



General and Legislative Annual Report & Fiscal Year 2019 Grant Request



amtrak.com

February 15, 2018

The Honorable Michael Pence
President of the Senate
U.S. Capitol
Washington, DC 20510

Richard Anderson
President and co-Chief Executive Officer



The Honorable Paul Ryan
Speaker of the House of Representatives
U.S. Capitol
Washington, DC 20515

Dear Mr. President and Mr. Speaker:

I am pleased to transmit Amtrak's Fiscal Year 2019 General and Legislative Annual Report to Congress. It includes not only our FY 2019 grant request, but also our legislative proposals and an overview of our FY 2017 accomplishments.

FY 2017 Highlights

- Adjusted ticket revenues of \$2.18 billion, up 2.1 percent from the prior year and ridership of more than 31.7 million trips, an increase of 1.5 percent over FY 2016
- Reduced our net operating loss to \$194 million, the lowest in Amtrak's history, and increased our cost recovery to 94.8 percent, another record for the company
- Streamlined senior management and reorganized the company to better alignment with the FAST Act account structure so that Amtrak is now organized like most major corporations, which is entirely appropriate because that is just what Amtrak is – a corporation
- Renewed safety focus and provided enhanced training to over 2,000 managers (To read more about this important topic, please see page 60)

FY 2019 Request

- \$1.7 billion overall request to Congress to support the Northeast Corridor and National Network accounts, consistent with the overall level authorized by the FAST Act
- Request is for FY 2019 and the four subsequent fiscal years, using advance appropriations, which will increase efficiency and stability through longer range planning
- Includes financial breakdown by service line and asset line, and also how the requested federal funding fits within our overall business strategy and investment plan

Sincerely,

A handwritten signature in blue ink that reads "Richard Anderson".

Richard Anderson
President and Chief Executive Officer

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FY 2019 BUDGET REQUEST

TAB

Map of Amtrak System



1	Cascades	14	Lake Shore Limited
2	Coast Starlight	15	Capitol Limited
3	Capitol Corridor, San Joaquin	16	Cardinal
4	Pacific Surfliner	17	Crescent
5	Empire Builder	18	Maple Leaf
6	California Zephyr	19	Adirondack, Empire, Ethan Allen
7	Southwest Chief	20	Keystone
8	Sunset Limited	21	Vermont
9	Blue Water, Carl Sandburg, Hiawatha, Hoosier State, Illini, Illinois Zephyr, Lincoln, Pere Marquette, Saluki, Wolverine	22	Downeaster
10	Missouri River Runner	23	Northeast Corridor (e.g., Acela Express, Northeast Regional)
11	Heartland Flyer	24	Carolinian, Piedmont, Virginia
12	Texas Eagle	25	Auto Train, Palmetto
13	City of New Orleans	26	Silver Meteor, Silver Star

Figure 1: Map of Amtrak routes and associated route names

Budget Request by Appropriations Account

Table 1: Amtrak FY 2019 Appropriations Request	
Northeast Corridor	National Network
\$543.0 million	\$1.157 billion

NORTHEAST CORRIDOR GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for activities associated with the Northeast Corridor as authorized by section 11101(a) of the Fixing America's Surface Transportation Act (division A of Public Law 114-94), \$543,001,488 shall become available on October 1, 2018 and shall remain available until expended, \$638,159,347 shall become available on October 1, 2019 and shall remain available until expended, \$758,760,189 shall become available on October 1, 2020 and shall remain available until expended, \$831,247,958 shall become available on October 1, 2021 and shall remain available until expended, and \$966,293,384 shall become available on October 1, 2022 and shall remain available until expended: Provided, That the Secretary may retain up to one-half of 1 percent of the funds provided under both this heading and the National Network Grants to the National Railroad Passenger Corporation heading to fund the costs of project management and oversight of activities authorized by section 11101(c) of division A of Public Law 114-94: Provided further, That in addition to the project management oversight funds authorized under section 11101(c) of division A of Public Law 114-94, the Secretary may retain an amount of the funds provided under this heading to fund expenses associated with the Northeast Corridor Commission established under section 24905 of title 49, United States Code: Provided further, That of the amounts made available under this heading and the National Network Grants to the National Railroad Passenger Corporation heading, not less than \$50,000,000 shall be made available to bring Amtrak served facilities and stations into compliance with the Americans with Disabilities Act.

NATIONAL NETWORK GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger activities associated with the National Network as authorized by section 11101(b) of the Fixing America's Surface Transportation Act (division A of Public Law 114-94), \$1,156,998,512 shall become available on October 1, 2018 and shall remain available until expended, \$1,161,840,654 shall become available on October 1, 2019 and shall remain available until expended, \$1,141,239,812 shall become available on October 1, 2020 and shall remain available until expended, \$1,168,752,042 shall become available on October 1, 2021 and shall remain available until expended, and \$1,133,706,615 shall become available on October 1, 2022 and shall remain available until expended: Provided, That the Secretary may retain an amount of the funds provided under this heading to fund expenses associated with the State-Supported Route Committee established under 24712 of title 49, United States Code.

Explaining the NEC and National Network Requested Amounts

Table 2: NEC/NN Allocation				
	FAST Act Authorized Levels	NEC/NN Account Adjustment	FY 2019 Federal Appropriations Request	Total National Network share of NEC investment
Northeast Corridor	\$557.0 million	-\$14.0 million	\$543.0 million	+\$115.0 million
National Network	\$1.143 billion	+\$14.0 million	\$1.157 billion	-\$115.0 million
Total	\$1.700 billion	n/a	\$1.700 billion	n/a

The FY 2019 appropriations request is slightly different (\$14.0 million) from the FAST Act authorized levels for the NEC and National Network. At the time the FAST Act was signed into law, it was difficult for Amtrak, the Federal Railroad Administration (FRA), or Congress to predict the true needs of the two accounts. A large part of this uncertainty was due to the share of what is typically thought of as NEC costs that would actually need to be allocated to the National Network account (\$115 million) to cover the use of those assets by National Network trains. These amounts had not been determined at the time the reauthorization was considered by Congress and signed into law in December 2015.

Several Long Distance trains, including the *Cardinal*, *Crescent*, *Palmetto*, *Silver Meteor*, and *Silver Star* operate over the NEC and are maintained at NEC maintenance facilities. Many State Supported also utilize NEC stations and maintenance facilities. Since states fund some but not all of these costs, a portion of NEC costs are allocated to the National Network in accordance with section 11201 of the FAST Act and the FRA's Account Structure Definition and Account Methodology Improvements memorandum. To help understand this process, below are just a few examples of the various costs that are physically located on the NEC, but allocated to the National Network:

- Stations – Most of Amtrak's major stations are located on the NEC, such as Philadelphia 30th Street Station, New York Penn Station, and Washington Union Station. Yet these stations are used not only by *Acela Express* and *Northeast Regional* trains, they are also used by several Long Distance and State Supported trains. For example, Long Distance trains' customers who begin or end their travel at an NEC station may use its waiting areas, ticketing counters, restrooms, and platforms. An appropriate cost is allocated to the National Network based on the PRIIA 212 calculation for corridor stations, which factors in the number of boardings/alightings and train stops.

- Infrastructure – Throughout much of the NEC, facilities such as track, bridges, tunnels, interlockings, and environmental remediation efforts benefit both the NEC and the National Network trains that operate over the NEC or use NEC facilities. As such, some of the cost is allocated to the National Network depending on the type of infrastructure; for example, gross-ton miles, electric-unit miles, train-moves, train-miles, and unit-miles are used to allocate expenses.
- Equipment – Non-passenger rolling stock, including catenary, track inspection, and maintenance cars that work to fix and maintain NEC infrastructure also benefit National Network trains. These costs are allocated to the National Network based on the type of infrastructure work; for example, gross-ton miles, electric-unit miles are used to allocate various expenses. The *Acela Express* rolling stock's costs are not allocated to the National Network, and most of the costs of the equipment used for *Northeast Regional* service are allocated to the NEC. The only time any of that equipment's costs are assigned to the National Network is when specific units are used in National Network service, and those allocations follow the rules as noted above.
- Transportation – Terminal and non-terminal dispatching systems and facility upgrades, such as those at our yards and mechanical shops on the NEC, are also utilized by National Network trains. The National Network's allocation of such costs is primarily driven by the number of train-movements and train-miles.

Comparative Statement of New Budget Authority

Table 3: FY 2019 Comparative Statement of New Budget Authority			
	FY 2017 Enacted	FY 2018 Enacted*	FY 2019 Request
Northeast Corridor	\$328,000,000	\$328,000,000*	\$543,001,488
National Network	\$1,167,000,000	\$1,167,000,000*	\$1,156,998,512
Total	\$1,495,000,000	\$1,495,000,000*	\$1,700,000,000

*At the time of publication, Congress had not passed an FY 2018 Transportation Appropriations bill. Instead, NEC and National Network Grants to Amtrak are provided at the FY 2017 level pursuant to a Continuing Resolution.

Advance Appropriations

A significant majority of transportation programs are funded through a trust fund via contract authority, including all highway and most transit programs. However, Amtrak does not receive any trust fund dollars and, as such, we are dependent on discretionary funding via the annual appropriations process. Our discretionary funding originates in the Transportation, and Housing and Urban Development, and related agencies (THUD) appropriations bill, competing with other important priorities beyond transportation needs. This places Amtrak in a precarious position and complicates our annual and long-term capital planning, which can result in investment delays, inefficiencies, and higher federal funding requirements.

We remain committed to the idea of a trust fund for capital investment connected to Amtrak. However, absent Amtrak having access to such a trust fund, Amtrak requests that Congress provide its discretionary funding through a mechanism known as “advance appropriations.” This would provide a predictable funding stream that Amtrak has sought since our creation and would improve our ability to plan.

To plan in a manner consistent with most private enterprises, Amtrak requests five years of funding, which includes the fiscal year of the annual appropriations bill being considered by Congress, as well the four subsequent fiscal years. For example, the FY 2019 Transportation, Housing and Urban Development, and Related Agencies appropriations bill would include funding for FY 2019, FY 2020, FY 2021, FY 2022, and FY 2023.

Table 4: Amtrak Northeast Corridor and National Network Advance Appropriations Request

	Northeast Corridor	National Network	Total
FY 2019	\$543,001,488	\$1,156,998,512	\$1,700,000,000
FY 2020	\$638,159,347	\$1,161,840,654	\$1,800,000,000
FY 2021	\$758,760,189	\$1,141,239,812	\$1,900,000,000
FY 2022	\$831,247,958	\$1,168,752,042	\$2,000,000,000
FY 2023	\$966,293,384	\$1,133,706,615	\$2,100,000,000

According to OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget: “Advance appropriations of budget authority will be scored as new budget authority in the fiscal year in which the funds become newly available for obligation, not when the appropriations are enacted.”

To be clear, these four additional years of advance appropriations (FY 2020 through FY 2023) would not score in FY 2019 and would not count against the FY 2019 THUD appropriations bill’s 302(b) allocation. Also, to appropriate funding in this manner, the budget committees would need to authorize Amtrak for advance appropriations to ensure compliance with budget rules and points of order.

Based on the advantages outlined above, as well as no clear disadvantage to doing this, Amtrak believes providing an advance appropriation is simply the most prudent way to invest the American taxpayer’s resources in intercity passenger rail.

The FAST Act, Amtrak's Budget Request, and Five-Year Plans

The FAST Act required USDOT, in consultation with Amtrak, to define a new account structure and improvements to accounting methodologies to support the NEC and National Network. Following enactment, the FRA worked extensively with Amtrak to create this account structure, thereby establishing a new way that Amtrak reports its financial activities. The goals of this new structure include more effective management of costs and revenues, as well as increased transparency for Amtrak's stakeholders, which include Congress, states, passengers, and other partners.

Through this work, the FRA and Amtrak created an account structure built upon Service Lines (NEC, State Supported, Long Distance, Infrastructure Access, and Ancillary Services) and Asset Lines (Transportation, Equipment, Infrastructure, Stations, and National Assets and Corporate Services). Service Lines use the resources from the Asset Lines to deliver service to customers. The account structure functions as a financial sources-and-uses table showing how funding sources (e.g., federal appropriations, ticket revenues, railroad access revenues) are expended on company activities (e.g., maintenance of way, train and engine crew labor, equipment overhauls).

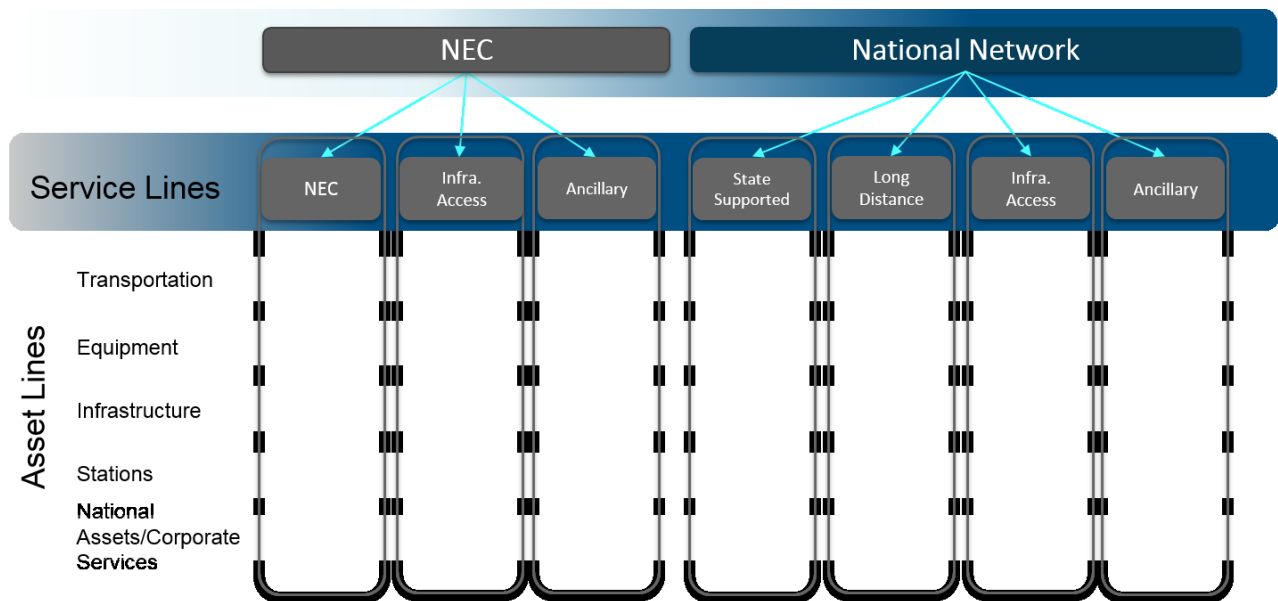


Figure 2: Diagram of Amtrak accounts and asset lines

This accounting methodology will be primarily illustrated in Amtrak's five-year Service Line and Asset Plans mandated by the FAST Act. Service Line plans will include: goals and objectives, projected revenues and expenditures, projected ridership levels, debt estimates, annual profit and loss statements, annual cash flow forecasts, and other detailed financial and strategic planning information for each of Amtrak's businesses (service lines) over a five-year period. Amtrak submitted its first Five-Year Service Line Plans in June 2017 and will transmit the next iteration in February 2018. The FAST Act requires that the Five-Year Asset plans be transmitted in February 2019. Congress also repealed the requirement for the legacy Five-Year Financial Plan.

