Amtrak Public Board Meeting

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Welcome and Opening Comments

Amtrak Board Chair Tony Coscia

Good afternoon, everyone.

I'm speaking from Washington, D.C., alongside my fellow Board members and members of the Amtrak Executive Leadership Team.

Whether you're here in person or joining remotely, we appreciate your time, your engagement, and your continued interest in Amtrak.

As always, we're going to begin the meeting with our regular update on the state of Amtrak's business. Members of our executive team will discuss Amtrak's current business performance and how we are delivering greater value to America.

After each update, Board members will have an opportunity to ask questions and engage directly with the executives making those presentations.

I believe these updates will reinforce what many of us already know:

Amtrak has never been stronger as a company than it is today.

At the same time, the Board and management share a responsibility to ensure we are doing everything possible to make Amtrak even stronger in the future.

We believe, and I know many others share this view, that Amtrak has the potential to carry more passengers, provide more service, and deliver even stronger financial performance.

The core idea is simple: build upon the strengths we have already developed and become stronger in ways that make us more accountable, more focused, and more agile as a company.

As many of you know, the Board has been working with management on a preliminary framework that would allow us to capture those opportunities and position Amtrak for long-term success.

Our interim president, **Byl Herrmann**, will discuss this initiative later in the meeting and provide an update on management's progress.

Before we get to that discussion, however, I want to assure everyone of two things.

First, this framework remains preliminary.

There is still a significant amount of work to be done, and no final decisions have been made, although we are optimistic about the opportunities it presents.

Second, the Board wants to hear from the public.

Public input is extremely important as we consider these ideas. We know how deeply our service affects communities, customers, employees, and partners, and we believe it is important to hear a wide range of perspectives on the changes we are considering.

The best way to share your perspective is through the Future of Amtrak website at **Amtrak.com/future**.

We encourage everyone to visit the site, learn more about the initiative, and provide feedback through the online form.

We are also accepting public comments through October 30.

As always, you may submit comments directly to the Board by emailing **publicmeeting@amtrak.com** or by visiting the Board of Directors page on Amtrak.com.

In addition, you will have an opportunity to ask Board members questions during a virtual public meeting focused on this topic.

That meeting will be held in November. Additional details will be announced soon.

With that, and having already introduced the Board members through the roll call, let me once again thank everyone for their continued support of Amtrak.

We will now begin our business presentations.

It is my pleasure to introduce our Chief Financial Officer, **Costin Corneanu** who will provide a financial update.

Costin ...

Financial Update

Costin Corneanu, EVP, Chief Financial Officer

Thank you, Tony, and good afternoon, everyone.

Today, we will review our consolidated performance through July. Before we begin, though, I want to take a moment to thank the entire Amtrak team for what has been a tremendous year.

We are on track to finish the year with record ridership, record revenue, and improved operating results.

While we have faced challenges, including severe winter weather, track outages, and the demands associated with supporting travel during the World Cup, our teams have consistently risen to the occasion. By keeping customers first, they have delivered exceptional performance throughout the year.

So, thank you again to the entire team.

Through July, we delivered an adjusted operating loss of **$424.8 million**, with a negative operating margin of **12.5%**.

Those results represent a **$107.7 million improvement** compared with fiscal year 2025, although they remain **$29.9 million behind plan**.

Continued revenue growth and ongoing efficiency initiatives helped offset higher employee labor, benefit, and operating costs.

On the revenue side, demand remains strong across the network, led by Northeast Corridor and Long-Distance services.

Ridership reached **30.6 million passengers**, an increase of **7.2%** over fiscal year 2025. That growth helped drive total revenue to **$3.4 billion**, a **4% increase** over the prior year.

Improved load factors, favorable ticket pricing, and a **1.5% increase in capacity** enabled us to accommodate additional demand.

These gains, combined with disciplined expense management, including a timely and successful fuel hedge executed earlier in the year, helped keep overall expenses essentially flat year over year.

Operational metrics also improved compared with the prior year. RASM increased **2.4%**, while CASM decreased **1.1%**.

Together, these improvements support our ongoing effort to strengthen financial performance while managing cost pressures.

Capital Spending

Turning to fiscal year 2026 capital spending, we invested **$4.3 billion through July**, which was **4.4% below fiscal year 2025 levels** and **17.4% below plan**.

Our investment strategy continues to focus on maintaining and improving critical infrastructure, particularly bridges, tunnels, and State of Good Repair projects.

Spending remains below both prior-year levels and our annual plan because we fell behind schedule on several projects, including Airo facilities, the NextGen Acela program, and portions of the B&P Tunnel program, primarily due to external delays.

We are actively working to accelerate those projects so that we enter fiscal year 2027 with greater momentum and continue delivering against the growth objectives outlined in our five-year plan.

Within our $4.3 billion capital portfolio, investments are focused on strengthening and modernizing the network.

More than **$1.4 billion** was directed toward bridges and tunnels, supporting projects such as: Hudson Tunnel Project, Connecticut River Bridge, Hudson Yards, B&P Tunnel and Sawtooth Bridge

Another **$900.4 million** was invested in the maintenance and renewal of critical rail assets, including track, catenary, signals, bridges, and fleet maintenance, reinforcing the safety, reliability, and efficiency of our operations.

Additional funding supported fleet modernization and facility-improvement efforts, including: Airo facilities, NextGen Acela, ADA compliance initiatives and station enhancements.

Passenger Operations and Infrastructure

Turning to our business segments, passenger operations remained strong through July.

We reported an adjusted operating loss of **$148.7 million**, representing a **$132.2 million improvement** compared with fiscal year 2025.

Operating margin improved by **491 basis points**, driven by higher ridership and **5% revenue growth**.

Results also exceeded plan by **$7.6 million**, with revenue outperforming plan by **2.5%**.

These results provide a strong foundation as we continue expanding capacity through the rollout of the NextGen Acela fleet.

Our infrastructure business reported an adjusted operating loss of **$276.1 million**.

Results were below fiscal year 2025 levels, primarily due to higher employee labor costs, benefit expenses, and professional-service fees.

We continue to monitor those trends closely, refine our forecasts as necessary, and identify opportunities to improve execution while maintaining our long-term State of Good Repair objectives.

Service Lines

Let me now turn to our service-line performance.

Northeast Corridor

The Northeast Corridor delivered a **27% operating margin**, the highest post-pandemic margin to date and an improvement of **456 basis points** over the prior year.

Revenue increased **6.3% year over year**, while ridership surpassed **13 million riders**.

Although labor and benefit costs increased, those pressures were largely offset by savings across salaries, advertising, and other operating expense categories.

The NEC remains on a strong trajectory, with solid financial momentum, excellent returns, and disciplined execution.

State-Supported Services

Within our state-supported network, we reported an adjusted operating loss of **$228.9 million**, a decline of **$17.3 million** compared with fiscal year 2025.

That resulted in a **172-basis-point decrease in operating margin**.

Revenue increased **2% year over year**, while ridership grew **10%**, driven by strong demand on routes such as Pacific Surfliner, Ethan Allen Express, and Chicago–St. Louis.

Ticket revenue increased **11.1%** versus the prior year.

However, those gains were partially offset by higher fuel and power costs, as well as weaker overall revenue performance in certain areas.

On the expense side, higher employee labor and benefit costs continued to pressure results.

Despite those headwinds, disciplined cost management limited expense growth to **3.4%**, while capacity increased **4.5%** compared with fiscal year 2025.

