M
- RPI Crescent - \$0.8M
- Closing Jacksonville crew base - \$0.2M
- China Service on Capitol Limited - \$0.9M

Operating Expense Summary FY10 –FY12: Transportation

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Salaries	\$66.5	\$73.2	\$72.1	(\$1.1)	-1.5%
Wages & Overtime	\$532.7	\$558.0	\$564.2	\$6.2	1.1%
Employee Benefits	\$249.2	\$280.2	\$279.1	(\$1.1)	-0.4%
Employee Related	\$9.3	\$11.3	\$9.2	(\$2.1)	-18.7%
Salaries, Wages and Benefits	\$857.7	\$922.8	\$924.6	\$1.8	0.2%
Train Operations	\$178.6	\$165.8	\$179.7	\$14.0	8.4%
Fuel, Power, & Utilities	\$161.8	\$216.2	\$240.9	\$24.7	11.4%
Materials	\$28.2	\$26.5	\$20.1	(\$6.4)	-24.0%
Facility, Communication, & Office	\$52.5	\$56.2	\$50.0	(\$6.2)	-11.1%
Advertising and Sales	\$0.1	\$0.1	\$0.1	(\$0.0)	-34.0%
Casualty and Other Claims Total	\$23.3	\$13.2	\$22.3	\$9.1	69.3%
Professional Fees	\$8.1	\$10.6	\$3.8	(\$6.9)	-64.4%
Data Processing Services and Supplies	\$0.1	\$0.7	\$0.5	(\$0.2)	-23.7%
Environmental and Safety	\$1.5	\$1.8	\$2.0	\$0.2	12.6%
M of W Services	\$4.5	\$3.4	\$2.3	(\$1.1)	-31.8%
Passenger Inconvenience	\$6.1	\$11.6	\$6.4	(\$5.2)	-44.8%
Financial	\$0.5	\$0.3	\$0.3	\$0.0	13.3%
Indirect Costs Capitalized To P&E	(\$4.1)	(\$4.9)	(\$4.9)	(\$0.0)	0.7%
Total Operating Expenses	\$1,318.9	\$1,424.4	\$1,448.3	\$23.9	1.7%

Summary of Changes from FY11 to FY12

	\$ Millions
FY11 Total Actual	\$1,424.4
Changes to Base Activity	
Inflation of Prior Year expenses including labor	\$38.5
Salaries	\$1.0
Wages & OT	\$5.3
Employee Benefits & FELA	\$16.1
Employee Related Expenses	(\$0.2)
Travel	(\$1.4)
Other Training Operations	(\$1.7)
On Board Services	(\$0.9)
Host Railroad	\$19.7
Utilities, Electricity, Water/Sewer	(\$3.5)
Train Fuel & Power	\$15.3
Materials	(\$3.2)
Facility, Communication, & Office	(\$4.1)
Professional Fees	(\$6.4)
Passenger Inconvenience	(\$5.4)
Loss of Caltrain Contract	(\$36.1)
Other	\$0.8
Base Activity Increase/(Decrease) from Prior Year	\$33.8
Total FY12 Base Activity	\$1,458.2
New Activity	
OBS increase - Lake Shore Ltd	\$0.7
Fuel Conservation Program	(\$4.3)
Route Performance Initiative China Service - Capitol Ltd	\$0.9
Ticket Agents Cary/Raleigh NC	\$0.3
Fuel Pricing Adjustment	\$1.0
Route Performance Initiative Food Service Trains 58/59 City of NO	\$0.6
Route Performance Initiative Staffing Crescent	\$0.8
Closing Jacksonville OBS Crewbase	\$0.2
China Service on Train 29/30	\$0.9
Total FY12 New Activity	\$0.9
FY12 Budget before Reductions	\$1,459.1
FY12 Reduction	(\$10.8)
FY12 Final Budget	\$1,448.3

Capital Projects: Transportation

\$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
System/Business Application Improvement	\$ 0.7	\$ -	\$ 0.7
Station and Facility Improvements	12.0	-	12.0
TOTAL	\$ 12.7	\$ -	\$ 12.7

System/Business Application Improvement Program \$0.7M

- On-Time Performance and Delay Reporting System - \$0.7M: This project will fund software upgrades, including development of user managed definition tables, for the On-Time Performance (OTP) and Delay Reporting System. The OTP and Delay Reporting System is the system of record, which includes OTP business rules and serves as both an analysis and reporting tool.

Station and Facility Improvements Program: \$12.0M

- Chicago Union Station Improvements - \$12.0M: This is a multi-year project. Project will relocate CUS Metropolitan Lounge to historical building, renovate the coach boarding lounge, convert lounge G to public restrooms, install 72 sets of historical building entry doors, install induction lighting, restore historical building façade, install a new HVAC system for the great hall and the 2nd and 3rd floors of the station, replace 12 escalators, replace tactile edging along the platforms, renovate pedestrian way, install historical building sprinkler system, replace both exterior and interior windows throughout the historical building, modernize elevators (4 passenger, 2 freight), and perform environmental remediation work, which will include lead based paint and asbestos removal on upper floors.

Corporate Common

Overview of the Department

The Corporate Common responsibility center is for accounting for transactions that are not directly attributable to a specific department, such as depreciation and accounting transactions that relate to the subsidiaries. The major types of expenses included in Corporate Common are:

- Employee Benefits
- Claims Insurance including FELA
- Depreciation & Amortization
- Subsidiary Accounting transactions

Employee Benefits are expected to cost \$657.3M in FY12, although \$63.8M of that total is for post-retirement benefits that do not use current year funding. The benefit costs are allocated to the functional departments. Claims Insurance is expected to be \$47.8M. Depreciation and amortization is expected to cost \$660.0M, although the vast majority is a non-cash expense that does not impact current year operating funding.

Base Activity:

The FY12 base budget is \$665.0M and is mainly driven by Amtrak, depreciation, and insurance claims that are not allocated to the departments. The FY12 base operating request, as compared to FY11 actual, has increased by \$62.3M. This increase is primarily due to:

- Inflation of prior year expenses \$23.0M
- Net reduction of (\$6.5M) stemming from increase in benefit rates and usage costs offset by reduced management headcount, reduction in employees due to loss of commuter contract, and savings stemming from favorable contracts with new medical program administrators.
- Increase in depreciation expenses \$68.6M
- Increase Claims expense allocation - FELA (\$16.3M)
- Reduction in credits for transfer of Materials to capital projects \$11.7M.
- Reduced equity in Subsidiaries (\$5.5M)
- Decrease in Benefits due to loss of Cal Train contract (\$13.5M)

New Activity:

- Reduction in Claims Insurance and Legal Claims are expected due to implementation of Safe to Safer (2.3M).
- Completion of installing high efficiency lighting is estimated to save (\$0.9M).

Corporate Common: Operating Expenses Summary FY10-FY12

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Incr/(Decr) vs FY11	
				\$	%
Corporate Benefits - Cash	\$561.1	\$616.5	\$593.5	(\$23.0)	-3.7%
Post Retirement Benefits - Non Cash	\$52.7	\$62.1	\$63.8	\$1.7	2.7%
Benefits Allocated to Departments	(\$612.9)	(\$681.6)	(\$657.3)	\$24.3	-3.6%
Net Benefit Cost to Corp Common	\$0.9	(\$3.0)	(\$0.0)	\$3.0	-100.0%
Total Cost of Claims Insurance	\$49.7	\$49.7	\$47.8	(\$1.8)	-3.7%
Depreciation & Amortization	\$585.7	\$591.4	\$660.0	\$68.6	7.7%
Total Other - Decrease in transfer of Materials to capital projects a change in methodology	(\$6.0)	(\$15.5)	(\$6.3)	\$9.2	-59.5%
Total Operating Expenses	\$590.4	\$599.6	\$661.9	\$62.3	10.4%

Summary of Changes from FY11 to FY12

\$ Millions

FY11 Total Actual	\$599.6
Changes to Base Activity	
Inflation of Prior Year expenses	\$23.5
Reduced allocation of Wages to Chicago Union Station	\$1.9
Reduction in Employee Benefits primarily Medical and Payroll taxes	(\$6.5)
Equity in Subsidiaries	(\$5.5)
Decrease in transfers of Materials to capital projects due to change in methodology	\$11.7
Depreciation - net	\$68.6
Increase in allocation of Casualty Claims due to change in methodology	(\$16.3)
Reduction in Medical and Taxes for loss of Cal Train contract	(\$13.7)
Other	\$1.8
Base Activity Increase/(Decrease) from Prior Year	\$65.4
Total FY12 Base Activity	\$665.0
New Activity	
Claims Insurance - FELA (Safe to Safer)	(\$2.3)
Utilities - Electricity (High Efficiency Lighting)	(\$0.9)
Total FY12 New Activity	(\$3.1)
FY12 Budget before Reductions	\$661.9
FY12 Reduction	(\$0.0)
FY12 Final Budget	\$661.9

National Railroad Passenger Corporation

AMTRAK

Fiscal Year 2012 Comprehensive Business Plan

Operating, Capital Programs, and Debt Service Expense Budget

Appendix Reports

Summary Income Statement by Major Account
Summary Income Statement by Department and Major Account
Revenue and Expenses by Department
Summary Income Statement for Commuter Business Line
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Summary Income Statement by Major Account and Activity
Reconciliation of FY12 Operating Budget to FY11 Operating Budget
Monthly Average and End of Year Headcount by Department
Summary Capital Programs
FY2012 Capital Budget Ranking
Summary Metrics FY2009-FY2012
Route Level Metrics

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Major Accounts¹
FY12 Operating Budget