FY 2019 Request by Service and Asset Line

Table 5: FY 2019 Federal Grant by Service Line

NEC	State Supported	Long Distance	Infrastructure Access	Ancillary Services
\$71,588,343	\$331,430,680	\$757,764,283	\$523,716,965	\$0

Table 6: FY 2019 Federal Grant by Asset Line

Transportation	Infrastructure	Equipment	Stations	National Assets & Corporate Svs
\$54,574,000	\$491,182,095	\$585,627,650	\$269,840,594	\$283,275,932

As defined by the FRA, the below Service Lines¹ are responsible for meeting the needs of the respective customers to fulfill their mission.

- NEC: Provides premium and regular intercity rail passenger service along the NEC while seeking to maximize operating surplus. Its customers are intercity travelers on the NEC.
- State Supported: Provides intercity rail passenger service and supporting services under contract to States on corridor routes of not more than 750 miles. Its primary customers are State Departments of Transportation and authorities, and intercity travelers.
- Long Distance: Provides intercity rail passenger service on routes of more than 750 miles. Its primary customers are travelers and communities across the National Network and the federal government.
- Infrastructure Access: Seeks to safely and efficiently plan for, develop, manage, and provide access to Amtrak-owned or controlled infrastructure and facilities consistent with Amtrak's statutory obligations. Its primary customers include rail operators and other public and private sector entities that currently use, or plan to use, Amtrak-owned assets.
- Amtrak's Ancillary Services include the following three sub-categories:
 - Amtrak Services: provides rail passenger transportation, maintenance, and related services at market-based prices to commuter rail agencies and commercial entities.
 - Reimbursable Services (other than services governed by the state-supported service costing methodology developed under PRIIA Sec. 209: provides obligatory maintenance, engineering, capital improvement, and other activities for freight and commuter operators and other outside enterprises on a reimbursable cost basis.
 - Real Estate and Commercial Services: engages in real estate activities and/or commercial arrangements with public and private sector entities to leverage Amtrak-owned fixed assets.

¹ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015." Since then, Ancillary Services has been updated to reflect Amtrak's business more accurately.

FY 2019 Northeast Corridor (NEC) Account

Dollar figures all in thousands.		NEC Revenue & Other			Infrastructure Access Revenue & Other			Ancillary Services Revenue & Other			Totals Revenue & Other		
		Grant	Sources	Subtotal	Grant	Sources	Subtotal	Grant	Sources	Subtotal	Grant	Sources	Total
Transportation	Operating	-	266,529	266,529	-	58,043	58,043	-	30,438	30,438	-	355,010	355,010
	Capital	-	8,539	8,539	54,574	44,092	98,666	-	-	-	54,574	52,630	107,204
	Subtotal	-	275,068	275,068	54,574	102,135	156,709	-	30,438	30,438	54,574	407,641	462,215
Equipment	Operating		208,309	208,309	-	15,095	15,095	-	32,681	32,681	-	256,085	256,085
	Capital	57,448	392,066	449,514	41,261	-	41,261	-	2,419	2,419	98,709	394,485	493,194
	Subtotal	57,448	600,375	657,824	41,261	15,095	56,356	-	35,100	35,100	98,709	650,570	749,279
Infrastructure	Operating	-	72,061	72,061	-	73,033	73,033	-	101,582	101,582	-	246,676	246,676
	Capital	-	405,271	405,271	303,425	-	303,425	-	225	225	303,425	405,496	708,921
	Subtotal	-	477,332	477,332	303,425	73,033	376,458	-	101,807	101,807	303,425	652,172	955,597
Stations	Operating	-	41,751	41,751	-	16,718	16,718	-	752	752	-	59,221	59,221
	Capital	14,140	71,937	86,077	64,431	-	64,431	-	-	-	78,571	71,937	150,507
	Subtotal	14,140	113,688	127,828	64,431	16,718	81,148	-	752	752	78,571	131,158	209,728
Natl. Assets & Corp. Svcs.	Operating	-	333,457	333,457	-	65,803	65,803	-	44,758	44,758	-	444,018	444,018
	Capital	-	57,597	57,597	-	-	-	-	-	-	-	57,597	57,597
	Subtotal	-	391,054	391,054	-	65,803	65,803	-	44,758	44,758	-	501,615	501,615
Subtotal	Operating	-	922,108	922,108	-	228,691	228,691	-	210,212	210,212	-	1,361,011	1,361,011
	Capital	71,588	935,410	1,006,998	463,691	44,092	507,782	-	2,644	2,644	535,279	982,145	1,517,424
	Takedown	-	-	-	-	-	-	-	-	-	7,723	-	7,723
NEC TOTAL		71,588	1,857,517	1,929,106	463,691	272,783	736,474	-	212,855	212,855	543,001	2,343,156	2,886,157

FY 2019 National Network (NN) Account

Dollar figures all in thousands.		State Supported Revenue & Other			Long Distance Revenue & Other			Infrastructure Access Revenue & Other			Ancillary Services Revenue & Other			Totals Revenue & Other		
		Grant	Sources	Subtotal	Grant	Sources	Subtotal	Grant	Sources	Subtotal	Grant	Sources	Subtotal	Grant	Sources	Total
Transportation	Operating	-	405,893	405,893	-	533,686	533,686	-	9,842	9,842	-	45,784	45,784	-	995,204	995,204
	Capital	-	19,587	19,587	-	51,312	51,312	-	3,513	3,513	-	-	-	-	74,412	74,412
	Subtotal	-	425,480	425,480	-	584,998	584,998	-	13,355	13,355	-	45,784	45,784	-	1,069,616	1,069,616
Equipment	Operating	25,810	165,743	191,552	129,883	81,453	211,336	611	-	611	-	9,524	9,524	156,303	256,719	413,023
	Capital	114,340	-	114,340	216,180	-	216,180	95	-	95	-	134	134	330,615	134	330,749
	Subtotal	140,150	165,743	305,892	346,063	81,453	427,516	706	-	706	-	9,658	9,658	486,919	256,853	743,772
Infrastructure	Operating	12,771	13,765	26,536	15,974	4,277	20,251	14,569	2,623	17,193	-	29,820	29,820	43,315	50,485	93,800
	Capital	57,828	-	57,828	65,605	2,834	68,440	21,008	1,224	22,232	-	12	12	144,442	4,071	148,513
	Subtotal	70,599	13,765	84,364	81,580	7,111	88,691	35,578	3,847	39,425	-	29,832	29,832	187,756	54,556	242,312
Stations	Operating	45,000	43,042	88,042	70,817	-	70,817	1,050	-	1,050	-	77	77	116,867	43,119	159,986
	Capital	48,747	-	48,747	25,656	14,956	40,612	-	9,146	9,146	-	-	-	74,403	24,101	98,504
	Subtotal	93,747	43,042	136,788	96,473	14,956	111,429	1,050	9,146	10,196	-	77	77	191,270	67,220	258,490
Natl. Assets & Corp. Svcs.	Operating	-	218,102	218,102	233,648	18,155	251,803	22,693	-	22,693	-	28,311	28,311	256,341	264,568	520,909
	Capital	26,935	17,748	44,683	-	21,056	21,056	-	-	-	-	-	-	26,935	38,804	65,739
	Subtotal	26,935	235,850	262,785	233,648	39,212	272,860	22,693	-	22,693	-	28,311	28,311	283,276	303,372	586,648
Subtotal	Operating	83,581	846,544	930,125	450,323	637,571	1,087,893	38,922	12,465	51,388	-	113,516	113,516	572,826	1,610,096	2,182,922
	Capital	247,850	37,335	285,185	307,442	90,158	397,600	21,104	13,883	34,987	-	146	146	576,395	141,522	717,917
	Takedown	-	-	-	-	-	-	-	-	-	-	-	-	7,777	-	7,777
NN Total		331,431	883,879	1,215,309	757,764	727,729	1,485,493	60,026	26,348	86,374	-	113,662	113,662	1,156,999	1,751,618	2,908,616

NN & NEC TOTAL 1,700,000 4,094,773 5,794,773

NORTHEAST CORRIDOR

TAB

Table 7: NEC Appropriation Summary			
Category	Grant Request	Revenue & Other Sources	Total Spend
Transportation	\$54,574,000	\$407,640,831	\$462,214,831
Equipment	\$98,709,022	\$650,570,338	\$749,279,360
Infrastructure	\$303,425,439	\$652,171,920	\$955,597,358
Stations	\$78,570,519	\$131,157,569	\$209,728,088
National Assets & Corporate Services	\$0	\$501,615,078	\$501,615,078
Takedowns (NEC Commission, FRA)	\$7,722,509	\$0	\$7,722,509
Total NEC	\$543,001,488	\$2,343,155,735	\$2,886,157,223

Transportation (NEC)

Funding Breakdown	
Revenue and Other Sources:	\$407,640,831
Federal Grant Request:	\$54,574,000
Total:	\$462,214,831

What Is This Asset and Why Is It Necessary?

Transportation includes the train crew operating trains on the railroad, crew moving equipment in the yards, crew providing on-board services on the trains (for example, service attendants, café attendants), on-board food and beverage supplies, commissary management, diesel fuel and electric propulsion costs, host railroad maintenance of way and performance incentive payments, passenger inconvenience payments, passenger claims, connecting bus service, utilities, and the management, supervision, and support required to perform activities listed here.²

Why Do We Want/Need to Fund This at the Requested Level?

While the NEC's operating costs are covered by NEC revenue, the capital costs associated with the NEC, including NEC transportation, do require federal investment. Without this support, Amtrak cannot offer a strong NEC product to its customers. And as the below charts indicate, the NEC offers a competitive product that continues to grow in demand.

Transportation (NEC) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Communications & Signals	\$6,862,740
Gateway	\$71,576,862
Stations & Real Estate	\$20,810,149
Technology, Safety & Support	\$7,954,695
Operating	\$355,010,385
Total	\$462,214,831

Project examples:

- Facility Improvements and Rehabilitations
- Washington, D.C. Terminal Dispatch Redundancy

