News Release

FOR IMMEDIATE RELEASE
February 3, 2012

ATK-12-008
Contact: Media Relations
202 906.3860

AMTRAK REQUESTS LESS FEDERAL OPERATING SUPPORT

FY 2013 funding request reflects strong financial performance, Focuses on capital projects for faster, more frequent, more reliable service

WASHINGTON – Amtrak is requesting $450 million in federal operating support for fiscal year 2013, a lower amount than the $466 million appropriated by Congress for FY 2012. The ability to seek reduced federal operating funding results from successful and ongoing efforts by Amtrak to improve its financial performance, including increased efficiency, cost controls, and debt reduction as well as better service, record ridership and anticipated increases in revenue.

"Amtrak's request for less federal operating support is a strong statement on just how much this railroad has improved its management and financial health. The fact is, Amtrak now covers 85 percent of its operating costs with non-federal dollars and we will further improve on that number without cutting service," said President and CEO Joe Boardman.

Amtrak submitted this request to Congress today as part of its FY 2013 Grant and Legislative Request for federal funding to support the operating and capital investment needs of America's Railroad®. It also contains a detailed discussion of legislative issues, including Amtrak's top five priorities for a new surface transportation bill.

The full FY 2013 request totals $2.167 billion and supports aggressive efforts by Amtrak to build the equipment, infrastructure and organization needed to ensure continued strong growth. The company is investing in projects critical for enhancing the passenger experience, essential for supporting its national network and vital for its future.

The funding request consists of four major components: $450 million for operations to support the national network of corridor, state-supported and long-distance trains; $1.435 billon for capital and infrastructure projects nationally; $212 million for debt service; and $60 million for Northeast Corridor (NEC) development projects, the Gateway Program to add track, station and tunnel capacity into the heart of Manhattan, and the high-capacity 220 mph next generation high-speed rail system from Washington, D.C. to Boston.

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The $1.435 billion request for FY 2013 for capital and infrastructure projects is a significant increase over the $657 million appropriated by Congress for FY 2012. Boardman stated that the increase is necessary to move beyond mere maintenance of existing equipment and infrastructure and to invest in improvements that support faster, more frequent and more reliable service in the Northeast, the Midwest and elsewhere. For example, Amtrak is ready to move forward on NEC projects that address the major backlog of deferred maintenance and enhance capacity at key chokepoints, provide greater connectivity and increase operating speeds.

The requested capital funding also will fund safety and security projects as well as customer focused programs such as improving station accessibility under requirements of the Americans with Disabilities Act and continuing the development of a next-generation reservation system. Funds are also required to replace an aging fleet of locomotives and passenger rail cars used for long-distance trains, state-supported routes and other corridor services.

In addition, the request for $212 million for debt service in FY 2013 is lower than the $271 million appropriated by Congress for FY 2012 and reflects the fact that Amtrak has worked hard to control its finances and reduced its debt for eight consecutive years.

Boardman further explained federal funding is critical for continuing and advancing many successful initiatives begun during the last three years which have taken root within the company and are now bearing fruit, strengthening the railroad's bottom line and laying the groundwork that will take intercity passenger rail to the next level.

He also emphasized it is imperative that Congress integrate Amtrak and other federal rail programs into a comprehensive and truly multi-modal surface transportation bill. As the nation's intercity passenger rail provider and only high-speed rail operator, Amtrak believes the rail section should include these top five priorities: provide dedicated, multi-year funding for intercity and high-speed passenger rail; establish a national investment strategy; create a clear and leading role for Amtrak; ensure coordinated corridor planning and project execution; and address liability and insurance issues.

Amtrak plays an important role in the nation's transportation network, offering people a safe, efficient, and reliable alternative in an economy marked by high gas prices and pervasive highway congestion. The demand for Amtrak service across the country – eight ridership records in the last nine years – is indicative of a sustainable trend.

"Congress has given Amtrak a critical national mission to provide intercity passenger rail service, and with an appropriate level of federal funding support, we can secure a stronger future for our country and reduce the nation's dependence on foreign oil," said Boardman.

Along with its FY 2013 Grant and Legislative Request, Amtrak submitted to Congress its FY 2012 – FY 2016 Five Year Financial Plan that reflects the company's commitment to continuing strategic capital investments that will yield returns from better service reliability, improved customer service and expanded service options.

About Amtrak®:
Celebrating 40 years of dedicated service as America's Railroad®, Amtrak is the nation's intercity passenger rail provider and its only high-speed rail operator. A record 30.2 million passengers traveled on Amtrak in FY 2011 on more than 300 daily trains – at speeds up to 150 mph (241 kph) – that connect 46 states, the District of Columbia and three Canadian Provinces. Amtrak operates trains in partnership with 15 states and four commuter rail agencies. Enjoy the journeySM at Amtrak.com or call 800-USA-RAIL for schedules, fares and more information. Join us on facebook.com/Amtrak and follow us at twitter.com/Amtrak.

attachment

NATIONAL RAILROAD PASSENGER CORPORATION
60 Massachusetts Avenue, NE, Washington, DC 20002

February 1, 2012

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

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

Dear Mr. President and Mr. Speaker:

We are pleased to transmit Amtrak's Fiscal Year (FY) 2013 General and Legislative Annual Report to you. Pursuant to Section 24315(b) of Title 49 U.S. Code and the "Consolidated Appropriations Act, 2010" (P.L. 111-117), this year's request includes Amtrak's FY 2013 Budget and Comprehensive Business Plan. This letter provides you with a brief overview of the key elements of that document, serves as a review of the past year's activities, and outlines our views on financial, legislative, and policy strategies to support the improvement and expansion of high-speed and intercity passenger rail service in the United States. Amtrak understands the need for funding constraints, and our recently published Strategic Plan envisions improvement in our overall financial performance, with the larger goal of reducing the need for operating support. This year's grant request totals $2.1 billion and continues the well-established pattern of dividing our financial need into an operating support component and a capital investment component. This letter will outline the benefits, in terms of ridership, revenue, savings, and cost-effectiveness that have followed the ongoing programs of investment in our system.

Introduction

Amtrak is now in its forty-first year of service to America. Since 1971, we've been a part of the national landscape, a transportation system that has preserved and improved intercity passenger rail and introduced high-speed rail to our country. Those decades have brought many changes, but Amtrak has persisted, weathering a national climate whose only consistent quality has sometimes seemed to be its lack of predictability. Amtrak has met the challenges with many accomplishments, including establishing the national passenger rail network, and a national passenger railroad to serve it. Along the way, Amtrak has replaced the aging fleet it inherited, transformed the Northeast Corridor into a high-speed railroad,

inaugurated new state-supported corridor services, introduced our successful *Acela* service and built a strong and dedicated workforce.

The investments that brought us these improvements have borne fruit, and they have helped us build our ridership and revenues. This has always been a complex environment, partly political and partly economic, but Amtrak has learned to survive and to manage. Even when faced with tough challenges, the company hasn't lost its vision or its imagination. These qualities allowed us to respond quickly three years ago when the American Recovery and Reinvestment Act (ARRA) presented us with an opportunity to implement some of the plans and ideas we had developed.

In the years to come, when people look back at 2010 and 2011, they will be remembered as the years when Amtrak laid the groundwork to move to the next level of service and development. ARRA funds have been used to supplement federal appropriations and the funds Amtrak generated through revenue growth to make significant and serious investments in a wide range of areas, from technology to rolling stock and infrastructure. These programs have allowed Amtrak to invest in the infrastructure improvements to support faster and more reliable service in the Northeast, and to return stored equipment to service, which improves revenues and our bottom line. We have also planned and launched long-term initiatives to replace our aging fleet, build capacity, and map out a clear path to higher-speed service in the Northeast. For the first time in more than a decade, Amtrak has launched major equipment acquisition programs and it has undertaken the acquisition and upgrade of existing rail lines to support higher-speed service. Just as previous rounds of investment have supported and fueled the ridership growth that we have reported in recent years, these improvements will in turn generate additional growth, and expand the range of travel choices that we provide to consumers. This request describes what we've accomplished, and what we intend to do to build on that success. While this is a request for funding, it is also a statement of what we've achieved with the limited resources we've been given – because make no mistake about it, our present success is a product of these investments.

The ridership record Amtrak set in 2011 – our eighth in the last nine years – is in large part a product of careful and sustained investment in our fleet, infrastructure and systems. This growth has spanned the system and has not been confined to one region or set of routes. Twenty of our 27 short distance routes outside of the NEC and five of our 15 long-distance trains set ridership records, and we collected record ticket revenues of $1.9 billion. This revenue growth contributes to our strong financial performance, which has allowed Amtrak to meet 85% of its operating requirements from revenues, including income derived from other sources such as real estate. Amtrak has reduced its debt for eight consecutive years. Yet, despite our recent success, we believe the best years are yet to come.

This growth trend, which is nearly a decade in the making, is also the product of a convergence of larger economic and social trends. Congestion has long been a serious problem, but it worsened greatly in the late 1990s, particularly in urban areas, and that marked change may have made a permanent impression on younger people. According to the 2011 edition of the Bureau of Transportation Statistics' *National Transportation Statistics*, the annual traffic delays in many metro areas grew by strikingly high percentages between 1982 and 1992 – 91 percent in New York, 100 percent in Chicago, and a staggering 115 percent in Portland, Oregon. By 2009, the amount of time the average driver wasted in traffic annually was more than triple the 1982 level, in all three cases; in Washington and Chicago, the typical driver lost 70 hours to traffic annually, almost the equivalent to a week of work or vacation. *Advertising Age* recently reported that the share of automobile miles driven by people between the ages of 21 and 30 fell from 20.8 percent in 1995 to 13.7 percent in 2009. They're digital and connected, and they don't want to waste work time or recreation time sitting in traffic – and the internet allows them to shop without driving; it was this demand that Amtrak responded to when we initiated the installation of free wi-fi in our stations and on our trains. A recent survey by the Concord Group, reported in *Urban Land*, found that about 81 percent of the "Millennial Generation" surveyed thought it was "very or somewhat important" that their residence afford them mass transit access, and 67 percent were willing to pay more to obtain it.

Properties in "walkable" urban areas are significantly more valuable than those in the suburbs, on a per-square foot basis. Some demographers have estimated that up to 40 percent of householders want housing in walkable, mixed-use communities that are more densely populated than the traditional suburb. The same report that identified this demand noted, however, that no more than 5-20 percent of American houses fit this model. Two consequences of this were the rapid rise in housing prices in certain urban areas during the first decade of the century, and the move by the market to satisfy demand in those areas. The Environmental Protection Agency's recent report, *Residential Construction Trends in America's Metropolitan Regions*, identified a major shift in the pattern of issuance of building permits in (among other locations) the three metro regions just cited as examples of the congestion problem. In each area, the percentage of building permits issued for the city at the core of the urban metro area more than doubled – suggesting that the market has responded to the demand for more concentrated housing and business development in downtown areas.

Percentage of building permits issued by the city at the core of a metro region		
Area	**Early 1990s**	**2003-2009 average**
New York, NY	15%	48%
Portland, OR	9%	26%
Chicago, IL	7%	27%

Source: EPA, *Residential Construction Trends in America's Metropolitan Regions*, 2010

The concurrent long-term rise in fuel prices has become an economic fact of life for many Americans. According to Department of Energy data, the average retail price for motor gasoline for all U.S. cities has not been below $1.50 since December 2003.

That trend translates into a permanent loss of disposable income for all Americans. It's apparent that people are responding to these trends, and the result has been a remarkable cultural shift. People are responding to congestion and fuel costs by redefining their ideas of how communities should look, and embracing the transportation modes that provide them with choices and alternatives suited to these new environments, many of which are served by Amtrak or connecting commuter rail services.

At Amtrak, we regard the growth in demand that we've seen over the last 10 years as indicative of a sustainable trend that will continue well into the future and we have directed our ongoing investment programs to develop the infrastructure and rolling stock capacity that we need to meet future demand. These investments are foundational. They will create capacity now, but they will also set the stage for future rounds of investment that will in turn generate additional increments of capacity, speed improvements, and security and reliability.

While capital funding programs have been subject to much-needed increases in federal appropriation levels since 2003, the most important investment that has been made in the Amtrak system in recent years came about as a result of ARRA. This legislation provided Amtrak with immediate access to nearly $1.3 billion in federal funding. Amtrak put that money to work, making investments in our fleet and our infrastructure that have materially improved our system. Thanks to this support, Amtrak has been able to increase fleet capacity, invest in the infrastructure of our Northeast Corridor, and improve facilities at stations and terminals across the country. ARRA funding has also allowed us to improve the accessibility of our stations and to advance our program for compliance with the Americans with Disabilities Act.