Long-Distance Services

Finally, our Long-Distance business delivered an adjusted operating loss of **$449.9 million**, representing a **$71.8 million improvement** compared with the prior year.

While capacity declined slightly, revenue per available seat mile (RASM) increased **11.8%**, reflecting stronger demand and yield performance.

Several routes posted year-over-year improvements, including California Zephyr, City of New Orleans and Coast Starlight.

Expenses remained essentially flat compared with the prior year, driven primarily by savings in salaries and ancillary business activities.

Overall, these results demonstrate positive momentum as we approach the end of the fiscal year.

With that, I would be happy to take questions from the Board.

Board Q&A Discussion with Costin Corneanu on Amtrak's Financial Performance

David Capozzi: I think I asked this question last time. You mentioned that Northeast Corridor operating performance improved by roughly $82 million compared with the prior year. Can you break that down between Northeast Regional and Acela?

Costin Corneanu: Certainly. From a ridership perspective, the improvement is heavily weighted toward Northeast Regional service rather than Acela.

We did not experience a substantial Acela capacity increase because we are simultaneously introducing new equipment and retiring legacy equipment.

However, from a revenue standpoint, because Acela is a premium product with higher yields, the approximately $80 million improvement was split almost evenly, with roughly half attributable to Northeast Regional service and half attributable to Acela.

David Capozzi: One follow-up.

How many legacy Acela trainsets are currently operating, and how many NextGen Acela trainsets are in service?

Costin Corneanu: We currently have six legacy Acela trainsets operating and sixteen NextGen Acela trainsets in service. By October 1, the start of the new fiscal year, we expect to be operating eighteen NextGen Acela trainsets while continuing to phase out the legacy fleet as deployment progresses.

Joel Szabat: First, I want to thank the team that had the foresight to put the fuel hedge in place at the beginning of the year.

I have a two-part question.

First, how much has the fuel hedge saved Amtrak?

Second, with that hedge expiring, what kind of headwinds should we expect in FY27? And what other major financial headwinds should we be thinking about?

Costin Corneanu: Joel, thank you for the question.

From a fuel-hedging perspective, we hedged virtually all fuel volumes under Amtrak's control.

Some state partners chose not to participate in hedging, and therefore they experienced the full impact of fuel-price increases. That is one of the factors affecting state-supported financial performance this year.

Overall, the hedge allowed us to avoid just under **$40 million** in additional fuel costs during fiscal year 2026.

It is also one reason our unit-cost performance compares favorably with the airline industry, which has experienced much greater volatility.

The current hedge runs through September 30. After that, we enter fiscal year 2027 without a hedge in place.

We evaluate market conditions daily. As of this morning, fuel prices had increased again and were trading at just over **$100 per barrel**.

The estimated headwind for FY27 currently exceeds **$50 million**, although those numbers continue to change as market conditions evolve.

We have sophisticated modeling around fuel risk, and we will continue looking for opportunities to hedge when market conditions make sense.

At the moment, however, we do not believe conditions are favorable.

As for other headwinds, medical benefits remain one of our largest concerns.

Across the United States, healthcare costs continue to rise. We are seeing increases driven by more expensive medical procedures as well as growing utilization of GLP-1 medications.

While we continue to believe some of those treatments may generate long-term health benefits, we have not yet seen those savings materialize.

Healthcare expenses will remain a significant headwind in FY27.

In addition, we expect more construction outages on the Northeast Corridor as we accelerate major projects and work to bring delayed initiatives back on schedule.

While that work will create long-term value, it will place short-term pressure on operations.

Finally, deployment of the NextGen Acela fleet remains extremely important.

Even though the program remains delayed, maintaining the current deployment schedule will allow us to retire legacy equipment, reduce parts inventories, and eliminate significant mechanical overtime associated with keeping old equipment in service.

So there is a great deal of work ahead of us in fiscal year 2027.

Joel Szabat: Thank you.

Paul Nissenbaum: Costin, of all the positive results we've seen this year, I think the performance of the long-distance business may be the most impressive.

Given the improvement we've seen despite capacity constraints, inflation, healthcare costs, and all the other headwinds, do you attribute that primarily to pricing and revenue management, or are there other factors driving the improvement?

Costin Corneanu: That's a great observation, Paul. There are two areas I'm particularly proud of.

The first is our operations team. They have done an extraordinary job deploying capacity with a fleet that is both aging and approaching the end of its useful life. Maintaining reliability under those conditions has been an impressive accomplishment.

The second area is our pricing and revenue-management team, which Dev will discuss in more detail. They have become increasingly effective at optimizing pricing, particularly around sleepingcar accommodations and roomettes, while also maximizing demand in coach service. That work has contributed significantly to growth, and as we continue improving the product itself, it creates opportunities to further reduce operating losses.

Paul Nissenbaum: My second question is whether these improvements are sustainable before new fleet equipment begins arriving. Even if growth slows, can we maintain the current level of performance?

Costin Corneanu: That is absolutely our goal. At this point, inflation is relatively predictable, and roughly half of our P&L is influenced by collectively bargained labor agreements, which gives us visibility into future costs. General inflation has stabilized substantially over the past several years, giving us greater confidence as we look toward the end of the decade.

Combined with what we are seeing from pricing and revenue management, we believe we can offset cost growth, maintain current performance levels, and hopefully continue making incremental improvements.

Paul Nissenbaum: Thank you.

Costin Corneanu: Thank you. And with that, I'll turn it over to **Dev Koushik** for a commercial update.

Commercial Update

Dev Koushik, Interim Chief Commercial Officer

Good afternoon, everyone. I'll begin with a review of ridership performance through July of fiscal year 2026.

The fiscal year continues to set new ridership records. Through July, ridership exceeded last year's performance by **2 million passengers**, representing growth of nearly **7%**. Ridership also finished approximately **312,000 riders ahead of plan**, or roughly **1% above forecast**.

These results reflect strong demand across the network despite operational challenges associated with Northeast Corridor track outages and delays in the NextGen Acela rollout.

Several factors contributed positively to our performance.

First, demand fundamentals remain strong throughout the network.

Service restorations on California state-supported routes accounted for nearly **70% of the one-million-rider increase** within the state-supported business line.

In addition, strong growth in Northeast Regional ridership more than offset limitations created by constrained Acela capacity.

Commercial initiatives also contributed meaningfully to performance. These efforts included adaptive schedule planning, targeted marketing campaigns, onboarding programs, win-back initiatives, and personalized customer-lifecycle engagement strategies. Together, these programs helped attract new riders, encouraged repeat travel, and strengthened customer engagement.

At the same time, several headwinds affected performance. These included delays in the NextGen Acela rollout, infrastructure outages related to Portal North Bridge and Penn Station Access, heat-related service disruptions on the Northeast Corridor, and reduced long-distance capacity resulting from fleet constraints.

Looking ahead, the outlook remains favorable. We currently forecast revenue performance to finish approximately **2.6% above plan**, driven by continued strong demand across the network.

While capacity limitations remain our most significant challenge, our focus remains on maximizing available capacity and minimizing the impact of those constraints wherever possible.

Ridership by Service Line

Compared with the prior year, ridership increased across all three service lines.

Northeast Corridor ridership rose **6.2% year over year**, driven primarily by Northeast Regional service. Acela ridership continues to face pressure from capacity constraints associated with track work and delayed deployment of NextGen Acela trainsets. Even so, a strong July performance helped push ridership **1.7% above plan**.

