An Overview of Amtrak

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February 15, 2011
PRIIA Next Generation Equipment Pool Committee Annual Meeting
Amtrak 101 – basic company and system statistics

- Congressionally chartered corporation (majority of stock owned by U.S. Government), created in 1970 and operated as a quasi-nonprofit corporation for the provision of intercity passenger rail service in the U.S.

- The mission of Amtrak is to provide efficient and effective intercity passenger rail mobility consisting of high quality service that is trip-time competitive with other intercity travel options

- We operate a 21,200 mile system
  - 308 daily intercity trains
  - 528 stations
  - 1,519 cars and 469 locomotives, 80 auto carriers, and 101 baggage cars
  - More than 20,000 employees
  - More than half of our services operate at 90+ mph
  - 70% of our train-miles are run on track owned by other railroads (mostly large freight railroads)

- We carried 28.7 million riders in FY 10 – biggest year in our history

- Amtrak generated total of $2.5 billion in revenues in FY 10 (incl. ancillary business)
  - Covered 85% of operating cost (heavy rail passenger carriers in the U.S. typically fall into the 40-60% range)
  - Our FY 10 farebox recovery was 76% - highest U.S. passenger railroad

- Federal funding for Amtrak totaled slightly more than $1.5 billion in FY 2010
  - $563 million for operating expenses
  - $1 billion for capital needs
Congressional overview

• Focus is on fiscal austerity – and the legislative environment will be challenging

• Major uncertainty surrounding the legislative agenda:
  – Transportation reauthorization?
  – Debt ceiling?

• Administration’s decision to focus on high speed rail is significant
  – Continues the precedent established with Recovery Act funding
  – We strongly support it as a visionary step, with potential to change the way America travels
The near-term funding situation

- House of Representatives announced proposed spending cuts for FY 11 budget on Feb 9
  - Originally, Approps Bill proposed $75B in spending cuts
  - Amtrak level to be cut to $1.413B – slightly more than FY 08 level
  - On Feb 10, Approps Committee expanded cuts to $100B
  - Amtrak funding at the revised level TBA

- FY 12 budget announced yesterday
  - Amtrak requested $2.2B – right around the authorized funding level
  - Detailed discussion on this budget won’t start for some time – but will be protracted
Short distance/state corridor trains

- Trains operated over relatively short distances (86-750 miles), often in partnership with states
- Are the only service at 203 of our 528 stations
- 220 daily trains – more than half our daily total
- Fastest-growing business line, and the largest one, too
- Many routes will benefit from DOT’s High Speed and Intercity Passenger Rail and TIGER grant programs
Amtrak’s Northeast Corridor – what is it?

• More than half our daily trains (153 of 305), more than 1,800 daily commuter trains

• Carries more than 722,000 riders every day!

• We own (and maintain) 363 of the 457 route-miles
  – 17 tunnels (six underwater tunnels to access Manhattan)
  – 1,186 bridges (14 of them moveable)

• Top speeds of 150 mph for Acela Express and 125 mph for Northeast Regionals

• We carry more passengers than all the airlines put together between:
  – NYC and Boston
  – NYC and Washington, DC
The NEC is a bona-fide HSR operation.....

Maximum Speeds on the NEC

<table>
<thead>
<tr>
<th>Line</th>
<th>15 mph (CL I)</th>
<th>16-30 mph (CL II)</th>
<th>31-60 mph (CL III)</th>
<th>61-80 mph (CL IV)</th>
<th>81-90 mph (CL V)</th>
<th>91-110 mph (CL VI)</th>
<th>111-125 mph (CL VII)</th>
<th>126-150 mph (CL VIII)</th>
<th>Total Track Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEC Main Stem</td>
<td>4.7</td>
<td>18.8</td>
<td>68.4</td>
<td>145</td>
<td>144.6</td>
<td>273.7</td>
<td>267.6</td>
<td>195.4</td>
<td>1118.2</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.4%</td>
<td>1.7%</td>
<td>6.1%</td>
<td>13.0%</td>
<td>12.9%</td>
<td>24.5%</td>
<td>23.9%</td>
<td>17.5%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Does not include about 400 miles of miscellaneous yard tracks