² As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

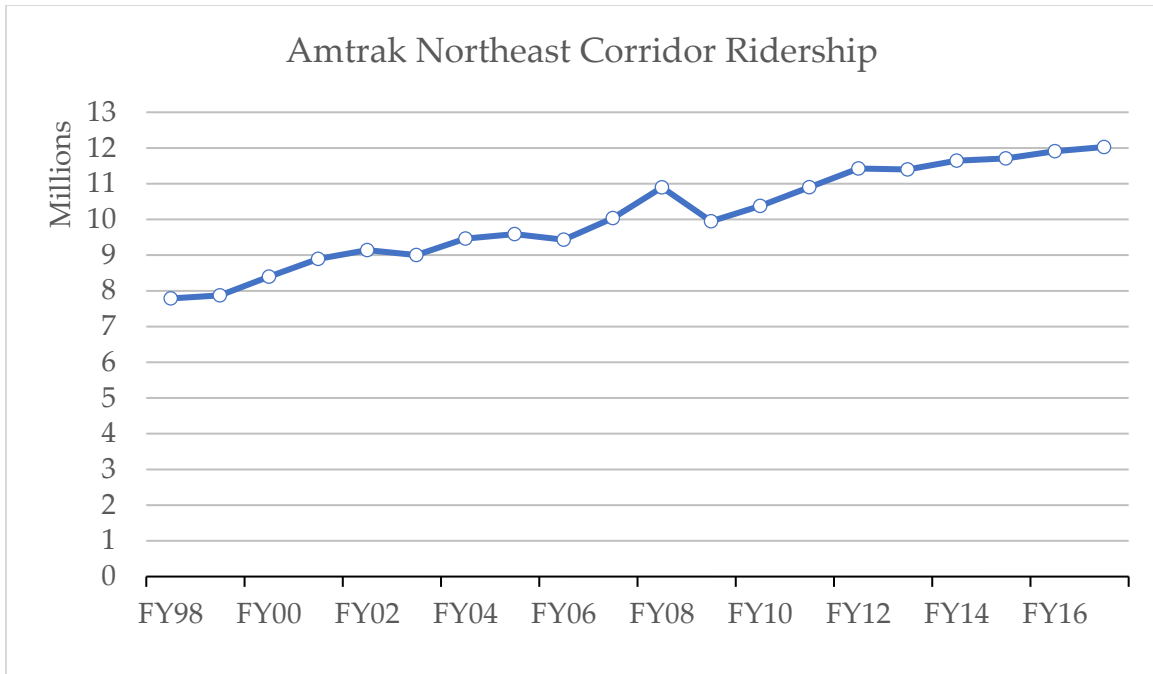


Figure 1: NEC Ridership growth, FY 1998 – FY 2017

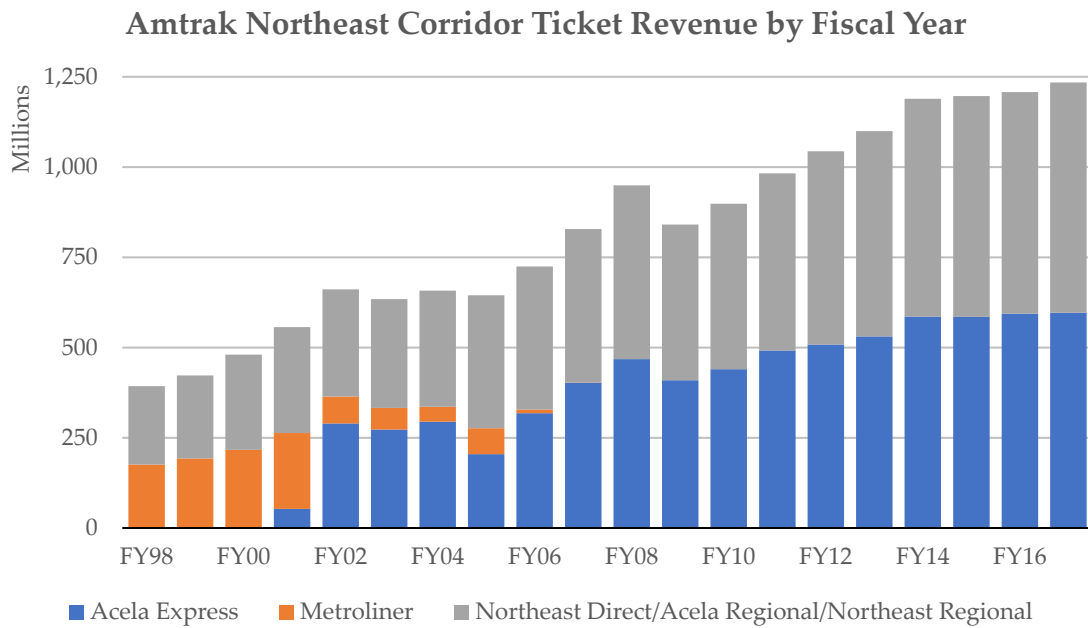


Figure 2: Ticket revenue growth on the NEC, 1998 – 2017

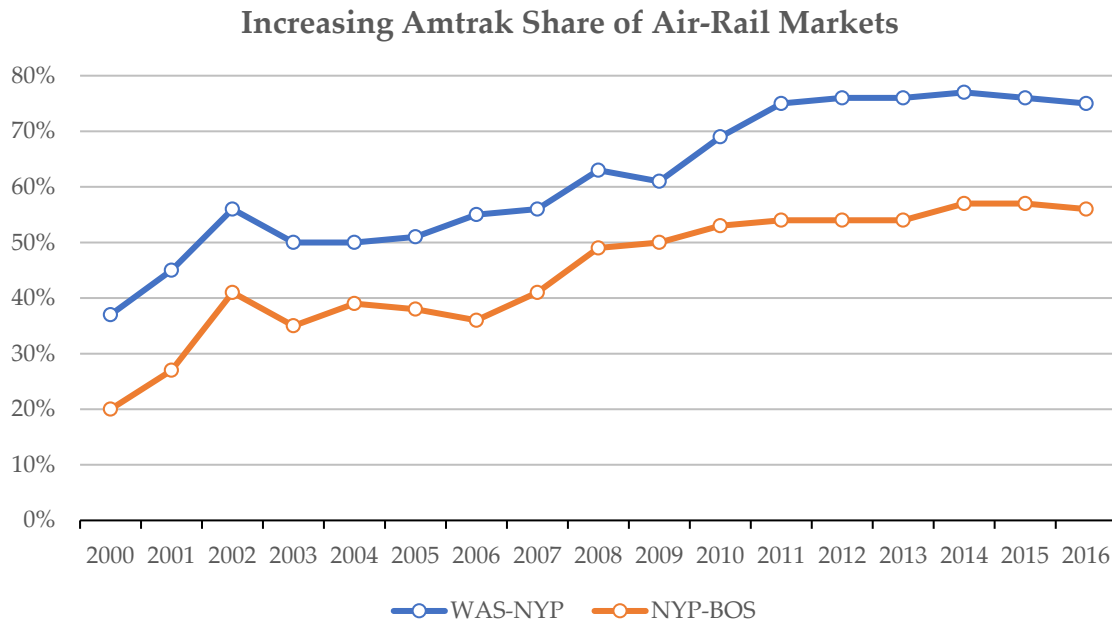


Figure 3: Amtrak’s share of the combined air-rail travel market in the Northeast Corridor has risen dramatically over the last 16 years

What Benefits Will This Request Provide the American Public?

Support for NEC Transportation will allow Amtrak to continue to operate a safe and reliable intercity passenger rail network on the NEC as well as the National Network. In the NEC region, seven million jobs are located within five miles of a NEC station. Many of those businesses chose their locations with an eye to the competitive advantage available to them through convenient access to the mobility the Corridor enables, both for their workforce and their customers. The workers who ride the NEC collectively contribute \$50 billion to the U.S. economy, demonstrating what a powerful economic engine the Northeast Corridor is.

Infrastructure (NEC)

Funding Breakdown	
Revenue and Other Sources:	\$652,171,920
Federal Grant Request:	\$303,425,439
Total:	\$955,597,358

What Is This Asset and Why Is It Necessary?

Infrastructure includes the track and associated materials, communications and signal systems, electric propulsion generation and transmission, tunnels, bridges, culverts, rights-of-way, signs, real property, and associated air rights buildings. It excludes stations and facilities where equipment is maintained.³ These facilities require federal investment to support the Amtrak and passenger rail on the NEC, both to ensure that service can be reliably maintained and to provide the necessary capacity the regional economy requires to support future growth.

The Northeast Corridor (NEC) connects eight States and the District of Columbia with one of the busiest and most complex transportation systems in the world, which makes a vital contribution to the regional and national economies. The NEC carries more than 820,000 people daily. As a steward and majority owner of the NEC, Amtrak moves intercity riders, and provides access and/or operational support to eight commuter lines and six freight operators (four on the Boston to Washington main line). This takes place even though the NEC faces major challenges as crucial segments are at or near full capacity and key assets need major repairs. The Corridor's most heavily trafficked bridges and tunnels are over a century old and parts of its electrical and signal systems date back to the 1930s. These aging assets are prone to unexpected failures that disrupt service and create delays for riders.

Why Do We Want/Need to Fund This at the Requested Level?

Amtrak is committed to providing the region with a safe, efficient, and effective rail service. To do so requires annual capital maintenance, renewal, and improvement activities across our infrastructure to support the safe and reliable operation of our trains. In addition to the immediate requirements of ensuring this service, Amtrak is responsible to our partners (including States and rail operators) for investing its share of the costs to replace major infrastructure components on the NEC which have reached the end of their useful lives. Amtrak owns numerous movable bridges that are over 100 years old, but remain in service because funding is not available to

³ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

replace them. These include the Susquehanna and Portal swing bridges, built in 1906 and 1910 respectively, and the Pelham Bay and Connecticut River drawbridges, built in 1907.

It is important to understand the state of the NEC for overall context, as well as to understand the daunting challenges of the capital needs on the corridor, as illustrated in the subsequent pages of this grant request. Over the past few decades, investment in the NEC has lagged, resulting in a gradual deterioration in the condition of the infrastructure. Today, the NEC Commission estimates that this backlog has reached \$38 billion. The condition of the NEC will continue to deteriorate if sufficient investment is not made, impairing the reliability of both intercity and commuter services operations. Investments that will allow Amtrak and its partners to reduce this backlog are vital to managing this complex asset.

Infrastructure (NEC) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Track	\$341,660,283
Communications & Signals	\$37,210,671
Structures	\$62,438,040
Gateway	\$83,729,936
Other Infrastructure	\$96,272,973
Stations & Real Estate	\$9,451,242
Fleet	\$65,597,736
Debt	\$12,560,354
Operating	\$246,676,124
Total	\$955,597,358

Examples of NEC Infrastructure projects include:

- Key elements of the Gateway Program
- Design of replacement for the Pelham Bay Bridge
- Concrete tie replacement & Undercutting Programs
- Susquehanna Bridge replacement design

In addition to reliability concerns, the growth in demand in recent decades created a need for capacity. To meet future passenger demands, increased levels of capital investment are needed to improve, expand, and replace the aging infrastructure and equipment that supports intercity passenger rail. The absence of headroom for growth in the current infrastructure compounds the problems of disruption and delay that result from today's infrastructure reliability challenges, and it curtails future growth opportunities.

What Benefits Will This Request Provide the American Public?

Amtrak's Northeast Corridor is a vital asset for businesses, workers, residents, and visitors to the region; its pivotal economic role also makes it a vital national asset. Its eight commuter rail operators deliver hundreds of thousands of workers to some of the most productive economic centers in the country each day. Amtrak carries more intercity customers between the New York – Boston and New York – Washington markets than all airlines combined. The demand for NEC rail services continues to grow, as popular tastes and congestion on competing modes put more and more of a premium on access to public transportation. On just 2 percent of the nation's land area, some 17 percent of its population produces 20 percent of America's GDP.

While Amtrak is the only endpoint-to-endpoint user of the NEC, eight commuter operations share portions of the route. One out of three jobs in the region is located within five miles of an NEC station, and the annual traffic through New York Penn Station is larger than John F. Kennedy, LaGuardia, and Newark Liberty Airports combined. The independent NEC Commission estimated that the potential impact of a one-day shutdown of the NEC to the national economy could total \$100 million.

As these trends accelerate, the NEC's role in the economy, which is already critical, will continue to grow. Infrastructure condition poses a strategic vulnerability for the region and the nation, as the reliability and capacity of the infrastructure fails to keep pace with the growth in demand.

Equipment (NEC)

Funding Breakdown	
Revenue and Other Sources:	\$650,570,338
Federal Grant Request:	\$98,709,022
Total:	\$749,279,360

What Is This Asset and Why Is It Necessary?

Equipment on the NEC includes Amtrak-controlled locomotives, cars, and trainsets, train servicing, maintenance of facilities where equipment is maintained, and the management, supervision, and support required to perform activities listed here. It also includes any preventive maintenance and minor repairs performed by external vendors or contractors to maintain the locomotives, cars, trainsets, and non-revenue equipment.⁴

Amtrak is in the process of investing heavily in its NEC equipment. In FY 2017 and FY 2018, Amtrak invested in an extensive overhaul of its train interiors found on the *Northeast Regional* in order to introduce a more modern, more comfortable experience for customers. Amfleet I coach cars underwent a series of improvements including brand new seat cushions, new carpeting, new LED lighting, new flooring, upgraded wainscoting and bulkheads, as well as new curtains in Business Class cars and redesigned galleys in the café cars to improve our customers' experience. The total investment thus far is valued at more than \$16 million and will serve to update this aging core fleet until replacement equipment can be procured in the coming year.

Why Do We Want/Need to Fund This at the Requested Level?

Equipment condition is a vital component of the customer experience. Periodic maintenance is necessary to ensure both the basic serviceability of the equipment and its presentation to the traveling public. The Northeast Corridor generates a significant portion of Amtrak's ticket revenues, and the customer experience is a central component of pricing power.

The core of a passenger's experience with Amtrak is the time spent on board, and the condition of our fleet is a significant driver of that experience. Fleet planning at Amtrak, like all capital planning, is constrained by Amtrak's lack of a reliable, multi-year source of capital funding. In the absence of capital for fleet replacement, Amtrak historically spent operating funds on maintaining equipment that is past its expected life cycle, typically at higher cost than the alternative of planned fleet replacement.

⁴ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

Equipment (NEC) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Facility Improvements	\$229,857,832
Fleet	\$127,665,547
Technology, Safety & Support	\$462,258
Debt	\$135,208,520
Operating	\$256,085,202
Total	\$749,279,360

The NEC services that Amtrak provides utilize Amtrak-controlled rolling stock and locomotives. This equipment is maintained at the “backshops” at Wilmington and Bear, Delaware, which are included in NEC Equipment. These facilities and programs include a full range of locomotive and car repair and testing facilities, and cover the management of programs to overhaul equipment, provide the necessary periodic maintenance, and manage the maintenance and repair services.

Examples of projects that will be funded include:

- Engineering Track Equipment
- Amfleet Overhauls
- Acela Overhauls

What Benefits Will This Request Provide the American Public?

The programs to maintain and overhaul Amtrak locomotives and rolling stock contribute significantly to the efficient and effective operation of our trains. The condition of the train plays a vital role in the customer experience, and these investments play a major role in ensuring that the passenger experience is commensurate with expectations. Investments in the customer experience contributed to the steady growth of ridership and financial efficiency at Amtrak.

Stations (NEC)

Funding Breakdown	
Revenue and Other Sources:	\$131,157,569
Federal Grant Request:	\$78,570,519
Total:	\$209,728,088

What Is This Asset and Why Is It Necessary?

This program supports investment in passenger rail stations served by Amtrak on the NEC. This includes Amtrak-controlled stations and elements of other stations for which Amtrak has legal responsibility or where it intends to make capital investments. This includes the maintenance and operation of such facilities that serve one or multiple routes.⁵

Why Do We Want/Need to Fund This at the Requested Level?

While stations require repair work to be safe and functional for the millions of customers we serve every year, we also must plan for the increasing number of customers that we see as a trend in the years to come. This requires structural improvements, track and platform maintenance, and master planning to coherently prepare for the highest and best use for each station. Amtrak wants to connect our customers to services, make them welcome, and be an improvement to the communities and metro areas that we service.

Stations (NEC) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Gateway	\$4,442,423
Other Infrastructure	\$46,314
Stations & Real Estate	\$134,482,573
ADA	\$11,535,836
Operating	\$59,220,941
Total	\$209,728,088

Project examples:

- Washington Union Terminal Master Plan
- ADA Compliance Projects
- Baltimore Station Master Plan

⁵ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

What Benefits Will This Request Provide the American Public?

The Washington Union Terminal Master Plan, which outlined a vision to redevelop the station and its air rights to address capacity constraints and aging infrastructure, would triple rail passenger capacity and double train capacity by modernizing and expanding station facilities and rail infrastructure. It would integrate three million square feet of transit-oriented development over the existing rail yard. Near-term funding would advance a package of investments in parallel with the preparation of an Environmental Impact Statement for the long-term improvements. Additional funding is required for design and construction of the planned improvements.

National Assets and Corporate Services (NEC)

Funding Breakdown	
Revenue and Other Sources:	\$501,615,078
Federal Grant Request:	\$0
Total:	\$501,615,078

What Is This Asset and Why Is It Necessary?

National Assets are the Nation's core rail assets shared among Amtrak services, including systems for reservations, security, training, and training centers, and other assets associated with Amtrak's national rail passenger transportation system.⁶

Corporate services are defined to include company-wide functions, such as legal, finance, government affairs, human resources, information technology, among others.⁷ These resources play a vital role in ensuring that Amtrak can develop and consistently provide competitive products and services, as well as delivering investments that will sustain, improve, and grow our business.