State-supported services continue to produce the strongest growth among our service lines, with ridership increasing **10% year over year**. California routes generated the largest gains because of increased service frequency. At the same time, Cascades, Empire Service, and Virginia routes faced headwinds related to equipment availability and construction work that constrained capacity.

Long-distance services posted more modest growth of **1.2% year over year**, but customer demand remained resilient and interest in key routes remained strong. Overall, demand across all three service lines remains healthy despite ongoing capacity constraints.

Customer Satisfaction Index (CSI)

Turning to customer satisfaction, CSI is now reported separately for:

- Blue-Sky trips (on-time experiences)
- Non-Blue-Sky trips (delayed experiences)

This provides a clearer understanding of how customers view their travel experience under different operating conditions.

Through July, both categories remained above plan.

Blue-Sky CSI exceeded plan by **0.1 points**, while Non-Blue-Sky CSI exceeded plan by **1.2 points**.

Despite seasonal pressures, including severe weather, extreme heat, and increased summer travel volumes, customer satisfaction remained strong. Improvements in proactive communications, delay notifications, and technology enhancements helped mitigate service disruptions and support customer satisfaction.

Blue-Sky CSI continued to outperform plan, although performance softened slightly during the third quarter and the first month of the fourth quarter because of crowding, service disruptions, and summer travel demand. Even under those conditions, customers continued to report strong satisfaction with employee interactions, cleanliness, and onboard experience.

Ongoing investments in customer experience, enhanced cleanliness programs, disruption communications, and deployment of NextGen Acela equipment all contributed positively to year-to-date performance.

Looking ahead, we expect modest declines in both Blue-Sky and Non-Blue-Sky CSI during August and early September due to seasonal travel demand and operational pressures.

Even so, CSI remains on target through July, with both categories outperforming plan.

Those results reflect the impact of strong frontline service, effective communication, and our continued focus on customer experience.

With that, let's take a closer look at service-line-level CSI performance.

Customer Satisfaction Index (CSI) by Service Line

Let's take a closer look at customer satisfaction performance across each service line.

Northeast Corridor

On the Northeast Corridor, Blue-Sky CSI finished slightly below plan and below prior-year levels. Performance was affected by severe weather, extreme heat, and increased crowding during the third quarter and the first month of the fourth quarter.

Despite those challenges, overall customer satisfaction remained strong. Customers responded positively to improvements associated with the NextGen Acela fleet, onboard amenities, train interiors, and, most importantly, the performance of our frontline employees.

Consistently strong ratings for onboard and station personnel continue to be one of the defining strengths of the Northeast Corridor experience.

State-Supported Services

Within our State-Supported services, Blue-Sky CSI outperformed plan and was generally consistent with last year's performance.

More than two-thirds of state-supported routes finished at or above plan, led by particularly strong results on Capitol Corridor, Maple Leaf and Hiawatha. Customers cited onboard cleanliness, comfort, employee service, and food-and-beverage offerings as key drivers of satisfaction on these routes.

Long-Distance Services

Long-Distance routes also exceeded plan, although results finished slightly below the exceptionally strong performance recorded last year.

Nearly three-quarters of long-distance routes finished at or above plan. Top-performing routes included Auto Train, Crescent and California Zephyr.

Onboard service and employee interactions remain major strengths across the long-distance network. We are also seeing positive results from ongoing investments in onboard cleanliness and overall customer experience.

Non-Blue-Sky CSI

Turning to Non-Blue-Sky CSI, which measures customer satisfaction during delayed trips, performance exceeded plan across all three service lines.

Results were at or above prior-year levels everywhere except the Northeast Corridor, where performance was slightly lower than last year.

Across all service lines, two factors continue to drive Non-Blue-Sky satisfaction more than any others – On-time performance and communication during service disruptions.

Even when delays occur, customers respond positively when we provide timely, accurate, and consistent information.

Although severe weather and seasonal operating challenges affected performance during the year, improvements in customer communication helped reduce the impact of disruptions.

On the Northeast Corridor, customers experienced significant heat-related service disruptions during the third quarter and the first month of the fourth quarter. However, mitigation efforts and proactive communications helped minimize the effect on customer satisfaction scores.

State-Supported routes also experienced pressure from summer heat and increased crowding during July. Even so, year-to-date performance remains strong.

Long-Distance routes continued to perform particularly well, remaining significantly above plan and near prior-year levels. Strong results were driven by routes such as Southwest Chief, Coast Starlight, Auto Train and California Zephyr. High-quality onboard service continues to distinguish these routes despite seasonal operating pressures.

Overall CSI Performance

Across all service lines, the pattern remains consistent.

Blue-Sky performance has remained stable despite seasonal operational challenges, while Non-Blue-Sky performance continues to significantly outperform plan.

Together, these results demonstrate the importance of two things:

First, delivering exceptional frontline service when operations are running smoothly.

Second, providing clear, timely, and effective communication when operations do not go as planned.

Both are essential to maintaining customer trust and satisfaction.

With that, I will turn it over to **Gery Williams** for an operations update.

Operations Update

Gery Williams, EVP, Chief Operations Officer

Thank you, Dev. Good afternoon, everyone.

I am Gery Williams, Executive Vice President and Chief Operating Officer for Amtrak.

Today, I will provide an update on customer on-time performance.

Through July, customer on-time performance closed at **66%** for the month, bringing fiscal year 2026 year-to-date performance to **74.8%**. That is **1.3 percentage points better than fiscal year 2025**.

While performance has improved compared with last year, it remains **5.2 percentage points below plan**, highlighting the work that still remains to achieve our long-term goals.

The improvement over the prior year has been driven primarily by reductions in Amtrak-caused delays, which are down approximately **28% year over year**.However, those gains have been partially offset by increases in host railroad and third-party delays, which continue to place pressure on performance across all service lines.

While we are encouraged by the progress we've made, sustained improvement will require continued focus on reducing delays within Amtrak's control and strengthening collaboration with our host railroad partners to address external sources of delay.

Service Line Performance

All three service lines are performing better than they were a year ago.

The Northeast Corridor improved by one percentage point to **76%**.

State-supported services improved by one percentage point to **79%**.

Long-distance services improved by four percentage points to **57%**, representing a **7.5% year-over-year improvement**.

The Northeast Corridor remains our largest opportunity for improvement.

Performance reached strong levels during the spring but declined to **68% in July** because of summer operating conditions, severe weather, infrastructure work, fleet-reliability challenges, and congestion across the corridor.

As a result, NEC performance remains approximately five points below plan.

State-supported services continue to perform near goal despite difficult summer conditions.

Year-to-date performance stands at **79%**, approximately one point below plan and one point above last year.

July performance declined to **71%**, driven primarily by underperformance on the Pacific Surfliner, which recorded on-time performance of **69%** and contributed more delayed customers than any other state-supported service during the month.

Increased third-party delays also affected performance throughout the network.

The Downeaster was the only state-supported route that achieved its on-time performance goal during July, finishing at **83%**.

Long-Distance Performance

Long-Distance services have posted the largest year-over-year improvement, increasing from **53% to 57%** customer on-time performance.

However, performance remains well below our long-term target of **70%**, with July performance declining to **38%**.

Host railroad interference, heat-related speed restrictions, and network congestion were the primary drivers of that decline.

We continue to push ourselves to deliver more reliable service for long-distance customers, and the 70% target reflects that commitment.