Improving Plant and Equipment

Rolling Stock

As we have noted repeatedly, Amtrak's fleet is aging and hard-pressed. The average rail car age is at an all-time high of 27 years. Heritage equipment dating from the late 1940s and early 1950s remains in daily revenue service on our long-distance trains. The Amfleet I cars that form the mainstay of our East Coast corridor services entered service in the mid-1970s. The average Amfleet I car logs an annual mileage equal to more than six trips around the world. Long-distance equipment covers even greater distances. The average Superliner car, which is used in long-distance service west of Chicago, covers an annual mileage that's the equivalent of nearly seven and a half trips around the world.

To address the problems of age, wear and future capacity needs, Amtrak created a comprehensive fleet plan in 2010; that was updated in 2011. This plan will guide fleet procurement through the coming

decades and is updated on an annual basis. It will build the capacity Amtrak will need to handle a conservative rate of growth, and can easily be augmented to accommodate higher growth levels. Planned procurements include:

- 40 additional cars for the existing *Acela* trainsets
- 11 Next Generation High-Speed Rail (HSR) trainsets
- 70 electric locomotives
- 904 conventional rail cars
- 280 diesel locomotives

While the plan will guide procurement strategy over the long term, the need for additional rolling stock capacity is pressing, and the procurement and fielding processes for rolling stock are typically multiyear exercises. Consequently, Amtrak invested nearly $184 million in ARRA funding to return stored and wreck-damaged equipment to service, providing capacity until new rolling stock can be procured. This investment allowed Amtrak to rehabilitate the following equipment:

- 60 Amfleet cars (enough to equip eight 7-car *Northeast Regional* trains)
- 15 P-40 diesel locomotives
- 21 long-distance cars (20 Superliners and one Viewliner)

In addition to the rebuilding program, our company initiated a procurement program that's designed to address the most urgent equipment replacement needs identified in the fleet plan. In July, 2010, Amtrak announced an order for 130 long-distance single level cars from CAF, U.S.A. This $575 million contract will create more than 350 jobs in Elmira, N.Y., and was sufficiently large to convince the company to move an entire factory from Brazil to upstate New York. The run of equipment it will produce will include the baggage and dining cars Amtrak will need to complete the replacement of our Heritage Fleet. The first cars are expected to be in service by the end of 2013.

Amtrak has also begun the replacement of the electric locomotive fleet which powers Northeast Corridor services such as the Regional and Keystone trains. Much of the existing electric fleet dates from the early 1980s, and the AEM-7 electrics are the oldest locomotives in daily road service on Amtrak. To replace these engines and provide capacity for growth, Amtrak has ordered a total of 70 electric locomotives from Siemens Corporation. The new locomotives will enter service in 2013 and will be capable of speeds up to 125 mph, for a total cost of $466 million. While the majority of the assembly will be completed near Sacramento, Calif., Ohio and Georgia will also benefit, and a total of 250 jobs will be created.

Amtrak is currently working to advance the next components of our fleet plan, which will improve our successful high-speed *Acela* service. To meet demand, preliminary design and procurement work is proceeding for the purchase of an additional 40 Business class cars for the existing *Acela* trainsets. Recent tests have demonstrated the feasibility of adding two additional Business class cars to the six car trainsets Amtrak currently operates. Conceptual work is also ongoing for the design of Next-Generation high-speed trainsets. While the project is still in the concept stage, design goals are for equipment that can realize higher speeds than those attainable by the existing *Acela* trainsets on planned infrastructure improvements.

Investing in the Northeast Corridor

While the potential for high-speed rail in America is not narrowly limited to one region, the Northeast Corridor (NEC) remains one the best places in the world to further develop high-speed rail services and the Corridor region remains a key priority for Amtrak. The existing NEC is America's only high-speed railroad, and is the product of a longstanding collaborative effort among Amtrak, the federal government, and state and commuter partners. Their efforts have improved track speeds, system capacity, and reliability, much as similar processes of incremental investment have been used to improve railroads abroad. Incremental investment in the NEC in previous decades transformed the system and revived ridership. The latest round of capital programs, funded in part by the ARRA, has allowed Amtrak to replace aging infrastructure and improve reliability and performance.

With ARRA funding, Amtrak made immediate and significant investments in the NEC, as many projects were ready and awaiting capital funding (investments elsewhere will be detailed in a following section). By the end of 2010, two fixed bridges had been replaced completely and much-needed improvements to two key movable bridges (the Thames River and Pelham Bay drawbridges) had been completed. The rehabilitation of the fire prevention systems in the New York tunnels and the upgrade of fire alarm systems in New York Penn Station improved accessibility and resilience of our system, while major structural work was completed at shop facilities in Boston and Washington, D.C. The reliability of our communications system was improved with the installation of more than 20 miles of radio transmission cables in our tunnels; an additional 26 miles of redundant communications cable helped to ensure better resilience of our control and communications systems. More than 18 miles of protective fencing was installed along our right-of-way to make the NEC safer for those who live nearby and more secure for the traveling public. Numerous other improvements in roadbed and right-of-way, as well as large-scale rail and tie replacements were also funded.

The 2011 investment program was funded jointly by Amtrak's capital appropriation and ARRA grants. It also encompassed activities ranging from full-scale bridge replacement to tree-cutting and roadbed cleaning. Amtrak replaced three additional fixed bridges with new spans, and made substantial progress on the replacement of the Niantic River drawbridge in Connecticut, which is scheduled for completion in 2012. Some examples of the NEC infrastructure work Amtrak completed in 2011 include:

- 176,602 concrete ties replaced
- 27 track-miles of continuous welded rail installed
- 26 track-miles of signaling upgraded on the Philadelphia-Harrisburg line
- 35 miles of fiber-optic cable installed on the New York and Mid-Atlantic Divisions
- 25 miles of hardware renewed on the electric catenary system

Many of our improvement programs involved the replacement of aging infrastructure such as bridges and electrical components that have reached the end of their designed service lives. Others, such as concrete tie replacements, were urgently needed to prevent service degradation. Still others added a layer of resilience to the system – either by improving safety features or by making important functions such as communications and signaling systems more secure. We have extended our ACSES Positive Train Control (PTC) system on the NEC. We have complete PTC functionality on the main spine of the NEC north of New York. By the end of 2012 we will have basic PTC functionality on all of the Keystone Corridor and the main stem of the NEC south of New York.

These investments are vitally important, for the NEC plays a major role in the economic life of the Northeast and the nation. It generates 36 percent of Amtrak's ridership and 52 percent of our ticket revenue, but it is much more than just an Amtrak-only operation. More than 50 freight trains use the NEC every day, and more than 2,000 commuter trains provide service to major metro areas such as New York, Boston, Philadelphia, Washington, New Haven, Wilmington and Baltimore. It is one of the most important transportation systems in North America, and Amtrak is as committed to the ongoing maintenance and improvement of the existing infrastructure and realizing growth opportunities through further development of the Corridor.

This commitment, and the acknowledgment that the NEC is a truly regional and national transportation asset, has underpinned our efforts to work collaboratively with the Federal government, Northeast states, localities, commuter agencies and freight railroads that use the Corridor to develop our vision for the future of the NEC. As a result of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), the Northeast Corridor Infrastructure and Operations Advisory Commission was established, and Amtrak

is working regularly and collaboratively with the Commission and its members to define and realize a vision for the future of this great regional rail transportation system.

Stair Steps to Next Generation High-Speed Rail

While the investments we have just outlined will help ensure that the NEC remains the vital transportation system it is today, the route itself has significant potential for further development as we proceed on a path towards our ultimate goal of developing a high-capacity, dedicated two-track, Next-Generation high-speed rail system (NextGen HSR) for the Northeast Corridor. The key to this is a realistic plan, one that sets attainable goals and establishes realistic timelines. There are opportunities for both fleet and infrastructure improvements, and Amtrak is developing plans to pursue the next round of improvements in four "Stair Steps", which are designed to further transform the NEC into an optimum high-speed rail route:

- *Step 1:* Increase *Acela Express* capacity by 40% through the acquisition of additional coaches for existing trainsets.
- *Step 2:* Double *Acela Express* frequencies between Washington and New York in peak periods and acquire new high-speed trains to augment existing *Acela* fleet.
- *Step 3:* Complete the NEC "Gateway Project" to create substantial new capacity between the Newark, New Jersey area and New York City, including two new Hudson River tunnels, additional terminal capacity serving the new Moynihan Station and enhanced New York Penn Station complex in Manhattan, expansion of trackage and a new Portal Bridge over the Hackensack River in New Jersey.
- *Step 4:* Expand *Acela Express* frequencies to up to 3 trips per hour in peak periods between Washington and New York and hourly service between New York and Boston, and continue acquisition of additional high-speed trainsets. Raise maximum *Acela Express* speeds on the Corridor's South End, permitting sustained 160 mph operation on select segments and reduce *Acela Express* travel times between DC and New York substantially.

Amtrak is presently advancing the planning and advancement, as appropriate, for each such Stair Step, with particular focus in FY 2013 on Stair Steps 1 and 2, which we anticipate will be completed in 2015 and 2020 respectively. Each Step has many attendant elements that must be completed in the appropriate sequence and align with subsequent Steps and the planning and development efforts of the NextGen HSR system. HSR service and inspection facilities will be lengthened as part of Step 1, and some station, maintenance, crew welfare and track capacity expansions, especially in the congested segment between Baltimore and Odenton, Maryland, are critical elements of Step 2. These two steps will produce a

significant increase in high-speed service capacity by 2020, which will leverage the success of our existing *Acela Express* service and continue to improve Amtrak's financial performance.

While these improvements will provide a capacity increase in the short term, Amtrak's plans also call for the simultaneous pursuit of the other "Stair Steps" that involve longer lead times and which are now under initial planning efforts to establish initial designs, schedules, and cost estimates. The Gateway Program will open up Amtrak's biggest capacity constraint, the southern entry to New York City, and will provide additional throughput and terminal capacity for Amtrak and New Jersey Transit.

The ARRA-funded and PRIIA-authorized High-Speed and Intercity Passenger Rail (HSIPR) and Transportation Investment Generating Economic Recovery (TIGER) grant programs managed by the Federal Railroad Administration (FRA) have provided funding for several components of this project, including the completion of the final design for a two-track fixed bridge to replace the century-old Portal drawbridge over the Hackensack River in New Jersey. Another key component of the Gateway Project, the construction of the new Moynihan intercity passenger station in the historic Farley Post Office building in Manhattan, will provide a more attractive and much-needed expansion of passenger station capacity, while trackage and platform capacity additions will permit the Moynihan/New York Penn Station complex to handle the planned additional train frequencies.

With the capacity-limited bottleneck of the current Hudson River tunnels removed through the Gateway Project, the fourth Stair Step envisions the completion of a suite of infrastructure improvements to support additional *Acela Express* frequencies, higher maximum speeds and trip time reductions between New York and Washington and hourly *Acela Express* service between New York and Boston. These improvements must be supported by the additional acquisition of high-speed fleet, enhanced maintenance and train storage facility capacity, and other related improvements, and represent the likely maximum in high-speed performance that the existing NEC can cost-effectively achieve.

To begin this process, Amtrak has received a $450 million HSIPR grant from the FRA for track needs, electrification installations, and signaling on a 23-mile stretch of track between New Brunswick and Trenton, New Jersey to raise maximum speeds. The current *Acela* equipment will be able to traverse this segment of track, which is currently approved for maximum speeds of up to 135 mph, at speeds of up to 160 mph. Several other grants were awarded to individual states or groups of states along the NEC. The FRA has funded an environmental impact study to increase capacity at Boston's South Station, and preliminary engineering and environmental work for the replacement of the 135-year-old B&P Tunnel in Baltimore and the century-old Susquehanna River Bridge, and the addition of an island platform and a new station building at BWI Airport.

The HSIPR and TIGER grant programs have also funded projects on feeder routes that connect with the NEC. A series of grants will extend double track on Amtrak's Springfield Line between New Haven and Springfield, Massachusetts, with associated signal, bridge and station improvements. The elimination of the last three grade crossings on the 110 mph Keystone Corridor will likewise be funded by an HSIPR grant; this will be a major step toward the introduction of 125 mph service on this route. Amtrak is also partnering with the FRA and the State of New York to invest in the Empire Corridor, which involves the long-term rail line lease from CSX Transportation that will be discussed in a following section.

