March 27, 2013

Honorable Joseph R. Biden, Jr.
President of the Senate
U.S. Capitol
Washington, DC  20510

Honorable John Boehner
Speaker of the House of Representatives
U.S. Capitol
Washington, DC  20515

Dear Mr. President and Mr. Speaker:

We are pleased to transmit Amtrak’s Fiscal Year (FY) 2014 General and Legislative Annual Report to you. Pursuant to Section 24315(b) of Title 49 U.S. Code, this letter provides you with a brief overview of the past year’s activities and outlines our views on financial, legislative, and policy strategies to support the improvement and expansion of high-speed and intercity passenger rail service in the United States.

Introduction

It is a pleasure to once again be able to report to you that Amtrak has closed its fiscal year with a systemwide ridership record and good overall results. The leading indicators (metrics such as ridership, revenue, on-time performance and cost recovery) have trended positively, despite a lagging economy. This year we carried a total of more than 31.2 million riders, and FY 2012 was also the best year for ticket revenue in Amtrak’s history. With total ticket revenues of more than $2 billion, Amtrak recovered more than 88% of its operating costs with funds generated by the company itself, rather than from the Federal Government. This is an improvement on the preceding three years, and a direct result of the growth in ridership and revenues that has taken place over the last decade – which is itself the product of several decades of farsighted investment to improve the national intercity passenger rail system. All of these accomplishments are tangible evidence of the public benefit Federal investment in Amtrak delivers to the taxpayer, the traveling public, and the American economy.

While the bulk of ridership growth came through the improvement of the Northeast Corridor and the development of state-supported services, the long distance trains have also played an important role in Amtrak’s growth. Long distance trains bring more than half a million passengers onto the Northeast Corridor every year. They are the only Amtrak service in half of the states and at almost half of the stations we serve, and they carry 43% of the passengers with reported disabilities who use the Amtrak...
system. In an increasing number of communities, an Amtrak train is the only available form of scheduled intercity passenger transportation.

Since 2010, Congress has provided Amtrak with more than $4.4 billion in operating funding and capital support. This support has allowed Amtrak to place more than $12.6 billion back into the American economy in economic activity, as our company has purchased goods and services and paid our employees to maintain, operate, and improve our service. This investment sustains a rail system that serves more than 500 communities in 46 states. Amtrak’s reach is nationwide, and it is increasingly important to states and communities that have been hit by bus service contractions and cuts in air service. Total Amtrak ridership has grown by nearly 60% since 1998, growth that has come in all sectors of our business (Northeast Corridor, long distance and state-supported services). This rate of growth outpaces many other modal and economic development indices for the same period, and Amtrak’s spending and investment is heavily tilted toward domestic suppliers and partners, providing the additional benefit of the re-investment of both Amtrak-generated revenues and Federal funding in the American economy.

The lists of the top five states for payroll and procurement spending shown below illustrate the degree to which investment in the Amtrak system returns value to the American economy. But the systemic benefits are not narrowly confined. Because of the national scope of our system, Amtrak maintains workforces with annual payrolls in excess of a million dollars in thirty-nine states. Similarly, Amtrak did procurement business in excess of a million dollars in thirty-nine states, and that business exceeded ten million dollars in twenty-seven states. Investment in Amtrak helps to support the American economy—not only by providing a much-needed alternative to clogged highways and crowded airports, but by generating good jobs at Amtrak and in supporting industries such as manufacturing.

| Table 1: Top Five States for Amtrak Boardings and Alightings, Payroll, and Procurement Spending |
|--------------------------------------------------|------------------|----------------|-----------------|------------------|------------------|
| State                | Boardings/      | State           | Total           | Payroll          | State            | Procurement      |
|                      | alightings      |                 | Amtrak          |                 |                  | Spending         |
| California           | 11.9 million    | California      | 3,376           | $189.2 million  | Pennsylvania     | $203 million     |
| New York             | 11.5 million    | Pennsylvania    | 2,986           | $192 million    | California       | $170 million     |
| Pennsylvania         | 6.1 million     | Maryland        | 2,569           | $173 million    | Illinois         | $148 million     |
| Illinois             | 5.07 million    | New York        | 1,864           | $115 million    | Virginia         | $156 million     |
| District of Columbia | 5.01 million    | Illinois        | 1,737           | $100 million    | New York         | $86 million      |

