



Amtrak Five Year **Transportation Asset Line**

Base (FY 2019) + Five Year Strategic Plan (FY 2020–2024)



**National Railroad
Passenger Corporation**

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Amtrak Five Year

Transportation Asset Line Plan

Base (FY 2019) + Five Year Strategic Plan (FY 2020–2024)

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Executive Summary

The Transportation Asset Line Plan covers how we manage the operations workforce. Operations is the execution arm of the service lines and drives safety, customer service and productivity for our stakeholders and customers each day.

Operations works with the Commercial & Marketing and Safety teams to ensure strategies and initiatives are implemented to achieve the best results. Operations also has its own initiatives to drive safety, customer service and productivity. These improvement initiatives are led by the operating divisions and supported by the Operations Research and Continuous Improvement teams.

We strive to practice a Just Culture¹ management approach across Amtrak. Simply put, we encourage the self-reporting of mistakes and errors. We do this so that we can learn, as an organization, from those errors and put in place measures to prevent these errors in the future. We will not discipline for this self-reporting and the company response will be fair, appropriate and in accordance with the law. Each day the traveling public places their trust in us. Accordingly, we cannot tolerate intentional disregard and reckless behavior that violates Amtrak policy and procedures.



1. A Just Culture focuses on making the distinction among honest mistakes associated with human error, behaviors that put us at risk for an incident, and reckless behavior that reflects an intentional disregard for safety.

FY 2018 Performance and Results

The Operations team implemented several projects to drive efficiencies in staffing and improve the customer experience. The Operations Research team utilized an optimizer tool to analyze route costs and create crew optimization for on board staffing. Continuous Improvement worked with Transportation, Engineering and Mechanical to use root cause analysis to drive on-time performance.

Amtrak also offered an early retirement option to employees and reorganized the management structure to produce at lower staffing levels. Successful initiatives have enabled service expansion while both management and agreement employee hours have dropped.

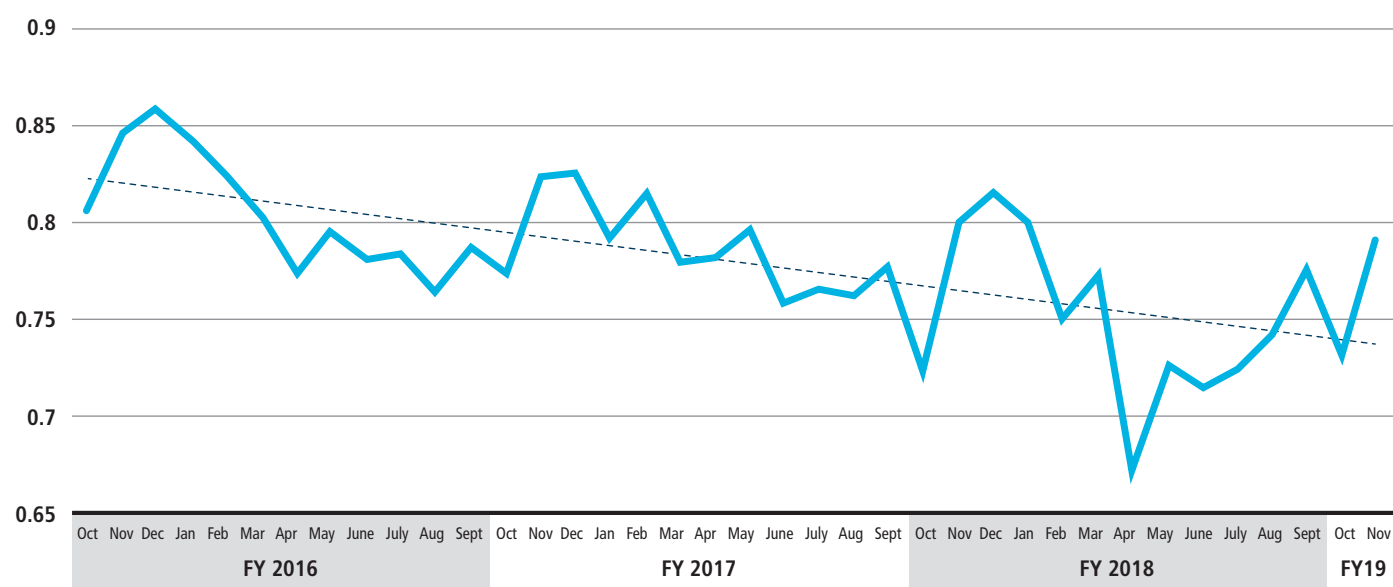
Accomplishments

- **Implemented Positive Train Control on 83% of route miles nationwide.** We operated PTC with 6 host railroads, including Burlington Northern Santa Fe, Union Pacific, CSX, Norfolk Southern, Metrolink and North County Transit District (in southern California), as well as on our own territory. Amtrak has operable PTC on 94% of host miles in operation.
- Created and piloted **customer service training** for customer-facing employees.
- **Improved announcements** and emphasis on sharing on-time and delay information with customers.
- Procured **new train cleaning equipment** and audited cleanliness as the trains left the terminals.
- Added Trainmasters and Road Foremen to **drive focus on safety initiatives.**
- Invested in **increased en-route cleaners** on the corridor to provide an enhanced customer experience.
- Tested and fine-tuned the **contemporary food model** on the *Lake Shore Limited* and *Capitol Limited*.
- Front line managers worked with staff in stations and on board to **improve friendliness and helpfulness** to improve CSI scores.
- Developed and rolled out **Management 101** for new managers to improve their leadership skills.
- Achieved a record dollar level of production and capital **state of good repair work** on vital Northeast Corridor infrastructure.
- Supported the launch of a risk-based **Safety Management System.**



FY 2018 PERFORMANCE AND RESULTS (CONTINUED)

**TOTAL OPERATIONS CORE HOURS BY TRAIN MILES
(HOURS/TM)**



Measuring the efficiency of total operation using core hours per train mile statistics illustrates the improvements over the past three years.