Through July, only two routes met that standard – Palmetto and Lake Shore Limited.

We still have considerable work ahead of us, and we will need strong partnership from host railroads if we are going to meet customer expectations consistently.

Monthly Performance Trends

Looking at the month-to-month trend, customer on-time performance achieved record levels during the first quarter, declined during the winter months, rebounded strongly in the spring, and then faced significant pressure during the summer operating season.

Following a strong April performance of **80%**, customer on-time performance declined through June and reached **66% in July**. Extreme heat, weather-related operating restrictions, infrastructure work, and network congestion all contributed to those challenges across much of the country.

At the time this Board report was finalized, Amtrak's August month-to-date customer on-time performance was tracking at **68%**.

Since then, performance has improved by approximately three percentage points, reaching **71%**, driven primarily by stronger Acela performance and improving reliability on the Northeast Corridor.

In fact, I am pleased to report that, through yesterday, **Acela service was operating at 88% on-time performance for September month-to-date**, while **Northeast Regional service was operating at 81%**.

Those are encouraging signs that the steps we have taken are beginning to produce results.

Host Railroad Delays

Turning to host railroad performance, host railroad-caused delays currently stand at approximately **14 minutes per 10,000 train miles**, representing a modest increase over the prior year.

Among our state-supported routes, the strongest performance in terms of host railroad delays came from Pennsylvanian, Piedmont and Downeaster.

Among long-distance routes, the strongest performance came from California Zephyr, Silver Meteor and Palmetto. These services experienced the lowest levels of host railroad-caused delay year to date.

Train Consist Fulfillment

Turning to customer train consist fulfillment, performance has remained relatively steady at approximately **91%**.

While July declined slightly to **89%**, compared with **91% in June**, year-to-date results remain stable.

This metric continues to demonstrate just how constrained our fleet capacity remains.

Even with those pressures, the organization has done a strong job of maintaining consist fulfillment and meeting customer demand wherever possible.

With that, Dev and I would be happy to take questions.

Board Q&A Discussion with Dev Koushik and Gery Williams on Amtrak's Commercial and Operations Performance

Charger Locomotive Availability

Christopher Koos: Gery, we've had issues recently with the state-supported Charger locomotives, and I know we are in the middle of a remediation effort. The situation has certainly affected ridership and service in the Midwest, particularly in my home state of Illinois. Can you tell us where we stand?

Gery Williams: Thank you, Chris.

First, let me say how much we appreciate the patience and support of our state partners and our customers throughout this situation.

About three to four weeks ago, we saw a trend that became increasingly concerning. We already had four locomotives scheduled for federally required air-brake work. We had attempted to pull that work forward earlier in the year, but parts availability prevented us from doing so.

At the same time, we began seeing an increase in significant locomotive failures associated with known reliability issues that Siemens has been working aggressively to address.

As a result, we found ourselves with six locomotives out of service, some undergoing air-brake work and others waiting for parts.

We recognized that we would not be able to sustain the planned level of service, and we implemented temporary service reductions.

Originally, we anticipated those service reductions would remain in place for approximately two weeks. Fortunately, we were able to restore portions of the service sooner than expected as parts became available and locomotives returned from maintenance.

When this issue emerged, we established a structured 90-day response plan. The first 30 days were focused on stabilization. The second 30 days are focused on recovery. The final 30 days will focus on sustaining performance.

We created a task force that included representatives from Transportation, Network Operations, Mechanical Operations, State-Supported Services, State Partners and Siemens.

We now conduct daily reviews of the Charger fleet, including locomotives operating in the Midwest, California, and the Pacific Northwest.

In addition, we hold weekly executive reviews. I personally participate in those reviews and walk through the status of the entire fleet.

When this issue first emerged, Charger availability had fallen to approximately **55%**.

Within a week and a half, we improved availability to roughly **70%**, and we have maintained that level for most of the recovery period.

Unfortunately, yesterday we experienced another setback and once again found ourselves holding six locomotives for parts.

We continue working very closely with Siemens to address parts availability and improve long-term reliability.

Although yesterday's event was disappointing, we remain focused on stabilizing the fleet and moving forward with the recovery plan.

Overall, I have been very encouraged by the efforts of our employees, state partners, and Siemens in responding to this challenge.

Long-Distance Expansion and Host Railroads

Elaine Clegg: Gery, we're seeing improved on-time performance in long-distance service, although we are still well below where we would like to be. As the Board begins discussing potential service growth and possible long-distance expansion, what have we learned during the past year from our work with host railroads that gives you confidence we can improve reliability on existing routes while supporting future expansion?

Gery Williams: One of the most important things we have learned is that improvement is possible when everyone is actively engaged.

Norfolk Southern demonstrated that very clearly. We saw significant improvement in their territory, largely because of their direct involvement and focus on on-time performance. While performance has varied over time, it remains stronger than it was historically.

Beginning later this year, we plan to initiate another round of meetings with host railroads focused specifically on service reliability and on-time performance. We expect those discussions to begin in October.

Many of those conversations will focus on areas such as schedule development, capacity planning, operational coordination, and performance accountability.

The objective is simple: determine how we can operate more reliable service for our customers while working collaboratively with our host railroad partners.

Summer On-Time Performance

Joel Szabat: Gery, I'd like to build on that question. If you look at the September numbers, they suggest that outside of the hottest summer months, On-Time Performance is actually fairly strong on both the Northeast Corridor and state-supported routes. What can we do next year, beyond simply hoping for cooler weather, to improve performance during the summer?

Gary Williams: There are several things. First, as you mentioned, Northeast Corridor performance improved for two reasons. The heat subsided, and the reliability of the NextGen Acela fleet improved significantly.

As I mentioned during our last Board meeting, Alstom implemented a number of software updates during August. We are already seeing meaningful improvements in fleet performance as a result.

When Acela performs well, the entire Northeast Corridor tends to perform better. Maintaining that reliability is absolutely critical. We also need to apply lessons learned from the NextGen Acela rollout to Airo deployment and future fleet introductions.

The second challenge is managing extreme heat. Both my team and Laura Mason's team are actively evaluating ways to better respond to heat-related restrictions and operational impacts, particularly on the Northeast Corridor. We are also working closely with our host railroad partners to understand how they address similar issues on their networks.

Finally, communication remains important. Over the past year, we have become much more proactive in communicating with customers before and during heat-related operating periods.

When we know travel times may be affected by temperature-related restrictions, we need to communicate that clearly and set realistic expectations. That has helped improve the customer experience even when operations are under stress.

Customer Satisfaction, Capacity Constraints, and NextGen Acela Deployment

Joel Szabat: Gery, thank you. Dev, I'd like to ask you a question about customer satisfaction.

In your presentation, I noticed that when comparing the Northeast Corridor and State-Supported services on an apples-to-apples basis, customer satisfaction scores on State-Supported routes appear somewhat higher, particularly in the Non-Blue-Sky category.

Why are customers generally reporting higher satisfaction on delayed state-supported trains than they are on delayed Northeast Corridor services?

Dev Koushik: At the end of the day, communication matters, especially during disrupted trips.

One of the things we have invested heavily in is improving communication with customers and working closely with our state partners to ensure customers receive timely, accurate information throughout their journey. That work has had a positive impact on Non-Blue-Sky customer satisfaction. We are continuing to make similar investments on the Northeast Corridor as well.

