

Restoring Long Distance Service



Amtrak is committed to operating a national rail network that serves customers across the United States. In response to the COVID-19 pandemic, we have already made temporary reductions in service frequency to our Northeast Corridor (NEC) and State Supported services. We are now extending similar temporary reductions to most of our Long Distance routes, effective October 1.

To be clear, our temporary reductions and subsequent plan to restore this service are dependent on sufficient federal assistance (at least \$3.5 billion in FY21 assuming a 50% systemwide ridership level, but additional assistance could be required if ridership does not reach this level), but in order to best protect our passengers' and employees' health, and to make the best possible use of limited taxpayer investment, we will consider the following metrics to decide when to restore each affected Long Distance service:

1. **Public Health** — *Is the COVID-19 pandemic under control?*
 - Amtrak will assess COVID-19-related hospitalization rates in the regions through which a given Long Distance route operates. If those rates are stable or declining as of February 15, 2021, this condition will be met.
2. **Future Demand** — *Are customers booking trips near the same rate as in 2020?*
 - Amtrak will compare advance bookings for June 2021 (as of February 15, 2021) to advance bookings for June 2020 (as of February 15, 2020). If the percentage of available seat- and room-miles booked in 2021 is at least 90% of the 2020 percentage, this condition will be met. (Note that calculations of availability for 2021 will reflect any caps on ticket sales to promote social distancing, as well as any other relevant measures adopted to minimize COVID-related risks.)
3. **Current Performance** — *Is ridership close to our projections in our operating plan?*
 - Amtrak will compare systemwide ridership levels for the fall (Q1 of FY 2021) with our FY 2021 operating plan, which already accounts for reduced ridership due to COVID. If the number of passengers is at least 90% of the projected figure, this condition will be met.

If all three conditions are met for a given Long Distance route, then in February 2021, we will begin working to restore service along that route. Depending on the particular route, that restoration could be complete as early as late May, and no later than June 30, 2021. If any route is not yet ready to be restored when we conduct our review, we will apply an updated version of the criteria described above as part of the FY 2022 planning cycle (or sooner, in the event of dramatic improvement in demand prior to that point).

Before the pandemic, 4.6 million of our 32 million annual passengers traveled on Amtrak's Long Distance routes. COVID-19 has changed a lot, at times causing our total ridership to drop by more than 95% from FY 2019 levels—but Amtrak is still America's Railroad, and we are still committed to serving our customers and connecting communities across the nation.

Frequently Asked Questions (FAQs)

Why are train frequencies being reduced?

In response to the COVID-19 pandemic, we have seen a precipitous drop in demand and have made temporary reductions in service to our Northeast Corridor (NEC) and State Supported services. Over the last several months we have also reduced the passenger capacity, such as by reducing train consists, for most of our Long Distance services but have not yet reduced frequencies.

What exactly is happening to the Long Distance service?

Due to an 81% reduction in Long Distance demand in April and May combined, we will temporarily reduce service along most of our Long Distance routes to three frequencies per week, effective October 1.

What Long Distance trains are impacted?

Amtrak operates 15 Long Distance routes. Two of them (the *Cardinal* and the *Sunset Limited*) already operate three times per week. The *Auto Train* will not reduce its operations. The 12 routes that will be adjusted are: *California Zephyr*, *Capitol Limited*, *City of New Orleans*, *Coast Starlight*, *Crescent*, *Empire Builder*, *Lake Shore Limited*, *Palmetto*, *Silver Meteor*, *Silver Star*, *Southwest Chief*, and *Texas Eagle*. All these routes will operate three times per week except for the *Silver Meteor*, which will operate four times a week in order to maintain daily service at points it serves in common with the *Silver Star*.

When will the service be restored?

Our goal is that all Long Distance service will be restored by June 30, 2021 so long as our nation and our company are healthy, consistent with restoration metrics, and sufficient funding assistance is provided by Congress.

Can you provide more detail on how the future demand metrics would work?

Many of Amtrak's passengers book their seats or rooms well in advance of their actual travel dates. Amtrak's future demand metrics will make an apples-to-apples comparison: "advance bookings load factor" for 2020 vs. "advance bookings load factor" for 2021 for the same given time frame. If the 2021 figure is at least 90% of the 2020 figure for any given route, Amtrak will increase that particular route's frequencies. However, if a route's 2021 figure is less than 90% of the 2020 figure, then we will wait to restore the route's frequencies and will reexamine it in the next year's planning process. It is Amtrak's goal that all routes will be restored by June 30, 2021, but we will not know for sure until February 15, 2021, when we have sufficient advance bookings data. Basically, the calculation works like this:

$$\frac{FY21 \text{ bookings}}{FY21 \text{ available seats}} \geq 90\% \frac{FY20 \text{ bookings}}{FY20 \text{ available seats}}$$

Does Amtrak have capital funds that it can redirect to keep operating Long Distance trains?

Amtrak does have funds that are committed to specific capital projects and as part of our long-term capital program, some of which need to be spent in FY21 and some in the subsequent years. Cutting our

capital plan will result in adverse impacts to those projects—and to capitalized jobs that are dedicated to such projects. It has taken a long time to obtain these funds, as our capital needs have always exceeded the annual funds available to us, and as a result many of our aged assets are not in a state of good repair today. For example, the Northeast Corridor Commission estimates that the corridor has a more-than-\$40 billion state-of-good-repair backlog. And on our Long Distance Network, we require billions in investment for the new fleet needed to replace 25-year old locomotives and 40-year old passenger cars that have reached the end of their useful lives, as well as important station development and infrastructure improvements. Our passengers deserve these critical investments.