To advance these collective Stair Steps in FY 2013, Amtrak is requesting a total of $60 million in capital funding in 2013. These funds will provide $35 million for design of Gateway program elements and $25 million for design of additional components of the Stair-Step program. An additional $6 million in operating funds in FY 2013 will support further environmental review and concept design of the NextGen alignment, and fund Amtrak support for the NEC Tier 1 Programmatic Environmental Impact Statement (PEIS), which is scheduled to be underway in 2013.

Planning and Developing the NextGen HSR System

Amidst the focus on state of good repair needs and near-term capacity and performance improvements to today's NEC, Amtrak is committed to advancing solutions for the long-term needs of the Northeast Corridor. Following a course of incremental improvements to the existing Corridor over the next decade and a half will eventually lead to utilization of all practical available capacity for high-speed and intercity traffic, after which capacity constraints will restrict the long-term growth potential of Northeast rail network and inhibit the ability of intercity passenger rail to play a larger role in helping to meet the region's mobility needs. To address this fundamental capacity challenge, Amtrak in September 2010 issued "A Vision for High-Speed Rail in the Northeast Corridor." The "Vision" outlined a conceptual framework for and an initial review of the feasibility of building a new, dedicated, two-track, high-capacity, high-speed alignment between Boston and Washington to serving the fast-growing intercity rail markets by 2040, known as the NEC Next Generation High-speed Rail or "NextGen HSR" system.

This Vision is currently being further refined and integrated with the program of NEC Master Plan improvements and Stair Steps referenced above. Amtrak's focus is on improve the existing NEC to handle near-term growth in high-speed, regional, commuter, and freight services, while simultaneously laying the foundation and supporting the necessary development of the NextGen HSR system. To advance this concept, Amtrak is presently undertaking a business and financial planning effort to further consider the financial feasibility and business strategies necessary to pursue the improvements set forth in the updated and integrated Vision. Also beginning in 2012 is the Federal Railroad Administration's

multiyear (FRA) Service Development Plan (SDP) and Tier 1 Programmatic Environmental Impact Statement (PEIS) work for the Northeast Corridor that will consider various alternative service and development strategies and configurations for the future of the NEC with the aim of minimizing potential environmental impacts from the improvement and expansion of NEC intercity passenger rail service.

Amtrak expects that the concepts developed through the refined and integrated Vision work will be key inputs into the FRA's SDP and PEIS process. To advance these plans, Amtrak is also working closely with the Northeast Corridor Infrastructure and Operations Advisory Commission, which is primarily made up of representatives of the FRA, Amtrak and the Northeast states. The Commission, created under the Passenger Investment and Improvement Act (PRIIA) of 2008, aims to help guide the EIS process and is developing policy, funding and financing options to improve intercity passenger rail service in the Northeast. In FY 2013, it is critical that Amtrak continue the planning and development work for the NextGen HSR system, together with the Stair Step initiatives that support it, so that these larger planning efforts may advance and make use of this work.

Improving business practices and the Customer Experience

Modernizing Customer-Facing Systems

In the past, because of funding constraints, investments in technology took a back seat to infrastructure and equipment needs. With the availability of funding, Amtrak has been able to prioritize investment in modern customer-facing systems that will make it easier for passengers to travel on Amtrak by making it possible to buy, change and print tickets at home – or from a smartphone. This is a vital investment, because these are services passengers expect; they are a basic cost of doing business in the modern age. Beyond improving customer service, these new processes will replace time-consuming, manpower-intensive legacy management and accounting processes, ease the sales process and improve our bottom line.

Foremost among these programs is replacing paper ticket systems with eTickets. Today, tickets are "value-bearing." The challenges associated with lost tickets or itinerary changes are consequently complex and costly. This is an antiquated and manpower-intensive system, and Amtrak is in the third year of a five year program designed to migrate the reservation function from the thirty year old system we currently use into a modern world-class information "ecosystem." This system will be mated with another important development, an "eTicket mobile device" based on industry-standard smartphones that will allow conductors to scan tickets customers can print at home. The mobile device will automatically

synchronize ticket information to a central database, updating the passenger manifest (list of passengers on the train) in real time, providing a secure and accessible system that tracks ridership without resort to time-consuming and costly hand-count methods.

This system has also allowed us to take a step toward improved equipment maintenance. Amtrak has exploited the power and flexibility of the real-time connection to automate en route equipment defect reporting. Rather than filling out a defect reporting form and leaving it in a car as has been done in the past, crews can now enter reports into the mobile device and transmit them directly to our mechanical organization so the maintenance force at the arrival terminal will know what defects it needs to address before the train arrives.

Amtrak launched a form of eTicketing on the *Auto Train* in 2011. Once that test proved successful, we extended the implementation by phases to our *Downeaster* service. The next phases of the national roll-out will introduce E-ticketing on the *City of New Orleans, San Joaquin* and *Capitol Corridor* services and connecting Thruway buses for *San Joaquin* and *Capitol Corridor* trains in mid- to late-March. Training for national deployment will begin in the spring, and Amtrak expects to roll out the system nationwide in the late summer of 2012.

Ticketing is not the only business process we intend to modernize. Onboard food and beverage sales have long been a challenge for Amtrak. Currently, onboard service staff must physically inventory and account for every item of food (up to 135 items, in the case of dining cars), a process that can easily add several hours to the work day and reduce the amount of time available for en route sales and interaction with customers. Crews are financially responsible for this process and loss of stock translates into loss of wages, driving a focus on inventory control that can impair effective customer service.

To modernize these processes, Amtrak has created a Point of Sale (POS) system that will save significant amounts of time and money and allow employees to focus on the primary responsibility of selling food, rather than worrying about inventory and accountability procedures. The system integrates and streamlines many food service management functions by automating commissary ordering and receiving activities, tracking inventory movements between commissaries and trains, establishing a menu planning and forecasting capability, and handling onboard food sales and administrative functions.

The “back-office” Warehouse Inventory Management System was launched in June and included hand-held scanners and an application used by Aramark (Amtrak’s managed service provider) and Food and Beverage staff. The onboard POS system is currently in use on Amtrak’s California corridor services and *Acela*. In addition to handling routine functions such as sales, temperature monitoring and spoilage

reporting, the POS also improves remittance and reconciliation accuracy and will facilitate real-time data transmission to a central database where back-end auditing and reporting can be performed. Installation of the POS device will extend to other services throughout FY 2012. This program will contribute significantly to a projected improvement of $13 million to $22 million in our food and beverage services by FY 2015.

Finally, Amtrak has advanced its program for wireless connectivity with the introduction of AmtrakConnect Wi-Fi access for 75 percent of Amtrak's passengers. Using cellular broadband technology as the backbone of the Wi-Fi system, Amtrak passengers can now connect to the Internet. This process began in March 2010 with the introduction of Wi-Fi on our *Acela* service and in many of our largest stations. Installation was completed on the Amfleet I and California corridor fleets in late 2011, with a total of nearly 800 cars newly equipped to offer passengers free Wi-Fi access. Extension to the Midwest corridor services as well as North Carolina's *Piedmont* service is planned, but is contingent upon availability of funding. Market research has proven that the availability of Wi-Fi service has added to ridership and revenues

Increasing the number of Accessible Stations

Throughout 2011, Amtrak continued work on the Accessible Stations Development Program (ASDP) we began in 2009. We continued to improve accessibility on 582 projects or subprojects at 309 stations. Our Mobility First initiative, part of the ASDP, involved the installation of platform-based lifts at stations with no lift or an old lift to ensure that our mobility-impaired passengers, including wheelchair users, could get on and off the train safely.

The Mobility First program also removed barriers and improved pathways between parking lots and platforms. This initiative and related ASDP work funded construction of accessible parking spaces in the parking lots, elimination of uneven surfaces, installation of signs, upgrading of platform lighting, installation of tactile edges, and creation of curb cuts. Mobility First has helped to expedite our efforts to become fully compliant with the Americans with Disabilities Act (ADA) at the stations we serve. Mobility First was designed to eliminate as many of the barriers to accessing the train as soon as possible. With the completion of this work approximately 95 percent of stations have barrier-free access between the platform and trains. As of September 30, 2011, Amtrak had spent or awarded contracts that totaled approximately $169.2 million in ADA-related projects. This commitment spanned three years: FY09 ($0.1 million), FY10 ($57.1 million), and FY11 ($112.0 million spent or committed as of September 30, 2011).

In February 2011, Amtrak estimated that it would spend or commit approximately $175 million for ADA compliance in 2012. In September 2011, some six years after an initial rule was posted for comment, the United States Department of Transportation (DOT) issued a final rule on level boarding that materially changed the requirements for platform boarding and thus the nature and scope of Amtrak's compliance plan. Moreover, the rule added a DOT review and approval process, so final commitments and expenditures may vary. Achieving compliance at all Amtrak-served stations for which Amtrak has responsibility is now an even more complex and resource-intensive challenge that will take many years to complete. We have worked aggressively to achieve compliance and we will continue to do so.

In addition to the ADA improvements at stations that we serve, we are providing in-person training of 7,600 of our front-line employees (including engineers, conductors, on-board service employees, and station personnel) in an effort to keep our employees up to date with new federal and corporate policies and requirements. This training on conduct with respect to and service for people with disabilities has taken place in 17 locations and continued through December 31, 2011. Furthermore, in early 2012, our passengers with disabilities will be able to apply for the 15 percent discount to on-line ticket purchases and to reserve accessible seating on-line.

Improving our services through state partnerships

Improving Infrastructure Across America

Outside of the Northeast, Amtrak's ownership of rail assets is generally confined to terminal and maintenance facilities, with the important exception of a 97-mile portion of the Michigan Line between Porter, Ind. and Kalamazoo, Mich. Amtrak has been looking for opportunities to improve these facilities, and ARRA afforded us an opportunity to make strategic investments in our national system.

At the top of our list of needs was the Chicago terminal, which hosts eight of our 15 long-distance trains – and services equipment that is used on two other routes. Chicago is also the hub for our Midwestern state-supported corridor services and long-distance trains, hosting a total of 56 daily trains. Because of the severity of the climate, winter operations there have been a perennial challenge for Amtrak. Freezing of onboard water and toilet systems has been a recurring problem, one that was first mitigated by Amtrak's transition of the fleet from steam to electric heating, but exacerbated when externally dumped toilets were replaced by modern contained sanitary systems.

To address the challenge of winter operations in Chicago, Amtrak made several investments with ARRA and capital funds in recent years that have literally transformed our operation in the Windy City. The old

and failure-prone kerosene heaters that were previously used to keep track switches in the yards from freezing were replaced with 56 new electric switch heaters in 2010. The hand-thrown components (which were also prone to freezing) were replaced with an electric control system that allows the switches in the coach yard to be controlled centrally from Union Station. ARRA and some Amtrak general capital funding provided roof replacements and other internal repairs at the inspection and maintenance buildings. Coach inspection was brought indoors, and new toilet dumping facilities were installed; internal heating in the coach inspection building was improved. Amtrak instituted a winter rotation system for East Coast long-distance trains to cycle equipment between Florida, New York, and Chicago to limit exposure to freezing temperatures.

This system was tested when the "Groundhog Day" blizzard hit Chicago in 2011. No switch failures were reported in the Chicago yard, and the only Amtrak departures that had to be cancelled were trains annulled because of weather-related closures on host railroads outside of the terminal. Services on our Chicago-Detroit-Pontiac Michigan Line were maintained without a single cancellation, in spite of the freezing temperatures and severe conditions.

Amtrak has also invested in improvements in other regions, building new maintenance facilities in Los Angeles, Seattle and Hialeah Yard outside of Miami. In these cases, the facilities were intended to improve repair and maintenance capabilities and to provide a more environmentally friendly workplace. The preventive maintenance facility in Los Angeles incorporates a number of features from the Leadership in Energy and Environmental Design (LEED) standards for environmentally sustainable construction, including redevelopment of an existing site, high bay florescent lighting with photocell sensors, large ceiling fans for air circulation, sun lights, and point-of-use instant hot water in lieu of water heaters. An in-floor traversing jacking system makes it more efficient to remove and replace the trucks or running gear of the passenger cars. The end result is a comfortable, safe, modern energy-efficient facility that reduces environmental impact, introduces modern safety systems, and makes our operations more efficient and effective. A similar project in Seattle will allow us to move the maintenance work for *Cascades* equipment into an enclosed facility (which is scheduled to open in March, 2012) and has allowed us to move our headquarters, warehousing, and other support functions from deteriorating trailer facilities into a modern building.