Why Do We Want/Need to Fund This at the Requested Level?

In order for Amtrak to provide its customers with NEC intercity train service, as well as NEC states and commuter agencies with access to Amtrak owned infrastructure, Amtrak's national assets and corporate services must be sufficiently maintained.

National Assets & Corporate Services (NEC) Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Fleet	\$281,651
Technology, Safety & Support	\$57,315,479
Operating	\$444,017,947
Total	\$501,615,078

This includes investing in:

- Amtrak Police Department
- Amtrak's Emergency Management and Corporate Security Department

⁶ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

⁷ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

- Application Optimization
- Customer Experience Programs

What Benefits Will This Request Provide the American Public?

The National Assets and Corporate Services asset line supports the other asset lines, and therefore the benefits to the taxpayers are illustrated throughout this document in the other asset sections. In addition, National Assets and Corporate Services help ensure a safe and secure rail network, and supports our employees and customers, as well as our corporate responsibilities.

Nonetheless, Corporate Services must appropriately support Amtrak's ultimate purpose, and to that end a great deal of scrutiny has been directed at these functions. Carefully managing the size of corporate services reflects Amtrak's determination to safeguard the taxpayers' investment and ensure federal funds are utilized as efficiently as possible. In our recent review of the organization, Amtrak determined that we could be more efficient in select areas by shifting or centralizing activities and eliminating non-essential work. To this end, the company launched a voluntary separation program right after the end of FY 2017, and a subsequent involuntary round to build a leaner and flatter organization. These programs are tools to enable Amtrak to size its workforce, and its allocation of talent to tasks, in a more streamlined manner which will make the company more responsive while reducing costs and aiding in our effort to develop a new corporate culture. We have also flattened the organizational structure of many teams, to help make us faster and more focused. Ultimately, Amtrak must ensure that our best talent can grow and develop their skills. Moving forward, Amtrak's new organizational structure will deliver quicker and stronger results in safety, customer service and financial performance.

NATIONAL NETWORK

TAB

Table 8: National Network Appropriation Summary			
Category	Grant Request	Revenue & Other Sources	Total Spend
Transportation	\$0	\$1,069,616,201	\$1,069,616,201
Equipment	\$486,918,628	\$256,853,198	\$743,771,826
Infrastructure	\$187,756,656	\$54,555,589	\$242,312,245
Stations	\$191,270,075	\$67,220,215	\$258,490,290
National Assets & Corporate Services	\$283,275,932	\$303,372,373	\$586,648,305
Takedowns (State Supported, FRA)	\$7,777,220	\$0	\$7,777,220
Total National Network	\$1,156,998,512	\$1,751,617,576	\$2,908,616,088

Transportation (NN)

Funding Breakdown	
Revenue and Other Sources:	\$1,069,616,201
Federal Grant Request:	\$0
Total:	\$1,069,616,201

What Is This Program and Why Is It Necessary?

National Network Transportation includes the train crew operating trains on the railroad, crew moving equipment in the yards, crew providing on-board services on the trains (for example, service attendants, café attendants), on-board food and beverage supplies, commissary management, diesel fuel and electric propulsion costs, host railroad maintenance of way and performance incentive payments, passenger inconvenience payments, passenger claims, connecting bus service, utilities, and the management, supervision, and support required to perform activities listed here.⁸

Long Distance trains provide intercity rail passenger transportation along Long Distance routes of more than 750 miles between endpoints. Their primary customers are intercity train travelers along these routes and the federal government.

Table 9: Amtrak Long Distance Trains		
<i>Auto Train</i>	<i>Coast Starlight</i>	<i>Silver Meteor</i>
<i>California Zephyr</i>	<i>Crescent</i>	<i>Silver Star</i>
<i>Capitol Limited</i>	<i>Empire Builder</i>	<i>Southwest Chief</i>
<i>Cardinal</i>	<i>Lake Shore Limited</i>	<i>Sunset Limited</i>
<i>City of New Orleans</i>	<i>Palmetto</i>	<i>Texas Eagle</i>

State Supported trains provides intercity rail passenger transportation and supporting services along short-distance corridor routes of not more than 750 miles between endpoints. Its primary customers are the intercity train travelers along these routes and State Departments of Transportation or other entities subject to PRIIA Section 209, which have responsibility for providing intercity rail passenger services.

⁸ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

Table 10: Amtrak State Supported (209) Services		
<i>Ethan Allen</i>	Chicago-Carbondale	Washington-Norfolk
<i>Vermont</i>	Chicago-Quincy	Washington-Richmond
Albany-Niagara Falls-Toronto	<i>Heartland Flyer</i>	Washington-Roanoke
<i>Downeaster</i>	<i>Pacific Surfliner</i>	<i>Hoosier State</i>
New Haven-Springfield	Cascades	Kansas City-St. Louis
<i>Keystone</i>	<i>Capitol Corridor</i>	<i>Pennsylvanian</i>
<i>Empire</i> (New York-Albany)	<i>San Joaquins</i>	<i>Pere Marquette</i>
Chicago-St. Louis	<i>Adirondack</i>	<i>Carolinian</i>
<i>Hiawatha</i>	<i>Blue Water</i>	<i>Piedmont</i>
<i>Wolverine</i>	Washington-Newport News	

Why Do We Want/Need to Fund the Program at the Requested Level?

Long Distance and State Supported trains are a critical part of Amtrak's intercity passenger rail network.

Capital projects designed to support the National Network are a vital component of a safe and efficient operation. These projects will help to improve the integration and efficiency of the business, and ensure that Amtrak continues to offer a safe, efficient, and effective train operation on its national system that fulfills customer expectations.

A frequently overlooked aspect of Amtrak Long Distance trains is that under the current cost allocation scheme, a significant portion of the costs associated with these trains are fixed costs driven by the operation of the whole network. Should the Long Distance trains be eliminated en masse or without sufficient time for planning and adjustments to Amtrak's cost structure, those fixed costs would remain and would then be spread to the remaining NEC and State Supported routes. Thus, the shutdown of Long Distance train service would save less than might be imagined while imposing significant burdens on to the remaining routes.

Transportation (NN) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Communications & Signals	\$444,051
Gateway	\$3,383,770
Other Infrastructure	\$34,000,000
Stations & Real Estate	\$23,888,624
Technology, Safety & Support	\$12,695,305
Operating	\$995,204,450
Total	\$1,069,616,201

Project examples:

- Facility Improvements and Rehabilitations
- Washington, D.C. Terminal Dispatch Redundancy

What Benefits Will This Request Provide the American Public?

While 50 percent of America's population lives within fifty miles of the coast, the remaining half is spread throughout the interior of the country, largely clustered around the major metropolitan areas of the South, Midwest, and West. The National Network provides a vital public link between densely populated urban centers and the nation's rural population, 40 percent of which enjoys some level of reasonable access to Amtrak service.

Today, these services, with routes that can exceed 2,000 miles in length, provide important connections between cities, towns, and rural communities embedded within their routes. Given that a relatively small number of customers travel the full distance of any Long Distance route, the key function of these trains is provide transportation between intermediate points within the route, as these trains provide the only Amtrak service to more than half of the States and stations we serve. In sum, these routes connect the nation's major regions, provide a foundation of intercity passenger rail corridor service for city-pairs lacking State Supported trains, and preserve intercity mobility for underserved communities and populations.

The State Supported corridors are a major source of Amtrak's ridership growth. Nearly half of the customers who ride Amtrak ride a State Supported train. The frequency of service on these routes can vary from one train to as many as 30 trains a day. Each of the 29 routes were developed in close partnership with the sponsoring State(s) to fill route-specific transportation needs. In Connecticut, Massachusetts, New York, and Michigan, Amtrak is upgrading Amtrak- and State-owned or leased infrastructure in partnership with States to improve the performance of the State Supported services. In North Carolina, Illinois, and Washington, States are leading infrastructure improvements to benefit their services in partnership with host railroads and others.

Infrastructure (NN)

Funding Breakdown	
Revenue and Other Sources:	\$54,555,589
Federal Grant Request:	\$187,756,656
Total:	\$242,312,245

What Is This Asset and Why Is It Necessary?

Infrastructure includes the track and associated materials, communications and signal systems, electric propulsion generation and transmission, tunnels, bridges, culverts, rights-of-way, signs, real property, and associated air rights buildings. It excludes stations and facilities where equipment is maintained.⁹ Not only does this include assets physically located on the National Network, but it also includes the National Network's share of the cost associated with infrastructure on the NEC that is used by Long Distance trains.

Infrastructure on the National Network includes Amtrak-owned assets, such as: the 104-mile Keystone Corridor; the 61-mile Springfield Line; and the 96-mile Michigan Line, as well as Amtrak-leased infrastructure, such as the Hudson Line between Schenectady and Poughkeepsie, New York.

Why Do We Want/Need to Fund This at the Requested Level?

Millions of Americans rely on Amtrak to provide efficient and effective transportation, and to deliver them safely to their destination. To meet their expectations, Amtrak must invest in the rail lines that carry our trains, the facilities that service them, and the stations where our customers board and alight. At their most basic level, these investments ensure that we provide a safe operation, but Amtrak's recent financial success has been predicated on more than just safety: people expect our services to be reliable and comfortable. These investments ensure that Amtrak can support a commercially viable service that is operated in a reliable manner – and that the travelers' experiences are both safe and comfortable.

⁹ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

Infrastructure (NN) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Track	\$68,474,360
Communications & Signals	\$27,343,230
Structures	\$21,216,122
Gateway	\$4,250,668
Other Infrastructure	\$20,167,126
Stations & Real Estate	\$2,433,757
Fleet	\$1,444,054
Debt	\$3,183,285
Operating	\$93,799,643
Total	\$242,312,245

Project examples:

- Host railroad Positive Train Control (PTC)
- Michigan Line West Rail Renewal
- The National Network share of the cost associated with projects on the NEC that are also used by Long Distance and State Supported trains (i.e., capital investments on the New York to Washington line)

What Benefits Will This Request Provide the American Public?

National Network's primary customers are Amtrak's State Supported and Long Distance service lines, commuter and freight railroads, and third parties such as States and localities. These customers provide the traveling public with a wide range of services, and demand continues to grow. Growth, however, will be constrained without investment to improve the condition and capacity of the National Network. Investment in the National Network Infrastructure will help to sustain, improve, and grow our business and help ensure safe and reliable train operations.

Equipment (NN)

Funding Breakdown	
Revenue and Other Sources:	\$256,853,198
Federal Grant Request:	\$486,918,628
Total:	\$743,771,826

What Is This Asset and Why Is It Necessary?

Equipment on the National Network includes the Amtrak-controlled locomotives, cars, and trainsets, train servicing, maintenance of facilities where equipment is maintained, and the management, supervision and support required to perform activities listed here. This also includes any preventive maintenance and minor repair performed by external vendors or contractors to maintain the locomotives, cars, trainsets, and non-revenue equipment.¹⁰

The equipment of Amtrak's National Network trains is an important and highly visible aspect of these services. Equipment condition is a vital component of customer satisfaction, and requires constant investment and attention. Because of the nature of our service, Amtrak cars and locomotives run up higher annual mileage than comparable equipment in commuter service. The Superliner fleet, which is the backbone of our Western Long Distance services, averages more than 200,000 miles per car, per year. The Amfleet II and Superliner I fleets are now approaching forty years of service, and will soon require investment. The diesel locomotives that operate these services typically have a shorter lifespan, and Amtrak is actively beginning the process of replacing or rebuilding a portion of this vital fleet. For equipment of all types, investment is the key to ensuring a satisfactory passenger experience, which provides the basis for revenue generation, efficiency improvement, and avoidance of the costs and revenue impacts associated with service disruptions.

Why Do We Want/Need to Fund This at the Requested Level?

Equipment condition and serviceability are key components of a service that meets customer expectations for safety, performance and comfort. Regular investment in Amtrak-controlled rolling stock and locomotives (as well as the mechanical shop facilities and maintenance management processes that are used to maintain and overhaul equipment) is a necessary component of an efficient and effective service.

¹⁰ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

Equipment (NN) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Stations & Real Estate	\$30,568,168
Fleet	\$256,176,041
Technology, Safety & Support	\$737,742
Debt	\$34,267,127
Operating	\$413,022,749
Total	\$743,771,826

Project examples:

- Diesel Locomotive Life Cycle Preventative Maintenance
- Engineering Track Equipment
- Long Distance single-level baggage car improvements
- Superliner Overhauls

What Benefits Will This Request Provide the American Public?

The ready availability of intercity passenger rail as a safe, convenient, and appealing public service depends in large part on the ability of Amtrak to provide equipment that meets customer expectations. Investment in the fleet of locomotives and rolling stock plays a major role in establishing the foundation for the competitive products and services that are needed to serve and grow our customer base.

Stations (NN)

Funding Breakdown	
Revenue and Other Sources:	\$67,220,215
Federal Grant Request:	\$191,270,075
Total:	\$258,490,290

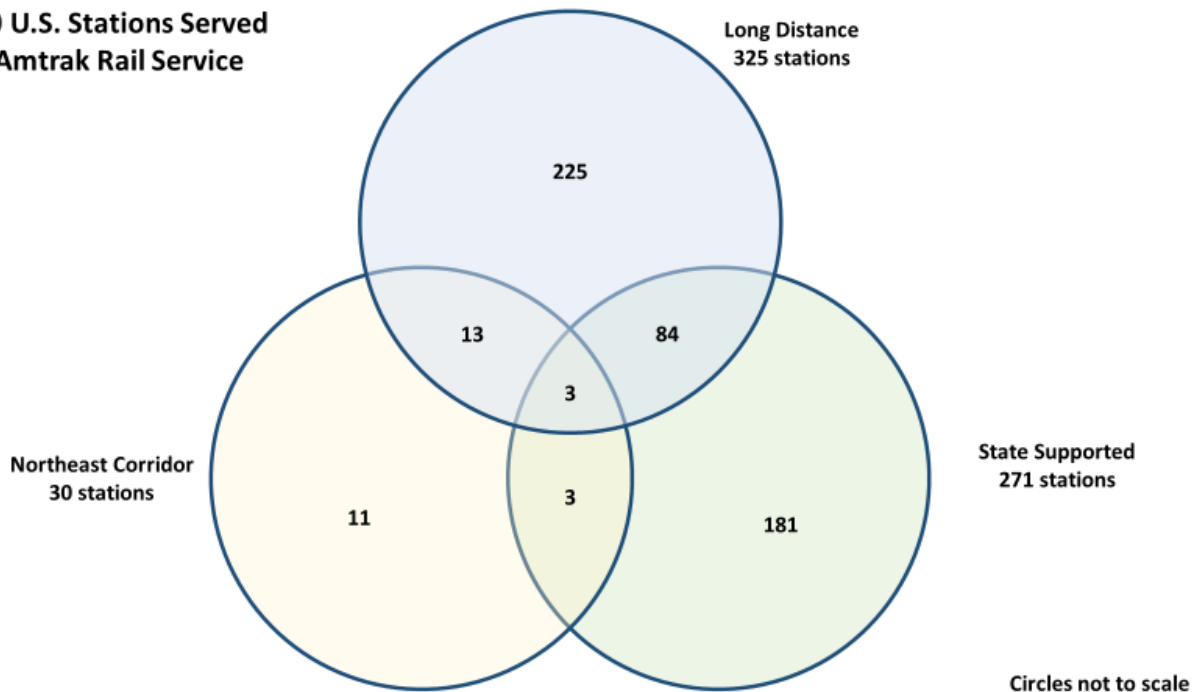
What Is This Asset and Why Is It Necessary?