\$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Fav/(Unfav) to FY11	
				\$	%
REVENUES:					
<i>Passenger Related:</i>					
Ticket Revenue	1,702.1	1,851.5	1,967.9	116.4	6.3%
Food and Beverage	97.5	109.4	109.3	(0.1)	-0.1%
State Supported Train Revenue	174.3	191.1	192.9	1.8	0.9%
Subtotal Passenger Related Revenue	1,973.9	2,152.0	2,270.1	118.0	5.5%
Commuter	152.5	173.4	140.0	(33.4)	-19.3%
Reimbursable	100.7	84.1	103.0	18.9	22.4%
Commercial Development	74.8	76.2	71.8	(4.4)	-5.8%
Other Transportation	135.6	139.5	143.3	3.8	2.7%
Freight Access Fees and Other	47.0	50.6	59.0	8.3	16.5%
Subtotal Other Revenue	510.5	523.8	517.0	(6.8)	-1.3%
Total Operating Revenue	2,484.4	2,675.9	2,787.1	111.2	4.2%
<i>Salaries, Wages and Benefits:</i>					
Salaries	239.1	258.3	263.5	(5.2)	-2.0%
Wages & Overtime	941.8	1,008.5	998.1	10.4	1.0%
Employee Benefits	534.9	609.9	600.1	9.8	1.6%
Employee Related	26.1	33.3	27.6	5.6	16.9%
Salaries, Wages and Benefits	1,741.9	1,909.9	1,889.3	20.6	1.1%
Train Operations	262.4	253.6	271.8	(18.2)	-7.2%
Fuel, Power, & Utilities	299.7	337.9	369.5	(31.6)	-9.4%
Materials	184.2	191.7	200.6	(8.9)	-4.6%
Facility, Communication, & Office	178.0	172.5	176.6	(4.0)	-2.3%
Advertising and Sales	113.7	112.9	80.4	32.5	28.8%
Depreciation	602.5	602.6	671.4	(68.8)	-11.4%
Other Non-labor Fees and Services	177.1	210.6	208.0	2.5	1.2%
Total Expenses	3,559.6	3,791.7	3,867.6	(75.9)	-2.0%
Operating Loss	(1,075.2)	(1,115.9)	(1,080.5)	35.4	3.2%
Adj for Non-Cash Depreciation/OPEBs/Impairment	655.2	664.4	735.2	70.8	10.7%
Net Operating Loss	(419.9)	(451.5)	(345.3)	106.2	23.5%
Federal Appropriation/PRIIA Authorized	563.0	562.0	466.0	(96.0)	-17.1%
Over/(Under) Federal Support	(143.1)	(110.5)	(120.7)		

¹ This income statement represents the total federal support required for Amtrak operations. This is not a 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 state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	Revenue	Transportation	Mechanical	Engineering
REVENUES:				
<i>Passenger Related:</i>				
Ticket Revenue	1,967.9			
Food and Beverage	0.0			
State Supported Train Revenue	192.9			
Total Passenger Related Revenue	2,160.8	0.0	0.0	0.0
Commuter		140.0		
Reimbursable		0.5	9.0	89.3
Commercial Development				
Other Transportation	133.6			
Freight Access Fees and Other	26.9			
Total Other Revenue	160.5	140.4	9.0	89.3
Total Operating Revenue	2,321.3	140.4	9.0	89.3
EXPENSES:				
<i>Salaries, Wages and Benefits:</i>				
Salaries		72.1	34.9	28.3
Wages & Overtime		564.2	194.5	139.7
Employee Benefits		279.1	127.5	79.9
Employee Related		9.2	2.1	6.0
Salaries, Wages and Benefits		924.6	358.9	253.8
Train Operations		179.7	0.1	0.0
Fuel, Power, & Utilities		240.9	22.3	9.0
Materials		20.1	157.3	22.1
Facility, Communication, & Office		50.0	18.4	24.2
Advertising and Sales		0.1	0.0	0.0
Casualty and Other Claims Total		22.3	8.2	4.0
Depreciation		0.0	0.0	0.0
Amort of Gain On Sale/Leaseback		0.0	0.0	0.0
Professional Fees		3.8	6.4	11.1
Data Processing Services and Supplies		0.5	0.7	1.6
Environmental and Safety		2.0	5.5	4.5
Maintenance of Way Services		2.3	0.8	31.0
Passenger Inconvenience		6.4	0.0	0.0
Financial		0.3	0.1	2.4
Other Expenses		0.0	0.0	(0.8)
Indirect Costs Capitalized To P&E		(4.9)	(33.0)	(87.2)
Total Expenses		1,448.3	545.7	275.8
Operating Income (Loss)	2,321.3	(1,307.9)	(536.7)	(186.5)
Other (Income) and Expense:				
Interest Income				
Interest Expense				
Other Expense - Net				
Project Expenses				0.2
Net Income or (Loss)	2,321.3	(1,307.9)	(536.7)	(186.7)
Adj for Depreciation, OPEBs, PRJ & Interest				0.2
Adjusted Income or (Loss)	2,321.3	(1,307.9)	(536.7)	(186.5)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	EHS	RCM	Operations Staff	Total Operations Departments
REVENUES:				
<i>Passenger Related:</i>				
Ticket Revenue				
Food and Beverage				
State Supported Train Revenue				
Total Passenger Related Revenue	0.0	0.0	0.0	0.0
Commuter				140.0
Reimbursable				98.7
Commercial Development				
Other Transportation				
Freight Access Fees and Other				
Total Other Revenue	0.0	0.0	0.0	238.7
Total Operating Revenue	0.0	0.0	0.0	238.7
EXPENSES:				
<i>Salaries, Wages and Benefits:</i>				
Salaries	5.3	0.0	1.1	141.6
Wages & Overtime	0.4	0.0	0.0	898.8
Employee Benefits	2.9	0.0	0.5	489.8
Employee Related	1.9	0.1	0.0	19.3
Salaries, Wages and Benefits	10.6	0.1	1.6	1,549.5
Train Operations	0.0	0.0	0.0	179.9
Fuel, Power, & Utilities	0.0	0.0	0.0	272.2
Materials	0.0	0.0	0.0	199.5
Facility, Communication, & Office	0.6	0.0	0.1	93.4
Advertising and Sales	0.0	0.0	0.0	0.1
Casualty and Other Claims Total	0.0	0.0	0.0	34.6
Depreciation	0.0	0.0	0.0	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	0.0
Professional Fees	1.0	0.7	0.1	23.2
Data Processing Services and Supplies	0.0	0.0	0.0	2.9
Environmental and Safety	2.0	0.0	0.0	14.0
Maintenance of Way Services	0.0	0.0	0.0	34.1
Passenger Inconvenience	0.0	0.0	0.0	6.4
Financial	0.0	0.0	0.0	2.8
Other Expenses	0.0	0.0	0.0	(0.8)
Indirect Costs Capitalized To P&E	0.0	0.0	0.0	(125.1)
Total Expenses	14.3	0.8	1.8	2,286.7
Operating Income (Loss)	(14.3)	(0.8)	(1.8)	(2,048.0)
Other (Income) and Expense:				
Interest Income				
Interest Expense				
Other Expense - Net				
Project Expenses				0.2
Net Income or (Loss)	(14.3)	(0.8)	(1.8)	(2,048.2)
Adj for Depreciation, OPEBs, PRJ & Interest				0.2
Adjusted Income or (Loss)	(14.3)	(0.8)	(1.8)	(2,048.0)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	Finance	Real Estate	Procurement and Matl Mgmt	Corporate Common	Chief Financial Officer	Police & Security Division
REVENUES:						
<i>Passenger Related:</i>						
Ticket Revenue						
Food and Beverage						
State Supported Train Revenue						
Total Passenger Related Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Commuter Reimbursable	4.2				4.2	0.1
Commercial Development		66.1			66.1	
Other Transportation						
Freight Access Fees and Other						
Total Other Revenue	4.2	66.1	0.0	0.0	70.3	0.1
Total Operating Revenue	4.2	66.1	0.0	0.0	70.3	0.1
EXPENSES:						
<i>Salaries, Wages and Benefits:</i>						
Salaries	17.9	2.5	11.9	0.0	32.2	6.8
Wages & Overtime	4.3	0.1	18.9	(10.8)	12.6	34.4
Employee Benefits	11.3	1.3	16.0	(0.0)	28.6	20.4
Employee Related	0.6	0.1	0.8	0.0	1.4	2.3
Salaries, Wages and Benefits	34.0	3.9	47.6	(10.8)	74.8	64.0
Train Operations	0.0	0.0	0.0	0.0	0.0	0.1
Fuel, Power, & Utilities	93.5	0.4	0.3	(0.8)	93.4	0.0
Materials	0.0	0.0	0.2	(0.2)	(0.0)	0.0
Facility, Communication, & Office	2.7	3.2	5.0	8.4	19.3	5.6
Advertising and Sales	43.8	0.0	0.1	0.0	43.9	0.0
Casualty and Other Claims Total	0.2	0.0	0.7	8.1	9.0	1.3
Depreciation	0.0	0.0	0.0	664.1	664.1	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	(4.1)	(4.1)	0.0
Professional Fees	7.0	2.0	1.6	0.9	11.6	1.2
Data Processing Services and Supplies	0.9	0.0	0.8	0.0	1.8	0.0
Environmental and Safety	0.0	0.0	0.1	(2.0)	(1.9)	0.1
Maintenance of Way Services	0.0	0.0	0.5	0.0	0.5	1.5
Passenger Inconvenience	0.0	0.0	0.0	0.0	0.0	0.0
Financial	43.2	0.3	0.0	0.0	43.5	0.0
Other Expenses	0.0	0.0	0.0	(1.8)	(1.8)	0.0
Indirect Costs Capitalized To P&E	0.0	0.0	(18.5)	(0.0)	(18.5)	0.0
Total Expenses	225.3	9.8	38.5	661.9	935.4	73.9
Operating Income (Loss)	(221.1)	56.2	(38.5)	(661.9)	(865.2)	(73.8)
Other (Income) and Expense:						
Interest Income	(9.7)				(9.7)	
Interest Expense	96.7				96.7	
Other Expense - Net	87.0				87.0	
Project Expenses						
Net Income or (Loss)	(308.1)	56.2	(38.5)	(661.9)	(952.2)	(73.8)
Adj for Depreciation, OPEBs, PRJ & Interest	87.0			727.9	814.9	
Adjusted Income or (Loss)	(221.1)	56.2	(38.5)	66.0	(137.3)	(73.8)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	CEO	Marketing	IT	HR
REVENUES:				
<i>Passenger Related:</i>				
Ticket Revenue				
Food and Beverage		109.3		
State Supported Train Revenue				
Total Passenger Related Revenue	0.0	109.3	0.0	0.0
<i>Other Revenue:</i>				
Commuter				
Reimbursable				
Commercial Development				
Other Transportation				
Freight Access Fees and Other		27.1		
Total Other Revenue	0.0	27.1	0.0	0.0
Total Operating Revenue	0.0	136.4	0.0	0.0
EXPENSES:				
<i>Salaries, Wages and Benefits:</i>				
Salaries	0.8	22.2	26.0	13.2
Wages & Overtime	0.0	41.2	0.2	0.1
Employee Benefits	0.4	31.0	13.0	6.6
Employee Related	0.0	0.8	0.8	2.1
Salaries, Wages and Benefits	1.3	95.2	40.1	22.0
Train Operations	0.0	91.9	0.0	0.0
Fuel, Power, & Utilities	0.0	0.6	0.0	0.1
Materials	0.0	0.0	0.0	0.0
Facility, Communication, & Office	0.1	11.3	39.6	2.3
Advertising and Sales	0.0	36.2	0.0	0.1
Casualty and Other Claims Total	0.0	1.2	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	0.0
Professional Fees	0.0	12.1	0.2	0.9
Data Processing Services and Supplies	0.0	2.2	111.0	0.1
Environmental and Safety	0.0	0.0	0.0	0.0
Maintenance of Way Services	0.0	0.5	0.0	0.1
Passenger Inconvenience	0.0	4.3	0.0	0.0
Financial	0.0	0.0	0.0	0.0
Other Expenses	0.0	0.0	0.0	0.0
Indirect Costs Capitalized To P&E	0.0	0.0	0.0	0.0
Total Expenses	1.4	255.5	190.9	25.6
Operating Income (Loss)	(1.4)	(119.1)	(190.9)	(25.6)
Other (Income) and Expense:				
Interest Income				
Interest Expense				
Other Expense - Net				
Project Expenses				
Net Income or (Loss)	(1.4)	(119.1)	(190.9)	(25.6)
Adj for Depreciation, OPEBs, PRJ & Interest				
Adjusted Income or (Loss)	(1.4)	(119.1)	(190.9)	(25.6)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	Policy & Development	General Counsel	High Speed Rail	Government Affairs	Total Corporate
REVENUES:					
<i>Passenger Related:</i>					
Ticket Revenue					
Food and Beverage					109.3
State Supported Train Revenue					
Total Passenger Related Revenue	0.0	0.0	0.0	0.0	109.3
Commuter					4.3
Reimbursable					66.1
Commercial Development					
Other Transportation					27.1
Freight Access Fees and Other					
Total Other Revenue	0.0	0.0	0.0	0.0	97.4
Total Operating Revenue	0.0	0.0	0.0	0.0	206.7
EXPENSES:					
<i>Salaries, Wages and Benefits:</i>					
Salaries	2.9	12.1	1.1	4.5	121.8
Wages & Overtime	(0.0)	0.0	0.0	0.0	88.5
Employee Benefits	1.4	6.0	0.5	2.2	110.3
Employee Related	0.1	0.4	0.2	0.2	8.4
Salaries, Wages and Benefits	4.4	18.5	1.8	6.9	329.0
Train Operations	0.0	0.0	0.0	0.0	91.9
Fuel, Power, & Utilities	0.0	0.0	0.0	0.0	94.1
Materials	0.0	0.0	0.0	0.0	0.1
Facility, Communication, & Office	0.3	1.8	0.2	0.3	80.9
Advertising and Sales	0.0	0.0	0.0	0.1	80.3
Casualty and Other Claims Total	0.0	7.4	0.0	0.0	18.9
Depreciation	0.0	0.0	0.0	0.0	664.1
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	0.0	(4.1)
Professional Fees	0.3	23.5	4.1	0.1	54.0
Data Processing Services and Supplies	(0.0)	0.0	0.1	0.1	115.3
Environmental and Safety	0.0	(0.0)	0.0	0.0	(1.8)
Maintenance of Way Services	0.0	0.0	0.0	0.0	2.5
Passenger Inconvenience	0.0	0.0	0.0	0.0	4.3
Financial	0.0	0.0	0.0	0.0	43.5
Other Expenses	0.0	0.0	0.0	0.0	(1.8)
Indirect Costs Capitalized To P&E	0.0	0.0	0.0	0.0	(18.5)
Total Expenses	5.0	51.3	6.2	7.6	1,552.7
Operating Income (Loss)	(5.0)	(51.3)	(6.2)	(7.6)	(1,346.0)
Other (Income) and Expense:					
Interest Income					(9.7)
Interest Expense					96.7
Other Expense - Net					87.0
Project Expenses		0.4			0.4
Net Income or (Loss)	(5.0)	(51.7)	(6.2)	(7.6)	(1,433.3)
Adj for Depreciation, OPEBs, PRJ & Interest		0.4			815.3
Adjusted Income or (Loss)	(5.0)	(51.3)	(6.2)	(7.6)	(618.1)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account (1)
FY11 Operating Budget