<u>Developing and Improving State-Supported Corridor Services</u>

In addition to these improvements, Amtrak is working closely with state governments and our host railroads to support their efforts to make some major improvements to several corridor services in the Northeast and Midwest. While the HSIPR program has provided funding to services around the entire

country, Amtrak and the states of Michigan, New York and Illinois are focusing on the following routes for major increases in speed, trip-time reductions, and capacity enhancements:

- Michigan Line (Chicago to Detroit)
- Empire Corridor (New York to Albany)
- Chicago-St. Louis Corridor

These three routes share certain prerequisites for success, including:

- Major urban centers at each end of the route
- Potential for realization (or expansion) of 110 mph service
- Strong local and regional support for intercity passenger rail

Each of these three operations has been slated for further development, and efforts to improve them are now underway.

The Michigan Line, which connects Chicago with Detroit, operates largely, although not entirely, on Norfolk Southern-owned right-of-way; the principal exceptions are the Amtrak-owned portion of the Michigan Line between Porter, Indiana and Kalamazoo, Michigan and some Canadian National and Conrail Shared Assets-owned segments. Amtrak's 97-mile segment is equipped with Positive Train Control equipment and is maintained to a level that permits 110 mph travel, and final testing at 110 mph is in progress. Important communities such as Ann Arbor are served by this line, which is poised to contribute to the redevelopment of Detroit by providing a high-speed route between Chicago and Detroit – a benefit not only for the terminal cities, but for all of the communities along the line.

In Michigan, the state DOT has received HSIPR funding to purchase a 135-mile segment of the Detroit-Chicago line that is currently used by Amtrak and owned by Norfolk Southern. That segment connects directly with Amtrak's Michigan Line at Kalamazoo, and extends east to Dearborn. The state of Michigan has long been interested in this route, and invested $60 million in improving it in the 1990s. Today, with the availability of HSIPR grant funding, the route will see a series of incremental upgrades over the next few years that will extend the mileage that is approved for 110 mph service and make major improvements in stations and facilities along the route. When complete, these plans will support the attainment of 110mph speeds along 77 percent of the route, cutting up to 30 minutes from scheduled travel times.

The Empire Corridor currently supports 110 mph service at several spots along the route west of Albany. The corridor parallels the scenic Hudson River and links New York's centers of commerce and government with each other and the cities and towns of Western New York, and ownership of the route is divided between Metro-North Commuter Railroad and CSX Transportation.

In partnership with the New York State Department of Transportation, Amtrak is negotiating a tentative agreement with CSX Transportation for a long-term lease on the Empire Corridor between Poughkeepsie and Hoffmans, a point just outside Schenectady. Once this agreement is finalized, Amtrak will take control of the line and begin a program of rebuilding and improvement designed to accommodate capacity and speed increases. With the state of New York, and federal funding assistance provided by HSIPR, Amtrak intends to begin with an investment program slated to begin in the spring of 2013. This program will include:

- Installation of a second main track northwest of Albany
- Support complete rehabilitation of the Schenectady station
- Construction of additional track at Albany-Rensselaer station
- Replacement of one bridge and rehabilitation of 16 others
- Replacement of above-ground signal cabling with a modern buried system
- Installation of four quadrant grade-crossing protection at three crossings in Albany

While the agreement is not yet complete, our plans call for conclusion of an operating agreement in early 2012, with a transition in the fall; major construction work is expected to start in early 2013.

The Chicago-St. Louis line is owned largely by the Union Pacific Railroad, and like the Amtrak Michigan Line, it has been the beneficiary of investment programs that have created a track and roadbed structure capable of supporting 110 mph service. In partnership with Amtrak and the Union Pacific Railroad, the state of Illinois has invested in several rounds of improvement in the line in recent years, and upgrades such as cab signaling that are prerequisites for faster service will be introduced. The state received an ARRA grant in 2010 that will support the incremental upgrading of the Chicago-St. Louis line for a top speed of 110 mph. This grant has funded the installation of concrete ties, new continuous welded rail, rehabilitated grade crossings, and new turnouts between the St. Louis area and Dwight, Ill. The segment between Dwight and Joliet will be upgraded in 2012, and Amtrak expects to operate demonstration trains at speeds of 110 mph over a portion of the route later this year.

Partnering with States for Fleet Acquisition

In addition to the procurement of new Amtrak-owned equipment, our company has been working closely with our state partners both to define the equipment needs of the intercity passenger rail system and to procure equipment that will meet those needs. The mechanism for both the resulting processes has been the "Next Generation Corridor Equipment Pool Committee" (NGEC), which was authorized by Section 305 of PRIIA. Amtrak has strongly supported the work of the NGEC, and has worked closely with the FRA and state officials on the development and procurement of new equipment. Since its inception in January 2010, the NGEC has created and approved specifications for bi-level corridor cars, single level cars, diesel-electric locomotives and integral trainsets for service at speeds of 125 mph and below.

The state of Wisconsin is independently proceeding with the acquisition of a pair of Tier One trainsets from the Talgo Corporation and they are being assembled in Milwaukee. These trains will be similar to Talgo trainsets currently in use on the Amtrak *Cascades* service, and they will replace conventional equipment on Amtrak's very successful *Hiawatha* service. Revenue service with these trainsets is expected to begin in late 2012.

Amtrak's FY 2013 Financial Need

The projects outlined in this letter represent a significant investment in this company's future – not merely in the sustainment of the existing service, but in the improvement of it. We have chosen to invest our capital in areas where we see opportunities for financial improvements. The investments in our infrastructure deliver many improvements, ranging from more reliable (and hence more attractive and more efficient) service, to improved maintenance facilities that will provide our employees with better working conditions. Many of these programs are, as we have noted, multiyear programs, and the availability of strong capital funding in FY 2013 will be vital to their completion.

Under these circumstances, a strong capital budget for FY 2013 is imperative. While Amtrak's operating costs have risen in recent years, much of this rise has been due to external factors such as volatile and rising fuel prices and rising health care costs. Fortunately, the increases in revenue that we have noted above have allowed us to keep pace. While Amtrak will continue to require federal operating support for the foreseeable future, our FY 2013 funding request will be lower than it has been in recent years, due to a combination of additional economizing measures and rising revenues.

It should be noted, however, that while Amtrak is focused on trimming its operating need, this entails some impact to capital funding streams that have historically come from internally-generated revenues,

some of which have been used to fund ongoing multiyear programs. Under these circumstances, the sustenance of our capital appropriation is particularly important, for it provides the means for more efficient and more effective operations in the near term. A detailed description of our FY 2013 need is contained in Amtrak's budget, which has been transmitted with this letter.

Recent Federal Appropriations, FY 2013 Authorized Level, and Amtrak's FY 2013 Grant Request				
Amtrak Funding	**FY 2011 Appropriation**	**FY 2012 Appropriation**	**FY 2013 Authorized Level**	**FY 2013 Amtrak Budget and Grant Request**
Operating Grant	562	466	631	450
General Capital*	658	657	1,325	1,445
NEC Gateway		15		35
Stair Step Programs				25
Debt Service	264	271	277	212
Total Appropriation	1,484	1,418	2,233	2,167

In millions of dollars

* Includes $10 million to be retained by FRA for oversight.

Americans with Disabilities Act Compliance Needs

Included in our capital request is funding for the 2013 component of our multi-year program to bring Amtrak into compliance with the Americans with Disabilities Act. We have had to make significant revisions to our plans in light of the new DOT platform rule that requires full-length level platforms at many of our stations. Moreover, due to the need for additional clarification regarding the scope of the rule, as well as the need for Amtrak to collaborate on program changes with numerous other parties (owners and other responsible parties), it is likely that additional changes to Amtrak's plans will be necessary going forward. Because of these complications, we cannot yet provide a definitive estimate regarding program changes and their cost.

Amtrak remains dedicated to its goal of reaching full compliance with the Americans with Disabilities Act, and we have continued to make progress on our compliance program. In the case of many stations and station elements (i.e., parking lots, stations proper and platforms), responsibility for ADA compliance falls to more than one party, and not infrequently, Amtrak has found that one or more additional parties have marginal ADA compliance responsibilities but are unwilling or unable to do or fund their share of

the work. This can delay or interfere with Amtrak's ability to deliver its ADA compliance program. To ensure that Amtrak is able to address its compliance obligations in a timely and affordable manner, Amtrak requests that it be provided the authority and discretion to expend Amtrak funds to address ADA compliance requirements of station elements that are the responsibility of another party, where the work involved is not more than 10% of the cost of all ADA compliance work at that station, and where Amtrak believes it can complete such work more efficiently.

Northeast Corridor Improvement Efforts

Amtrak estimates that the advancement of the Stair-Step program (including the Gateway project) will require $60 million in FY 2013. This funding will support preliminary and final design work for these major initiatives. In addition to the $60 million in capital funding, requirements for FY 2013 include $6 million in operating funds for environmental review and conceptual design of the NextGen High-Speed Rail Program, and to support the Tier I Programmatic Environmental Impact Statement (PEIS) which is expected to be fully underway in FY 2013.

Legislative Needs

Surface Transportation Authorization

Long-Term Legislation

In each of our past two Legislative and Grant requests, we have outlined priorities for the reauthorization of surface transportation programs. Amtrak supports the transformation of the nation's federal surface transportation policies and programs to a new, performance-based system aimed at achieving clear and measurable national objectives. We believe that within this new system, federal surface transportation investment and policy decisions should generally be made in cross-modal contexts that align federal support and investment with the achievement of key national goals and the provision of safe, convenient and affordable travel options. Such reforms should ideally result in a systems-level approach that moves beyond the traditional modal framework to identify the needs of a holistic national transportation system and create true choices for its users.

Transitioning to this type of framework represents a significant departure from the status quo, and will be challenging in the context of constrained surface transportation funding and/or a shorter-term reauthorization period. Nevertheless, the United States must begin to rethink its approach to surface

transportation policy in order to meet 21st Century challenges. Therefore, we again reiterate our recommendations that long-term surface transportation legislation:

- Establish a strong federal vision that articulates a clear national surface transportation policy and the strategic objectives the system and the programs that guide it are designed to pursue;
- Set performance-based criteria in federal investment decisions so that programs are aligned with and accountable to the policies, objectives and goals established at the national level;
- Provide for a comprehensive and robust planning process that accounts for greenhouse gas emissions and ensures consistency between national objectives and state and local planning criteria;
- Transition to a mode-neutral framework characterized by purpose rather than mode, and establish broad eligibility across programs so that investment decisions can be responsive to policy goals and promote transportation options;
- Improve project delivery by eliminating redundancies without adversely affecting the quality or integrity of the environmental review process;
- Recognize the present need for a dedicated, multiyear program and funding source for intercity passenger rail development – for both Amtrak and States – within a set of functionally based, multimodal programs of federal interest; and
- Raise substantial and sustainable amounts of new revenue to meet the needs of existing and emerging systems, supported by a unified surface transportation trust fund and a diverse portfolio of revenue and project financing options. Strategies to raise revenue should recognize the opportunity to price transportation in a way that supports energy policy goals and reduces carbon emissions.

Additional details on each of these recommendations can be found in our Fiscal Year 2012 Legislative and Grant report.

Short-Term Extensions

Restrictions on using Highway Trust Fund (HTF) revenues for intercity passenger rail investments have historically been justified on the grounds that the HTF is exclusively financed by highway users. That is, however, no longer the case.

From FY 2008 to FY 2010, Congress earmarked $34.5 billion in general revenues – nearly as much funding as has been provided to Amtrak in its 40 year history – to fund the HTF and subsidize highway users (nearly $30 billion went to the Highway Account of the HTF), who are no longer paying anywhere near the amount that is spent on highways annually, let alone the true societal costs of an auto-dependent transportation system.

Federal-aid highway programs should therefore not be limited to financing only highway investments. When Congress appropriated general revenues in ARRA to support highway investments, it also made passenger rail, freight rail and port infrastructure projects eligible for assistance. Any future legislation to extend current surface transportation programs should follow this precedent and make the portion of Highway Trust Fund revenues supplied by the General Fund eligible for investment in intercity passenger rail.