I don't necessarily see this as a problem specific to the NEC. Rather, I think we have done a particularly strong job partnering with our State-Supported service teams and state sponsors to communicate effectively during disruptions.

The second factor relates to some of the operational challenges Gery mentioned earlier.

During June and July, on-time performance challenges on the Northeast Corridor affected customer experience in ways that were not always present on State-Supported routes. Gery's team, Laura [Mason's Capital Delivery] team, and my team are working closely together to determine whether there are opportunities to adjust service plans during the summer months to better manage those impacts.

That includes looking at service frequencies, scheduling patterns, travel times, and other approaches that can help reduce overcrowding and improve customer experience during peak demand periods.

We also need to recognize that the World Cup generated extraordinary ridership demand on the Northeast Corridor. We experienced levels of crowding and capacity pressure that are not typical in many markets.

That additional demand had an impact on both Blue-Sky and Non-Blue-Sky customer satisfaction performance. Taken together, those factors help explain some of the differences between the Northeast Corridor and state-supported services.

NextGen Acela Deployment

David Capozzi: Dev, earlier you mentioned that delays in the NextGen Acela rollout have contributed to capacity constraints. Costin also noted that we currently have 16 NextGen Acela trainsets in service and expect to have 18 operating by October. When do you expect the NextGen Acela fleet to be fully deployed?

Dev Koushik: Based on our current service plan, we expect full deployment of the NextGen Acela fleet by August 2027.

The rollout will continue in stages. We expect to have approximately:

- **21 trainsets in service by February 2027**
- **24 trainsets in service during the April-May 2027 timeframe**
- **28 trainsets in service by August 2027**

At 28 trainsets, we will have achieved full deployment of the fleet.

All of us are looking forward to that milestone because Acela remains one of our strongest service lines from both a customer and financial perspective.The additional capacity will allow us to serve more customers, improve operational flexibility, and drive further revenue growth.

Joel Szabat: Dev and Gary, thank you both.

Dev Koushik: With that, I'll turn the meeting over to **Laura Mason** for our Capital Delivery update.

Capital Delivery

Laura Mason, EVP, Capital Delivery

Laura Mason: Thank you.

Capital Delivery continues to execute one of the largest infrastructure investment programs in our history. While we face the execution challenges typical of a program of this scale, we are continuing to deliver critical milestones and advance projects that will strengthen reliability, capacity, and resilience on the Northeast Corridor for decades to come.

One of our most significant achievements this quarter was the successful return of East River Tunnel Line 2 to service on August 17. This milestone reflects far more than simply reopening a tunnel. It is the culmination of years of work, and it demonstrates our ability to safely execute highly complex rehabilitation work while maintaining service across one of the busiest rail corridors in this country.

With Line 2 back in service, our crews have already shifted to infrastructure hardening and are working on the infrastructure around the tunnels to maintain service as we prepare to close Line 1 on November 6. Just as importantly, we will take the lessons learned from Line 2 and incorporate them into our plan for Line 1.

We have engaged an outside independent consultant to help us evaluate that work. We have partnered across our company and with the Long Island Rail Road to ensure that all lessons learned from Phase 1 are incorporated into the next phase. We will do so to position ourselves to deliver Phase 2, the rehabilitation of Line 1, more efficiently, with lower risk, and, hopefully, at greater speed.

The next project I'd like to highlight is the B&P Tunnel.

Major work is advancing as we prepare to realign the Northeast Corridor south of the future tunnels. In particular, we have completed a new 345-foot-long tunnel underneath the existing Northeast Corridor for the relocation of utilities.

This is a significant achievement in terms of enabling work. We have also advanced the foundations of the new Mulberry Street Bridge, all of which is critical enabling work.

While some of these activities may not always be visible to the public, they are essential to ensuring future construction and keeping this critical program on schedule. Every step we take today brings us closer to the major milestone of launching our tunnel boring machines in 2028.

Stepping back and looking at performance against plan, **capital spending year to date was approximately $727 million below plan, or 18%, although we are forecasting some recovery by the end of the year.**

The primary drivers of this underspend continue to be execution delays related to securing grants and partner agreements, as well as some resequencing of work, particularly on our Airo fleet. We made those changes to de-risk the launch, applying lessons learned from the NextGen Acela program.

While we are not satisfied with this variance, **it is important to recognize that the overall program continues to expand. This spending still represents a 12% increase over where we were last year.**

Our leadership team remains intensely focused on accelerating execution, removing bottlenecks, and converting historic funding into meaningful, visible results for our customers.

The next area I would like to highlight is the progress we are making on our electric traction system, also known as our overhead catenary system. This truly is the backbone of the Northeast Corridor. It powers all train movements between Boston and Washington, D.C.

We achieved several major funding wins that will help strengthen the corridor and improve reliability for decades to come.

We received a $397.2 million grant for the Zoo-to-Paoli project, which will replace 10 miles of catenary that is more than 100 years old.

We also received an $80 million grant for the reconstruction of Substation 41, which is located in the floodplain in New Jersey and is a critical piece of infrastructure to replace in order to improve resiliency on the corridor's approach to New York.

Again, this is the busiest section of the Northeast Corridor, which itself is the busiest railroad in the country.

Finally, I'd like to highlight a $13 million grant for the design of the County-to-Newark catenary upgrades, which will modernize our overhead power systems in New Jersey.

These investments target infrastructure that is more than 100 years old and represents a key bottleneck to improving reliability and speed on the corridor.

We are particularly excited about these projects and thank our partners at NJ TRANSIT, SEPTA, and the Federal Railroad Administration for helping us reach the point where we can launch this critical work.

I am also very excited to discuss the launch of Airo service. We will launch Airo into revenue service this fall, and I want to stress that Airo is much more than the introduction of new trains. It is the beginning of a modern customer experience supported by a purpose-built operating and maintenance program.

Travelers will experience a more modern, comfortable, and connected journey as Airo trains roll across our network.

The initial deployment will be on the Cascades route in the Pacific Northwest and will mark the beginning of a broader fleet transformation.

Training programs are progressing well, with operational-readiness activities underway and on track. This is particularly true at our Seattle yard, where we are preparing to manage a mixed fleet and ultimately transition to a fully Airo fleet on Cascades next year.

The last area I would like to highlight is our upcoming outage for Portal North Bridge.

This project is led by our partner, NJ TRANSIT, but we are an active partner in bringing this bridge into service.

Earlier this year, we shifted westbound traffic onto the new bridge. This fall, we will move the remaining service onto it, which will enable demolition of the existing bridge next year.

The transition will begin with a 37-day outage this fall. Additional details and customer impacts will be announced in partnership with NJ TRANSIT next month.

What I would like to highlight for the Board, however, is how we are using this outage to advance work across the corridor.

By coordinating multiple projects during the same outage window, we are maximizing productive work while minimizing future disruptions for our passengers.

During this period, we will install the Veltre Interlocking in the northern part of our network. We will partner with Connecticut DOT on its WALK Bridge replacement. Penn Station Access will take advantage of the reduced service period, and we will also work on the Susquehanna River Bridge, the First Street Tunnel in Washington, D.C., and Virginia's Long Bridge project.

All of this activity will take place within the same 37-day period.

I believe this reflects a real maturation of our planning and execution processes. We are now able to accelerate this many projects simultaneously, benefiting customers while reducing future disruptions and advancing a historic capital program.

In closing, our team continues to make meaningful progress across the portfolio. We are completing major rehabilitation work, advancing transformative projects, and modernizing our fleet.