OPERATIONS

(\$s in Thousands)	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018
Salaries	\$ 144,514	\$ 143,935	\$ 144,747	\$ 135,944
Wages & Labor Protection	864,795	875,366	869,806	813,017
Overtime Wages	158,583	141,468	152,131	155,167
Total Wages	1,023,378	1,016,834	1,021,937	968,185
Total Comp	\$ 1,167,892	\$ 1,160,769	\$ 1,166,684	\$ 1,104,129
HEADCOUNT (in Thousands)				
Management & Contractor Headcount	1,226	1,160	1,170	1,024
Agreement Headcount (incl. ARASA & PT)	12,495	12,555	12,106	11,978

While labor rates increase every year, Operations has successfully completed initiatives to absorb these wage and benefit increases and developed further efficiencies to achieve lower total core compensation costs. Management headcount has dropped by a larger percentage than agreement headcount.

Five-Year Capital Plan

Transportation will continue to work closely with the service lines to produce the highest levels of safety, customer service and productivity.

Safety is Amtrak's highest priority. The continued implementation of the Safety Management System and PTC, or PTC equivalency, on all route miles used by Amtrak are the two most critical projects for FY 2019. In order for Amtrak to be a world class Transportation Company we must achieve world class safety results. Our mission is to be the safety passenger railroad in North America.

Operations will continue to leverage training to drive safety and enhanced customer experiences as well as management training for new leaders.

Operations will embrace and disseminate Just Culture concepts that create a learning organization. This will assist in pushing decision making to the lowest potential levels and increase the ownership and accountability in the organization. This cultural framework will allow the continued improvements in safety, customer service and productivity.

Operations will roll out ADA training for all customer-facing employees and complete the training in the next two years and will continue to deliver the customer service training that was piloted in FY 2018.

Operations is working closely with the Service Lines and Product Development and Customer Experience teams to analyze, design, and **deliver a new onboard food service model** intended to enhance and modernize the customer experience while reducing food and beverage operating costs. Additionally, the Cafe menu available on Northeast Corridor trains will replace the cafe menu currently offered on Long Distance routes. A universal cafe menu is expected to reduce stock Keeping units (SKU's), lower operating costs and improve operational efficiency while providing an upgrade to the quality and variety of items available.

Amtrak will continue to invest in infrastructure in order to enhance safety and provide a better customer experience. We are focused on how to best utilize investments to drive long term efficiencies that reduce our future staffing requirements.

- Engineering capital planning and execution targets **bringing the NEC into a state of good repair** which will drive a reduction in unplanned delay and minimize its impact on customer service. Amtrak is also investing over \$375 million in engineering equipment to double its production capacity aimed at expediting the achievement of a SOGR.
- **Significant capital investment in new rolling stock** (new *Acela* equipment and new diesel locomotives have been announced to date) will drive improved reliability and introduce contemporary amenities. This new equipment will require updated backshop staffing and servicing standards.
- Amtrak is **increasing its investment in customer service** by separating station management, facility management and train operations. This will drive greater focus in each of these critical areas.

Transportation Asset Line Financial Uses

(FY 2019–FY 2024)

(\$s in Thousands)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2019– FY 2024
FINANCIAL USES (OPERATING)							
Service Line Management	16,178	16,520	16,616	17,049	17,768	18,541	102,673
Train and Engine Crew Labor	425,693	431,702	435,202	460,101	477,610	475,551	2,705,860
On Board Service Labor	157,269	155,905	155,998	167,744	173,456	167,635	978,008
T&E Overhead and Operations Management	122,070	123,898	123,826	126,523	130,915	135,134	762,367
Commissary Operations	104,086	100,331	102,573	110,595	114,976	113,673	646,234
Connecting Motor Coach	43,008	43,917	44,034	45,172	46,252	47,294	269,676
Host RR, MOW and Performance Incentives	142,584	145,161	145,405	149,400	154,231	158,381	895,162
Dispatching	46,583	46,371	46,325	47,268	49,531	52,197	288,274
Fuel and Power	228,656	244,207	261,394	273,813	289,788	309,130	1,606,987
Commissions	1,200	1,216	1,206	1,239	1,322	1,417	7,599
Passenger Inconvenience & Claims	15,144	15,392	15,394	15,821	16,379	16,876	95,007
Total Operating Uses	1,302,471	1,324,621	1,347,973	1,414,724	1,472,229	1,495,829	8,357,847
FINANCIAL USES (DEBT SERVICE PAYMENTS)							
RRIF Debt Repayment	-	-	-	-	-	-	-
Total Debt Service Payments	-	-	-	-	-	-	-
FINANCIAL USES (CAPITAL)							
Service Line Management	5	5	5	0	0	-	15
Technology & Systems	36,572	57,122	39,822	35,222	32,222	18,422	219,382
Facilities	37,127	45,000	16,350	86,150	106,150	44,150	334,927
Host Railroad Capital	-	27,300	6,830	-	-	-	34,130
Operations Equipment	15,099	6,060	6,195	6,334	6,477	5,065	45,230
Capital Expenditures	88,803	135,487	69,202	127,706	144,849	67,637	633,684
Legacy Debt Repayments	-	-	-	-	-	-	-
Total Capital Uses	88,803	135,487	69,202	127,706	144,849	67,637	633,684
Total Transportation Spend	\$1,391,274	\$1,460,108	\$1,417,175	\$1,542,430	\$1,617,078	\$1,563,466	\$8,991,531

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