<u>High-Speed/Intercity Passenger Rail Program</u>

Given the many public benefits associated with the use of intercity passenger rail – from lower energy consumption and emissions reduction to safety improvements and economic growth – the development of intercity passenger rail and Amtrak's national system should be afforded a significant role in the nation's federal surface transportation programs.

While we endorse the concept of a generally mode-neutral, performance-based approach to surface transportation policy, the nascent condition of funding opportunities for intercity passenger rail requires that it be given special consideration before it can be expected to compete in a truly mode-neutral environment. Amtrak therefore supports the position of the National Surface Transportation Policy and Revenue Study Commission, which recognized the need for a program dedicated solely to intercity passenger rail investment amongst a broader set of functionally based, multimodal programs of federal interest, several of which intercity passenger rail would play a role in.

A capital investment program dedicated to intercity passenger rail is justified by the need not only to accommodate the existing system, but also to facilitate an expansion of high-speed and intercity passenger rail services to support future population and economic growth, as well as to develop the planning, technical and institutional capacity currently lacking from decades of underinvestment in this mode.

The HSIPR capital grant programs authorized by PRIIA have begun to level the playing field and are now laying the foundation for future growth. As with any new program, however, there are important lessons

to be learned from its initial implementation, and adjusting the program in response to these lessons will be critical to ensuring its long-term success. A rail title of the surface transportation bill, or the separate reauthorization of PRIIA grant programs, represents an opportunity to make those adjustments. Our FY12 Legislative and Grant report and subsequent testimony before the House Transportation & Infrastructure Committee outlined our recommendations on crafting a dedicated intercity passenger rail grant program. Much of our thinking was based on the notion that the statutory framework created by PRIIA – designed to preserve and incrementally improve the existing network – was suited neither to handle the amount of funding the program later received, nor the public expectations for high-speed rail corridor development it created. Although the program has not received funding in the current or previous fiscal year, the trends we outlined in the beginning of this letter that underlie the need for more travel options by rail are real and growing. We therefore wish to reiterate our recommendations and encourage Congress to consider a more growth-oriented policy framework to expand the use of intercity passenger rail and its contribution to the sustainable mobility and economic strength of the nation. As America's intercity passenger railroad and its only current operator of high-speed service, we offer the following recommendations for improving the HSIPR program.

1. Provide Dedicated, Multiyear Funding

Major capital programs in any mode typically require a multiyear commitment of funds, and such commitments cannot be routinely made if funding is not guaranteed. Continued reliance on annual appropriations will frustrate efforts to significantly improve and expand intercity passenger rail service and capacity in the United States. Amtrak's 40-year history affirms this; reliance on annual appropriations has greatly restricted Amtrak's ability to efficiently undertake comprehensive and multiyear capital programs, since future funding availability is never known.

Project sponsors must know that when they start work on a corridor or begin to procure equipment, a mechanism is in place to ensure the project can be completed. Multiyear commitments will also make it easier for state grantees to secure financial commitments to match federal grants, maintain assets funded by grants and operate service. These non-federal commitments are more difficult to secure when federal capital funding is uncertain from year-to-year.

Finally, when creating a dedicated funding source for intercity passenger rail, it is imperative that Amtrak's unique funding needs are recognized. Funding needs to be provided not only for the development of new services, but also for the maintenance and improvement of existing assets. Doing so will help overcome years of underinvestment in the core intercity passenger rail network, and help sustain

robust network economies to support the improvement and expansion of high-speed and intercity passenger rail service in key corridors across the United States.

2. Establish a National Investment Strategy

Investments in high-speed and intercity passenger rail should adhere to a national strategy for corridor development, which ideally should be articulated in a National Rail Plan. The strategy should establish a map of intercity corridors in which high-speed and conventional passenger rail service can advance key national priorities such as congestion relief, transportation safety, economic competitiveness, energy-efficient travel, environmental protection, and sustainable development.

The corridors should be selected based on an objective analysis of intercity travel market conditions and factors that drive ridership. The strategy should also identify, for Congress and the public, the composition of the national intercity passenger rail system and the corridor development that will be needed over a long-term planning horizon in order to meet present and future intercity travel needs. The FRA and Amtrak should consult with regional bodies, states, local governments, host railroads, and other appropriate stakeholders as they develop the strategy. It should also match corridor development plans to appropriate markets, since not all travel markets require the same level of service. Finally, each component of this plan should have a delivery schedule, estimated capital cost, and performance standards linked to strategic national outcomes. The clearer and more transparent the document is, the greater the likelihood that the public will understand its potential benefits and support the commitment of resources to achieve them.

While the strategy should generally guide the program, projects not on the map could still be eligible for grant funds at a lower federal share. Such a strategy would give the federal government greater ability to align federal support with truly national and interstate interests, while still offering support for local or regional priorities.

3. Create a Clear and Leading Role for Amtrak

As operator of the intercity passenger rail network in the United States, and the only operator of high-speed rail service in North America, Amtrak has a unique perspective and experience. We have longstanding relationships with host railroads and unparalleled experience in planning and operating passenger service. We understand the needs, opportunities and challenges associated with improving existing intercity passenger rail services and creating new services. We also have unique assets and exclusive legislated powers that singularly qualify us to act as an implementing arm of the federal vision

to expand high-speed and conventional intercity passenger rail service. Additionally, as a Congressionally chartered corporation with a federally appointed Board of Directors that includes the U.S. Secretary of Transportation, the federal government has a major stake in Amtrak.

In recognition of those facts, the rail title should create an unambiguous leading role for Amtrak in each aspect of the federal program, whether in the field of preserving the existing system or network expansion. Amtrak's role should include planning, operating, maintaining and integrating rail service across that national network, as well as providing backbone support functions such as marketing, ticketing and reservations systems, workforce training, and regulatory compliance expertise.

4. Coordinated Corridor Planning and Project Execution

While a national plan and investment strategy would prioritize key corridor-level city pairs, that alone is not enough to ensure the development of a well-connected and highly integrated network capable of meeting strategic national objectives. A more detailed level of coordination in planning and project execution among FRA, Amtrak, regions, states, host railroads, and others will be required to ensure that corridors are integrated with existing passenger rail and other transportation systems in a way that maximizes network benefits and economies of scale. Additionally, it is imperative that planning for new service be done in a collaborative fashion with all anticipated project sponsors.

Many of the high-speed and intercity passenger rail corridors being developed throughout the nation cross state lines and will necessarily involve multiple state, regional and local jurisdictions in the planning process, in addition to non-governmental project partners. Additionally, in many cases high-speed and intercity passenger rail is being considered as a solution to regional problems. Issues such as congestion, pollution and mega-regional agglomeration do not stop at state boundaries and the solutions designed to address these phenomena must therefore be similarly managed across state lines.

Yet multistate corridor planning is a complex task, particularly for state transportation and rail departments that are still building capacity and developing resources. A concentrated effort should therefore be placed on facilitating multistate partnerships through regional planning exercises that develop the more detailed capital improvement programs needed to implement the national vision. Regional implementation plans should be developed with input from all relevant stakeholders, and should serve to further refine the national planning efforts. A model for how this could work is the Federal Aviation Administration's Airports Capital Improvement Planning Process, where regionally developed implementation plans respond to nationally identified needs. This kind of approach would improve

coordination and may have the added benefit of insulating corridor development plans from political changes at the state level.

Meanwhile, state and local planning efforts should select the precise routing and alignment of any new track; plan frequencies based on the availability of non-federal operating support; determine schedules, travel times, and top speed requirements based on the travel market; and address station design, location and access issues.

Amtrak's role in facilitating cross-state coordination is critical. Our existing network is a foundation upon which an expanded network of high-speed and conventional services can grow; the system's significant ridership growth over the past decade demonstrates the importance of integrating it with emerging new corridors. Additionally, we have experience in facilitating successful multistate partnerships. The Northeast Corridor Infrastructure Master Plan, developed at Amtrak's instigation with 12 states, the District of Columbia, FRA, eight commuter and three freight railroads, exemplifies that type of integrated, coordinated planning effort that should be replicated in other high-priority corridors across the nation.

Federally funded projects should also adhere to certain protocols. Design and construction standards, for instance, would ensure that technologies, equipment, and systems are interchangeable across the network. Furthermore, a uniform structure for negotiating agreement terms and performance standards with host railroads, with project-specific amendments, would give the public more negotiating leverage, and increase timeliness, accountability, and value in the negotiating process. There are significant efficiencies to be gained from a consistent approach, as opposed to having separate entities negotiating distinct agreements for multiple projects.

5. Liability and Insurance

Finally, gaps in licensing and insurance requirements for passenger rail operators must be addressed. Federal law and U.S. DOT regulations require all interstate motor carriers of passengers – even if they operate just a single minibus – to be licensed and to maintain adequate levels of insurance. There are, however, no comparable licensing or insurance requirements for passenger rail operators. Only Amtrak, which is required by the Rail Passenger Service Act to have $200 million in insurance coverage, and passenger rail operators on rail lines constructed or improved with PRIIA grants are required to maintain any insurance. Other operators do not have to carry insurance even if they receive funding under other federal programs. The lack of a specific requirement creates a situation in which the actual liability could lie with the providers, carriers, states or the taxpayers – or potentially all of them. This lack of clarity

makes it artificially difficult to start passenger or commuter services or to increase the participation of states and public entities in rail service, and we therefore encourage the Committee to address this issue and clarify this situation.

Conclusion

As stated in the beginning of this letter, this is an important moment in Amtrak's history and for the progress of intercity transportation. We are in the process of laying the groundwork that will support Amtrak as it takes intercity passenger rail to the next level – and the federal capital and operating support programs are an important component of that success. Just as the last round of investments helped us to develop the record ridership and the revenues that are helping to sustain our system, this round will lay the groundwork for faster, more frequent and more reliable service in the Northeast, the Midwest, and elsewhere. In each of these regions, Amtrak plays an important role, offering people a safe, efficient, and reliable transportation alternative that's increasingly needed in an economy marked by high gas prices and pervasive highway congestion. This is a crucial mission, but I have great confidence in the men and women of Amtrak. They've worked hard over the last couple of years to turn our investments into tangible improvements, and it's thanks to them that I can say confidently that I believe these last two years of investment will form the foundation for a strong future. These have been fruitful years – and I'm looking forward to working with you to do everything we can to ensure that the years to come are just as full of the meaningful achievements our country needs to secure a strong and vital future – because we believe our best years are ahead of us.

Sincerely,

Joseph H. Boardman
President and Chief Executive Officer

Attachment

National Railroad Passenger Corporation

AMTRAK

Fiscal Year 2013 Budget and Comprehensive Business Plan

Operating, Capital Programs And Debt Service Expense Budget

January 2012

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Tables and Charts

Appendices

Introduction

The National Railroad Passenger Corporation (Amtrak) is a large, complex enterprise focused on the operation of intercity passenger trains in the U.S. Amtrak was incorporated in 1971 pursuant to the Rail Passenger Service Act of 1970 and is authorized to operate a nationwide system of passenger rail transportation. It operates more than 300 trains per day over more than 40 routes, carrying an average of 78,500 passengers daily. Amtrak has slightly more than 20,000 employees and had FY2011 revenues of $2.7 billion, which included intercity passenger revenues, revenues from related businesses and state capital payments. Despite recent growth, the United States still has one of the lowest intercity rail usages in the developed world. Amtrak's budgeted revenues for FY2012 are $2.8 billion.

In addition to providing the full range of functions and activities required to operate the national train system, Amtrak engages in related ancillary business that include:

- Operating commuter railroads under contract to their agencies
- Providing infrastructure access to commuter agencies and freight railroads
- Performing rail services for other rail operators, both commuter agencies and freight railroads, on a reimbursable basis
- Managing and leasing of commercial real estate

Strategic Vision and Key Management Actions

In October 2011 Amtrak released its new Strategic Plan, covering fiscal years 2011 through 2015. This plan communicates management's vision for Amtrak along with strategies and tactics to achieve that vision. The plan also places greater emphasis on improving financial performance. The following is an excerpt from the Strategic Plan:

> *The focus of this plan is to make Amtrak's bottom line the center of our attention. Certainly we must keep safety and security as our top priority, and we have other responsibilities to fill as America's Railroad. Our strategic plan is a crucial starting point to carrying out our mission in the most financially effective way possible.*

The Strategic Plan contains the following vision statement for Amtrak:

> *Amtrak is America's first intercity travel choice for connections to and between the nation's key metropolitan areas, providing customer-driven, safe, environmentally-sustainable, energy-efficient and inter-modally linked service to passengers, communities and partners. Through recognized organizational excellence, Amtrak's diverse and talented team will lead the development and growth of the high-speed and intercity passenger rail system in North America.*

In support of this statement, the Strategic Plan establishes the following corporate goals that align with the Amtrak vision:

- *Goal 1 – Safety and Security*: Become North America's safest, most secure railroad by creating a collaborative, team-oriented workplace culture that minimizes risks and maximizes passenger and employee safety.
- *Goal 2 – Customer Focus*: Advance customer service quality by responding to the wants, needs and expectations of our customers in order to improve their experience and maximize passenger and partner satisfaction.