This trend of investment, particularly capital investment, has translated into improvements in service quality and reliability. Investments made decades ago in the Northeast Corridor (NEC) allowed Amtrak to claim a majority share of the traffic from New York to Washington and Boston from the airlines. Growth on the state corridor services has been even larger, but here, too, wisely-directed investments
have translated into tremendous ridership growth. The state corridor services as a whole have nearly doubled their ridership since 1998, and careful investing by state partners has translated into better service and higher ridership. We expect this trend to continue in the wake of such significant service improvements as the introduction of 110mph service in Michigan and Illinois in 2012. Amtrak’s Federal capital investment program has been used to deliver improvements that helped us to achieve an all-time high system on-time performance of 83% in FY 2012. Our results prove the wisdom of capital investment programs carried out decades ago, and illustrate people’s desire for reliable rail service. Railroads are a capital-intensive business, and you don’t get results overnight; some of the growth we see today is the result of investments made 15 or 20 years ago. Given the success we’re now seeing, we should consider what could have been done if those investments had been larger or more visionary – or what we would deliver if the investments outlined in this letter were made in the years to come.

I believe this company has a bright future, and it has done a good job of managing the Federal investment in Amtrak to ensure that taxpayers’ interests are safeguarded. In the following pages, we describe some of the work we’re doing to shape our future, as well as the help we will need from policymakers to realize that vision:

- The profound ways we are reshaping our company to improve processes and efficiency
- Investment in new technologies
- Design and investment in rolling stock and infrastructure
- Advancement of the accessibility improvements program
- Amtrak’s FY 2014 Federal support need
- Reauthorization and funding policy needs

A New Structure for a New Era

The lesson of the last few years is very clear to us at Amtrak: the steadily increasing demand for our services is a product not just of a policy or an opportunity, but of larger shifts and changes in American society. Some of these, as we noted in last year’s letter, are demographic; others are economic, and still others are driven by congestion on competing modes. Whatever the cause, the key point is clear: the world is changing, and it is changing in ways that will require Amtrak to develop its system in a manner that can accommodate significant growth in demand.

To that end, we have worked to design a new organization that realigns the company. Amtrak will become a modern “matrixed organization.” The structure will preserve the traditional railroad technical functions, but they will focus on setting standards and managing system-wide assets, such as the mechanical backshops. Leading the development of our services are new business lines built around our core customer segments. These business lines will integrate the critical aspects of service delivery for their business line under a General Manager or Vice President who will provide singular focus and accountability to meet and exceed our customer’s expectations. The business lines, the technical organizations and the supporting departments will be aligned and incentivized to ensure they’re working together to help the company accomplish corporate goals.
The various business lines are in the process of formation. Managers have been identified for the Northeast Corridor Infrastructure Investment and Development business line, the Northeast Corridor Operations business line, and the State-supported and Long Distance business lines. This will be a progressive process, with opportunities for review and realignment as we learn lessons and adjust our plans to take them into account. We are following an iterative approach that will further our goal of continuing the process that we have begun, and turning Amtrak into a better-managed and more modern corporation.

New Technologies

Amtrak has also been working hard to deliver the service improvements and amenities our customers want. Building on the progress we’ve made in installing Wi-Fi on our east and west coast corridor services and in our major stations, Amtrak implemented several major improvements to our ticketing and reservation systems in 2012 that simultaneously make accessing information and booking Amtrak more convenient, and make our operation more efficient and secure. The biggest was eTicketing, which was successfully rolled out on the national system after pilot trials on several of our corridor services and the Auto Train. The use of eTicketing has brought a whole range of convenient new benefits to passengers, including “print at home” service, the ability to change or cancel reservations online or on a smartphone, and the quick and easy replacement of lost tickets. The ability to account for passengers in the event of an incident or accident is also greatly increased. In fact, as a direct result of this program, the National Transportation Safety Board (NTSB) has closed a long-standing recommendation for improved passenger and crew accounting.

Free apps are also now available for our customers for both the iPhone® and Android™-based mobile phones, and we have introduced a new intelligent online virtual assistant, “Ask Julie.” This program leverages the voice and personality of Amtrak’s popular and well-known telephonic “Julie” voice recognition system to provide customers on Amtrak.com with a familiar and useful tool to address their questions and provide them information to make their trip more productive and enjoyable. It has been a great success, and it currently averages 11,500 questions per day.

Improving Infrastructure and Equipment

Rolling Stock

Amtrak created a long-term fleet plan in 2010. We’ve been steadily advancing aspects of this plan to date, while continuing to refine our fleet strategy to meet the needs of the future. We have ordered 70 new electric locomotives and 130 single level cars for our long distance trains. This new equipment is currently in the early stages of production, and the first models are expected to be complete and available for testing in 2013.