Passenger rail stations served by Amtrak on the National Network include Amtrak-controlled stations and elements of other stations for which Amtrak has legal responsibility or where it intends to make capital investments. This includes the maintenance and operation of such facilities that serve one or multiple routes.¹¹ Amtrak serves 525 stations in the United States and Canada. 520 of these are in the United States, and of these stations, Amtrak owns or shares ownership of one or more station components (i.e., station structure, platform, parking facility) at 94 stations, including 81 station structures, 52 platforms, and 42 parking facilities.

Figure 4: A Breakdown of How Many Stations Are Served By Service Line

490 stations are served exclusively by National Network trains

520 U.S. Stations Served by Amtrak Rail Service



¹¹ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

Why Do We Want/Need to Fund This at the Requested Level?

Station facilities are key components of Amtrak's plan to provide competitive services by delivering on investments that sustain, improve, and grow our business. While stations require repair work to maintain their safety and functionality for the millions of customers we serve annually, we also must plan for the increasing number of customers that we see as a trend in the years to come. This program is designed to deliver improvements in both state of good repair and capacity, and requires structural improvements, track and platform maintenance, and master planning to coherently prepare for the highest and best use for each station. Amtrak wants to connect our customers to services, make them welcome, and be an improvement to the communities and metro areas that we service.

Stations (NN) – Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Gateway	\$353,577
Other Infrastructure	\$3,686
Stations & Real Estate	\$54,682,840
ADA	\$43,464,164
Operating	\$159,986,024
Total	\$258,490,290

Project examples:

- ADA Compliance Projects
- Central & West Division Station Improvements
- Chicago Union Station Improvements

What Benefits Will This Request Provide the American Public?

Investment in Amtrak's stations is central to the customer experience. While the spread of the National Network is vast, and the total number of stations in the Amtrak system exceeds 500, Amtrak's ten busiest stations generate almost half of Amtrak's boardings and alightings, and investment programs in these structures by Amtrak and its partners therefore generate significant benefits to large portions of the traveling public – not merely Amtrak customers, but rail commuters and members of the communities these stations serve.

Amtrak's large stations serve as gateways to our network and are often the starting or ending point for our customers' journeys. In many cases, they serve as important landmarks in the cities they serve. As many of Amtrak's rural customers have lost access to other travel options such as commercial air travel and busses, making sure our smaller stations are welcoming, comfortable, safe, and connected to their communities is a key amenity and differentiator.

National Assets and Corporate Services (NN)

Funding Breakdown	
Revenue and Other Sources:	\$303,372,373
Federal Grant Request:	\$283,275,932
Total:	\$586,648,305

What Is This Asset and Why Is It Necessary?

National Assets are the Nation's core rail assets shared among Amtrak services, including systems for reservations, security, training and training centers, and other assets associated with Amtrak's national rail passenger transportation system.¹²

Corporate services are defined to include company-wide functions, such as, legal, finance, government affairs, human resources, information technology, among others.¹³ These resources play a vital role in ensuring that Amtrak can develop and consistently provide competitive products and services, as well as delivering investments that will sustain, improve, and grow our business.

Why Do We Want/Need to Fund This at the Requested Level?

If Amtrak is to provide its customers with Long Distance and State Supported service, Amtrak's national assets and corporate services must be sufficiently maintained. Shared services and corporate wide functions need investment in order for Amtrak, the company, to operate and provide train services to customers.

National Assets & Corporate Services (NN)	
Capital, Debt, and Operating	
	Total (Federal Grant, Revenue, and Other Sources)
Fleet	\$130,312
Technology, Safety & Support	\$65,609,055
Operating	\$520,908,939
Total	\$586,648,305

¹² As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

¹³ As defined by the FRA's May 2016 document "Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015."

This includes investing in:

- Amtrak Police Department
- Amtrak's Emergency Management and Corporate Security Department
- Application Optimization
- Customer Experience Programs

What Benefits Will This Request Provide the American Public?

The National Assets and Corporate Services asset line supports the other asset lines, and therefore the benefits to the taxpayers are illustrated throughout this document in the other asset sections. In addition, National Assets and Corporate Services helps ensure a safe and secure rail network, and supports our employees and customers, as well as our corporate responsibilities.

Nonetheless, Corporate Services must appropriately support Amtrak's ultimate purpose, and to that end a great deal of scrutiny has been directed at these functions. Carefully managing the size of corporate services reflects Amtrak's determination to safeguard the taxpayers' investment and ensure federal funds are utilized as efficiently as possible. In our recent review of the organization, Amtrak determined that we could be more efficient in select areas by shifting or centralizing activities and eliminating non-essential work. To this end, the company launched a voluntary separation program right after the end of FY 2017, and a subsequent involuntary round to build a leaner and flatter organization. These programs are tools to enable Amtrak to size its workforce, and its allocation of talent to tasks, in a more streamlined manner which will make the company more responsive while reducing costs and aiding in our effort to develop a new corporate culture. We have also flattened the organizational structure of many teams, to help make us faster and more focused. With our new structure, we have reduced the number of layers on many teams. Ultimately, Amtrak must ensure that our best talent can grow and develop their skills. Moving forward, Amtrak will be more customer-focused, and we have designed our new organizational structure so we may deliver quicker and stronger results in safety, customer service and financial performance.

LEGISLATIVE PROPOSALS & OTHER FEDERAL GRANTS

TAB

Legislative Proposals & Other Federal Grants

On-Time Performance (OTP)

Amtrak's on time performance (OTP) on most host railroads is poor, has declined over the past five years, and continues to decline today. In FY 2017, on average, Long Distance trains were on time at stations only 47 percent of the time, a decline of 7 percent over the course of just one year (FY 2016 to FY 2017). Numerous State Supported routes also have poor on time performance. The largest cause of delay is freight train interference. During FY 2017, Amtrak trains were delayed by freight trains on host railroads almost 100,000 times. These delays totaled more than one million minutes (or 17,500 hours). Freight train interference is usually caused by violations of Amtrak trains' right to preference under *49 USC 24308(c)*.

Host railroads are statutorily required to provide Amtrak passenger rail service "preference" over freight transportation. This is the law, and has been for 45 years, and such preference is one of the founding pillars that railroads accepted in exchange for allowing freight railroads to give up their passenger service obligations. Unfortunately, freight railroads often ignore their statutory obligations to provide Amtrak with preference over freight transportation.

OTP improvements are absolutely achievable. Initially, the ability of Amtrak to enforce its right to preference established by PRIIA was effective in improving performance. Following PRIIA, Long Distance OTP exceeded 75% and it was more than 80% on State Supported routes. In fact, on certain hosts, freight train interference delays dropped by roughly two-thirds in a matter of weeks after PRIIA's passage. Unfortunately, over time, PRIIA's effects were diminished by two factors: 1) successful legal challenges by host railroads, and 2) lack of progress at the STB on the investigations which Amtrak requested.

As a result of these host railroad delays and violations of Amtrak trains' right to preference, Amtrak has been consistently unable to meet its congressionally mandated mission and goals (*49 USC 24101*) as they relate to providing on-time service to its passengers. Worse, given the successful legal challenges to PRIIA, Amtrak is without an effective mechanism to enforce its statutory right in order to fulfill its mission and goals.

By statute, currently only the U.S. Department of Justice (DOJ) can enforce preference in a civil action before a District Court judge. In Amtrak's entire history, DOJ has initiated only one enforcement action, against the Southern Pacific in 1979. Amtrak supports continued authority for the DOJ to initiate an action but we request that this authority be supplemented by creating a private right of action to enforce preference, just as any other company would have a right to go to court if its rights were being violated.

Requested bill Language

49 USC 24308(c)

Preference over freight transportation. Except in an emergency, intercity and commuter rail passenger transportation provided by or for Amtrak has preference over freight transportation in using a rail line, junction, or crossing unless the Board orders otherwise under this subsection. A rail carrier affected by this subsection may apply to the Board for relief. If the Board, after an opportunity for a hearing under section 553 of title 5, decides that preference for intercity and commuter rail passenger transportation materially will lessen the quality of freight transportation provided to shippers, the Board shall establish the rights of the carrier and Amtrak on reasonable terms. **Notwithstanding the provisions of 49 USC sec. 24103(a) and sec. 24308(f), Amtrak shall have the right to bring an action for equitable or other relief in the United States District Court for the District of Columbia, or in any jurisdiction where Amtrak resides or is found, to enforce the preference rights granted under this subsection.**

Conforming change to 49 USC 24103

24103(a) General.—(1) Except as provided in paragraph (2) of this subsection **or subsection 24308(c) of this part**, only the Attorney General may bring a civil action for equitable relief in a district court of the United States when Amtrak or a rail carrier--

National Environmental Policy Act (NEPA)

While Amtrak is operated and managed as a for-profit corporation and is not a federal department or agency, 49 USC 24301, Amtrak is unique in that it also has a statutory public service mission that includes providing modern, cost-efficient, and energy-efficient intercity passenger rail transportation to achieve various public benefit objectives, and coordinating use of, improving, and ensuring equitable access to the predominantly Amtrak-owned Northeast Corridor. See 49 USC 24101(a) & (C); 24904(a). Therefore, Amtrak should be able to take the lead on an EIS for certain Amtrak projects. This would be similar to how USDOT currently handles state transportation agencies in the EIS process. To be clear, FRA and FTA are not prohibited from allowing Amtrak to take this lead role in the EIS now, and no new statutory authority is required for them to do this; however, FRA and FTA have not allowed Amtrak to take this lead role thus far. For example, Amtrak's role in NEC FUTURE, the FRA-led planning process for future Amtrak service on the NEC, was no different than any other private entity even though Amtrak owns and maintains the vast majority of the NEC. This simply makes no sense and Congress should direct the USDOT to provide Amtrak with this increased role in any future EIS on the NEC or for other major Amtrak projects on the National Network.

Requested report language:

While recognizing that Amtrak is operated and managed as a private company and is not a federal agency, to facilitate Amtrak's fulfillment of its statutory responsibilities the Committee directs the Secretary to make any necessary changes to the department's procedures so that it may delegate authority to Amtrak to act as an agency's surrogate and undertake an EIS when a federal agency is considering approving or funding projects on or impacting the Northeast Corridor or Amtrak projects on the National Network. The federal agency will still have full NEPA authority and will maintain final approval of the EIS.

Flowdown Flexibility

While Amtrak is regulated and funded by the FRA, we work as a business partner with commuter rail operators that are funded by the Federal Transit Administration (FTA) and with state DOTs that are funded by the Federal Highway Administration (FHWA). Contracts with these agencies typically stipulate a set of standardized provisions, covering a wide range of policy and procedural requirements. These provisions vary widely, and cover matters such as Buy America requirements and Small Business or Disadvantaged Business requirements. These contracts typically require a grant or funding recipient to conform to an extensive set of requirements. While Amtrak conforms to FRA requirements, the FTA and FHWA requirements can and do differ.

These differences result in both inefficiency and risk. In cases where Amtrak performs maintenance work for a commuter agency, it means that two pools of superficially identical parts must be maintained, one of which conforms to Amtrak Buy America standards while another meets FTA requirements. In cases where Amtrak performs other types of work on contracts funded with FTA or FHWA money, it often finds that it cannot simultaneously conform to both FTA and FHWA and FRA requirements. This entails a non-trivial level of administrative and legal risk, because the company may be liable to comply with both sets of rules, but can in practice only comply with one. A program harmonizing these contractual provisions would reduce this risk, and would ensure that the taxpayers receive better value for their investment in transportation, without in any way compromising the goals of the USDOT.

One way to do this would be to provide the Secretary of Transportation with the authority to waive requirements and direct only one set of flowdown requirements follow a particular project.

Requested bill language:

NORTHEAST CORRIDOR GRANTS TO THE NATIONAL
RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for activities associated with the Northeast Corridor as authorized by section 11101(a) of the Fixing America's Surface Transportation Act (division A of Public Law 114-94), \$_____, to remain available until expended: *Provided*, That the Secretary may retain up to one-half of 1 percent of the funds provided under both this heading and the "National Network Grants to the National Railroad Passenger Corporation" heading to fund the costs of project management and oversight of activities authorized by section 11101(c) of division A of Public Law 114-94: *Provided further*, That in addition to the project management oversight funds authorized under section 11101(c) of division A of Public Law 114-94, the Secretary may retain up to an additional \$5,000,000 of the funds provided under this heading to fund expenses associated with the Northeast Corridor Commission established under section 24905 of title 49, United States Code: *Provided further*, That of the amounts made available under this heading and the "National Network Grants to the National Railroad Passenger Corporation" heading, not less than \$50,000,000 shall be made available to bring Amtrak-served facilities and stations into compliance with the Americans with Disabilities Act. *Provided further, The Secretary shall have the authority to waive any of the requirements under 49 USC 24405(a), 49 USC 24305(f), 49 USC 5323(j), 23 USC 313, and 49 USC 50101 for intercity passenger rail projects; Provided further; That this waiver authority only applies to a project that has received funds from multiple federal sources; Provided further, That after waiving the aforementioned requirements, the Secretary shall then apply a single, uniform set of domestic spending preference requirements from the appropriate Federal statutes that apply to the total project regardless of the various federal funds used to support the project.*

Commercially Sensitive Information

Amtrak is subject to the Freedom of Information Act ("FOIA"). But unlike other FOIA-covered entities, Amtrak is a for-profit corporation that competes directly with a vast array of private sector companies. Like most for-profit businesses, Amtrak generates a great deal of commercially-sensitive information (e.g., strategic business plans and proposals, marketing strategies, pricing strategies, route profitability data, labor and material cost data, profit margins, procurement information, contract terms, detailed financial information, agreements and leases containing specially-negotiated terms and conditions for real estate transactions and other services provided

by Amtrak, etc.) which, if disclosed, is likely to cause competitive and financial harm to Amtrak. Disclosure of such commercially sensitive information undermines Amtrak's competitive, negotiating, and financial position by providing competitors with valuable (and otherwise unavailable) insight into the company's business strategies and its competitive strengths and weaknesses.