- *Goal 3 – Mobility and Connectivity*: Improve national mobility and connectivity by growing Amtrak's business through new partnerships, routes and frequencies to increase ridership system wide.
- *Goal 4 – Environment and Energy:* Contribute to the nation's environmental health by attracting automobile and air travelers to trains, while improving Amtrak's efficiency and reducing transportation-related carbon emissions and fossil fuel consumption.
- *Goal 5 – Financial and Organizational Excellence:* Attain a standard of organizational excellence by aligning our products, services, processes and culture with stakeholder expectations to improve financial performance and overall business results.

The Strategic Plan includes measurable metrics and improvement targets for each of these goals. In order to accomplish these corporate goals and achieve the improvement targets, the Strategic Plan specifies the following seven corporate strategies:

- *Strategy 1 – Continue and expand Safe-2-Safer*, our proven behavior-based change initiative in order to improve our culture and other areas critical to financial and organizational excellence.
- *Strategy 2 – Integrate our field operating departments* within geographic divisions to maximize collaboration, efficiency and service delivery.
- *Strategy 3 – Implement best practices related to human capital* management in order to develop a workforce that is best equipped to achieve our corporate goals.
- *Strategy 4 – Expand our use of risk management principles* to further improve our multi-layered security program so we can better prevent and deter acts of terrorism and criminal behavior within our system.
- *Strategy 5 – Expedite our ongoing programs to make Amtrak accessible* for all individuals.
- *Strategy 6 – Identify and invest in systems and technologies* that will reduce both energy usage and operating expenses.
- *Strategy 7 – Establish business lines within the company* to better manage our financial performance and respond to the wants, needs and expectations of our various customer groups.

In particular, Strategy 7 calls for an extensive overhaul of Amtrak's corporate and management structure. This overhaul involves the establishment of six "business lines" that focus on the overall performance of specific Amtrak products and services. Each business line will have a management structure that is accountable for every aspect, including as appropriate infrastructure and fleet delivery, train operations, safety and on-time performance, passenger and customer interactions, and financial performance. The Strategic Plan includes detailed goals for each business line which are aligned with the corporate goals, as well as performance metrics and improvement targets. The six business lines are:

1. **Northeast Corridor Infrastructure and Investment Development**
   The host railroad operation, design, construction and maintenance of Amtrak-owned infrastructure, in order to support the operation of Amtrak trains and other rail service providers. This includes Northeast Corridor "state of good repair," high-speed rail investment and planning.

2. **Northeast Corridor Operations**
   The delivery of integrated high-speed rail services in the Northeast Corridor, including Acela Express, Northeast Regional and Keystone Service trains and the proposed high-speed "Acela II" rail system improvements.

3. **State Supported Services**
   Rail transportation and related services provided in partnership with state governments, including conventional passenger train operations, development of new high-speed rail services, equipment maintenance, service planning, marketing and reservation systems.

4. **Commuter Services**
   Rail transportation and related services provided as a contractor to local or regional commuter authorities, including passenger train operations, equipment maintenance and maintenance-of-way, as well as contract management services for access and other cost-sharing agreements that allow commuter agencies to utilize Amtrak property or services.

5. **Long-Distance Services**
   The operation of Amtrak's national network of 15 interstate routes of 750 miles or more that connect communities with the nation's major regions.

6. **Corporate Asset Development**
   The development and commercialization of latent Amtrak assets, such as real estate, mechanical services, technical expertise, intellectual property and other resources.

The implementation of the six business lines began in early fiscal 2012 with the naming of senior management for the NEC Infrastructure and Investment Development (NEC-IID) business line. The completion of this corporate realignment will continue throughout fiscal 2012 and will continue to mature in subsequent years.

Such reorganization necessitates significant changes to the existing corporate structure and its employees. With the establishment of the NEC-IID the company announced the dissolution of its former Policy & Development and High Speed Rail organizations, which impacted more than fifty management employees. The company has also announced that major reorganizations are in development for its Government Affairs Division, Marketing & Product Management Division and its Operations Division, which includes the Transportation (train operations), Mechanical (fleet maintenance) and Engineering (infrastructure maintenance) departments. The company expects that the organizational realignments taking place through 2012 will result in a reduction in the number of non-agreement employees across all departments, and a Reduction in Force is expected to begin in January 2012.

In order to ease the impact of a Reduction in Force, Amtrak offered a Voluntary Separation Incentive Program (VSIP) to all non-agreement employees with at least one year of service who wished to voluntarily leave the company. The VSIP offered severance pay of up to sixteen weeks based on length of service, as well as up to one year of health care coverage, through COBRA, again based on length of service. A total of 174 employees applied for the VSIP and the company accepted 161 of the applications. These employees, whose aggregate annual salaries totaled $14.9 million, ended their Amtrak employment by December 30, 2011. Some of these vacated positions may be filled by employees that are displaced as the company reorganizes, some may be filled externally, and others will be abolished.

Federal Support

As Table 1 below demonstrates, Amtrak has received decreasing levels of federal funding in recent years. During this period, through revenue growth and cost control efforts, the company's operations have absorbed hundreds of million of dollars in inflationary costs including contractual wage increases for agreement employees, volatile and increasing energy prices, and rapidly rising health care costs. While operational cost pressures may be offset with revenue growth and other management actions, decreasing federal appropriations have more detrimental impact on the capital programs. The recent capital appropriation levels allow for little more than maintaining the current status of the infrastructure and rolling stock; there are no available funds for addressing deferred maintenance, investing in improvements that would grow the business, or replacing aged rolling stock. Rolling stock that continues

to be used past its normal operating life results in higher maintenance costs, lower reliability and reduced equipment availability which negatively impacts on-time performance and other key operating metrics.

The need to invest in capital programs beyond federal support levels has caused the company to begin funding certain critical projects by reducing operating costs and allocating revenue to continue critical capital programs. In FY2011 Amtrak used $134 million of its revenue to supplement available capital funds and is budgeted to use $121 million in FY2012. Such use of revenue was only made possible by proactive revenue growth and reductions of operating costs by a similar amount. In FY2013 and going forward, Amtrak's appropriation requests account for this change by reducing the request for operating support and properly stating the need for capital support, as shown in Table 1. In summary our FY2013 request for Amtrak totals $2,157 million which is $76 million less than authorized by PRIIA and is summarized as follows:

- Operating support - $450 million
- Capital Programs - $1,435 million not including amounts designated to the Federal Railroad Administration for oversight and the NEC Advisory Commission (differences may be due to rounding)
- Capital for preliminary and final design work related to the Stair-Step Program including Gateway - $60 million
- Debt Service – not to exceed $212 million

Table 1 – Recent Federal Appropriations and FY13 Grant Request

Amtrak Funding ($millions) excluding Amtrak OIG	PRIIA Authority	FY2011 Appropriation	FY2012 Appropriation	FY2013 PRIIA Authorized	FY2013 Budget & Grant Request
Operating Grant	101(a)	**562**	**466**	**631**	**450**
General Federal Capital(1)	101(c)	649	657	1325	1,435
NEC Gateway and Stair Step Capital Funds			15		60
Plus amount Retained by FRA from Capital & DS for Oversight(2)	103	9	10		10
Subtotal DOT Capital Grant		**658**	**681**	**1,325**	**1,505**
Capital Funded with Amtrak Revenue					
Debt Service (3)	102(a)	264	271	277	212
Subtotal DOT Debt Service Grant		**264**	**271**	**277**	**212**
Total Amtrak Appropriation		**1,484**	**1,418**	**2,233**	**2,167**
Net Funding to Amtrak		**1,474**	**1,409**	**2,233**	**2,157**

(1)This FY2012 General Capital budget includes $16.5 million from the Debt Service portion of the Capital Appropriation.

(2) Appropriations allow for FRA to deduct .5% for oversight of the capital programs and .5% to fund expenses associated with implementing PRIIA section 212 (NEC Infrastructure and Improvements.) The FY13 Plan assumes the same deductions will continue.

(3) This is a not to exceed amount for scheduled principal and interest payments.

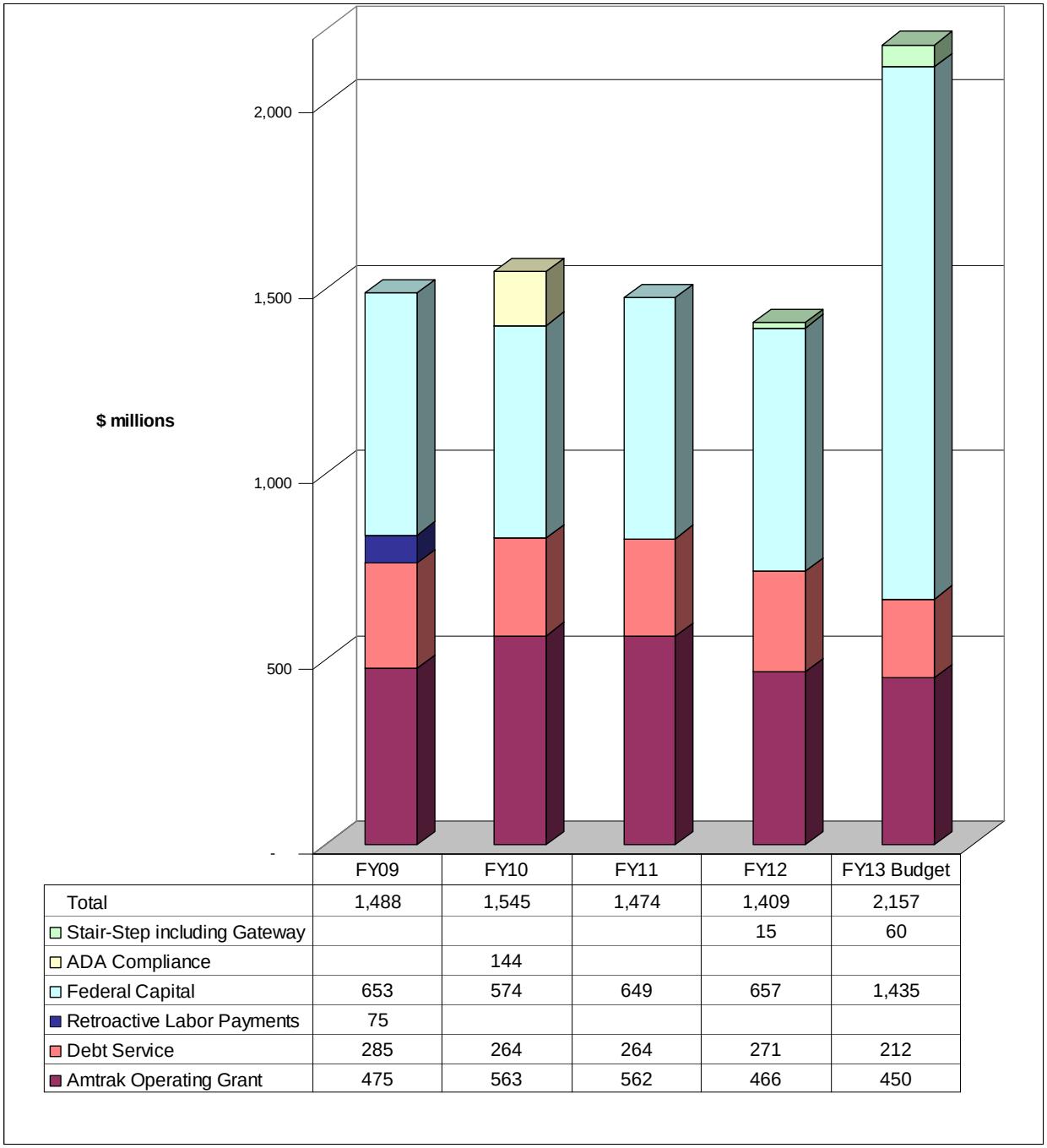
In addition to the information shown in Table 1, Amtrak's FY2013 budget includes funding from other federal grants and loan programs such as the following:

- High-Speed Intercity Passenger Rail Grant: $75.0 million
- DHS Grants: $23.4 million
- DOT, Positive Train Control (V-ETMS) Grant: $ 1.9 million
- US Treasury Department Equipment Lease Early Buy-Outs: $109.9 million.