\$ millions	Corporate Entries	Subsidiaries & Elimination	Total Amtrak
REVENUES:			
<i>Passenger Related:</i>			
Ticket Revenue			1,967.9
Food and Beverage			109.3
State Supported Train Revenue			192.9
Total Passenger Related Revenue	0.0	0.0	2,270.1
Commuter			140.0
Reimbursable			103.0
Commercial Development		5.8	71.8
Other Transportation		9.7	143.3
Freight Access Fees and Other		4.9	59.0
Total Other Revenue	0.0	20.4	517.0
Total Operating Revenue	0.0	20.4	2,787.1
EXPENSES:			
<i>Salaries, Wages and Benefits:</i>			
Salaries	0.0	0.0	263.5
Wages & Overtime	0.0	10.8	998.1
Employee Benefits	0.0	0.0	600.1
Employee Related	0.0	0.0	27.6
Salaries, Wages and Benefits	0.0	10.8	1,889.3
Train Operations	0.0	0.0	271.8
Fuel, Power, & Utilities	0.0	3.2	369.5
Materials	0.0	1.0	200.6
Facility, Communication, & Office	0.0	2.3	176.6
Advertising and Sales	0.0	0.0	80.4
Casualty and Other Claims Total	0.0	0.4	53.9
Depreciation	0.0	7.3	671.4
Amort of Gain On Sale/Leaseback	0.0	0.0	(4.1)
Professional Fees	0.0	0.9	78.1
Data Processing Services and Supplies	0.0	0.0	118.1
Environmental and Safety	0.0	0.0	12.2
Maintenance of Way Services	0.0	0.0	36.6
Passenger Inconvenience	0.0	0.0	10.7
Financial	0.0	0.5	46.8
Other Expenses	0.0	1.8	(0.8)
Indirect Costs Capitalized To P&E	0.0	0.0	(143.6)
Total Expenses	0.0	28.2	3,867.6
Operating Income (Loss)	0.0	(7.8)	(1,080.5)
Other (Income) and Expense:			
Interest Income		(0.1)	(9.7)
Interest Expense			96.7
Other Expense - Net		(0.1)	86.9
Project Expenses			0.5
Net Income or (Loss)		(7.8)	(1,167.9)
Adj for Depreciation, OPEBs, PRJ & Interest		7.2	822.6
Adjusted Income or (Loss)		(0.6)	(345.3)

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Revenue and Expenses by Department ¹
FY12 Operating Budget

	Revenue			Expenses			Profit/(Loss)		
	Base Activity	New Activity	Total Activity	Base Activity	New Activity	Total Activity	Base Activity	New Activity	Total Activity
Passenger Revenue - No Specific Dept	2,302.3	19.0	2,321.3				2,302.3	19.0	2,321.3
Transportation	140.4		140.4	1,447.4	0.9	1,448.3	(1,306.9)	(0.9)	(1,307.9)
Mechanical	9.0		9.0	546.9	(1.2)	545.7	(537.9)	1.2	(536.7)
Engineering	89.3		89.3	275.4	0.4	275.8	(186.1)	(0.4)	(186.5)
Environmental, Health, and Safety				13.2	1.1	14.3	(13.2)	(1.1)	(14.3)
Reliability Centered Maintenance				0.8		0.8	(0.8)		(0.8)
Operations Staff				1.8		1.8	(1.8)		(1.8)
Total Operations Departments	238.7		238.7	2,285.4	1.3	2,286.7	(2,046.7)	(1.3)	(2,048.0)
Finance	4.2		4.2	222.5	2.8	225.3	(218.3)	(2.8)	(221.1)
Real Estate	66.1		66.1	9.8		9.8	56.2		56.2
Procurement and Materials Management				38.5	(0.1)	38.5	(38.5)	0.1	(38.5)
Corporate Common				(62.9)	(3.1)	(66.0)	62.9	3.1	66.0
Chief Financial Officer	70.3		70.3	207.9	(0.4)	207.6	(137.7)	0.4	(137.3)
Police & Security Division	0.1		0.1	64.8	9.0	73.9	(64.8)	(9.0)	(73.8)
CEO				1.4		1.4	(1.4)		(1.4)
Marketing	130.5	5.9	136.4	258.0	(2.5)	255.5	(127.5)	8.4	(119.1)
IT				175.0	15.9	190.9	(175.0)	(15.9)	(190.9)
HR				25.5	0.1	25.6	(25.5)	(0.1)	(25.6)
Policy & Development				2.1	2.9	5.0	(2.1)	(2.9)	(5.0)
General Counsel				51.3		51.3	(51.3)		(51.3)
High Speed Rail Department				(0.8)	7.0	6.2	0.8	(7.0)	(6.2)
Government Affairs				7.4	0.2	7.6	(7.4)	(0.2)	(7.6)
Total Corporate	200.8	5.9	206.7	792.6	32.1	824.8	(591.8)	(26.3)	(618.1)
Corporate Entries									
Subsidiaries & Elimination	20.4		20.4	20.9		20.9	(0.6)		(0.6)
Total Amtrak Excluding OIG	459.9	5.9	465.8	3,099.0	33.4	3,132.4	(2,639.1)	(27.5)	(2,666.6)
Operating Subsidy Requirement	2,762.2	24.9	2,787.1	3,099.0	33.4	3,132.4	(336.8)	(8.5)	(345.3)
Depreciation				671.4		671.4	(671.4)		(671.4)
OPEB's				63.8		63.8	(63.8)		(63.8)
Non-Cash Expenses				735.2		735.2	(735.2)		(735.2)
Project Expenses				0.5		0.5	(0.5)		(0.5)
Interest Expense, net of Interest Income				87.3	(0.4)	86.9	(87.3)	0.4	(86.9)
Net Loss Including Non-Cash and Project	2,762.2	24.9	2,787.1	3,922.0	33.1	3,955.1	(1,159.8)	(8.1)	(1,167.9)