While challenges remain, our focus is clear: deliver safely, execute efficiently, and turn unprecedented investment into real value for our customers.

With that, I would be happy to take any questions. Thank you.

Board Q&A Discussion with Laura Mason on Amtrak's Capital Delivery Progress

Airo Fleet, Long-Distance Procurement, and East River Tunnel Lessons Learned

Elaine Clegg: Thanks, Laura. It is great to hear about all of these projects. The Pacific Northwest is very excited about the Airo trains. I can tell you that I have talked to a lot of people who are really looking forward to seeing them enter service.

I have a couple of questions about fleet.

The first has to do with Airo. What have we learned from the NextGen Acela program that we are applying to Airo as we deploy those trains? I'm thinking about commissioning, training, and the overall rollout process.

Laura Mason: As I alluded to earlier, we have changed some of our approach with the manufacturer.

We have pushed the manufacturer to complete more of the work at its own production facility, particularly field modifications, or FMIs. Those are changes identified after production that need to be completed before a trainset enters service.

By keeping that work at the manufacturer's facility, where the necessary tools, equipment, and expertise are readily available, we have reduced risk. It has slowed some of our capital spending, as you saw in the earlier numbers, but I believe it will result in a smoother launch.

One of the challenges we experienced with NextGen Acela was a mismatch between when we projected trainsets would be ready for revenue service and when they actually were ready.

We have taken those lessons and applied them to Airo to ensure we receive a higher-quality product from the factory. That should lead to a smoother launch and a more predictable ramp-up into service.

We have also learned a great deal about training.

We are making sure our mechanical teams are prepared to maintain this new fleet, with training programs and materials in place before launch. We are also ensuring that engineers, dispatchers, and transportation teams understand how to operate and troubleshoot the equipment so they can deliver reliable service from day one.

We are confident we have learned a great deal. I am sure we will continue to learn during deployment in the Pacific Northwest. Looking ahead, we will apply those lessons in the Northeast Corridor, where we expect to launch Airo in late 2027.

Elaine Clegg: Thank you. It sounds like both our State-Supported services and our Northeast Corridor services will benefit from that experience.

Let me move to the next procurement we are working on, which is the long-distance fleet procurement.

Given the age of our existing fleet and the opportunities some of us see to expand long-distance service in the future, what has the staff done to accelerate this procurement? And how are we ensuring that lessons learned from NextGen Acela and Airo are reflected in the process?

Laura Mason: Because this is an active procurement, there are limits to what I can discuss. However, I will focus on two areas.

First, we have incorporated extensive lessons learned into how we are conducting the procurement itself. That includes how we structured the RFP, the level of engagement we have had with respondents, and how we have organized the process overall.

Our goal is to ensure suppliers can submit strong, compliant proposals that we can evaluate efficiently and effectively.

I believe we have done the necessary upfront work so that we can move through the evaluation process more quickly and reach award faster than we have in past procurements. It remains a highly competitive procurement, and we are excited to receive multiple bids at the end of this month.

Second, we have focused on improving the evaluation process itself. That includes working closely with the Federal Railroad Administration on the business-case requirements and approval processes that will follow once equipment is selected. Together, those efforts should help us move from proposal evaluation to contract award more efficiently than we have in the past.

Robert Gleeson: Thank you. I'd like to see the new Airo trains in Pennsylvania sooner rather than later. That's not a question, just a comment.

How is the retail program at 30th Street Station progressing? Is it ready to open?

Laura Mason: We are working hard on 30th Street Station. As many of you who have been through the station recently have seen, it is beautiful. The concourse has been transformed. We expect the South Concourse to open this fall, and we anticipate bringing retail tenants into the space in early calendar year 2027.

Paul Nissenbaum: Laura, it looks like you are taking good advantage of the Portal North outage by piggybacking all of these additional projects. How far in advance did you know that outage was coming? Looking forward, what is the best practice for outage planning so you can align resources and coordinate service plans with all of the operators involved?

Laura Mason: Ideally, we would like visibility into major outages about three years in advance. That amount of notice gives us enough time to procure long-lead materials, plan force-account resources, and coordinate projects that may be able to take advantage of the outage.

For example, the Veltre Interlocking work planned during this outage, as well as the state-of-good-repair work we completed at New York Penn Station during prior outages, required turnouts with lead times of 18 to 24 months.

Our goal is to have a clear picture of major outages at least three years ahead of execution. As we get closer to implementation, we refine the details. About a year in advance, we want clarity regarding the exact track outages required, the duration of those outages, service mitigation plans, partner coordination efforts, and customer-impact mitigation strategies.

WALK Bridge is a good example. Although that project came to us relatively late, we were able to coordinate with Connecticut DOT so that WALK Bridge, Portal North Bridge, and Penn Station Access work could all align with one another.

As I mentioned earlier, Penn Station Access has been able to take advantage of these work windows, particularly during the WALK Bridge outage, when service reductions created opportunities to accelerate construction by providing longer track outages.

In summary, three years is the ideal planning horizon.

About one year in advance, we move into the detailed execution phase. We are getting much better at that process. We are not where we want to be yet, but I will say that for FY27 we have significantly greater visibility into the outages planned for 2027, 2028, and 2029 than we had at this time last year.

Christopher Koos: Laura, could you talk about lessons learned from the first phase of the East River Tunnel rehabilitation that we can share with our state partners?

Laura Mason: Certainly. As I mentioned, we brought in an independent consultant to provide an objective assessment and identify opportunities for improvement. We have also relied heavily on our own teams, who have been learning throughout execution.

Several key lessons emerged. The first is the importance of field execution teams truly owning the schedule and managing it on a day-to-day basis to ensure contractors and Amtrak personnel remain aligned.

We also now have much better information about actual field conditions. There is a limit to how much destructive testing can be conducted while the tunnel remains in service, so we entered the Line 2 outage with a number of unknowns. Since then, we have closed many of those knowledge gaps and identified additional surveys and investigative work that we will complete during the hardening period.

We also learned important lessons regarding demolition.

The contractor encountered concrete conditions that varied significantly in hardness, and some of the tools originally planned for the work proved ineffective.

For Line 1, we will bring larger and more powerful equipment to the site from the beginning and modify the demolition sequence to accelerate production.

We are also changing how readiness work is sequenced.

Rather than waiting, we will move follow-on preparation activities much closer behind demolition and break the work into smaller segments so restoration activities can begin earlier.

One tangible example involves the track itself.

During the first phase, we removed systems and track to provide the contractor with a completely clear tunnel.

For the next phase, we plan to keep track in place longer so contractors can use rail-mounted equipment for mobilization and debris removal. That should significantly improve productivity.

Another key lesson concerns the design of the overhead catenary system.

The original design required more ceiling demolition than expected to create the necessary clearances. During demolition, we discovered many more voids and cavities within the tunnel structure than anticipated.

These conditions were not structural concerns, but they created additional work and extended schedules.

As a result, we are working with the designer to reduce the amount of ceiling demolition required and front-load that work earlier in the outage. That should also improve cleaning and restoration efforts later in the process.

Those are just a few examples.

The draft lessons-learned report is more than 190 pages long, so I am certainly not doing it full justice, but those are some of the major takeaways.

Capital Delivery Growth and Future Funding

Joel Szabat: I want to steal a page from Rob's book and make a couple of observations, followed by a question.