- Railroad Rehabilitation & Improvement Financing (RRIF) loan to replace aging rolling stock and increase revenue capacity: $262.1 million

Chart 2 below displays the history of Federal support for Amtrak for operating expenses, capital investment and debt service from FY2009 to FY2013 from annual general appropriations from the Department of Transportation.

Chart 2 – Historical General Federal Appropriations (DOT Grant)



	FY09	FY10	FY11	FY12	FY13 Budget
Total	1,488	1,545	1,474	1,409	2,157
Stair-Step including Gateway				15	60
ADA Compliance		144			
Federal Capital	653	574	649	657	1,435
Retroactive Labor Payments	75				
Debt Service	285	264	264	271	212
Amtrak Operating Grant	475	563	562	466	450

Budget Development

Each year Amtrak departments and finance staff formulate one-year budgets and five-year plan documents. These efforts are greatly impacted by the timing of federal appropriation actions and are governed by the **Passenger Rail Investment and Improvement Act of 2008 (PRIIA)**. Typically our planning cycles involve the following major milestones:

1. A detailed one-year budget is developed and submitted in February each year as our annual grant request.
2. Revisions to the one-year budget are performed throughout the ensuing months and finalized when a federal appropriation is enacted. Amtrak is statutorily required to submit this final document within sixty days after passage of the bill.
3. The Five Year Financial Plan is revised as necessary after passage of the annual appropriations bill and Amtrak is statutorily required to submit this document within sixty days of passage of the appropriations bill or October 1, whichever is later. The current version of this document is the *FY2012-FY2016 Five Year Financial Plan*.
4. A preliminary Five Year Financial Plan will be developed for FY2013-2017 and delivered not later than October of each year to satisfy requirements to communicate the next fiscal year plan for FY2014.

Although the Amtrak Office of the Inspector General (OIG) is a part of the National Railroad Passenger Corporation, federal funding is appropriated directly to the OIG and is not a part of this budget.

Operating Budget Base and New Activities

Consistent with the methodology of previous years, the FY2013 operating budget request segregates costs by Continuing and New Activity. This budget request was developed in the context of the five year plan covering FY2012-FY2016, which used FY2011 as its basis, and the five year plan represents new activity as compared to the base year, which in this case is FY2011. Therefore the new activities in this document compare to base year FY2011.

1. Continuing Activity consists of activity in FY2013 that is consistent with FY2011 activity including, as necessary, annualized costs of partial year activity and cost inflation or deflation of prior year expenses.

2. New Activity captures costs and revenues of any activity that is wholly or primarily new as compared to FY2011. This includes changes to service or business methods, new activity related to achieving corporate strategies and objectives, and other company priorities. Table 3 below lists the net impact for items categorized by activity in the FY2013 Budget.

Table 3 – New Activities and Initiatives

		$ Millions		
		Revenue	**Expenses**	**Net**
New Revenue Initiatives	Launch of Wi-Fi Systemwide	$13.7		$13.7
	Contact Center Booking Fee	$10.5	($5.6)	$16.2
	Marketing, Advertising & Social Media activities	$6.0		$6.0
	Launch of enhanced next generation eTicketing channel	$1.7		$1.7
	Total FY12 New Revenue Initiatives	***$31.9***	***($5.6)***	***$37.6***
Mobility & Connectivity	HSR Business Plan Funding Study		$2.5	($2.5)
	HSR Next Generation Implementation Studies		$1.0	($1.0)
	Other HSR planning, marketing, and development support efforts		$1.0	($1.0)
	Additional resources for NEC Infrastructure planning, analysis, and support		$1.3	($1.3)
	Additional resources for Commuter contracting		$0.4	($0.4)
	Subtotal Mobility & Connectivity Initiatives		***$6.2***	***($6.2)***
Customer Service	Additional Ticket Agents Cary/Raleigh NC		$0.3	($0.3)
	Service/staffing increases on targeted long distance routes (route performance improvement		$3.8	($3.8)
	Subtotal Customer Service Initiatives		***$4.1***	***($4.1)***
Safety	Claims reductions from Safe-2-Safer program education		($2.3)	$2.3
	Other		$0.2	($0.2)
	Subtotal Safety Initiatives		***($2.1)***	***$2.1***
	Amtrak's headquarter front desk – Contracted security officers		$0.3	($0.3)
	Ivy City building – Contracted security officers		$0.3	($0.3)
	Operational fees for monitoring cameras at Penn Station NY		$0.3	($0.3)
	Safety Engineering		$0.5	($0.5)
	CCTV Maintenance		$0.5	($0.5)
	Issuance of Smart ID Cards for contractors access to Amtrak's property		$0.5	($0.5)
	Virtual Fence Monitoring Cost		$0.9	($0.9)
	Police Department Expansion - add 50 officers		$7.3	($7.3)
	Other		$3.4	($3.4)
	Subtotal Security Initiatives		***$13.9***	***($13.9)***
Environmental	Fuel Conservation Program		($3.5)	$3.5
	Utility conservation - installation of high efficiency lighting		($1.1)	$1.1
	Climate Registry Verification		$0.1	($0.1)
	Subtotal Environmental Initiatives		***($4.5)***	***$4.5***
Organizational Excellence	SAM Savings		($11.0)	$11.0
	Wellness Programs		$0.1	($0.1)
	Close Jacksonville Crewbase		$0.2	($0.2)
	Amtrak Leadership Program		$0.2	($0.2)
	Police Fitness Program		$0.5	($0.5)
	Fleet Other		$11.6	($11.6)
	Subtotal Organizational Excellence Initiatives		***$1.6***	***($1.6)***
Organizational Excellence IT	Replace Outsourced Service with Employees		($1.2)	$1.2
	IT cost to support new Software and Applications		$10.7	($10.7)
	IT cost of SAP Center of Excellence		$7.3	($7.3)
	Subtotal Organizational Excellence Initiatives-IT		***$16.8***	***($16.8)***
	Total FY13 New Activity	**$31.9**	**$30.3**	**$1.7**

Capital Budget Processes

When planning and documenting capital investment projects, specific information is submitted that enables Amtrak's compliance with mandatory reports to the Federal Railroad Administration (FRA). In addition, Amtrak conducts a review of the projects according to Generally Accepted Accounting Principles (GAAP) to properly account for operating versus capital costs.

The following is a summary and brief description of the information that is required for Capital budget submissions:

- Project Scope – A description of what the project is and the intended purpose/objective of the project.
- Project Justification – An explanation of why the project is necessary and how performance will be measured.
- Funding Sources – The assumed source of funds that will pay for the project.
- National Environmental Policy Act (NEPA) Codes – Codes that describe the status of environmental impact of a project.
- Project Phases – The capital planning process requires that costs be budgeted by phases. This information is required to conduct a Generally Accepted Accounting Principles (GAAP) review of the projects.
- Return on Investment Analyzer – The submissions included an analysis estimating the return on a capital investment. All projects that claim business improvement benefits were required to have this analysis completed; state of good repair programs including rolling stock rehabilitation are excluded.
- Project Outcome and Performance Measures – The submission included a worksheet to input outcomes and performance measures. This is a brief description of major outcome or outcomes anticipated upon completion of the project, and the measurement.

Risks

We must address the possibility that matters beyond our control may alter our current estimate of our needs for capital and operating funding. The unsettled state of the economy and the fluctuations of fuel prices are serious concerns. Fuel prices have been particularly volatile in recent years and the potential for price increases poses a serious risk to the financial health of the company. Similarly, an economic downturn, particularly in the Northeast Corridor region could lead to unfavorable results in ridership and revenues. Budgetary issues faced by some of our state partners could likewise pressure our operating budget needs. Risks that can impact Amtrak's operating and capital funding needs include:

- If Amtrak does not receive sufficient Federal Government funding, Amtrak's ability to operate in our current form may be adversely affected.
- Amtrak's business is capital intensive, and without sufficient capital investment, Amtrak will be unable to maintain and improve current infrastructure and rolling stock.
- Instability or unavailability of Amtrak's information technology systems could have a detrimental effect on Amtrak's business.
- Legal proceedings may adversely affect Amtrak's business operations.
- Amtrak's business is subject to numerous operational risks – such as changes in general economic, weather or other conditions, equipment failure, disruption of its supply chain, war, acts of terrorism and other catastrophic events – which could result in significant disruptions to Amtrak's operations, increased expenses or decreased revenue.
- Amtrak's costs and revenues could be substantially adversely or positively affected by competition from airlines, buses and other modes of transportation.
- Amtrak's business is vulnerable to rising fuel costs and disruptions in fuel supplies.
- Amtrak's business is subject to federal, and to some state and local, laws and regulations.
- Amtrak's business is subject to environmental laws and regulations that may result in significant costs.
- Most of Amtrak's employees are represented by unions, and failure to negotiate reasonable collective bargaining agreements may result in strikes, work stoppages or substantially higher ongoing labor costs.
- Catastrophic events could result in liabilities exceeding Amtrak's insurance coverage.
- Amtrak has a mature work force, with substantial employee retirements expected in upcoming years, and therefore has large potential pension and other post-employment

result from small changes in assumptions about healthcare cost trends and other variables.

To mitigate against these risks the FY2013 Operating Budget request contains a contingency equal to about 1.25% of total operating expenses.

Operating Budget

Beginning in FY2012 Amtrak made significant changes in its approach to operating budgets, and the FY2013 budget request continues this change. As noted earlier, the recent trend of decreasing federal appropriations for capital investment has necessitated the use of revenue to continue critical capital projects in fiscal years 2011 and 2012. The Strategic Plan places increased emphasis on improving fiscal results while also improving operations and services. Accordingly, management took action to reduce Amtrak's operating costs in FY2012 and those savings continue in FY2013.

Table 4 – Profit and Loss Statement

$ millions	FY11 Actual	FY12 Budget	FY13 Plan	FY13 Fav/(Unfav) to FY12 $	FY13 Fav/(Unfav) to FY12 %
REVENUES:					
Passenger Related:					
Ticket Revenue	1,851.5	1,967.9	2,049.3	81.4	4.1%
Food and Beverage	109.4	109.3	113.2	3.9	3.6%
State Supported Train Revenue	191.1	192.9	198.7	5.8	3.0%
Subotal Passenger Related Revenue	**2,152.0**	**2,270.1**	**2,361.2**	**91.1**	**4.0%**
Commuter	173.4	140.0	112.3	(27.7)	-19.8%
Reimbursable	84.1	103.0	100.2	(2.8)	-2.7%
Commercial Development	76.2	71.8	72.1	0.3	0.4%
Other Transportation	139.5	143.3	146.1	2.8	2.0%
Freight Access Fees and Other	50.6	59.0	57.3	(1.7)	-2.9%
Subtotal Other Revenue	**523.8**	**517.0**	**487.9**	**(29.1)**	**-5.6%**
Total Operating Revenue	**2,675.9**	**2,787.1**	**2,849.1**	**62.0**	**2.2%**
Salaries, Wages and Benefits:					
Salaries	258.3	263.5	272.7	(9.3)	-3.5%
Wages & Overtime	1,008.5	998.1	1,029.4	(31.3)	-3.1%
Employee Benefits	609.9	600.1	634.6	(34.5)	-5.8%
Employee Related	33.3	27.6	27.3	0.3	1.2%
Salaries, Wages and Benefits	**1,909.9**	**1,889.3**	**1,964.0**	**(74.8)**	**-4.0%**
Train Operations	253.6	271.8	273.7	(1.9)	-0.7%
Fuel, Power, & Utilities	337.9	369.5	381.9	(12.4)	-3.4%
Materials	191.7	200.6	203.5	(2.9)	-1.4%
Facility, Communication, & Office	172.5	176.6	179.2	(2.7)	-1.5%
Advertising and Sales	112.9	80.4	85.8	(5.4)	-6.7%
Depreciation	602.6	671.4	671.4	(0.0)	0.0%
Other Non-labor Fees and Services	210.6	208.0	276.9	(68.9)	-33.1%
Total Expenses	**3,791.7**	**3,867.6**	**4,036.5**	**(168.9)**	**-4.4%**
Operating Loss	**(1,115.9)**	**(1,080.5)**	**(1,187.4)**	**(106.9)**	**-9.9%**
Adj for Non-Cash Depreciation/OPEBs/Impairment	664.4	735.2	737.4	2.2	0.3%
Net Operating Loss	**(451.5)**	**(345.3)**	**(450.0)**	**(104.7)**	**-30.3%**
Federal Appropriation/PRIIA Authorized	**561.9**	**466.0**	**631.0**	**165.0**	**35.4%**
Over/(Under) Federal Support	**(110.4)**	**(120.7)**	**(181.0)**		

This income statement represents the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

FY2013 Operating Budget Assumptions

Revenue

Passenger Revenue, including ticket sales, was developed with the assistance of an outside firm. The consultant employs a complex model that takes into account numerous factors such as population growth, shifts, and preferences, travel industry competition including the price of gasoline, economic conditions, service schedules, and proposed pricing actions.