- About 65.9% of the Amtrak-owned NEC Main Line trackage usable for 110-150 mph service
- Amtrak is the only company in America that maintains track for 110+ mph service
- 24.7% Boston to New York Operation is High Speed (125+ MPH)
- 44.9% Boston to Washington Operation is High Speed (125+ MPH)
- 65.7% New York to Washington Operation is High Speed (125+ MPH)
Fleet Needs

- Fleet age, utilization, mileage, and demand are all issues
  - Hardest-run fleet in America
  - Average age at an all-time high
  - No capacity to accommodate growing ridership

- Issued fleet plan in 2010, updating it now

- First tranche of orders last year:
  - 70 electric locomotive
  - 130 single-level long distance cars
Major fleet issues

• Age of equipment is at an all-time high:
  – Average Amtrak car is now older than the average car we inherited in 1971
  – Heritage equipment is pushing (and in some cases past) sixty years

• Lack of homogeneity (multiple classes of equipment for short and long distance and corridor service) complicates maintenance
  – Complete standardization will never be possible – but we need to reduce the number of classes and mechanically distinct variants

• Sizes of equipment classes vary widely, and mass obsolescence is a problem

• Supply base is limited – lack of market demand led to market exit
  – Transit and commuter rail have taken attention of remaining manufacturers
  – Amtrak needs to take a lead, or:
    - Market will offer equipment not optimized for intercity service
    - Limited range of choices may lead to increased cost and risks
    - Industry may continue to atrophy
Major components of this fleet plan

• Set limits on maximum equipment age ("lifing")
  – Need to get away from 60 year old equipment
  – Need to determine useful life and commercial life
    - Useful life is the maximum period we want to have equipment in service – 30 years for engines, 40 years for passenger cars
    - Commercial life is the period when the equipment is maintainable, technically viable and commercially attractive for its designed service

• Model ridership demand in future years

• Develop assumptions for costs and production/purchase rates

• Include associated costs (acquisition, maintenance, etc.)

• Create demand for every type of equipment, and provide potential economies of scale and consistency for suppliers and state partners
Major components of this fleet plan (cont’d)

• Plan designed for 2% ridership growth on existing services – but procurement model allows us to easily expand order sizes based on
  – Requirements of new corridors (Sec 305 committee)
  – Large-scale growth beyond conservative levels

• Average cost is about $743 million per year

• Total anticipated cost in 2009 dollars will be
  – $11 billion through 2023
  – $23 billion through 2040
  – These costs include associated improvements to maintenance facilities, provision of spare parts, and provision of fleet overhaul services for the period

• Total fleet procurement over a 30 year period will include more than 2,500 cars and 700 locomotives, independent of needs for projected state-supported corridors and new services
Fleet plan update

- Plan is updated annually and next update is imminent
- An evolution so do not expect a major change of direction
- The first two acquisitions in last year’s plan have been awarded
- Some changes are coming
  - Additional Acela capacity plans are included
  - Reprioritization of the single level equipment to enhance standardization
  - Program start dates have been adjusted to take account of the latest priorities and the development time for specifications including those from NGEC
  - Additional equipment has been restored to service via Stimulus and that is now included
- NGEC activities have been a vital part of the development of specifications for the equipment needs Amtrak has
- Diesel locomotive recapitalization and the replacement of the NEC regional equipment will utilize the NGEC specifications
- The long term requirement for equipment for Amtrak is substantial and will require a major funding commitment
Acela Express development and replacement

• Smaller fleet makes for a more difficult technical solution

• Factors influencing approach include
  – Need for capacity growth in the short term
  – Plan to double the fleet by 2020
  – Availability of parts for current fleet
  – Modernization of supporting infrastructure

• Build short term capacity with additional cars and other potential solutions

• Commence planning for the next generation within two years
Electric Locomotive purchase

• Variant of popular Siemens Euro-sprinter design
  – Revenue service speed of 125mph, max speed of 135 mph
  – Sufficient horsepower to pull 18 cars at 125 mph

• Base order will be for 70 locomotives

• Incorporates several key features
  – Regenerative braking
  – Redundant HEP power
  – Compliant w/ CFR238A as of Jan 2010 for front end strength

• Total cost about $466M

<table>
<thead>
<tr>
<th>Planned Delivery</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
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<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>27</td>
<td>33</td>
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Long Distance Single Level Car (LDSL) purchase