Requests for sensitive commercial information comprise only about 5 percent of the FOIA requests received by Amtrak each year. Yet those requests, and disclosure of the sensitive information they seek, pose a substantial threat to Amtrak's ability to operate as a competitive business. This problem can be cured by allowing Amtrak to invoke the same FOIA exemption that has been conferred on the United States Postal Service ("USPS"), whereby the USPS is permitted to protect information "of a commercial nature." To protect Amtrak's commercial interests, Amtrak should have a similar benefit as is outlined in the below legislative text.

Requested bill language:

Subsection (e) of Section 24301 of Title 49, United States Code, is amended by adding at the end thereof the following:

"Nothing in this subsection shall require the disclosure of:

- (1) the name or address, past or present, of any Amtrak customer;
- (2) information of a commercial nature, including trade secrets, whether or not obtained from a person outside of Amtrak, which under good business practice would not be publicly disclosed;
- (3) information prepared for use in connection with the negotiation of collective bargaining agreements under chapter 8 of Title 45, United States Code, or minutes of, or notes kept during, negotiating sessions conducted under such chapter;
- (4) the reports and memoranda of consultants or independent contractors except to the extent they would be disclosed if prepared within Amtrak; and
- (5) investigatory files, whether or not considered closed, compiled for law enforcement purposes except to the extent available by law to a party other than Amtrak."

Surface Transportation Board (STB)

The Surface Transportation Board (STB) was most recently reauthorized by Congress in 2015 and the number of Board members increased from three to five. Congress stressed that at least three members shall have a background in the fields of transportation, transportation regulation, or economic regulation, and at least two members shall have a professional or business background in the private sector. It is important that the Board operate as Congress intended and vacancies be filled by well qualified individuals, including individual(s) who understand intercity

passenger rail. In addition, Congress should ensure that adequate funding is provided to the STB to ensure it can appropriately handle passenger rail cases and related work.

Requested report language:

The Surface Transportation Board, as authorized in 2015, is intended to operate as a bipartisan five member board; however, the Administration has not nominated candidates to fill vacant spots. The Committee encourages a full board comprised of members who are well qualified, understand rail legislative and regulatory issues, and represents broad spectrum of rail industries, including intercity passenger rail. In addition, of the \$_____ provided to the STB, the Board is encouraged to invest adequate funds in passenger rail staff in order to appropriately address its statutory obligations to oversee on-time performance and other passenger rail matters.

Parity on Assault Jurisdiction

Amtrak requests a statutory amendment authorizing the prosecution, as a federal crime, of an assault or an intimidation of a passenger train crew member. Currently, it is a federal offense to assault onboard airline staff. Amtrak's onboard staff do not have the same protections. Amtrak seeks parity on this issue given the frequency with which assaults against Amtrak crew members are not prosecuted or are prosecuted under state or local laws providing for minimal penalties. Parity would serve as a deterrent and a means for greater enforcement of assaults against our crews.

Requested bill language:

INTERFERENCE WITH PASSENGER TRAIN CREW MEMBERS.

(a) IN GENERAL.—Chapter 281 of title 49, United States Code, is amended by adding at the end the following:

“§ 28104. Interference with passenger train crew members

“(a) OFFENSE.—It shall be unlawful for any person, while on a passenger train—

“(1) to assault or intimidate a crew member;

“(2) to interfere with the performance of the duties of a crew member or lessen the ability of a crew member to perform those duties; or

“(3) to attempt or conspire to perform an act described in paragraph (1) or (2).

“(b) PENALTIES.—A person who violates subsection (a)—

“(1) shall be fined under title 18, imprisoned for not more than 20 years, or both; and

“(2) if a dangerous weapon is used in assaulting or intimidating the crew member, shall be imprisoned for any term of years or for life.

“(c) DEFINITION OF CREW MEMBER.—In this section, the term ‘crew member’ includes engineers, conductors, on-board service personnel, and similar employees assigned to duty on an in-service train.”.

(b) CLERICAL AMENDMENT.—The analysis for chapter 281 of title 49, United States Code, is amended by adding at the end the following: “28104. Interference with passenger train crew members.”.

Disaster Assistance (Eligibility for Stafford Act and/or DOT Emergency Relief)

While states are eligible for Stafford and FTA grants to pay costs attributable to major disasters, such as Hurricanes Katrina, Sandy, Harvey, and Irma., Amtrak is not eligible. Amtrak’s current eligibility for DHS grants is for counter-terrorism purposes only, so there is no funding source for Amtrak in the event of the need for disaster recovery. Congress should address this legislatively by: 1) authorizing Amtrak to be eligible for Stafford Disaster Relief and Emergency Assistance funds, 2) funding the FTA Emergency Relief program through the mass transit account in the Highway Trust Fund, as opposed to discretionary appropriations, and providing the FTA with the authority to transfer ER funds to the FRA for disaster grants to Amtrak, and/or 3) authorizing and funding a new FRA Emergency Relief program for rail disaster assistance.

Access to GSA Services

For many decades, Amtrak has been eligible for Government Services Administration (GSA) automotive fleet management, an exemption authorized by Section 218(b) of PRIIA, codified as a note to 49 U.S.C. 243405. This reflects Congress’s recognition that the associated cost savings reduce Amtrak’s federal funding requirements. However, GSA does not currently provide Amtrak with access to GSA-negotiated rates with transportation carriers and other travel providers, such as hotels, for use by Amtrak employees on company business travel. Clarifying Amtrak’s eligibility for these GSA provided services would produce additional cost savings and enable available federal funding to be better used for other purposes.

Tax Exemption for Food and Beverages Sold on Trains

Although the food and beverage services Amtrak provides on its trains do not benefit from or utilize any services provided by states or local governments along Amtrak routes, Amtrak

currently pays state and local sales taxes on the revenues it generates from on-train food service sales. These payments are distributed among the states along each route according to an allocation process, as it is not feasible to verify the specific location of each transaction while Amtrak's trains are en route. Extending Amtrak's exemption from state and local taxes to on-board food sales would reduce the losses Amtrak currently incurs on food and beverage services. It would also eliminate the burdens and costs associated with the current allocation scheme.

Local Tax Exemption

Since 1981, Amtrak has been exempt from most state and local taxes pursuant to 49 USC 24301(l). While this exemption includes the state and local taxes on hotel stays for employees traveling for Amtrak business purposes, the lack of any specific reference to this in the statutory language results in many hotels and hotel employees insisting upon payment of state and local taxes that do not apply to Amtrak. Including in the statutory language an explicit reference to taxes imposed on hotel stays would alleviate this problem.

Capital Investment Grants

Amtrak strongly supports robust funding for the FTA's Capital Investment Grants (CIG) program. In particular, Amtrak requests that the following minimum amounts for two projects receive CIG funding in FY 2019:

Core Capacity	NJ Portal North Bridge Replacement	Kearny, NJ	\$125 million
New Starts	NJ/NY Hudson Tunnel Project	NJ / NY	\$600 million

This funding would represent one year of a multi-year investment under a Full Funding Grant Agreement (FFGA). In addition, Amtrak has identified two issues related to the CIG program that Congress should address via report language in FY 2019.

Requested report language:

Joint Public Transportation and Intercity Passenger Rail projects. — The agreement includes \$____ million for projects as described under section 5309(q) of the FAST Act, the Joint Public Transportation and Intercity Passenger Rail projects subsection. As the statute clearly states, the Secretary may make grants for the transit portion of new fixed guideway capital projects and core capacity improvements projects that provide both public transportation and intercity passenger rail service. Further, the statute requires that transit portion of projects described under 5309(q) shall be evaluated for project justification and local financial commitment under 5309(d), (e), (f), and (h), as well as the criteria outlined in 5309(q). In administering this

section, the Federal Transit Administration should use existing rules or regulations that pertain to New Starts or Core Capacity projects, as applicable, in order to advance the public transportation portion of the project and the Secretary shall work to reconcile any conflicting FTA, FRA or other Departmental requirements that pertain to the transit portion of the project and the intercity passenger rail portion of the project so that such projects may be efficiently undertaken.

Pre-Award Authority.— The FTA currently provides pre-award authority for activities advanced during the project development and engineering phases, including design, engineering, property acquisition and environmental review. These eligible costs remain part of the project scope in an eventual FFGA and local funds expended are considered local committed funds. Due to the unique nature and complexity of certain major projects, including the sheer size of such projects, the myriad stakeholders, and various jurisdictional complexities due to multiple transportation modes being involved, it is even more critical that work be advanced on the projects while the FFGA is being developed and that any funds expended by a local entity on eligible project costs count towards the local match requirement. Therefore, the FTA is directed to extend pre-award authority for eligible construction costs for projects that exceed \$1,000,000,000 in total project cost and which benefit both local transit and intercity passenger rail.

Federal-State Partnership for State of Good Repair

Amtrak supports robust funding for the Federal State Partnership for State of Good Repair grant program, at least to the level provided in the House of Representatives' FY 2018 Transportation appropriations bill.

Consolidated Rail Infrastructure and Safety Improvements (CRISI)

Amtrak supports robust funding for the CRISI grant program. The FAST Act authorized \$300 million for CRISI in FY 2019 and Amtrak supports at least this level of funding.

Restoration and Enhancement Grants

Amtrak supports funding for Restoration and Enhancement Grants. The FAST Act authorized \$20.0 million for Restoration and Enhancement Grants in FY 2019 and Amtrak supports at least this level of funding. It is important to note that in order to utilize the Restoration and Enhancement Grant operating funds, in some circumstances, additional capital dollars must be provided before the restored service can commence. Amtrak sees great potential in the pent-up demand for corridor service which includes additional frequencies in established corridors and

new opportunities such as Mobile – New Orleans service, which would link two major urban areas in a part of the country currently underserved by passenger rail service.

Transportation Investment Generating Economic Recovery (TIGER)

The TIGER program is a competitive grant program administered by USDOT's Office of the Secretary that targets federal investment in road, rail, transit, and port projects that achieve national objectives. Since TIGER was created in 2009, Congress has provided more than \$4.5 billion for TIGER projects including various important railroad projects. Below are a sampling of rail projects that have modernized intercity passenger rail infrastructure, improved the condition and/or connectivity of stations and supported grade-crossing safety improvements:

- \$48.7 million for track improvements, including for the Southwest Chief (\$29 million)
- Dearborn-Kalamazoo, Michigan (\$9.3 million) and New Haven, Connecticut (\$10 million)
- \$16 million to support the replacement of the century-old Portal Bridge
- \$110 million to support CREATE in Chicago, including a grade separation of two busy rail lines
- \$53 million to upgrade or construct intercity passenger rail stations and hubs in Rochester, New York (\$15 million); Oklahoma City, Oklahoma (\$13.5 million) and Charlotte, North Carolina (\$25 million)

Amtrak supports robust funding levels in FY 2019 to support rail projects across the nation.

Railroad Safety Grants

Whether it is through the FAST Act authorized CRISI program, or through other rail grant programs, Congress should provide additional funding to help intercity and commuter railroads implement critical safety measures, including Positive Train Control (PTC), as well as to support grade crossing upgrades and other safety improvements. This effort should include:

- Approximately \$2.5 billion to assist commuter railroads with PTC implementation,
- Approximately \$250 million to reimburse and support the cost of implementing PTC on host railroads due to intercity passenger rail,
- Approximately \$5 billion for grade crossing upgrades, and
- Approximately \$10 billion for other infrastructure safety improvements related to passenger rail.

Rail Passenger Terminal Grants

Amtrak supports federal funding targeted for station development projects as authorized under 49 USC 5561-5566. Under this section, the Secretary can provide federal funding to advance

intermodal transportation terminals as well as preserve existing rail passenger terminals in certain situations. Examples of projects that could be advanced by this proposed grant program include:

- Station expansion at Washington Union Station
- Master plan and development at Baltimore Penn Station
- Station expansion at William H. Gray, III 30th Street Station in Philadelphia
- Platform renewal at Chicago Union Station

FRA Safety and Operations

Amtrak supports increased investment in the FRA in order for the agency to help ensure the safety of railroad operations nationwide, as well as the development of intercity passenger rail. Increased federal investment can support additional FRA safety inspectors, the Automated Track Inspection Program (ATIP), PTC implementation, the Confidential Close Call Reporting System, and grade crossing safety, among other critical safety and passenger rail initiatives led by the FRA. Amtrak believes the FRA has an essential role in what must be a holistic approach to improving passenger rail throughout the nation, and as such Congress should make smart, targeted investments in the agency, especially to the areas directly related to rail safety.

Rail Workforce Development

Amtrak recommends targeted investment in the nation's current and future passenger rail workforce through a new FRA-led workforce development grant program that would expand the competitiveness of America's current and future rail workforce. While Amtrak currently has a strong workforce, and we continue to invest in training opportunities, we also acknowledge that we could do more if federal support was available. An FRA-led grant program should support Amtrak and other rail workforces through apprenticeships, job training, and other professional development opportunities. Local, regional, state, and where appropriate federal partnerships, including chambers, EDCs, small businesses, community colleges and universities, and nonprofits, should be central to a rail workforce development program.