¹ This is not a 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) and state contributions associated with capital projects.

National Railroad Passenger Corporation (Amtrak)
Commuter Income Statement by Major Accounts¹
FY12 Operating Budget

\$ millions	FY12 Budget
REVENUES:	
Commuter	140.0
Total Operating Revenue	140.0
EXPENSES:	
<i>Salaries, Wages and Benefits:</i>	
Salaries	6.9
Wages & Overtime	45.1
Employee Benefits	21.4
Employee Related	0.6
Salaries, Wages and Benefits	74.1
Train Operations	0.8
Fuel, Power, & Utilities	12.6
Materials	6.8
Facility, Communication, & Office	2.6
Casualty and Other Claims Total	1.7
Professional Fees	0.5
Environmental and Safety	0.4
Maintenance of Way Services	1.0
Passenger Inconvenience	0.0
Financial	0.1
Other Expenses	0.0
Indirect Costs Capitalized To P&E	1.6
Total Expenses	102.2
Operating Income (Loss)	37.8

¹ This income statement represents the total federal support required for Amtrak operations. This is not a 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 state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)
Commercial Development Income Statement by Major
Accounts ¹
FY12 Operating Budget

\$ millions	FY12 Budget
REVENUES:	
<i>Passenger Related:</i>	
Commercial Development	71.8
Total Operating Revenue	71.8
EXPENSES:	
<i>Salaries, Wages and Benefits:</i>	
Salaries	2.5
Wages & Overtime	0.4
Employee Benefits	1.4
Employee Related	0.1
Salaries, Wages and Benefits	4.4
Fuel, Power, & Utilities	0.4
Facility, Communication, & Office	3.2
Professional Fees	2.0
Financial	0.4
Indirect Costs Capitalized To P&E	0.2
Total Expenses	10.7
Operating Income (Loss)	61.2

¹ This income statement represents the total federal support required for Amtrak operations. This is not a 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 state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)

Summary Income Statement by Major Account and Activity ¹ FY12 Operating Budget

\$ millions	Base Activity	New Activity	FY12 Budget
REVENUES:			
<i>Passenger Related:</i>			
Ticket Revenue	1,948.8	19.0	1,967.9
Food and Beverage	109.3	0.0	109.3
State Supported Train Revenue	192.9	0.0	192.9
Total Passenger Related Revenue	2,251.0	19.0	2,270.1
Commuter	140.0	0.0	140.0
Reimbursable	103.0	0.0	103.0
Commercial Development	71.8	0.0	71.8
Other Transportation	143.3	0.0	143.3
Freight Access Fees and Other	53.1	5.9	59.0
Total Other Revenue	511.2	5.9	517.0
Total Operating Revenue	2,762.2	24.9	2,787.1
EXPENSES:			
<i>Salaries, Wages and Benefits:</i>			
Salaries	259.0	4.4	263.5
Wages & Overtime	995.6	2.5	998.1
Employee Benefits	596.4	3.7	600.1
Employee Related	27.1	0.6	27.6
Salaries, Wages and Benefits	1,878.1	11.1	1,889.3
Train Operations	270.7	1.1	271.8
Fuel, Power, & Utilities	374.6	(5.1)	369.5
Materials	200.8	(0.2)	200.6
Facility, Communication, & Office	169.1	7.4	176.6
Advertising and Sales	80.4	0.0	80.4
Casualty and Other Claims Total	56.1	(2.1)	53.9
Depreciation	671.4	0.0	671.4
Amort of Gain On Sale/Leaseback	(4.1)	0.0	(4.1)
Professional Fees	65.7	12.4	78.1
Data Processing Services and Supplies	112.8	5.3	118.1
Environmental and Safety	12.2	0.0	12.2
Maintenance of Way Services	36.6	0.0	36.6
Passenger Inconvenience	10.7	0.0	10.7
Financial	43.4	3.5	46.8
Other Expenses	(0.8)	0.0	(0.8)
Indirect Costs Capitalized To P&E	(143.6)	0.0	(143.6)
Total Expenses	3,834.2	33.4	3,867.6
Operating Income (Loss)	(1,072.0)	(8.5)	(1,080.5)
Other (Income) and Expense:			
Interest Income	(9.7)	0.0	(9.7)
Interest Expense	97.0	(0.4)	96.7
Other Expense - Net	87.3	(0.4)	86.9
Project Expenses	0.5	0.0	0.5
Net Income or (Loss)	(1,159.8)	(8.1)	(1,167.9)
Adj for Depreciation, OPEBs, PRJ & Interest	823.0	(0.4)	822.6
Adjusted Income or (Loss)	(336.8)	(8.5)	(345.3)

¹ This income statement represents the total federal support required for Amtrak operations. This is not a 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) and state contributions associated with capital projects (funded by capital appropriation).