To be clear, these capital funds are not a “rainy day fund” available for times when our revenue is down; instead, these capital dollars are specifically committed for critical projects that the railroad needs to operate safely and effectively. Such capital commitments include safety upgrades, new fleet on the NEC and National Network, station improvements across the nation, and infrastructure renewal to improve reliability and capacity, such as annual track work and the replacement of bridges and tunnels that are more than a hundred years old. Such investments will benefit far more people over many more years than any short-term effort to not adjust Long Distance service. In addition, some of our capital dollars are restricted by law from being used for other purposes, such as the federal dollars we have set aside for ADA compliance, upgrades to the *Southwest Chief* route, and important safety technology for certain corridor routes.

Amtrak’s decisions on where to invest its limited resources are driven by the need to dedicate the taxpayer funds entrusted to us towards their most productive use. With that in mind, we do not think it would be prudent to cannibalize these capital commitments in order to operate trains that do not match demand during the pandemic.

Could reducing frequencies save less than anticipated?

We think the estimated savings are reasonable. Because ridership and revenues on Long Distance trains have fallen dramatically during COVID-19, these trains are covering only a small portion of the variable costs, such as the labor costs for conductors, engineers and on-board service employees, fuel and host railroad payments, that are incurred for the operation of each train frequency we operate. Even with the very cautious assumptions we have made about how less frequent service will impact ridership as we have developed our plans, we project significant net savings from reducing Long Distance service until ridership demand and revenues approach more normal levels.

How can we be sure that Amtrak is committed to the Long Distance service?

Even as we temporarily reduce service, we will continue investing in and working to improve our Long Distance service line, including:

- **Stations:** We are making investments to improve accessibility and enhance the customer experience at many stations served only by Long Distance trains: construction is underway at eight stations, and projects at 16 more stations are out for bid or in final design.

- **Fleet:** We are taking delivery of the last of the 130 Viewliner II cars that have replaced the oldest passenger cars in our fleet; we are refreshing the interiors of our Long Distance passenger cars with new seat cushions, upholstery, carpeting, etc.; we have ordered 75 new diesel locomotives that will be used primarily on our Long Distance routes; and we are continuing planning for the acquisition of the next generation of Long Distance passenger equipment.
- **Route-specific improvements:** We continue to invest in track upgrades across multiple Long Distance routes, including major upgrades on the *Southwest Chief* route and upgrades to tracks that the three-times-per-week *Cardinal* uses to enter Chicago.
- **Safety:** We are working to install positive train control (PTC) technology or make other safety-enhancing investments on portions of eight of our fifteen Long Distance routes.

Will Chicago connections still be possible while service is reduced? How will passengers be accommodated if they miss their connection?

As part of our efforts to minimize disruption, we are working to preserve passengers' ability to make timely connections in Chicago, such that Long Distance travelers will experience the least delay and inconvenience possible. When the schedule is changed to reflect the less-than-daily service, previously booked customers impacted will be rebooked onto itineraries with valid connections, and if same-day connections are no longer available, customers who have not traveled will have the opportunity to obtain a full refund. The thrice-weekly schedules are being designed to preserve a high percentage of the existing connecting opportunities on the days that trains will operate. Our standard procedures surrounding connections include reasonable provisions for holding trains for connecting customers. When travel occurs for customers connecting to a non-daily train, operating guidelines place a greater weight on holding for connections from delayed inbound trains to maintain schedule integrity. On those occasions when a connection is missed, Amtrak has generous policies for taking care of customers impacted by missed connections that include arranging for overnight accommodations, meals, transportation via other means and refunds for the unused portion of a ticket if the customer chooses to make their own arrangements. These policies and guidelines are managed by leadership in our Station Service team.

What can I do to help ensure the future success of Long Distance trains?

Ensuring that preference is enforced is an essential step towards Amtrak being able to deliver a relevant, compelling Long Distance product to the marketplace, and Congress has recently considered a legislative fix to ensure the law is followed and help get passengers to their destinations on time. This critical piece of legislation was introduced in the U.S. Senate as S.2922, the Rail Passenger Fairness Act, and it was also included in H.R.2, the transportation reauthorization bill the House of Representatives recently passed.

The largest problem our Long Distance routes faced before the pandemic was the poor handling they received from some of the host railroads over whose tracks they travel. Amtrak owns just 3% of the 21,400 route-miles traveled by Amtrak trains. The law already stipulates that Amtrak trains shall receive preferential treatment over freight traffic; however, some host railroads have consistently chosen to ignore the law and place their freight trains ahead of passengers, resulting in truly unsatisfactory on-time performance (OTP). In 2019, this kind of freight train interference caused more than one million minutes

of delay for Amtrak's passengers—and as a result, not one of Amtrak's fifteen Long Distance routes achieved its 80% OTP target.

Currently, only the attorney general of the United States is authorized to enforce Amtrak's preference rights—an authority last used in 1979. A legislative fix that would allow Amtrak to bring actions in U.S. district court to enforce its statutory preference rights is necessary to remedy the current situation. This new authority would supplement, not replace, the Attorney General's current authority to enforce this law.