DHS Intercity Passenger Rail Grants

Within the Homeland Security Appropriations bill, Congress provides annual funding to support rail security under the State and Local Programs account. Congress provided such funding for several years at a level of \$25,000,000; however, in more recent years this amount has been reduced to \$10,000,000 per year. Amtrak greatly appreciates this federal support, but the nation's intercity passenger rail security needs far exceed the current appropriation level. Therefore, Amtrak is requesting that Congress restore the funding level to \$25,000,000 as was originally intended and appropriated. Below is a breakdown of this DHS grant request:

FY 2018 Enacted Level	\$10,000,000
Adjustments to base:	
<i>Pay-raises, Contractual obligations, Rent, Benefits</i>	\$500,000
<i>Inflation</i>	\$250,000
FY 2019 Baseline Estimate	\$10,750,000
Program Changes	
<i>3 new screening teams (4 officers per team)</i>	\$2,580,000
<i>30 new canine teams</i>	\$5,450,000
<i>6 new Special Agents</i>	\$1,220,000
<i>Video surveillance systems (CCTV) upgrades</i>	\$3,500,000
<i>Access control system improvements</i>	\$1,500,000
FY 2019 Total Request	\$25,000,000

As outlined above, the proposed FY 2019 request includes additional funding for a number of key security enhancements. An increase in the number of explosive screening teams (three teams of four officers) at strategic locations on the Northeast Corridor between Washington, D.C. and Boston would allow for more hands-on passenger screening prior to boarding trains. Thirty additional K-9 teams (dog and officer) deployed throughout the U.S. at high-volume passenger locations would improve the coverage of non-intrusive conventional and vapor-wake type explosive detection activity. Six additional Special Agents for the Special Operations Unit would allow for more surge augmentation, counter-surveillance and show-of-force actions across the country.

The installation of Physical Protection Equipment (video surveillance system – CCTV – access control, intrusion detection systems, lighting, sensors, and alarms) and site hardening (bollards, barriers, ballistic film, etc.) mitigation solutions will directly limit improper access and reduce risk across Amtrak facilities, protecting its critical assets and customers.

These additional deployments and physical improvements each act as another layer in the systematic ability for Amtrak to protect the national passenger rail system, our customers who ride the rail system, and our employees from terrorist attack.

APPENDIX

TAB

Table 11: Supplemental Project List for a Proposed Infrastructure Bill

Rough order of magnitude estimate, and costs are subject to change if construction dates are delayed.

Project	Federal Share	Total Project Cost	Amtrak FY 2019- FY 2023 Budgeted Amount	Remaining Federal Funds Needed	Location	Construction Start Date	Construction Duration	Impacted Regions
Locomotives and Cars								
Mainline Diesel Locomotives	\$1.45 billion	\$1.45 billion	\$600 million*	TBD	N/A	2019	3 years	Systemwide
Replacement of Single-Level Coaches	\$900 million	\$1.55 billion			N/A	2019	5 years	Northeast & South
DMU/DEMU Diesel-electric dual modes	\$400 million	\$400 million			N/A	2019	3 years	Systemwide
* The figure here represents overall planned fleet investment, but project-level breakdowns await the completion of a comprehensive fleet planning strategy review currently underway.								
Bridges and Tunnels								
North Portal Bridge	\$1.08 billion	\$1.7 billion	\$171 million	\$905 Million	Kearny, NJ	2017	6 years	Northeast, South & Midwest
Hudson Yards ROW Preservation, Phase II	\$235 million	\$470 million	\$35 million	\$200 Million	Manhattan, NY	2017	2 years	Northeast, South & Midwest
East River Tunnel Rehabilitation	\$250 million	\$750 million	\$9 million	\$241 Million	Manhattan & Queens, NY	2019	5 years	Northeast, South & Midwest
Hudson Tunnel Project	\$6.45 billion	\$12.9 billion	\$178 million	\$6.272 Billion	Secaucus, NJ & Manhattan, NY	2019	10 years	Northeast, South & Midwest
Sawtooth Bridge Replacement	\$680 million	\$1.35 billion	\$15 million	\$665 Million	Kearny, NJ	2019	7 years	Northeast, South & Midwest
Baltimore & Potomac Tunnel Replacement	\$3.6 billion	\$5 billion	\$76 million	\$3.524 billion	Baltimore, MD	2019	10 years	Northeast, South & Midwest
Susquehanna Bridge Replacement	\$1.36 billion	\$1.7 billion	\$289 million	\$1.071 Billion	Perryville, MD	2019	5 years	Northeast, South & Midwest
Pelham Bay Bridge Replacement	\$410 million	\$410 million	\$5 million	\$405 Million	Bronx, NY	2019	4 years	Northeast
Connecticut River Bridge Replacement	\$470 million	\$660 million	\$20 million	\$450 Million	New London, CT	2018	3 years	Northeast
Stations and Facilities								
Chicago Union Station Train Shed Ventilation	\$55 million	\$275 million	\$0 million	\$55 million	Chicago, IL	2016	10 years	Midwest & Systemwide
Chicago Union Station Master Plan – High-Level Mail Platform	\$35 million	\$70 million	\$12 million	\$23 million	Chicago, IL	2016	7 years	Midwest & Systemwide
Chicago Union Station Master Plan – Concourse/ Platform Improvements	\$75 million	\$500 million	\$0 million	\$75 million	Chicago, IL	2016	25 years	Midwest & Systemwide
Oakland Maintenance Facility – Phase II	\$32 million	\$32 million	\$0 million	\$32 million	Oakland, CA	2018	2 years	West

Project	Federal Share	Total Project Cost	Amtrak FY 2019- FY 2023 Budgeted Amount	Remaining Federal Funds Needed	Location	Construction Start Date	Construction Duration	Impacted Regions
New Sunnyside Yards Crew & Admin Building and Other Improvements	\$140 million	\$140 million	\$85 million	\$55 million	Queens, NY	2018	4 years	Northeast, South & Midwest
Baltimore Penn Station Improvements	\$104 million	\$104 million	\$90 million	\$24 million	Baltimore, MD	2015	10 years	Northeast, South & Midwest
Penn Station South Property Acquisition	\$1.2 billion	\$1.2 billion	\$0 million	\$1.2 billion	Manhattan, NY	2018	2 years	Northeast, South & Midwest
Ivy City Yard Improvements	\$30 million	\$30 million	\$4 million	\$26 million	Washington, DC	2019	4 years	Northeast, South & Midwest
Infrastructure								
Chicago Terminal ROW Acquisition & Improvements	\$500 million	\$500 million	\$0 million	\$500 million	Porter, IN to Chicago, IL	2019	3 years	Midwest & Northeast
Safety, Security, and Accessibility								
Reimbursement Costs Associated with PTC Implementation by Host Railroads	\$250 million	\$250 million	TBD	TBD	Systemwide	2017	2 years	Systemwide
Station Accessibility Program	\$1.8 billion	\$1.8 billion	\$275 million	\$1.5 billion	Systemwide	2017	10 years	Systemwide
New Corridors								
Various	\$20 billion	\$20 billion	\$0	\$20 billion	Midwest, South & West	2019	10 years	Midwest, South & West

Fiscal Year 2017 and 2018 Statement of Revenues and Expenditures

(\$s in Millions)	FY 2017 (Actual)	FY 2018 (Plan)	Y/Y Growth (\$)	Y/Y Growth (%)
Ticket Revenue (Adjusted)	\$2,180.8	\$2,251.4	\$70.6	3.2%
Food & Beverage	\$139.1	\$137.0	\$(2.1)	(1.5%)
State Supported Train Revenue	\$224.0	\$244.7	\$20.7	9.3%
Subtotal Passenger Related Revenue	\$2,543.9	\$2,633.1	\$89.2	3.5%
Other Core Revenue	\$260.2	\$263.2	\$3.0	1.1%
Ancillary Revenue	\$370.6	\$354.9	\$(15.7)	(4.2%)
Total Revenue	\$3,174.7	\$3,251.2	\$76.5	2.4%
Salaries, Wages & Benefits	\$2,002.9	\$2,046.5	\$43.7	2.2%
Train Operations	\$285.0	\$309.5	\$24.5	8.6%
Fuel, Power & Utilities	\$231.4	\$244.8	\$13.4	5.8%
Materials	\$120.9	\$118.9	\$(2.0)	(1.7%)
Facility, Communication & Office	\$158.3	\$162.3	\$4.0	2.5%
Advertising and Sales	\$106.7	\$95.7	\$(11.0)	(10.3%)
Casualty and Other Claims	\$70.7	\$72.2	\$1.5	2.1%
Professional Fees & Data Processing	\$230.2	\$230.0	\$(0.2)	(0.1%)
All Other Expense	\$99.0	\$126.8	\$27.7	28.0%
Transfer to Capital & Ancillary	\$(241.7)	\$(239.6)	\$2.1	0.9%
Core Expense	\$3,063.4	\$3,167.0	\$103.6	3.4%
Ancillary Expense	\$305.0	\$284.2	\$(20.8)	(6.8%)
Total Expense	\$3,368.4	\$3,451.2	\$82.8	2.5%
Adjusted Operating Earnings	\$(193.7)	\$(200.0)	\$(6.3)	(3.2%)

Amtrak Annual Operations Report

FY 2017 STATISTICS BY ROUTE

Name	Usage		Finances		Short-term avoidable profit or (loss) per pas- enger-mile (\$) ¹⁴	Grants	
	Ridership	Passenger- miles	Core revenue (\$)	Revenue- to- cost ratio		Federal operating support ¹⁵	State payments ¹⁶
Acela Express	3,442,188	651,054,158	614,656,304	1.90	0.45	-	-
Northeast Regional	8,569,867	1,330,347,806	667,360,017	1.45	0.16	-	-
NEC special trains	15,250	2,847,310	(17,483,656)	(2.17)	(8.98)	-	-
Northeast Corridor	12,027,305	1,984,249,274	1,264,532,665	1.59	0.24	-	-
Adirondack	116,159	34,005,584	12,343,053	0.86	(0.06)	2,084,365	5,284,000
Blue Water	186,282	36,418,959	11,229,502	0.82	(0.07)	2,508,302	4,112,000
Capitol Corridor	1,607,277	108,609,358	58,360,048	0.80	(0.14)	14,757,731	25,420,000
Carolinian	279,097	78,657,124	22,175,678	1.20	0.05	-	2,953,000
Cascades	810,050	127,172,309	57,928,489	0.83	(0.09)	11,949,699	19,446,000
Downeaster	526,052	41,840,957	12,930,614	0.75	(0.10)	4,374,884	3,584,000
Empire (beyond Alb.)/ Maple Leaf	1,158,555	139,009,657	48,256,485	0.78	(0.10)	13,924,758	(5,219,000)
Empire (NY-Albany only)	353,207	105,305,421	28,123,997	0.89	(0.03)	3,623,434	4,310,000
Ethan Allen Express	49,950	9,437,859	5,772,287	0.98	(0.01)	96,937	2,805,000
Heartland Flyer	71,340	12,493,256	6,672,289	0.89	(0.06)	783,314	4,617,000
Hiawatha	829,109	66,603,885	23,929,927	1.03	0.01	-	4,756,000
Hoosier State	29,504	4,643,349	3,777,762	0.82	(0.17)	802,262	2,708,000
Illini-Saluki	251,384	45,056,070	17,780,462	0.99	(0.00)	152,981	10,021,000
Illinois Zephyr-Carl Sandburg	204,148	33,368,523	16,346,319	1.01	0.00	-	10,620,000
Keystone	1,505,518	130,532,740	52,232,237	0.94	(0.02)	3,235,092	7,058,000
Lincoln	590,497	106,874,980	38,574,346	1.12	0.04	-	21,483,000
Missouri River Runner	173,840	32,169,100	14,627,662	0.99	(0.00)	127,195	8,580,000
Pacific Surfliner	2,989,871	259,160,678	104,802,781	0.83	(0.09)	22,146,931	22,703,000
Pennsylvanian	221,450	52,073,486	14,330,933	0.84	(0.05)	2,746,127	1,316,000
Pere Marquette	93,449	13,991,273	6,496,868	0.89	(0.06)	833,015	3,022,000
Piedmont Service	147,960	16,171,615	6,732,869	1.16	0.06	-	3,477,000
San Joaquins	1,120,037	155,195,925	79,203,629	0.82	(0.11)	17,796,831	39,641,000
Springfield Shuttle	245,131	21,137,457	16,346,349	0.76	(0.25)	5,223,913	6,928,000
Vermont	95,796	24,791,594	10,400,205	1.01	0.00	-	3,731,000
Washington-Lynchburg	189,811	41,120,606	12,833,933	1.45	0.10	-	(289,000)
Washington-Newport News	331,308	72,493,424	24,744,463	1.33	0.08	-	1,459,000
Washington-Norfolk	155,389	28,988,984	11,004,332	1.21	0.07	-	1,501,000
Washington-Richmond	174,935	26,368,800	11,869,981	1.27	0.09	-	2,108,000
Wolverine	459,106	97,038,538	28,509,618	0.84	(0.06)	5,512,774	6,303,000
Non-NEC special trains	46,600	5,980,928	2,990,682	0.25	(1.53)	-	-
State Supported	15,012,812	1,926,712,439	761,706,839	0.89	(0.05)	112,680,547	224,438,000
Auto Train	228,943	197,119,923	73,586,135	0.94	(0.02)	4,547,921	-
California Zephyr	415,348	308,438,605	60,441,023	0.51	(0.19)	58,364,558	-
Capitol Limited	231,214	103,961,556	22,023,239	0.45	(0.26)	26,756,784	-
Cardinal	112,439	43,293,790	9,316,062	0.35	(0.41)	17,578,622	-
City of New Orleans	255,435	106,832,577	20,377,087	0.50	(0.19)	20,234,794	-
Coast Starlight	438,781	204,164,880	45,655,044	0.49	(0.23)	47,374,841	-
Crescent	258,880	128,995,006	31,098,991	0.45	(0.30)	38,444,812	-
Empire Builder	454,465	325,652,006	59,509,336	0.53	(0.16)	53,582,948	-
Lake Shore Limited	388,722	173,867,429	32,570,261	0.50	(0.19)	32,833,946	-
Palmetto	391,853	97,360,144	31,015,041	0.95	(0.02)	1,640,460	-
Silver Meteor	341,406	199,178,218	40,456,384	0.56	(0.16)	31,519,554	-
Silver Star	373,372	179,035,751	33,413,970	0.51	(0.18)	31,524,006	-
Southwest Chief	363,272	304,634,800	49,912,421	0.48	(0.18)	54,083,333	-
Sunset Limited	98,649	75,829,506	12,395,561	0.26	(0.46)	34,815,830	-
Texas Eagle	345,679	168,165,549	27,049,602	0.46	(0.19)	32,245,043	-
Long Distance Adjustments	N/A	N/A	(14,786,373)	N/A	N/A	-	-
Long-Distance	4,698,458	2,616,529,740	534,033,785	0.52	(0.19)	485,547,451	-
Total	31,738,575	6,527,491,453	2,560,273,289	0.95	(0.02)	598,227,998	224,438,000

¹⁴ Amtrak financials do not currently define short-term avoidable profit or loss, so fully-allocated profit or loss is reported.