		(\$ Millions)		
		Revenue	Expenses	Net Income/(Loss)
FY11 Total Actual		\$2,675.9	\$3,127.3	(\$451.5)
Changes to Base Activity				
	Impact of changes in demographics and the economy	\$53.0		\$53.0
	Inflation including ticket price increases, labor agreements, fuel prices, and other	\$39.8	\$112.1	(\$72.4)
	Normalization of Reimbursable revenue expectations as compared to reduced activity in FY11	\$18.9		\$18.9
	Additional day of ticket revenue in FY12 due to leap year	\$5.0		\$5.0
	Increased capacity on Northeast Regional and Empire trains	\$3.2		\$3.2
	Commercial revenue decrease due to one-time revenues in FY11 not recurring in FY12	(\$4.4)		(\$4.4)
	Decrease in Commuter revenue and expenses primarily due to loss of Caltrains contract	(\$33.4)	(\$43.3)	\$9.9
	Decrease in overhead transfer credits to capital projects due to reduced capital program in FY12		\$20.6	(\$20.6)
	Increase in Train Operations due to expected higher payments for schedule adherence (see subsequent reduction in Management Actions below)		\$19.8	(\$19.8)
	Increase in fleet maintenance materials primarily due to growth in active fleet from ARRA restorations		\$8.4	(\$8.4)
	Increase in Commission Credit Cards due to higher revenue		\$2.7	(\$2.7)
	Decrease in labor cost primarily due to expected reduced overtime wages in FY12		(\$9.4)	\$9.4
	Decrease in Payroll Taxes due to lower headcount		(\$4.8)	\$4.8
	All Other	(\$2.2)	(\$2.9)	\$0.6
	Base Activity Increase/(Decrease) from Prior Year	\$79.8	\$103.2	(\$23.4)
Total FY12 Base Activity Budget		\$2,755.7	\$3,230.5	(\$474.9)
New Activity				
New Revenue Initiatives	Launch of Wi-Fi Systemwide	\$13.7		\$13.7
	Contact Center Booking Fee	\$5.9	(\$2.5)	\$8.4
	Marketing, Advertising & Social Media activities	\$4.5		\$4.5
	Launch of enhanced next generation eTicketing channel	\$0.9		\$0.9
	Total FY12 New Revenue Initiatives	\$24.9	(\$2.5)	\$27.4
Mobility & Connectivity	HSR Business Plan Funding Study		\$2.5	(\$2.5)
	HSR Next Generation Implementation Studies		\$2.5	(\$2.5)
	Other HSR planning, marketing, and development support efforts		\$2.6	(\$2.6)
	Additional resources for NEC Infrastructure planning, analysis, and support		\$2.0	(\$2.0)
	Additional resources for Commuter contracting		\$0.4	(\$0.4)
	Subtotal Mobility & Connectivity Initiatives		\$10.0	(\$10.0)
Customer Service	Additional Ticket Agents Cary/Raleigh NC		\$0.3	(\$0.3)
	Service/staffing increases on targeted long distance routes (route performance improvement program)		\$3.8	(\$3.8)
	Subtotal Customer Service Initiatives		\$4.1	(\$4.1)
Safety	Claims reductions from Safe-2-Safer program education		(\$2.3)	\$2.3
	Abestos Management Plan		\$0.9	(\$0.9)
	Other		\$0.2	(\$0.2)
	Subtotal Safety Initiatives		(\$1.2)	\$1.2
Security	Back-up security network operational cost		\$1.5	(\$1.5)
	Amtrak's headquarter front desk - Contracted security officers		\$0.3	(\$0.3)
	Maintenance and Way Inventory Security Initiative		\$0.1	(\$0.1)
	Ivy City building - Contracted security officers		\$0.3	(\$0.3)
	Operational fees for monitoring cameras at Penn Station NY		\$0.3	(\$0.3)
	Safety Engineering		\$0.5	(\$0.5)
	CCTV Maintenance		\$0.5	(\$0.5)
	Issuance of Smart ID Cards for contractors access to Amtrak's property		\$0.5	(\$0.5)
	Virtual Fence Monitoring Cost		\$0.9	(\$0.9)
	Police Department Expansion - add 50 officers		\$2.4	(\$2.4)
	Other		\$1.9	(\$1.9)
	Subtotal Security Initiatives		\$9.1	(\$9.1)
Environmental	Fuel Conservation Program		(\$3.3)	\$3.3
	Utility conservation - installation of high efficiency lighting		(\$0.9)	\$0.9
	Climate Registry Verification		\$0.1	(\$0.1)
	Subtotal Environmental Initiatives		(\$4.1)	\$4.1
Organizational Excellence	SAM Savings		(\$2.8)	\$2.8
	Wellness Programs		\$0.1	(\$0.1)
	Close Jacksonville Crewbase		\$0.2	(\$0.2)
	Amtrak Leadership Program		\$0.2	(\$0.2)
	Police Fitness Program		\$0.5	(\$0.5)
	Fleet Other		\$3.7	(\$3.7)
	Subtotal Organizational Excellence Initiatives		\$1.8	(\$1.8)
Organizational Excellence IT	Replace Outsourced Service with Employees		(\$1.2)	\$1.2
	IT cost to support new Software and Applications		\$10.1	(\$10.1)
	IT cost of SAP Center of Excellence		\$7.3	(\$7.3)
	Subtotal Organizational Excellence Initiatives-IT		\$16.3	(\$16.3)
	Total FY12 New Activity	\$24.9	\$33.4	(\$8.5)
FY12 Budget before Management Actions		\$2,780.6	\$3,264.0	(\$483.3)
Management Cost Reduction Actions				
Revenue Increase	Incremental revenue from Amtrak.com related partners	\$6.5		\$6.5
Workforce Related Actions	Reduction of Management workforce including associated benefits		(\$25.7)	\$25.7
	Reduced FELA liability due to decrease in management workforce		(\$3.4)	\$3.4
	Reduction of Agreement overtime including benefits		(\$3.8)	\$3.8
	Reductions to employee travel and other employee related expenses		(\$2.8)	\$2.8
	Subtotal Workforce-related Management Actions		(\$35.7)	\$35.7
Other Actions	Reduce Advertising and Promotional expenditures		(\$43.6)	\$43.6
	Reduce usage of outside professional, legal, and consultant services		(\$27.3)	\$27.3
	Increase in transfer credits due to funding additional capital projects with ticket revenue		(\$8.0)	\$8.0
	Adjustment to host railroad expense assumptions (see increases to base activity)		(\$4.2)	\$4.2
	Further reduction to electric locomotive propulsion power due to negotiation of favorable rates		(\$2.8)	\$2.8
	Reductions to telephone, long distance, and cellular phone usage		(\$2.5)	\$2.5
	Reduction to motor coach connecting services		(\$1.6)	\$1.6
	Decrease in fleet and track maintenance materials due to funding additional capital projects with ticket revenue		(\$1.5)	\$1.5
	Reductions to facility maintenance activities		(\$0.8)	\$0.8
	Reduction to on-board crew costs, primarily reduced layover costs		(\$0.8)	\$0.8
	Reductions to office supplies and express mail services		(\$0.3)	\$0.3
	All other actions		(\$2.4)	\$2.4
	Subtotal Other Management Actions		(\$95.8)	\$95.8
	Total Management Cost Reduction Actions	\$6.5	(\$131.5)	\$138.0
FY12 Final Budget		\$2,787.1	\$3,132.4	(\$345.3)

¹ This reconciliation represents the revenues and expenses that form the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this statement excludes 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), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)
Monthly Average and End of Year Headcount by Department
FY12 Operating Budget

	FY11 End of Year Headcount						FY12 End of Year Headcount Budget					
	Exempt			Non-Exempt	Interns	Total Headcount	Exempt			Non-Exempt	Interns	Total Headcount
	Mgmt	ARASA	Total				Mgmt	ARASA	Total			
Transportation	678	188	866	7,965	-	8,831	615	188	803	7,614	-	8,417
Mechanical	391	-	391	4,030	10	4,431	389	-	389	4,059	10	4,458
Engineering	402	-	402	3,160	9	3,571	402	-	402	3,160	9	3,571
Operations Staff	8	-	8	-	-	8	8	-	8	-	-	8
Operating Departments	1,479	188	1,667	15,155	19	16,841	1,415	188	1,603	14,833	19	16,455
Finance	175	-	175	94	2	271	158	-	158	94	2	254
Real Estate	24	-	24	2	-	26	24	-	24	2	-	26
Procurement and Matl Mgmt	150	-	150	332	-	482	145	-	145	332	-	477
Corporate Common	-	-	-	-	-	-	-	-	-	-	-	-
Chief Financial Officer	349	-	349	428	2	779	327	-	327	428	2	757
Police & Security Division	63	-	63	406	-	469	62	-	62	472	-	534
EHS	40	1	41	3	-	44	60	1	61	5	-	66
CEO	5	-	5	-	-	5	3	-	3	-	-	3
Marketing	258	4	262	931	-	1,193	238	4	242	931	-	1,173
IT	309	-	309	4	2	315	229	-	229	4	2	235
HR	199	-	199	3	-	202	155	-	155	1	-	156
Policy & Development	53	-	53	-	-	53	18	-	18	-	-	18
General Counsel	132	-	132	-	-	132	125	-	125	-	-	125
High Speed Rail Dept	4	-	4	-	-	4	(5)	-	(5)	-	-	(5)
Government Affairs	37	-	37	1	1	39	33	-	33	1	1	35
Total Corporate	1,449	5	1,454	1,776	5	3,235	1,246	5	1,251	1,842	5	3,098
Total Amtrak	2,928	193	3,121	16,931	24	20,076	2,660	193	2,853	16,675	24	19,552
Inspector General	80	-	80	-	-	80	80	-	80	-	-	80
Total Amtrak	3,008	193	3,201	16,931	24	20,156	2,740	193	2,933	16,675	24	19,632