First, I continue to be impressed by how your team, along with Dev's and Gery's teams, has scaled up over the last several years. Compared with where we were before COVID, you're already doing more than double the amount of work each year. By the time we reach peak execution in 2028, we'll be operating at roughly four times the scale we managed previously. So, a tip of the hat to everyone involved in that effort.

My question relates to the budget. Looking ahead to next year, our best-case scenario is a continuing resolution or a funding level of approximately $2.4 billion. However, the House mark is approximately $2.1 billion, which represents a significant reduction.

One of Costin's slides also showed that our capital spending this year has been below last year's level. Given the execution challenges we've experienced this year, combined with the funding uncertainty we may face moving forward, what does that mean for your FY27 capital program?

Laura Mason: I believe we are entering FY27 with much greater confidence in our execution plan, particularly for discretionary and supplemental-funded projects.

Those projects are funded through the IIJA programs.

We did experience some execution challenges this year. As I mentioned earlier, we intentionally re-sequenced some Airo trainset deliveries in order to de-risk the launch. That decision pushed some spending into later periods, but I believe it will ultimately result in a better outcome.

We also experienced delays getting projects such as the B&P Tunnel and Sawtooth Bridge into construction. In many cases, those delays were related to funding agreements, partner agreements, and project authorizations.

Many of those issues are now behind us.

For example, agreements have been executed with our partners, funding has been obligated for Dock Bridge, construction contracts have been awarded, and we are moving forward on enabling works at Sawtooth. We expect those activities to begin this fall.

As a result, I expect we will see greater adherence to plan and greater confidence in execution across the discretionary and supplemental-funded portfolio.

Where we do face real risk is within the annual grant-funded program, particularly our State of Good Repair investments and other smaller capital projects.

This year, we developed new prioritization processes that evaluate projects based not only on asset condition but also on asset criticality.

In practical terms, that means recognizing that the same defect can have very different impacts depending on where it occurs in the network.

We now have analytical tools that help us identify where limited capital dollars will have the greatest benefit.

Obviously, we believe the full $2.4 billion funding level is necessary, and we have plans to spend it. Frankly, if Congress provided additional funding, we could put additional resources to work as well. If funding is reduced, we will have to defer projects that we believe are important to the long-term reliability of our operations. We will always prioritize safety first. However, reductions in funding could have consequences for reliability and system performance over time.

With that, I would like to turn the meeting over to our Interim President, Byl Herrmann.

President's Update

Byl Herrmann: Thank you, Laura. And thank you, Board.

I am glad to be here.

This is my first update to the Board. In the relatively short time that I have been here, I want to thank all of you for the support, encouragement, and advice you have provided. It has been tremendous to have the support of such an active Board and the opportunity to work on some very important initiatives.

I want to begin with a simple headline:

Amtrak is having its best year ever.

We have been in existence for 55 years. Nearly half of my own time in the rail industry has overlapped with that history, and it has been quite a journey to watch Amtrak evolve from a period when we were fighting simply to survive into the strong organization we are today.

A great deal of that success is due to the hard work of the executive team sitting here today. More importantly, it reflects the dedication of employees across the company, on the railroad, in our stations, in our shops, and onboard our trains, who make this operation work every single day.

We are on pace for record ridership, record revenue, and record capital investment.

That progress reflects the efforts of our employees, the support of our partners, and the trust of customers who are choosing train travel in record numbers.

That naturally raises a fair question:

If Amtrak is performing this well, why change anything?

Many of you know that we have been discussing a potential transformation of the organization and evaluating opportunities for the future.

The answer is straightforward.

The opportunity in front of us is larger than the organization we have built to capture it.

Communities across the country are asking for more passenger rail service. Customers want more reliable service and a better travel experience. States are investing in rail. The federal government is investing in rail. Demand for passenger rail continues to grow.

Our ability to meet that demand ultimately comes down to three things:

- The infrastructure we operate on
- The fleet we maintain and deploy
- The service we provide to customers

Today, responsibility for those outcomes is distributed across an organization that has evolved over decades.

We have the opportunity to organize more clearly, create stronger accountability, improve transparency, and increase our ability to act quickly and effectively.

We do not simply want to manage growth.

We want to be built for growth.

Before discussing this in greater detail, I would like to share a short video that summarizes what we have been evaluating.

[Video Presented]

Video Narration:

Amtrak is preparing for its next chapter.

Today, responsibility for our railroad, trains, and customer journey is spread across the company. As ridership and investment continue to grow, it can become more difficult to identify who owns individual outcomes.

Under a preliminary framework, related decisions would be brought together.

Infrastructure would connect maintenance, construction, and asset management.

Fleet would manage equipment throughout its full lifecycle, ensuring the right equipment is available at the right time.

Passenger Services would connect the customer journey from booking through arrival.

A parent company would align all three businesses, allocate resources, and hold each accountable for results.

The outcome would be clearer accountability, stronger coordination, improved reliability, and a better customer experience.

We know there are questions about this proposal.

To be clear, this is not privatization.

Amtrak would remain one public-service railroad governed by one Board of Directors.

We are still in the early stages of planning, and no final decisions have been made.

We want to hear from you.

Please visit **Amtrak.com/future** to learn more and provide feedback by October 30.

Byl Herrmann: I have learned from my daughter that you should never spend time in a speech explaining something that a video can explain more effectively.

But before discussing the framework itself, I want to recognize the people and partners who have brought us to this point.

First, our customers. Customer trust and enthusiasm have fueled the extraordinary growth we have experienced over the past several years. Customers are choosing trains in record numbers, and ultimately they are the reason we are here.

Second, our employees and labor partners. Our workforce is the foundation of this company. Building a stronger Amtrak will require the expertise, commitment, and partnership of our employees every step of the way.

I also want to thank Congress, the Administration, the U.S. Department of Transportation, the Federal Railroad Administration, and our state partners. Their support and investment are helping modernize America's passenger rail system in ways that would have been difficult to imagine only a few years ago.

Our ambition should be bold. We should aspire to serve millions of additional riders, connect more communities, and provide the best customer experience in transportation.

And that is why, in July, the Board directed management to begin a broad engagement effort to gather feedback on a preliminary framework for the future of Amtrak.

Now, this preliminary framework is built around three core operating businesses: **Infrastructure, Fleet, and Passenger Services**. These businesses would all be supported by a parent company.

Let me be clear about three things up front, because they are important and worth repeating.

I know these are the questions that are on everyone's mind. I hear them frequently from stakeholders, state partners, employees, and members of the public.

First, this framework is preliminary.

No final decisions have been made, and there is significant work still underway.

The Board's direction was very clear: engage stakeholders, gather feedback, and use that feedback to further refine the proposal before any future Board consideration.

Second, this initiative is not privatization.

Passenger rail is a national asset, and Amtrak's mission remains unchanged.

It is equally important to explain what would *not* change.

Amtrak would remain Amtrak. We would remain a public-service railroad with one mission, one Board, and one obligation to serve our customers, our communities, and the nation.

Third, this initiative is about enabling growth through greater accountability.

It is about creating clearer ownership of the outcomes our customers care about most and building an organization that can deliver more service, greater reliability, and stronger performance.

Under the preliminary framework, each business would have much clearer responsibility for a distinct set of outcomes:

- The infrastructure we rely on
- The fleet we operate
- The service our customers experience

Let me walk through each of those businesses.