Our company is also advancing plans to acquire new next-generation high-speed train sets for the NEC. Amtrak has examined various replacement options, and determined that the initial plan to add 40 new passenger cars with newer technology to the older Acela train sets posed technical challenges, was overly costly, and would not provide sufficient capacity to handle new ridership growth projections. The new
high-speed train equipment will be suitable for operation at both the nearer-term higher speeds planned for the Corridor upon completion of the ongoing New Jersey High Speed Rail Improvement Program (NJHSRIP), and ultimately on new, dedicated high speed alignments that are built as part of our plans for Next Generation (Next-Gen) high-speed rail services in the NEC. In January, 2013, Amtrak released a request for information to the railcar supply industry, in partnership with the California High-Speed Rail Authority. This marked the beginning of a multi-year procurement process which will eventually provide us with the next generation of high speed trains to expand seating capacity and provide for more frequent high-speed service on the NEC.

Investing in the Northeast Corridor

The NEC is one of America’s most important transportation assets, and traverses the length of a region that is vital to the national economy. One out of every six Americans lives within the NEC region, which includes 4 of the 10 largest metropolitan areas in the nation, but encompasses only 2% of the nation’s land area. This densely populated and highly productive region generates one out of every five dollars of America’s gross domestic product, and 80% of the region’s population lives within 25 miles of the NEC.

Since 2002, Amtrak’s ongoing program to return the NEC to a state of good repair has been able to address some of the most pressing infrastructure issues with the availability of a Federally-funded capital program and the extraordinary assistance provided by ARRA in 2009. Over the last four years, we’ve invested an average of nearly 40% of our annual capital appropriation in the infrastructure of the “NEC Spine” – the backbone of the region’s rail passenger network. A major fire and life safety improvement project for the underwater tunnels in New York is approaching completion, and the elements that are already in service provide important and much-needed access and ventilation improvements and a fire standpipe system that can be used to move water into the tunnel for firefighting – or out, if the need arises. ARRA funding also supported major right-of-way clearance programs that allowed us to cut back more than 230 miles of encroaching trees, clear ditches and drainage systems, and improve the reliability and resilience of our system and infrastructure.

The wisdom of these investments became apparent when Superstorm Sandy hit in October, 2012. The storm surge in New York caused unprecedented levels of damage to the system, and Amtrak’s tunnels under the Hudson and East Rivers which connect Penn Station to Long Island and New Jersey were flooded for the first time in their 102-year history. Fortunately, the fire and life safety improvements allowed for speedy inspection and rapid pumping and drying of the tunnels, reducing the service outage period from weeks to days. While basic service levels were swiftly restored, full rail service recovery took several weeks. This lengthy period highlighted the need for infrastructure improvements that will provide more flexibility and resilience, supporting both long term growth and short term traffic surges caused by emergencies and ongoing maintenance or improvement programs.

Amtrak has put forward several plans over the last four years that are designed to provide the NEC and the region with greater rail capacity. Since the publication of our NEC Master Plan in 2010, Amtrak has produced and updated a Vision for the Northeast Corridor, which marries the integrated vision for the existing infrastructure with a plan for the development of 220 mph Next-Gen high-speed intercity passenger service on a dedicated right-of-way. Amtrak has also developed an integrated design called the
Gateway Program to provide track, tunnel and terminal capacity improvements between Newark, New Jersey and Penn Station, New York.

**Gateway Program**

Several recent events have highlighted the immediacy of the need for the Gateway Program. The unprecedented flooding of Amtrak’s East and Hudson River rail tunnels and other rail and vehicle tunnels in the New York City metropolitan region has heightened awareness of the need to harden infrastructure against future storm surges and severe weather events. It also underscored the need for greater redundancy and resiliency in the bridges, tunnels, and roadways that link New York City to the surrounding suburbs and the Mid-Atlantic region.

This awareness coincides with a longer-term concern about the need to protect future access to Penn Station. The Hudson Yards mixed-use development project will create a substantial overbuild atop the existing Long Island Rail Road (LIRR) yard in Manhattan west of Penn Station. This overbuild will require a substantial foundation structure to be built astride the most direct line from New Jersey to the terminal area. If that structure does not incorporate a segment for a future rail tunnel into its design, it will be cost-prohibitive and very likely technically infeasible to subsequently revise the structure so that a tunnel can reach the station on that optimal alignment. Amtrak is currently working in cooperation with the developers and other affected partners, like the LIRR, to address this by completing design of an 800-ft tunnel segment through the site, and is seeking funding to begin construction in FY 2013 of this segment to protect the alignment into Penn Station, and ensure that our system retains sufficient flexibility to accommodate projected future growth at a reasonable cost.