**National Railroad Passenger Corporation (Amtrak)
Summary Capital Programs**

\$ millions	FY2011 Capital Programs							FY2012 Capital Programs					Change from FY11 Over (Under)											
	DOT		RRIF	State Local and Other		Economic Stimulus Excluding Economic Stimulus	Economic Stimulus Funding	Total FY11 Capital		DOT Federal		RRIF	State Local and Other		Total FY12 Capital		DOT Federal		RRIF	State Local and Other		Economic Stimulus Excluding Economic Stimulus	Economic Stimulus Funding	Total
	Federal	Internal		Federal	Internal			Federal	Internal	Federal	Internal		Federal	Internal	Federal	Internal	Federal	Internal						
Bridges/Culverts/Tunnels	18.30	(0.32)	-	5.93	23.91		23.91	62.16	-	-	5.96	68.12	43.86	0.32	-	0.03	44.21			0.03	44.21		44.21	
Facility/Station/Other	17.31	(0.75)	-	15.49	32.05		32.05	37.10	-	-	12.91	50.01	19.79	0.75	-	(2.58)	17.96			(2.58)	17.96		17.96	
Signal Systems	15.10	(0.06)	-	3.01	18.06		18.06	35.73	-	-	5.81	41.53	20.63	0.06	-	2.79	23.48			2.79	23.48		23.48	
Communication Systems	0.36	(0.00)	-	0.03	0.39		0.39	0.47	1.93	-	7.71	10.11	0.11	1.93	-	7.68	9.72			7.68	9.72		9.72	
Overhead Catenary and Transmission system	17.66	0.65	-	0.99	19.31		19.31	14.13	0.10	-	1.37	15.60	(3.53)	(0.55)	-	0.38	(3.71)			0.38	(3.71)		(3.71)	
Substations/Frequency Converters	6.03	0.95	-	4.20	11.18		11.18	9.30	-	-	4.66	13.96	3.27	(0.95)	-	0.46	2.78			0.46	2.78		2.78	
Track Replacement	139.65	0.23	-	34.64	174.52		174.52	102.57	(2.23)	-	64.16	166.72	(37.08)	(0.23)	-	29.51	(7.80)			29.51	(7.80)		(7.80)	
Interlocking Renewal	18.23	0.32	-	6.60	25.15		25.15	8.97	-	-	6.88	15.85	(9.26)	(0.32)	-	0.28	(9.30)			0.28	(9.30)		(9.30)	
Equipment Purchase/Replacement	16.47	(0.01)	-	2.53	18.98		18.98	13.93	-	(0.00)	13.93	(2.54)	0.01	-	(2.53)	(5.06)			(2.53)	(5.06)		(5.06)		
Seattle King St. Coach Yd	32.84	(0.00)	-	-	32.84		32.84	7.00	-	-	7.00	(25.84)	0.00	-	0.00	(25.84)			0.00	(25.84)		(25.84)		
Freight Railroad Improvements	2.41	0.00	-	0.00	2.41		2.41	-	-	-	-	(2.41)	(0.00)	-	(0.00)	(2.41)			(0.00)	(2.41)		(2.41)		
ADA Compliance	-	(0.01)	-	94.62	94.61		94.61	50.00	-	-	-	50.00	50.00	0.01	-	(94.62)	(44.61)			(94.62)	(44.61)		(44.61)	
Fire & Life Safety	1.53	2.58	-	26.03	30.14		30.14	8.65	2.00	-	12.55	23.20	7.12	(0.58)	-	(13.48)	(6.94)			(13.48)	(6.94)		(6.94)	
ARRA (Economic Stimulus)	33.25	50.71	-	-	83.96		83.96	454.72	-	-	7.25	538.68	(33.25)	(50.71)	-	7.25	(76.71)			(33.25)	(76.71)		(454.72) (531.43)	
Engineering	319.13	54.29	-	194.08	567.51		454.72	1,022.23	4.03	-	129.26	483.28	30.87	(50.26)	-	(64.83)	(84.22)			(64.83)	(84.22)		(454.72) (538.94)	
Mechanical	130.56	55.57	97.92	13.79	297.84		44.10	341.95	249.96	72.84	119.57	5.02	447.39	119.40	17.27	21.66	(8.77)	149.55			(8.77)	149.55		(44.10) 105.45
Transportation	19.32	18.90	-	0.59	38.82		0.92	39.74	12.65	-	-	12.65	(6.67)	(18.90)	-	(0.59)	(26.17)			(0.59)	(26.17)		(0.92) (27.09)	
Chief Operating Officer	(0.03)	0.00	-	-	(0.03)		(0.03)	-	-	-	-	-	0.03	(0.00)	-	-	0.03			-	0.03		0.03	
Subtotal Operations	468.98	128.77	97.92	208.46	904.14		499.75	1,403.88	612.61	76.87	119.57	134.28	943.33	143.62	(51.90)	21.66	(74.19)	39.19			(74.19)	39.19		(499.75) (460.56)
Police & Security	9.49	1.45	-	0.00	10.94		52.83	63.77	(0.00)	2.41	-	2.11	(9.49)	0.97	-	2.11	(6.41)			2.11	(6.41)		(52.83) (59.24)	
Police & Security (DHS)				12.30	12.30		12.30	12.30	-	-	41.07	41.07	-	-	-	28.77	28.77			-	28.77		(28.77)	
Subtotal Police & Security	9.49	1.45	-	12.30	23.24		52.83	76.07	(0.00)	2.41	-	43.18	45.60	(9.49)	0.97	-	30.88	22.36			30.88	22.36		(52.83) (30.47)
Chief Financial Officer	4.96	(0.00)	-	10.19	15.15		6.05	21.20	-	0.39	-	0.39	(4.96)	0.39	-	(10.19)	(14.76)			(10.19)	(14.76)		(6.05) (20.81)	
Environmental, Health, & Safety	5.97	(0.46)	-	0.12	5.63		5.63	-	3.77	-	-	3.77	(5.97)	4.23	-	(0.12)	(1.86)			(0.12)	(1.86)		(1.86)	
Real Estate	0.01	(0.00)	-	0.00	0.01		0.01	17.00	-	-	-	17.00	16.99	0.00	-	(0.00)	16.99			(0.00)	16.99		16.99	
Information Technology	115.14	3.26	-	5.45	123.86		7.98	131.84	30.30	5.50	-	35.80	(84.84)	2.24	-	(5.45)	(88.06)			(5.45)	(88.06)		(7.98) (96.04)	
Marketing and Product Management	30.04	0.86	-	4.19	35.09		1.58	36.67	20.18	3.00	(0.00)	23.18	(9.86)	2.14	-	(4.19)	(11.91)			(4.19)	(11.91)		(1.58) (13.49)	
Procurement	3.70	0.00	-	0.64	4.34		0.29	4.63	-	-	-	-	(3.70)	(0.00)	-	(0.64)	(4.34)			(0.64)	(4.34)		(0.29) (4.63)	
Policy and Development	10.59	0.08	-	2.66	13.34		13.34	6.50	2.67	-	8.20	17.37	(4.09)	2.59	-	5.54	4.03			5.54	4.03		4.03	
Subtotal Corporate	170.41	3.75	-	23.26	197.42		15.91	213.32	73.98	15.33	-	8.20	97.51	(96.43)	11.58	-	(15.06)	(99.91)			(15.06)	(99.91)		(15.91) (115.81)
Total	648.88	133.97	97.92	244.02	1,124.79		568.48	1,693.27	686.59	94.61	119.57	185.66	1,086.43	37.70	(39.36)	21.66	(58.36)	(38.36)			(58.36)	(38.36)		(568.48) (606.84)

Amtrak FY12 Capital Project Ranked List

\$ Millions

Rank	Project #	Project Title	Department	FY12 Federal Funds	FY12 Ticket Revenue	Homeland Security	RRIF	State, Local & Other	Total	Cumulative GCAP
1	C.EN.VARIOUS	NEC Infrastructure Maintenance & Improvement	Engineering	300.00	2.10	-	-	114.30	416.40	300.00
2	C.ME.100785	Acela Overhaul	Mechanical	35.00	-	-	-	-	35.00	335.00
3	C.ME.100237	AEM-7 AC Locomotive Overhauls	Mechanical	6.00	-	-	-	-	6.00	341.00
4	C.ME.100097	AEM-7 DC Locomotive Overhaul	Mechanical	4.38	-	-	-	-	4.38	345.37
5	C.ME.100174	HHP-8 Locomotive Overhaul	Mechanical	2.25	-	-	-	-	2.25	347.62
6	C.ME.100653	Diesel Locomotive LCPM	Mechanical	30.00	-	-	-	-	30.00	377.62
7	C.ME.201291	Amfleet Coach Overhaul Level 2	Mechanical	15.73	-	-	-	-	15.73	393.35
8	C.ME.100413	AMFLEET I COACH OVERHAUL LEVEL 1	Mechanical	12.90	-	-	-	-	12.90	406.25
9	C.ME.100377	Amfleet I Caf�/Club Overhaul	Mechanical	11.48	-	-	-	-	11.48	417.73
10	C.ME.100101	Amfleet II Coach Overhaul Level 1	Mechanical	9.00	-	-	-	-	9.00	426.73
11	C.ME.100869	Amfleet II Diner Overhaul Level 1	Mechanical	2.25	-	-	-	-	2.25	428.98
12	C.ME.100649	CAB CAR OVERHAUL - LEVEL 1	Mechanical	0.33	-	-	-	-	0.33	429.30
13	C.ME.100022	Amfleet Food Service to Coach	Mechanical	17.88	-	-	-	-	17.88	447.19
14	C.ME.100239	Viewliner Sleeper - Overhaul	Mechanical	7.67	-	-	-	-	7.67	454.86
15	C.ME.100177	Superliner I Coach Overhaul	Mechanical	21.83	-	-	-	-	21.83	476.69
16	C.ME.100039	Superliner I Sleeper Overhaul - Level 3	Mechanical	15.03	-	-	-	-	15.03	491.72
17	C.ME.100042	Superliner II Coach Overhaul	Mechanical	4.25	-	-	-	-	4.25	495.97
18	C.ME.100040	Superliner II Sleeper Overhaul	Mechanical	6.00	-	-	-	-	6.00	501.97
19	C.ME.100044	Superliner II Trans Sleeper Dorm Overhaul	Mechanical	3.60	-	-	-	-	3.60	505.57
20	C.ME.100041	Superliner II Lounge Overhaul	Mechanical	2.24	-	-	-	-	2.24	507.81
21	C.ME.100043	Superliner II Diner Overhaul	Mechanical	1.96	-	-	-	-	1.96	509.77
22	C.ME.100386	Superliner Diner Lounge Overhaul	Mechanical	3.83	-	-	-	-	3.83	513.60
23	C.ME.100384	Superliner I Sleeper Overhaul	Mechanical	0.52	-	-	-	-	0.52	514.12
24	C.ME.100641	HORIZON COACH OVERHAUL - LEVEL 2	Mechanical	7.81	-	-	-	-	7.81	521.93
25	C.ME.100643	Horizon Caf� Overhaul	Mechanical	0.82	-	-	-	-	0.82	522.75
26	C.ME.100241	Heritage Diner Overhauls	Mechanical	2.80	-	-	-	-	2.80	525.55
27	C.ME.100038	Baggage Car Overhaul	Mechanical	5.70	-	-	-	-	5.70	531.25
28	C.ME.100405	Auto Carrier Modifications	Mechanical	2.00	-	-	-	-	2.00	533.25
29	C.ME.100640	Surfliner Coach Overhaul	Mechanical	1.40	-	-	-	-	1.40	534.65
30	C.ME.100644	Surfliner Cab Car Overhaul	Mechanical	0.43	-	-	-	-	0.43	535.08
31	C.ME.100647	Surfliner Caf� Overhaul	Mechanical	0.93	-	-	-	-	0.93	536.01
32	C.ME.100646	Surfliner Custom Coach Overhaul	Mechanical	0.60	-	-	-	-	0.60	536.61
33	C.ME.100236	Talgo Equipment Modifications	Mechanical	0.60	-	-	-	-	0.60	537.21
34	C.ME.100090	LOCOMOTIVE MANDATORY PROGRAMS	Mechanical	1.25	-	-	-	-	1.25	538.46
35	C.ME.100089	Car Mandatory Programs	Mechanical	1.00	-	-	-	-	1.00	539.46
36	C.ME.100655	Engineering Modification Project	Mechanical	3.00	-	-	-	-	3.00	542.46
37	C.ME.100376	High Speed Facility	Mechanical	0.25	-	-	-	-	0.25	542.71
38	C.ME.100092	S&I/Running Repair - NY	Mechanical	0.25	-	-	-	-	0.25	542.96
39	C.ME.100093	SI Running Repair-South	Mechanical	0.25	-	-	-	-	0.25	543.21
40	C.ME.100094	SI Running Repair-WAS	Mechanical	0.25	-	-	-	-	0.25	543.46
41	C.ME.100095	SI Running Repair-Central	Mechanical	0.25	-	-	-	-	0.25	543.71
42	C.ME.100096	SI Running Repair-West	Mechanical	0.25	-	-	-	-	0.25	543.96
43	C.ME.100098	Wilmington Facility Improvements	Mechanical	0.25	-	-	-	-	0.25	544.21
44	C.ME.100100	Beech Grove Shops Facility Improvement	Mechanical	0.25	-	-	-	-	0.25	544.46
45	C.ME.100102	Bear Facility Improvements	Mechanical	0.25	-	-	-	-	0.25	544.71
46	C.ME.100648	RELIABILITY CENTER IMPROVEMENTS	Mechanical	0.25	-	-	-	-	0.25	544.96
47	C.ME.100378	Locomotive Video Cameras/Train Communications	Mechanical	0.75	-	-	-	-	0.75	545.71
48	C.ME.100415	Locomotive Health Monitoring & Analysis System	Mechanical	0.50	-	-	-	-	0.50	546.21
49	C.ME.100021	Work Management System	Mechanical	1.50	-	-	-	-	1.50	547.71
50	C.ME.100404	Cracked Wheel Detector	Mechanical	2.00	-	-	-	-	2.00	549.71
51	C.ME.100403	Mobile Data Management	Mechanical	0.25	-	-	-	-	0.25	549.96
52	C.EN.100694	ADA Compliance	Engineering	50.00	-	-	-	-	50.00	599.96
53	C.ME.100654	Long Dist. Single Level Replacement	Mechanical	-	62.61	-	-	-	62.61	599.96
54	C.IT.100391	Migration/Replacement LMS Application	Information Technology	1.00	-	-	-	-	1.00	600.96
55	C.IT.100686	Reservation Ecosystem Next Generation Program	Information Technology	17.00	-	-	-	-	17.00	617.96
56	C.RE.100390	30th Street Station - Understreet Garage Reconstru	Real Estate	17.00	-	-	-	-	17.00	634.96
57	C.TR.100776	CUS Improvements	Transportation	12.00	-	-	-	-	12.00	646.96
58	C.MK.100247	Amtrak E-Ticketing Initiative	Marketing	7.90	-	-	-	-	7.90	654.86