Infrastructure

Amtrak owns and operates more than 600 miles of railroad, including major bridges, tunnels, stations, power systems, signals, and dispatching operations that are used every day by Amtrak, commuter, and freight railroad partners.

Today, we are carrying record numbers of passengers while simultaneously delivering the largest capital program in our history.

Doing both safely is our first priority.

That requires us to carefully coordinate how we operate, maintain, and improve the railroad while trains continue to run.

As you heard from Laura Mason earlier, our teams spend every day balancing those responsibilities so that passenger service continues while critical infrastructure improvements move forward.

We have already seen what can happen when an organization is structured around clear accountability and focused outcomes.

Several years ago, Amtrak created a dedicated Capital Delivery organization to provide engineering, construction, program management expertise, and stronger accountability for the largest capital program in our history.

In many ways, we created a capital-delivery business within Amtrak.

The results have been significant.

Today, seven of the ten major construction packages associated with the Hudson Tunnel Project are complete or underway.

At Portal North Bridge, trains are already operating on the new span.

Major work is advancing throughout the Northeast Corridor and beyond.

Those accomplishments demonstrate what is possible when expertise, resources, and accountability are aligned around clear objectives.

The opportunity before us is to apply those same principles to the broader enterprise.

Infrastructure is not simply about building projects.

It is also about maintaining assets, planning access windows, dispatching trains, coordinating construction, and making investment decisions.

Today, responsibility for those functions exists across multiple parts of the company.

Under this framework, those responsibilities would be brought together under a dedicated infrastructure organization responsible for the safety, condition, reliability, and capacity of our railroad.

That would allow us to better connect decisions that are fundamentally linked.

How we maintain an asset affects its reliability.

How we manage access affects both train service and the speed at which construction can be completed.

How we dispatch trains affects the capacity we can deliver to all users of the network.

Performance would be measured through metrics such as:

- Infrastructure-related delays
- Asset condition
- Access and work-window performance
- Capacity utilization
- Cost and schedule performance of capital projects

The goal is straightforward: create clear accountability for infrastructure performance over the entire lifecycle of the railroad.

Fleet

The second business is **Fleet**.

Fleet is the engine of growth.

Every day, we operate more than 300 trains serving more than 500 communities across the country. At the same time, we are carrying out the largest fleet modernization program in our history.

The introduction of NextGen Acela trainsets, the launch of Airo, and planning for future fleet investments all represent critical opportunities for the company.

But fleet is about much more than purchasing trains.

It includes locomotives, passenger cars, trainsets, support equipment, maintenance facilities, supply chains, engineering standards, and lifecycle planning.

Success depends on making the right decisions throughout the life of an asset.

Those decisions include:

- What equipment we need
- When we need it
- How we specify and procure it
- How we maintain and overhaul it
- How we manage spare parts

- When we retire and replace assets

Today, those responsibilities are distributed across several parts of the company.

Bringing them together would create a single asset owner responsible for fleet strategy, engineering standards, procurement, maintenance requirements, asset condition, and long-term planning.

That matters because the reliability of a train years from now is often determined by decisions made today.

Its availability tomorrow depends on how it is maintained tonight.

Our ability to expand service depends on having the right equipment in the right place at the right time.

Fleet would be measured through outcomes such as safety, reliability, availability, maintenance performance, lifecycle cost, and execution of fleet modernization programs.

Ultimately, success comes down to a simple question:

Do we have the equipment our customers need, when and where they need it?

If the answer is yes, we create more reliable service and more opportunities for growth.

Passenger Services

The third business is **Passenger Services**.

At the end of the day, customers do not experience Amtrak as infrastructure, fleet, or organizational charts. They experience Amtrak as a trip.

They experience how easy it is to plan and book that trip, what happens at the station, what happens onboard, how food service is delivered, and whether we get them where they are going safely, comfortably, and on time.

That is what Passenger Services is about.

It is not simply moving trains down the railroad. It is making customer service the central focus of the organization.

Under the preliminary framework, Passenger Services would bring together the functions that plan, sell, and operate our services, including:

- Service planning
- Scheduling
- Pricing and revenue management
- Sales and distribution
- Station and onboard service
- Train operations
- Customer care

Today, responsibility for those activities is spread across different parts of Amtrak.

Commercial teams focus on demand, fares, revenue, and the overall customer offering. Operations teams focus on delivering the service itself.

However, what we promise customers and what we can deliver operationally are inseparable.

Bringing those responsibilities together would create a single accountable business focused on the end-to-end customer journey and the performance of the service we provide.

That does not mean Passenger Services would own every asset involved in delivering that service.

This is where the relationship among the three businesses becomes particularly important.

For example, the Fleet organization would be responsible for the condition, availability, and performance of train equipment. It would establish maintenance standards and oversee fleet strategy.

The employees performing day-to-day maintenance would remain within Passenger Services and would maintain equipment according to Fleet's standards and requirements.

Stations provide another example.

Infrastructure would own and be responsible for the condition of stations and for long-term station investments. Passenger Services would operate the customer-facing components of those stations because the station experience is part of the customer journey.

That is how these businesses are intended to function within this preliminary framework.

The goal is clear accountability for outcomes, while allowing each business to provide expertise and support where it makes the most sense.

For Passenger Services, success would be measured through outcomes such as:

- Safety
- Ridership and revenue
- On-time performance
- Customer satisfaction
- Service delivery
- Consistency of the customer experience across the network

Parent Company

Finally, we would still have a parent company.

Many of the outcomes I have described depend on more than one business. A train cannot arrive on time without reliable infrastructure, available equipment, and strong operations.

That is exactly why integrated performance will matter just as much as the performance of any individual business.

We are one network, and we must continue to operate as one network.

That brings me to an important question:

If we create three focused businesses with clearer accountability, how do we ensure they continue to operate as one system and one railroad?

That is the role of the parent company.

We have heard concerns that creating focused businesses could create additional silos.

I would suggest that our objective is exactly the opposite.

The goal is not to create silos. The goal is to create clearer accountability within each business and stronger accountability for how those businesses perform together.

The parent company would provide enterprise leadership.

It would establish strategy, allocate capital resources, set performance expectations, and hold each business accountable for results.

It would also retain responsibility for critical enterprise-wide functions, including:

- Safety oversight
- Labor relations
- Finance
- Technology
- Legal services
- Government affairs
- Risk management

Amtrak would continue to have one Board of Directors overseeing the entire enterprise and ensuring that Infrastructure, Fleet, and Passenger Services work together to support one railroad and one public-service mission.

There are still important details we are working through, including aspects of our relationships with state partners.

Those are conversations we want to have with our partners, not decisions we want to make for them.

Ultimately, the objective is straightforward:

One Amtrak, with more focused businesses, clearer accountability, and a stronger foundation for future growth.

Public Feedback and Closing

We want your feedback.

I want to close with a simple message: we want your input.

We are inviting customers, employees, stakeholders, rail advocates, partners, and communities to comment on this preliminary framework through October 30 at **Amtrak.com/future**.

We are committed to carefully considering what we hear and maintaining an open dialogue as this work moves forward.

In the months ahead, we will continue our engagement with the public.

In November, we will hold a virtual public meeting where everyone will be invited to ask questions and offer insights after reviewing the materials available on our website.

Thoughtful public input is an important part of this process, and we look forward to continuing the conversation.

Thank you for your time, your engagement, and your continued support of passenger rail. We look forward to serving even more of America in the years ahead.

[End of Meeting]