• Modeled on existing Viewliner fleet to:
  – Ensure uniformity of appearance,
  – Limit variation in part and component pools

• Will be able to operate anywhere on the system at up to 125 mph

• Bag-dorms will free up badly-needed revenue space on single-level LD trains (e.g., *Cardinal*)

• Will finally allow retirement of remaining Heritage equipment:
  – Baggage cars
  – Dining cars

• Estimated cost $298.1M

<table>
<thead>
<tr>
<th>CAR TYPE</th>
<th>BASE ORDER</th>
<th>OPTIONS</th>
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<tbody>
<tr>
<td>BAGGAGE / DORM</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>SLEEPER</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>DINER</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>BAGGAGE</td>
<td>55</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL</td>
<td>130</td>
<td>70</td>
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Planned Delivery: FY11 FY12 FY13 FY14 FY15

<table>
<thead>
<tr>
<th>Number of cars</th>
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<tbody>
<tr>
<td>0</td>
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<tr>
<td>2</td>
</tr>
<tr>
<td>57</td>
</tr>
<tr>
<td>71</td>
</tr>
<tr>
<td>0</td>
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Implications of these Rolling Stock purchases

• New equipment will replace all existing:
  – Electric locomotives currently in service
  – Heritage equipment

• Existing equipment will not necessarily be replaced on a one-for-one basis:
  – Single level dining car fleet will grow by five cars
  – Sleeper purchase will add 25 cars
  – At a minimum, will ensure improvements in availability, passenger satisfaction
  – Bag-dorms will free up revenue space in Viewliner trains, possibly in shorter Superliner trains

• 110mph speed restrictions for long distance trains on the NEC will end
  – Trip times for NYC-DC leg of *Cardinal, Crescent, Silver Service, Palmetto* and *Carolinian* can be shortened
Next round of Amtrak rolling stock purchases

• Amtrak anticipates utilizing the PRIIA 305 Specifications to acquire additional equipment and continue implementation of its Fleet Plan in the upcoming year.
  – Diesel Road Locomotives
  – Diesel switchers
  – Single Level Cars
  – Bi-Level Cars
  – Additional Acela car procurement

• Expect to begin Acela II procurement in 2020
Acquisition plan

<table>
<thead>
<tr>
<th></th>
<th>Single level cars</th>
<th>Bi-level Cars</th>
<th>Diesel Locomotives</th>
<th>Electric Locomotives</th>
<th>Acela Coaches*</th>
<th>Acela Power Cars*</th>
<th>Tier I† trainsets</th>
<th>Switchers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012-2023</strong></td>
<td>780</td>
<td>420</td>
<td>264</td>
<td>70</td>
<td>150</td>
<td>50</td>
<td>2</td>
<td>41</td>
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<tr>
<td><strong>2024-2040</strong></td>
<td>648</td>
<td>431</td>
<td>225</td>
<td>60</td>
<td>120</td>
<td>40</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,428</td>
<td>851</td>
<td>489</td>
<td>130</td>
<td>270</td>
<td>90</td>
<td>2</td>
<td>41</td>
</tr>
</tbody>
</table>

- These numbers are approximate – and will vary, depending on variables such as actual growth, seating capacity, etc.

- Acquisition of larger equipment runs spread over period of years

- Production runs of smaller equipment will come in blocks

- Batch sizes and composition to be determined as needed
  - Larger orders will translate into decreased cost-per-unit
  - Additional orders for state-supported corridors could benefit greatly from economies of scale

*Configuration of future Acela equipment TBD
†Trainsets compliant with FRA Tier I safety standards for service up to 125mph
Working with the 305 Committee

• Incorporating 305 Activities into Amtrak Fleet Strategy
  – Amtrak anticipates utilizing the PRIIA 305 Specifications to acquire additional equipment and continue implementation of its Fleet Plan in the upcoming year.
  – Utilizing the Section 305 Specifications and Processes will allow for:
    - Standardization
    - Opportunities for state corridor(s) joint acquisitions/partnerships
    - Economies of Scale
    - Orders of sufficient size to help rebuild the domestic equipment industry
    - Create pool of equipment that can be flexibly deployed as necessary

• Implementation framework will be of great importance
  – Managerial structure
  – Financing mechanisms

• 305 Committee work is important to us – and to the future of passenger rail in America