Rank	Project #	Project Title	Department	FY12 Federal Funds	FY12 Ticket Revenue	Homeland Security	RRIF	State, Local & Other	Total	Cumulative GCAP
59	C.IT.100397	Network Redesign and Expansion	Information Technology	-	3.50	-	-	-	3.50	654.86
60	C.IT.100000	Network Expansion-Facility Infra. Eng.	Information Technology	-	1.50	-	-	-	1.50	654.86
61	C.MK.100382	POS/Eatec Upgrade	Marketing	8.58	-	-	-	(0.00)	8.58	663.44
62	C.EV.100033	SUNNYSIDE YARD OIL/PCB REMED	Environmental	-	1.50	-	-	-	1.50	663.44
63	C.EV.100031	Asbestos, Lead Paint and Mold Abatements	Environmental	-	0.50	-	-	-	0.50	663.44
64	C.EV.100633	WILMINGTON MOFE FACILITY-PCB/OTHER CONTAMINANTS RE	Environmental	-	1.20	-	-	-	1.20	663.44
65	C.EV.100374	Cedar Hill Remedation	Environmental	-	0.07	-	-	-	0.07	663.44
66	C.MK.201089	Service Fees - Phase 2	Marketing	0.50	-	-	-	-	0.50	663.94
67	C.PO.100658	CCTV and Communications	Police & Security	-	0.84	2.51	-	-	3.34	663.94
68	C.PO.201095	CCTV Maintenance and Monitoring	Police & Security	-	0.30	-	-	-	0.30	663.94
69	C.PO.100662	BRIDGE AND TUNNEL - SECURITY IMPROVEMENTS	Police & Security	(0.00)	0.67	2.01	-	0.00	2.68	663.94
70	C.PO.100657	ACCESS CONTROL SYSTEM EXPANSION	Police & Security	-	0.30	0.90	-	-	1.21	663.94
71	C.PO.100663	SUBSTATION - SECURITY IMPROVEMENTS	Police & Security	-	0.20	0.59	-	(0.00)	0.79	663.94
72	C.PO.100664	AMTRAK POLICE DEPARTMENT PERSONAL PROTECTION EQUIP	Police & Security	-	0.11	0.33	-	0.00	0.45	663.94
73	C.SP.100697	Surfliner Route - Carlsbad Double Track	Policy & Development	6.50	-	-	-	-	6.50	670.44
74	C.IT.100398	PC and Field Sys State of Good Repair	Information Technology	6.80	-	-	-	-	6.80	677.24
75	C.IT.100416	Strategic Asset Mgmt Enterprise (SAM) - 1A	Information Technology	5.50	-	-	-	-	5.50	682.74
76	C.IT.100789	Strategic Asset Mgmt Enterprise (SAM 2.0)	Information Technology	-	0.50	-	-	-	0.50	682.74
77	C.EV.100635	BEECH GROVE FACILITY - WASTEWATER TREATMENT SYS RE	Environmental	-	0.50	-	-	-	0.50	682.74
78	C.ME.201077	End of Lease Buyouts	Mechanical	-	-	-	-	-	-	682.74
79	C.MK.100100	Human Emulation Technology	Marketing	-	3.00	-	-	-	3.00	682.74
80	C.PO.100797	DHS2010 Infrastructure Protection	Police & Security	-	-	5.00	-	-	5.00	682.74
81	C.PO.201246	2011 DHS TSGP	Police & Security	-	-	5.00	-	-	5.00	682.74
82	C.PO.100796	DHS2010 Communications Control Center	Police & Security	-	-	3.00	-	-	3.00	682.74
83	C.PO.100703	Station Hardening	Police & Security	-	-	2.68	-	-	2.68	682.74
84	C.PO.100700	CCTV and Communications	Police & Security	-	-	2.40	-	-	2.40	682.74
85	C.PO.100701	Security and Protection Interoperability (SPI)	Police & Security	-	-	2.00	-	-	2.00	682.74
86	C.PO.100699	Bridge and Tunnel - Security Improvements	Police & Security	-	-	1.80	-	-	1.80	682.74
87	C.PO.100702	Police K9 Expansion	Police & Security	-	-	1.79	-	-	1.79	682.74
88	C.PO.100666	STATION ACTION PLAN TESTING AND IMPLEMENTATION	Police & Security	-	-	1.77	-	-	1.77	682.74
89	C.PO.201101	DHS2010 Training and Public Awareness	Police & Security	-	-	1.55	-	-	1.55	682.74
90	C.PO.100668	STATION ACTION TEAM (SAT) TOOL KIT	Police & Security	-	-	1.52	-	-	1.52	682.74
91	C.PO.100667	Security Training	Police & Security	-	-	1.50	-	-	1.50	682.74
92	C.PO.201100	DHS2010 Planning and Assessments	Police & Security	-	-	1.25	-	-	1.25	682.74
93	C.PO.100418	SECURITY CANINE PROCUREMENT AND TRAINING	Police & Security	-	-	0.68	-	-	0.68	682.74
94	C.PO.100665	PUBLIC SECURITY AWARENESS PROGRAM	Police & Security	-	-	0.63	-	-	0.63	682.74
95	C.PO.201097	DHS2010 Operational Packages	Police & Security	-	-	0.60	-	-	0.60	682.74
96	C.PO.100795	Intelligence Support Phase II	Police & Security	-	-	0.57	-	-	0.57	682.74
97	C.PO.100698	Special Operations Division Equipment	Police & Security	-	-	0.50	-	-	0.50	682.74
98	C.PO.100660	Security Systems - Future Designs	Police & Security	-	-	0.50	-	-	0.50	682.74
99	C.SP.100251	MARC Jt Benefit Projects	Policy & Development	-	-	-	-	7.50	7.50	682.74
100	C.SP.100253	VRE Jt Benefit Projects	Policy & Development	-	-	-	-	0.70	0.70	682.74
101	C.ME.100394	Electric Locomotives Acquisition	Mechanical	-	-	-	-	-	-	682.74
102	C.ME.100000	Acela Additional Car Acquisition	Mechanical	-	-	-	36.77	-	36.77	682.74
103	C.ME.100645	Purchase 4 Low Emission Switcher Locos	Mechanical	-	0.60	-	-	2.40	3.00	682.74
104	C.CF.100002	Proceeds from Sales of Assets	Finance	-	0.02	-	-	-	0.02	682.74
105	C.ME.100002	Repower Switchers - Ivy City	Mechanical	-	0.63	-	-	1.90	2.53	682.74
106	C.CF.100898	BPC/APT Conversion to SAP Code-block	Finance	-	0.37	-	-	-	0.37	682.74
106.1	C.ME.100001	Electric Locomotives	Mechanical	-	-	-	82.80	-	82.80	682.74
106.2	C.ME.201077	End of Lease Equipment Purchase	Mechanical	-	9.00	-	-	-	9.00	682.74
106.3	C.MK.201090	Multi-Media Content Mgmt System	Marketing	3.20	-	-	-	-	3.20	685.94
106.4	C.EN.VARIOUS	Trenton-NYC	Engineering	-	-	-	-	7.25	7.25	685.94
106.5	C.ME.100871	Amtrak/MARC Joint Program-WAS	Policy & Development	-	-	-	-	0.72	0.72	685.94
106.6	C.TR.201112	On Time Performance and Delay Reporting System	Transportation	0.65	-	-	-	-	0.65	686.59
106.7	C.SP.201105	Sacramento Station Service Tunnel	Policy & Development	-	2.67	-	-	-	2.67	686.59
107	C.EN.201301	PTC AMTRAK SYSTEM - PTC INSTALLATION WAYSIDE (FED)	Engineering	-	1.93	-	-	7.71	9.64	686.59
108	C.PO.101115	2009 ARRA TSGP Operations Package FY11	Police & Security	-	-	-	-	2.11	2.11	686.59
GRAND TOTAL				686.59	94.61	41.07	119.57	144.59	1,086.43	