**Improving Accessibility**

Passengers with disabilities represent a large and growing share of Amtrak’s ridership, and ensuring system-wide accessibility is a prioritized strategic need. Amtrak’s strategic plan specifically identifies accessibility as a top strategic priority, and this goal encompasses both the physical improvements that will be necessary to allow boarding at our stations and the less widely recognized but nevertheless important developments that will allow passengers to access our ticketing and reservation systems.

While Amtrak ridership as a whole has grown significantly in recent years, the growth in ridership among passengers with disabilities is significantly higher than the national average. While total Amtrak ridership grew by 3.5% between FY 2011 and 2012, the total number of passengers who reported disabilities rose by 16.8% in the same period. Some of this increase is due to the improvements Amtrak has made in ticketing and reservation systems to provide better access for passengers with disabilities. Starting in the first quarter of FY 2012, Amtrak introduced new capabilities to its Amtrak.com website, discussed above, that allowed passengers with disabilities to book accessible space and apply rail discounts for which they are eligible.

The program of investment in the physical accessibility of Amtrak’s stations has likewise continued. As we have outlined in previous reports, Amtrak chose to address those stations where work could be most easily and swiftly advanced in the first stages of our compliance program. While funding levels have not
yet been finalized for FY 2013, owing to some uncertainty about the levels of available funding, the current expectation is that the budget for ADA compliance work at stations will fall into the $50-80 million range. By the end of FY 2012, construction work was underway on nine stations, and Amtrak expects to begin construction work at fourteen additional stations in FY 2013. During FY 2013, Amtrak expects to advance design work at an additional 66 stations. While our ability to carry out all of these projects will be dependent upon the availability of sufficient funding, Amtrak is confident that it can build on the progress that has been made to date, and advance a robust program of station improvements if sufficient funding continues to be available.

**Amtrak’s FY 2014 Financial Need**

As in previous years, Amtrak will require Federal support to sustain its operations in FY 2014. This support will take the form of operating funding, which will provide the resources needed to sustain the day to day operation of train service across our system. Amtrak has reduced its need significantly in recent years as increased ridership and revenues have improved our financial position. In FY 2012, for example, our annual operating need, expressed in constant-value dollars, was about half of the amount required to operate the railroad in 2004.

The implementation of Section 209 of PRIIA, which involves 19 states, is currently in process. This is expected to take effect in October of this year for the FY 2014 contracts, and if current service levels are maintained, should increase Amtrak’s state revenues by approximately $85 million in FY 2014. As we negotiate the agreements with the states for the service, actual results could be materially less, based on the level of service the states are willing to maintain. The budget assumes the planned conclusion of agreements with all of Amtrak’s state partners sufficient to continue the current level of service. It is, however, too early to predict what the final results will be. We will keep you informed as more facts are known.

As the operator and maintainer of the national intercity passenger rail system, including such critical components as the Northeast Corridor, major passenger terminals, station and maintenance facilities of various sizes, and several smaller rail corridors, Amtrak also requires Federal capital support. To sustain and support the system, Amtrak has requested the funding levels shown in Table 1 on the next page. In addition to the core capital and operating funding programs, Amtrak is also requesting funding to advance several major incremental improvement programs on the NEC. We are requesting funding to sustain our ongoing equipment procurement programs and to fund cost-saving buyouts of existing equipment leases that have previously been funded through a Treasury-sponsored program.
Passenger Rail Reauthorization

PRIIA’s authorizations will expire in September of this year, creating an opportunity for Congress to make a definitive statement about plans and policy for high speed and intercity passenger rail service in the coming years. Amtrak is looking forward to working with Congressional stakeholders and other entities as we seek to shape and develop the conversation about what that policy will be. There are certain categorical issues that we believe the reauthorization bill needs to address. The corporation has been very clear, for instance, in its belief that the problems surrounding liability and indemnification are an artificial barrier to the development of intercity passenger rail in this country. We are now in the process of developing specific legislative proposals to address these and other issues that we have identified, and we look forward to sharing them with Congress at the appropriate time.