¹⁵ In some cases, costs for reported financials are allocated differently than costs for PRIIA Section 209 state cost sharing. In these cases, reported financials will not show Federal support. Reconciling items totaling \$14,953,400 can be subtracted from the \$112,680,547 to arrive at the State-Supported Adjusted Operating loss of \$97,727,147.

¹⁶ In cases where there is a negative number or credit, this credit is applied to other funding obligations of the relevant state.

FY 2017 ON-TIME PERFORMANCE BY ROUTE

All values in percent.

Route name	On-time performance (endpoints)	On-time performance (all stations)
Acela Express	75.8	75.8
Northeast Regional, Springfield	78.9	76.9
Newport News-Norfolk-Richmond	73.2	75.4
Lynchburg Regional service	74.2	74.7
Northeast Corridor	76.7	76.2
Adirondack	61.2	62.5
Blue Water	67.7	78.8
Capitol Corridor	91.2	94.0
Carolinian	48.1	49.5
Cascades	55.4	59.2
Downeaster	71.8	87.5
Empire (beyond Albany)	78.2	69.9
Empire (NY-Albany only)	86.2	92.7
Ethan Allen Express	81.2	86.3
Heartland Flyer	78.1	84.9
Hiawatha	95.0	97.8
Hoosier State	73.3	78.4
Illinois Zephyr-Carl Sandburg	94.2	93.7
Illini-Saluki	22.7	32.9
Keystone	85.9	92.6
Lincoln	77.0	75.7
Maple Leaf	74.7	56.2
Missouri River Runner	81.0	79.9
Pacific Surfliner	68.7	80.6
Pennsylvanian	81.4	78.9
Pere Marquette	84.2	92.1
Piedmont	64.8	78.2
San Joaquins	76.6	79.5
Vermont	70.3	57.1
Wolverine	61.5	69.0
State Supported	77.7	80.7
Auto Train	53.3	59.9
California Zephyr	49.0	45.4
Capitol Limited	47.3	47.2
Cardinal	52.7	53.8
City of New Orleans	68.3	45.1
Coast Starlight	56.6	44.2
Crescent	42.2	46.7
Empire Builder	59.4	53.4
Lake Shore Limited	47.6	45.1
Palmetto	45.8	54.5
Silver Meteor	44.0	42.5
Silver Star	38.6	41.0
Southwest Chief	53.8	47.3
Sunset Limited	68.3	35.5
Texas Eagle	60.7	47.5
Long-Distance	52.1	46.6
Total	74.6	73.0

Safety Update

The safety of Amtrak's customers, employees, and communities we serve is our top priority. While the company made strides in advancing its safety program in FY 2017, as described below, events such as the December 2017 derailment of Cascades Train 501 and the collision between *Silver Star* Train 91 and a CSX freight train in February 2018 have highlighted the need for continued progress and dedication on improving safety. Below is an overview of our recent safety efforts and a look at the next steps we have planned.

❖ Safety Enhancements Accomplished

➤ Hardware

- We believe the installation of PTC on the required routes nationwide will make the entire U.S. rail network safer for passengers, railroad employees, and the cities and towns which the national rail network traverses. Amtrak has long prioritized PTC installation on Amtrak-owned right-of-way as we operate on the NEC, the Michigan Line, and other Amtrak-owned lines which have PTC today. Amtrak is committed to meeting the statutory PTC deadline of December 31, 2018. While Amtrak does not control the right-of-way and the railroad infrastructure we run over for the clear majority of the national rail network, we are working closely with all our partners to advance implementation as soon as possible. Key steps remaining for Amtrak are the completion of equipment and software installation on Amtrak's fleet of diesel locomotives and cab cars and activation and federation of Amtrak's back office server, which permits our systems to communicate with the host rail-roads' systems. These activities are currently on-track to be completed in the third quarter of CY 2018.
- We are installing inward-facing cameras in our locomotives. These cameras monitor locomotive and engineer performance and are installed in Amtrak trains along routes in the Northeast, Midwest, and West and we are actively working to install them on Amtrak trains nationwide. Reviewing the data from these cameras, coupled with the data from our efficiency testing programs, provides us an excellent view of operational issues to be addressed in future training programs.

➤ Operational Audits

- The implementation of a new efficiency testing program for in-service, unannounced testing of rules compliance. Our supervisors and managers are developing the skills they need to improve their observations for critical rules compliance. Our operating practices group performs a monthly, system wide efficiency testing audit. Since this process was established in June 2017, we have seen a 15 percent increase in the number of observations made in comparison to the same time last year. To support this effort, we are upgrading our efficiency testing data platform. This project, which is scheduled to be complete by mid-February 2018, will allow more real-time visibility of our

efficiency testing. Going forward, we will not only be looking at the engineer testing process, but also at how we approach and execute out the various program control elements, such as data management, interfaces with training, and tester qualifications.

- We will be auditing our FRA-approved PTC Safety Program elements, such as training materials and required hazard logs, to determine if individual elements of this program are implemented in a manner consistent with their designed intent.
- Drug and Alcohol Testing Enhancements
 - We continue testing at levels well above regulatory requirements and have made additional enhancement to our drug and alcohol policies. We moved forward with a company random testing program for maintenance-of-way employees, as directed by the FRA. We also redoubled safety training with all managers and supervisors to help them focus on preventing and better recognizing drug- and alcohol-related problems.
- We have focused on enhanced safety communications throughout our workforce.
 - We issue Rules Alerts and Safety Advisories pertaining to specific rules and procedures associated with incidents. Our System Safety team continues to distribute regular communications such as a weekly safety focus, safety bulletins, safety alerts, and rules alerts. These communications are incorporated into job briefings and toolbox discussions.
- Employee Training
 - We are overhauling our training materials and courses. We undertook a comprehensive review and revision of the Roadway Worker Protection (RWP) manual and training programs. The new course clarifies requirements for the use of redundant protection when fouling with equipment. The courses now are designed by newly-hired professional Instructional Designers and include scenario-based exercises to improve participant understanding of protection protocols.
 - We rolled out “Safety Starts With Me” training for employees with a focus on employee expectations for managing safety. The establishment of clear expectations for employee safety emphasizes that safety is not simply the sole responsibility of one department, but rather the responsibility of every employee. Our Instructional System Designers have redesigned all safety training modules and created a three-day workshop for all Operations Managers. This program trains managers on pro-active risk management practices and effective communications. We have already trained more than 2,000 managers in these workshops and plan to extend this training to agreement employees starting later this year.
- Organizational
 - Amtrak has centralized its safety expertise into a consolidated Training and Compliance department, under a new Chief Safety Officer (see next bullet) to drive consistency and

focus. The previously separate resources include: System Safety, Compliance and Training, Environmental Compliance, Sustainability and Public Health.

- In January 2018, Amtrak announced the creation of a new Executive Vice President and Chief Safety Officer position reporting directly to the CEO to ensure this position has full authority and maximum impact. To fill this role, Amtrak hired Ken Hylander, a widely respected member of the transportation safety community with more than thirty years of experience in transportation safety. The new EVP will lead Amtrak in its implementation and operation of a Safety Management Systems (SMS).

❖ What's Next

- We will focus on risk reduction in front end operations.
 - We are reviewing potential operations policy changes related to operating through signal suspension and unsignaled, or dark, territory. While we are evaluating two different approaches, they both boil down to reducing speed significantly in these circumstances in advance of known hazards. While we see such a change as fully warranted, they may result in operational impacts to our host railroads and our trains, and we will need to work with our hosts to determine the best ways to minimize those impacts.
 - We are conducting a thorough review and revision of our route training and qualification process.
- We are planning for PTC operational issues. Relevant issues include:
 - Will we operate and under what policies when the wayside signals are inoperative? The risks of operating in this environment will need to be considered, as well as possible mitigation activities that could increase operating costs, such as additional spare parts and materials or human resources to maintain the systems in a high state of reliability.
 - Similar risk assessments will need to be performed around the possibility of inoperative train equipment.
 - For routes which are permanently without PTC, should we decide to continue operations, we will need to perform risk assessments and appropriate mitigations will need to be implemented. These mitigations could be costly and include signal system upgrades and extra resources to monitor operations more closely.
 - Finally, we are actively exploring the best ways to extract insights from the new PTC data and data from train recorders that exist today. Proactive use of these data can identify precursor safety events. This activity is a cornerstone of aviation safety and has been identified as an untapped opportunity for the rail system. Establishing systems to collect, analyze, and highlight negative trends and outlier events will require new computing and analysis capabilities.
- Implementation of a Safety Management System (SMS)
 - Amtrak is adopting a SMS, which will revitalize Amtrak's safety programs by primarily strengthening hazard identification and complimentary mitigation programs. An SMS

is a proactive risk management system, which will move us toward a more predictive safety management method at an organizational level. Having a safety culture that continually identifies, and mitigates, future risk is the proven way to improve overall safety performance. It has been a cornerstone of improving safety in many industries, including aviation, health care, and energy – and it is also the right system for Amtrak.

- A positive safety culture means an organization that easily facilitates and is receptive to safety discussions; that is committed to and practices risk reduction; that recognizes and accepts a healthy balance between centralized policy and procedure control and the value of local knowledge. A safety culture requires the reporting of safety issues at all levels. It is intolerant of recklessness and willful disregard for safety practices and learns from its mistakes. Safety culture emerges over time. Daily decisions and actual practice will define our culture. A good safety culture and a successful SMS are interdependent.
- We will know as a company that we have arrived at a good SMS when we:
 1. Have better safety data available for decision making;
 2. Can analyze safety risks before we do something, not after;
 3. Have closed-loop processes that find hazards, mitigates them, and verifies efficacy.
- Additionally, our safety processes will be fully integrated into our organizational decision-making and supported by strong oversight to ensure compliance with the practices we want to implement. At a personal level each Amtrak employee will know his or her role in the safety process.
- We know that implementation of an SMS is a significant undertaking – it requires our organizational commitment. SMS demands that all safety related procedures must be carefully documented, universally understood, and unfailingly applied. SMS is designed to advance that out-come by formalizing our knowledge into processes, checklists, and governing documentation to improve consistency. Amtrak believes the implementation of SMS will truly take our safety performance to the highest level of service. These efforts are in line with the NTSB's recommendation that Amtrak and our unions implement a SMS Program and generally consistent with the Risk Reduction Program approach mandated by this Committee in the 2008 Rail Safety Improvement Act and required by FRA through the development of a System Safety Program.

We have made steady progress, but we are committed to getting even better. Our team of 20,000 employees cares deeply about safety, and we will all work together every day to improve the safety of our operations, and every aspect of our company. Amtrak's goal is to be the safest passenger railroad in the world. Period.

Sustainability Report

Amtrak prepares an annual sustainability report, which is summarized below. The full report is available on our web site. A summary follows:

What does sustainability mean to Amtrak?

At Amtrak, sustainability is balancing the needs of our organization with the needs of future generations. We think about these needs in environmental, financial and social terms. We need to protect the planet, we need to be self-sustaining, and we need to be valued contributors to the world around us. One of the reasons Amtrak is a great place to work is that our team of 20,000 employees care deeply about sustainability. We are working together every day to provide a vital national service that is also a natural fit with sustainability. We have more than 30 million customers who rely on Amtrak to take them to their destinations safely every year. When they ride with us, they are not driving their car or flying on an airplane, which means fewer greenhouse gas emissions. Our service also supports the U.S. economy and connects people across the country, which are important dimensions of sustainability.

Why is sustainability important for Amtrak?

First, it's a moral imperative. We owe it to future generations to do our part to protect our planet. But we also view sustainability as a competitive advantage. Trends in U.S. transportation show a clear reality: we are not building more highways or airports. We are running out of space, but we can always add more trains. We have the great responsibility of being America's Railroad, and with that responsibility comes accountability. To ensure that we best manage the resources available to us, Amtrak is committed to setting ambitious targets to continually improve our sustainability performance and sharing our performance data with our stakeholders.

How are you incorporating sustainability into your business?

Amtrak embraces sustainability as a fundamental part of how we operate. Our company-wide sustainability policy guides how we incorporate financial, environmental and social considerations into our decision-making processes. Our sustainability program, supported at the highest levels of the organization, aims to increase sustainability awareness and integrate sustainable practices throughout our operations in a transparent and measurable way. Each year, we set goals to guide us toward meaningful improvement.

What progress are you making to reduce greenhouse gas (GHG) emissions?

We are reducing GHG emissions from fossil fuel consumption in our operations – in large part due to our efforts to reduce fuel and energy use. For example, we're swapping out prior-generation diesel engines with new, cleaner technology. Since 2010, we have saved more than 1,135,000 metric tons of emissions – equivalent to approximately 243,000 passenger vehicles

driven for one year. We also reduced our fuel consumption. In FY 2016, we successfully avoided using 2.75 million gallons, exceeding our goal by more than two million gallons. As a transportation services company, we enable customers to reduce their carbon footprints. Amtrak's partnership with Carbonfund.org allows customers to offset emissions from their travel during the purchase of their ticket. According to Carbonfund.org calculations, Amtrak customers offset 7,750,000 miles of train travel (equivalent to 1,395 metric tons of CO₂e) in FY 2016 and FY 2017.

How are you being transparent in reporting on your sustainability progress?

We have been calculating and reporting GHG emissions using the rigorous standards of The Climate Registry's General Reporting Protocol since 2010. Each year, our GHG inventory undergoes a third-party verification process to ensure accuracy and transparency in reporting. In FY 2016, our greenhouse gas emissions totaled 1.06 million metric tons of CO₂ equivalent, a 2 percent decrease from 2015; non-verified emissions in FY 2017 totaled 1.02 million metric tons of CO₂ equivalent, a 0.33% decrease from 2016. As a member of the CDP, formerly called the Carbon Disclosure Project, Amtrak publicly reports GHG emission data as well as information on climate change initiatives and mitigation strategies. CDP is a voluntary scheme where companies self-report their environmental data and impacts. In 2016 and 2017, Amtrak received an A-, based on the climate strategy, risks and opportunities, and GHG emissions reductions. Our response is available at cdp.net.

Cover photograph courtesy of Joe Aziz.



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