Summary Metrics

FY09 - FY12 Summary Metrics

	FY09 <u>Actual</u>	FY10 <u>Actual</u>	FY11 <u>Actual</u>	FY12 <u>Budget/Goal</u>
<u>KPIs</u>				
RASM - Core Revenue per Seat Mile (a)	\$0.151	\$0.160	\$0.173	\$0.182
CASM - Core Expenses per Seat Mile (b)	\$0.204	\$0.207	\$0.219	\$0.219
Core (NTS) Cost Recovery Ratio (c)	74.2%	77.5%	79.0%	83.1%
Ridership (000's)	27,167	28,717	30,187	31,385
Passenger Miles per total core employee (000's) (d)	29	31	32	34
On-Time Performance (Endpoint)	80.4%	79.4%	78.1%	85.0%
Customer Satisfaction Index	82	82	81	84
Host Railroad Performance (e)	1,044	934	1,092	900

<u>Other Indicators</u>				
Seat Miles (000's)	12,060,661	12,386,295	12,530,314	12,586,232
Passenger Miles (000's)	5,897,509	6,332,074	6,532,250	6,860,574
Train Miles (000's)	37,150	37,439	37,046	37,580
Average Load Factor	48.9%	51.1%	52.1%	54.5%
Core diesel gallons per train mile (f)	2.2	2.3	2.3	2.3
Seat Miles per total core employee (000's) (g)	60	62	61	63
Customer Injuries	1,966	1,814	1,936	n/a
Equipment - % of Units in Service:				
Locomotive Fleet	82.8%	83.0%	84.0%	85.9%
Passenger Fleet	86.8%	88.3%	87.7%	89.0%
Unadjusted Ticket Revenue (\$000's)	\$1,599,468	\$1,742,991	\$1,891,680	\$2,009,133
Average Ticket Yield	\$0.2712	\$0.2753	\$0.2896	\$0.2929
Average Ticket Price	\$58.88	\$60.70	\$62.67	\$64.02
Core Revenue per Train Mile (h)	\$53.86	\$57.60	\$64.63	\$65.79
Core Expenses per Train Mile (i)	\$69.63	\$72.14	\$78.51	\$77.64
Total Operating Ratio (j)	1.51	1.50	1.48	1.40
Total Cost Recovery Ratio (k)	66.3%	66.8%	67.7%	71.7%
Average cost per gallon of diesel (l)	\$1.85	\$2.24	\$2.76	\$3.11

Notes:

- (a) This is calculated as NTS Total Core Revenue divided by Available Seat Miles to be consistent with the KPI's. This number is Preliminary.
- (b) This is calculated as NTS Total Core Expense less Depreciation and non-cash OPEB's divided by Available Seat Miles. This number is Preliminary.
- (c) This is calculated as RASM divided by CASM. This number is Preliminary.
- (d) Average monthly Passenger Miles divided by year-end headcount.
- (e) Average monthly minutes of delay per ten thousand Train Miles.
- (f) This is calculated as Total Diesel Gallons excluding those used for commuter services.
- (g) Average monthly Seat Miles divided by year-end headcount.
- (h) This is calculated as Total Core Revenue divided by Total Train Miles.
- (i) This is calculated as Total Core Expense less Depreciation and non-cash OPEB's divided by Total Train Miles.
- (j) This is calculated as Total Operating Expenses by Total Operating Revenue.
- (k) This is calculated as Total Operating Revenue divided by Total Operating Expenses.
- (l) This includes net Fuel Hedge.

National Railroad Passenger Corporation (Amtrak)

Budgeted FY12 Data ⁽¹⁾

Dollars in Millions except Contr./Loss per Rider statistics

		Ridership	Revenue	Expense	Allocation of Federally Funded Capital Projects ⁽²⁾	Contr./Loss per Rider	Avg. PM per Core employee (000's) ⁽³⁾	Avg. SM per Core employee (000's) ⁽³⁾
RT01	Acela	3,515,095	\$532.3	\$332.7	\$108.8	\$56.78	27	42
RT05	Regional	7,693,814	\$530.0	\$501.0	\$160.1	\$3.76	32	67
RT99	NEC Special Trains	7,400	\$1.1	\$1.3	\$1.2	(\$17.46)	15	66
	NEC Spine	11,216,309	\$1,063.4	\$835.0	\$270.1	\$20.36	30	57
RT03	Ethan Allen Express	49,105	\$4.1	\$5.2	\$0.6	(\$22.10)	25	62
RT04	Vermont	96,585	\$8.9	\$10.1	\$3.5	(\$11.85)	38	76
RT07	Maple Leaf	442,586	\$26.3	\$30.4	\$5.8	(\$9.40)	60	103
RT09	The Downeaster	555,089	\$12.8	\$13.3	\$2.7	(\$0.90)	47	118
RT12	New Haven - Springfield	387,776	\$11.8	\$22.6	\$2.4	(\$27.76)	21	42
RT14	Keystone Service	1,397,172	\$41.8	\$62.8	\$15.1	(\$15.01)	27	64
RT15	Empire Service	1,092,547	\$42.9	\$65.2	\$9.7	(\$20.48)	28	79
RT20	Chicago-St.Louis	640,039	\$28.3	\$40.0	\$4.9	(\$18.38)	39	79
RT21	Hiawathas	859,460	\$23.4	\$34.7	\$3.3	(\$13.13)	27	70
RT22	Wolverines	544,487	\$22.1	\$38.0	\$5.5	(\$29.21)	43	80
RT23	Illini	311,681	\$14.6	\$19.9	\$3.6	(\$16.86)	41	109
RT24	Illinois Zephyr	233,796	\$13.3	\$19.7	\$2.9	(\$27.37)	27	72
RT29	Heartland Flyer	90,591	\$6.3	\$8.2	\$1.5	(\$20.47)	27	54
RT35	Pacific Surfliner	2,883,636	\$91.5	\$114.6	\$13.0	(\$8.00)	28	83
RT36	Cascades	854,792	\$52.7	\$60.1	\$10.1	(\$8.61)	31	56
RT37	Capitols	1,783,560	\$59.6	\$70.8	\$6.0	(\$6.32)	22	71
RT39	San Joaquins	1,069,467	\$72.5	\$78.2	\$7.8	(\$5.27)	28	64
RT40	Adirondack	129,194	\$12.4	\$12.9	\$1.6	(\$4.31)	43	52
RT41	Blue Water	203,235	\$12.0	\$13.2	\$1.8	(\$5.79)	43	92
RT46	Washington-Lynchburg	158,067	\$8.9	\$5.7	\$1.1	\$19.87	88	141
RT47	New York-Newport News	549,060	\$32.9	\$27.4	\$4.2	\$10.00	55	100
RT54	Hoosier State	37,208	\$0.9	\$5.9	\$1.0	(\$134.91)	13	28
RT56	Kansas City-St.Louis	197,392	\$14.2	\$14.0	\$2.6	\$0.95	37	80
RT57	Pennsylvanian	207,604	\$9.8	\$15.5	\$9.5	(\$27.64)	43	65
RT65	Pere Marquette	110,865	\$6.4	\$7.0	\$1.4	(\$5.08)	34	62
RT66	Carolinian	340,264	\$22.9	\$21.8	\$8.8	\$3.22	64	76
RT67	Piedmont	148,511	\$4.6	\$4.8	\$1.1	(\$1.69)	47	110
RT96	Non NEC Special Trains	43,602	\$1.5	\$1.8	\$0.4	(\$8.50)	96	35
	State Supported Routes	15,417,371	\$659.3	\$823.8	\$131.9	(\$10.67)	34	75
RT16	Silver Star	433,277	\$36.7	\$84.2	\$30.3	(\$109.74)	36	54
RT18	Cardinal	117,664	\$8.4	\$23.8	\$3.4	(\$131.23)	27	47
RT19	Silver Meteor	379,580	\$42.3	\$82.6	\$29.1	(\$106.03)	39	56
RT25	Empire Builder	534,593	\$71.5	\$127.3	\$22.2	(\$104.39)	42	70
RT26	Capitol Limited	237,120	\$22.8	\$44.0	\$8.0	(\$89.48)	37	51
RT27	California Zephyr	393,425	\$56.9	\$108.4	\$18.5	(\$130.91)	40	64
RT28	Southwest Chief	375,631	\$51.0	\$110.6	\$16.9	(\$158.72)	43	59
RT30	City of New Orleans	255,247	\$21.6	\$43.1	\$7.2	(\$84.00)	38	55
RT32	Texas Eagle	311,308	\$28.6	\$55.4	\$9.6	(\$86.00)	45	60
RT33	Sunset Limited	103,796	\$13.7	\$52.4	\$8.1	(\$373.34)	23	43
RT34	Coast Starlight	420,432	\$48.8	\$95.1	\$15.8	(\$110.11)	32	52
RT45	Lake Shore Limited	404,134	\$35.2	\$69.3	\$9.5	(\$84.45)	43	63
RT48	Palmetto	205,714	\$18.6	\$32.4	\$14.6	(\$67.14)	38	75
RT52	Crescent	325,182	\$34.8	\$76.4	\$8.7	(\$127.94)	32	53
RT63	Auto Train	254,554	\$71.1	\$86.5	\$9.5	(\$60.72)	35	51
	Long Distance Routes	4,751,657	\$561.9	\$1,091.6	\$211.2	(\$111.47)	38	58
	National Train Service	31,385,337	\$2,284.6	\$2,750.4	\$613.2	(\$14.84)	34	63
	Non-Allocated Capital ⁽⁴⁾				\$73.4			
	Total Capital				\$686.6			

⁽¹⁾ Budget route results are projected based on APT historical ratios. Expenses exclude net Depreciation, OPEB's, PRJ and Interest.

⁽²⁾ This represents the allocation of Federally Funded Capital Projects to Routes.

⁽³⁾ Employee data is not aggregated by route in Amtrak's Financial Systems. The data presented here is based on an allocation of Core employees based on total costs of each route. PM equals Passenger Miles and SM equals Seat Miles.

⁽⁴⁾ Non-Allocated Capital category includes environmental remediation and commercial projects related to stations.