There are other, more fundamental decisions that should be made while Congress deliberates on Amtrak and, by extension, passenger rail in the United States. We believe that Amtrak has proven that rail transportation makes a useful and viable contribution to the national transportation network. We have been expanding service as resources permit, and we are continually finding that demand outstrips our projections as people demand more and better service. Our challenge is increasingly that, like the other modes, we are stretched to capacity. While we do everything we can to maximize equipment use and search out growth opportunities, our resources only go so far. If we truly want to realize our vision of what rail can offer America, in terms of real mobility improvements and rational modal choices, policy decisions must be made and funding must be provided to match them. These are big decisions, and will require bold thinking, but they will deliver value for the money.
In the meantime, we wish to call attention below to two specific policy recommendations that have long- been held by Amtrak: dedicated and reliable funding for intercity passenger rail; and mode-neutral surface transportation programs.

Federal Funding Commitment

The most critical issue policymakers can address in passenger rail reauthorization legislation has also proved to be the most challenging over time: providing a stable and reliable source of funding for capital investment.

Major capital programs in any mode of transportation or type of infrastructure typically require a multi-year commitment of funds. Intercity passenger rail is no different. Yet when Amtrak and/or States seek to make such investments in intercity passenger rail, the ability to commit to a procurement or construction schedule over multiple years is constrained by the uncertainty of future Federal funding. Thus, continued reliance on annual appropriations for capital investment will frustrate efforts to significantly improve and expand intercity passenger rail service in the United States.

Amtrak’s 41 year history both illustrates and confirms this critical point. Reliance on annual appropriations has greatly restricted Amtrak’s ability to efficiently undertake comprehensive and multi-year capital programs, since funding availability is uncertain in terms of both amount and timing. When work begins on a corridor improvement project or an equipment procurement, a funding mechanism must be in place to ensure the project can be completed.

We believe that a multi-year Federal commitment of capital funding, backed by dedicated revenue, would also make it easier for state grantees to secure financial commitments to match Federal grants, maintain assets funded by grants, and operate service. These non-Federal commitments are more difficult to secure when Federal capital funding is uncertain – or worse yet, unavailable – from year-to-year.

Finally, when creating a dedicated funding source for intercity passenger rail, it is imperative that Amtrak’s unique funding needs are recognized. The Federal government established Amtrak as the foundation of the national intercity rail passenger transportation system, and modernizing and maintaining that system is a significant Federal responsibility. In particular, due to the national, interstate nature of the Amtrak long-distance network, Federal funding must largely be relied upon to operate, maintain and improve the infrastructure, equipment and facilities required to operate these 15 long-distance routes. Additionally, the ongoing improvement of the Northeast Corridor, on which the USDOT holds the mortgage, requires a strong Federal commitment that can serve as a catalyst for local, state and regional investment.

In recognition that the Amtrak network is a national asset that supports interstate commerce operated on behalf of the Federal government, the highest imperative of passenger rail legislation should be to provide dedicated, multi-year operating and capital funding for the support of existing intercity passenger rail services and assets and the development of new ones. Doing so will greatly increase Amtrak’s ability to efficiently and effectively deliver the nation’s intercity passenger rail network, while helping to sustain
the partnerships that can lead to the improvement and expansion of high-speed and intercity passenger rail service in key corridors across the United States.

**Mode-Neutral, Performance-Based Surface Transportation Programs**

The pursuit of a reliable Federal funding mechanism for Amtrak and intercity passenger rail investment has proved elusive throughout the corporation’s history. Adding to the ever-present political challenge is the Nation’s current fiscal situation, the precarious position of the principal funding source for surface transportation investments – the Highway Trust Fund - and the general and widely recognized state of under-investment in infrastructure in the United States.

While these factors present a challenge, they also undoubtedly present an opportunity to rethink the nation’s approach to surface transportation. In recent years, Amtrak has consistently made the case that no matter how much the Federal government spends on surface transportation, that spending should be focused on the achievement of national goals and outcomes. And that conclusion is even more imperative in a time such as the present, when Federal investment in surface transportation is essentially flat.

Accordingly, Amtrak continues to recommend a “mode-neutral” approach to surface transportation that establishes broad modal eligibility across surface transportation programs so that investment decisions are aligned with and responsive to outcomes, instead of arbitrarily constrained by mode. To support that aim, Federal surface transportation programs should transition to integrated, mode-neutral programs characterized by strategic functional purpose rather than an aimless taxonomy of vehicle types and means of moving around.

The new paradigm should ensure that all facets of travel are covered – rural, urban, intercity, interregional and international. It should also account for the various investment needs across modes, such as those related to safety, environmental stewardship, state of good repair, capacity expansion, intermodal connectivity, rural connectivity, metropolitan mobility, demographic accessibility and research. This will allow states, regions and localities to develop solutions to meet national performance goals while maintaining maximum flexibility to accommodate unique individual circumstances and preferences. We can all agree that the most efficient solution – and the most effective use of public funds – in one particular circumstance is not necessarily the most efficient solution in another. Amtrak urges Congress to reconsider the “one size fits all” approach to surface transportation investment and replace it with one that gives grantees flexibility with respect to mode choice, but holds them accountable with respect to outcomes.

It should be noted that restrictions on using Highway Trust Fund (HTF) revenues for investments in intercity passenger rail have historically been justified on the grounds that the HTF is exclusively financed by highway users. This long-held notion, however, is belied by the fact that billions of dollars in general taxpayer – not highway user – dollars have been appropriated in recent years to address the insolvency of the ailing Highway Trust Fund. Since 2008, Congress has appropriated a remarkable $53.3 billion in general revenues—more money in just five years than the amount that has been appropriated from general revenues to support Amtrak in its nearly 42 years of existence – to fund the HTF and subsidize highway users (over $46 billion went to the Highway Account of the HTF). Highway users are
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no longer paying anywhere near the amount that is spent on roads annually, let alone the true social costs of an auto-dependent transportation system.

In recognition of this fact, and as a matter of policy for the reasons outlined in above, intercity passenger rail investments should be eligible under Federal surface transportation programs, including the Federal-aid highway program.

In a climate where funding is far from certain, and the pressing problems of congestion and the environment must be addressed, the necessity for a mode-neutral funding policy that selects for specific outcomes is clear. Where existing policies fund specific modal programs, a genuinely mode-neutral policy would provide the means for the government to more effectively shape the urban and transportation environment in coming years. As today’s congestion problems will continue to impact the development of tomorrow’s urban and metropolitan fabric, challenges of this kind urgently require integrated solutions that can address them before they stifle economic growth and recovery efforts. These programs should support a truly national surface transportation policy, one that sets measurable criteria to guide every stage of the process – from Federal investment to local decision making - and provides the appropriate funding sources and approaches.

Conclusion

At Amtrak, we understand the realities of the larger national situation. Our business strategy is designed to improve our bottom line, and the business growth we’ve seen over the last ten years underscores both our short term success and long term possibilities. Looked at in terms of constant value, we’ve cut our operating need in half since 2004, while expanding our total ridership and improving our financial performance. Our goal is to continue this trend, and to make sure that we can continue to improve our efficiency, increase our ridership, and provide more Americans with effective access to the travel alternative they demand.

These are critical, indeed, strategic goals, and they require investment. Federal funding will continue to be a necessary component of our program. The experiences of the past year – and particularly the recovery effort from Superstorm Sandy – demonstrate the enduring value of the investments that have been made previously, but the years to come will bring more challenges. If we are to meet them successfully, we must begin now. Challenges can come in many varieties, but they have one point of commonality: they are always cheaper to surmount if we make the proper investments in advance.

In this letter, as in previous reports, we have outlined some of the challenges we foresee. We expect that demand for our services will continue to grow, and that Amtrak will be called upon to carry a progressively larger and larger share of the intercity travelers, particularly in the Midwest and the Northeast. Mobility is a vital component of national competitiveness, and we must invest now if we wish to remain competitive. Federal investment created the NEC out of an obsolete and run-down midcentury railroad, and Federal funding helped us preserve and materially develop and improve that asset into our fifth decade despite naysayers, and most recently, an unprecedented natural assault. Amtrak has created the plans we need to ensure that the Northeast, which is a key component of the American economy, stays vibrant. Similarly, we are working with our Midwestern state partners and the Federal government to
transform the corridor services that now link Chicago with St. Louis and Detroit. These routes have transformational potential – and I am confident that the ongoing investment programs will, if sustained, transform travel on the corridors that link these cities, just as they did in the Northeast.

For this reason, all of these investments have been money well spent, and each of them has returned something solid to the American taxpayer and the national economy. We’ve outlined Amtrak’s plans and identified the investments we need to advance the larger national goals of economic competitiveness and individual mobility. I look forward to working with you in the coming year to bring these goals another big step closer to reality.

Sincerely,

Joseph H. Boardman
President and Chief Executive Officer