- **Ticket Revenue –** Other than a temporary setback in 2009 due to recession, Amtrak has experienced consistent growth in ticket revenue since 2003 through continued delivery of quality service, proactive revenue growth actions and modest pricing actions. Amtrak is positioned to deliver

on in FY2013, representing an increase of $81.4 million (4.1%) over FY2012.

- **Food and Beverage Revenue -** Amtrak has Food and Beverage operations which provide consumers with meal options while onboard our trains and is projected to earn revenues of $113.2 million in FY13.

State Supported Revenue was budgeted in accordance with existing state contracts and projected route performance in those states. Currently, Amtrak has contractual agreements to operate in 15 states. These contracts will account for roughly $199 million of revenue in FY2013.

Ancillary Business Revenue, consisting of Commuter, Reimbursable, and Commercial Development revenue was budgeted according to the operating agreements and operating expenses needed to deliver those services.

- **Commuter Revenue -** In addition to providing 15 states with Amtrak service, we also partner with the states or regional transportation authorities in Maryland, Florida, Connecticut, California and Washington to provide commuter services with annual revenue contribution of $112.3 million in FY2013.
- **Reimbursable Revenue -** Amtrak performs reimbursable project work for a number of state agencies on as needed basis**.**
- **Commercial Development -** Amtrak earns revenue from its real estate operations by leasing retail space at its stations, operating parking garages and leveraging its land holdings by partnering with builders.
- **Other Revenue -** Amtrak leverages its ownership of track in the Northeast Corridor by charging freight railroads access fees in relation to their use of the NEC. Other revenue sources include resale of electric propulsion to state commuter agencies, commissions from co-branded credit cards, and revenue from other travel partners.

Total operating revenue in FY2013 is budgeted to be $2.85 billion, an increase of $62.0 million (2.2%) from FY2012 budget. Included in this sum is $31.9 million from new revenue initiatives. A summary of changes in Operating Revenue in FY2013 follows in Table 5. Charts of projected Ridership and Revenue growth follow in Charts 6 and 7.

Table 5 – Summary of Changes in Operating Revenue

	$ Millions
FY12 Total Budget	**$2,787.1**
Less FY12 New Activity	($24.9)
FY12 Base Budget	**$2,762.2**

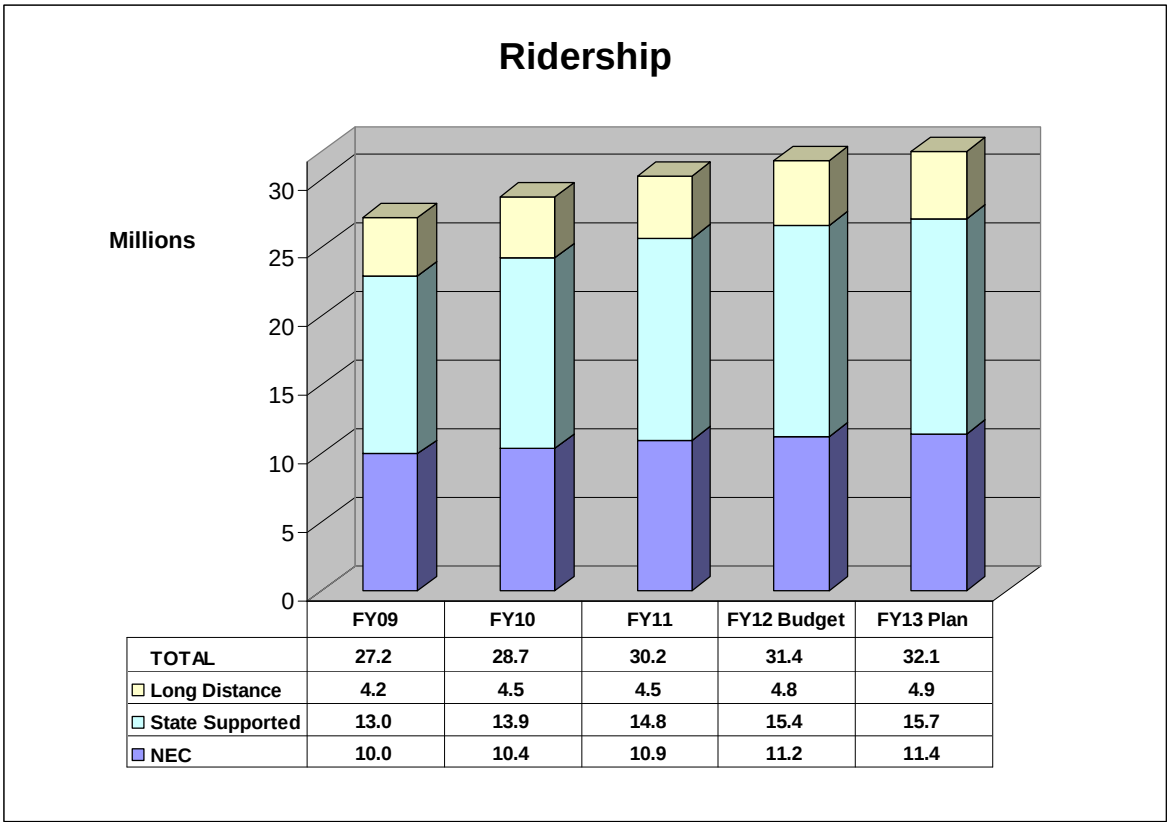
Changes to Base Activity		
	Impact of changes in demographics and the economy	$29.1
	Inflation including ticket price increases, labor agreements, fuel prices, and other	$60.4
	NEC schedule restoration leading to faster trip times	$15.0
	Remove additional day of ticket revenue in FY12 due to leap year	($5.0)
	FY12 Incremental revenue from Amtrak.com related partners not budgeted in FY13	($6.5)
	Decrease in Commuter revenue and expenses primarily due to loss of contract	($32.7)
	All Other	($5.4)
	Base Activity Increase/(Decrease) from Prior Year	**$55.0**
Total FY13 Base Activity Budget		**$2,817.1**

New Activity

New Revenue Initiatives	Launch of Wi-Fi Systemwide	$13.7
	Contact Center Booking Fee	$10.5
	Marketing, Advertising & Social Media activities	$6.0
	Launch of enhanced next generation eTicketing channel	$1.7
	Total FY13 New Revenue Initiatives	***$31.9***
FY13 Final Budget		**$2,849.1**

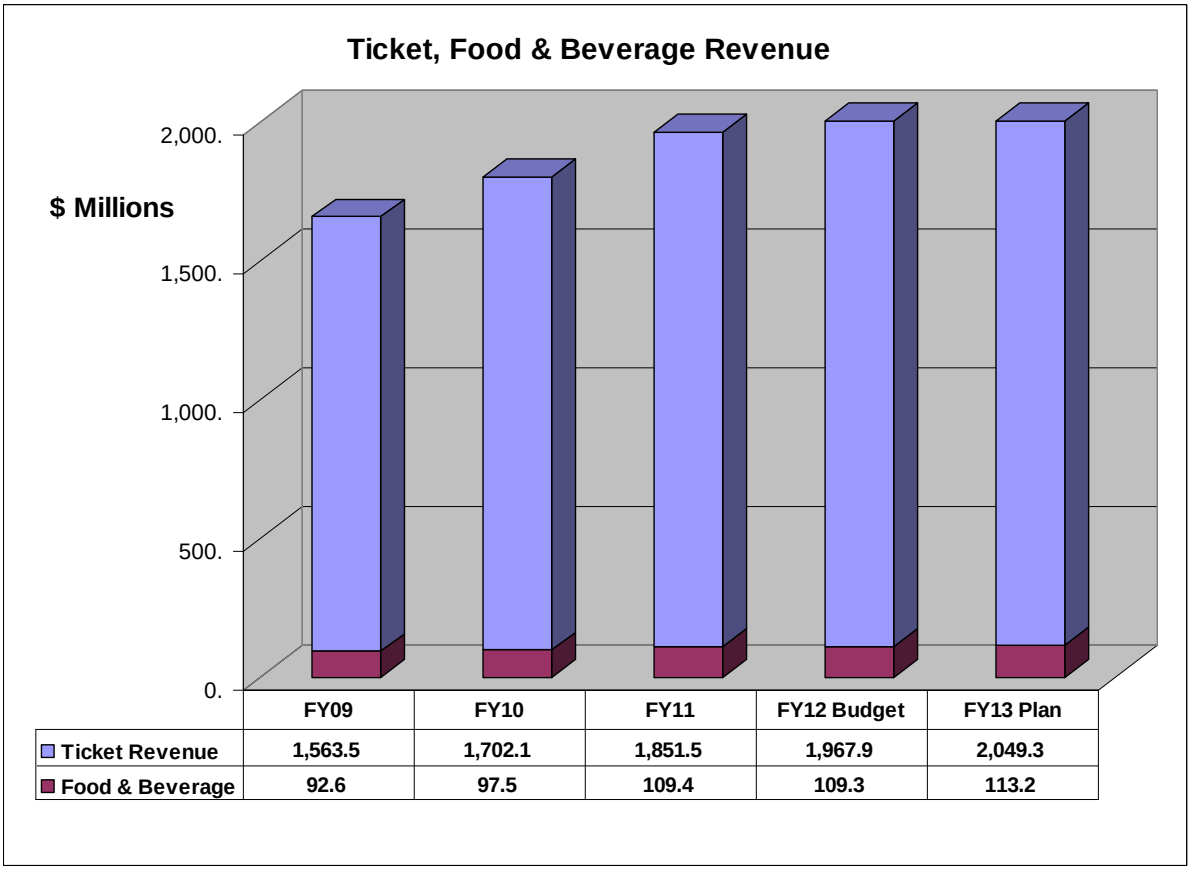
This represents revenue that contributes to the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this excludes revenue for state contributions associated with capital projects (funded by capital appropriation).

Chart 6 – Ridership Trends



	FY09	FY10	FY11	FY12 Budget	FY13 Plan
TOTAL	27.2	28.7	30.2	31.4	32.1
Long Distance	4.2	4.5	4.5	4.8	4.9
State Supported	13.0	13.9	14.8	15.4	15.7
NEC	10.0	10.4	10.9	11.2	11.4

Chart 7 – Ticket, Food and Beverage Revenue Trends



	FY09	FY10	FY11	FY12 Budget	FY13 Plan
Ticket Revenue	1,563.5	1,702.1	1,851.5	1,967.9	2,049.3
Food & Beverage	92.6	97.5	109.4	109.3	113.2

Expenses

Expenses in the FY2013 budget request were segregated between ongoing (base) activity and activity in support of corporate goals that is wholly or primarily new in FY2013. Table 8 contains a crosswalk of expenses from FY2012 budgeted expenses to FY2013 budgeted expenses that differentiates between the types of activity.

Table 8 – Reconciliation of FY13 Operating Expense Budget to FY12 Operating Expense Budget

		$ Millions
FY12 Budget		**$3,867.6**
Changes to Base Activity		
	Inflation including ticket price increases, labor agreements, fuel prices, and other	$152.1
	Decrease in Commuter expenses primarily due to loss of a contract	($26.4)
	All Other	$12.8
	Base Activity Increase/(Decrease) from Prior Year	**$138.6**
Total FY13 Base Activity Budget		**$4,006.2**
New Activity		
New Revenue Initiatives	Contact Center Booking Fee	($5.6)
	Total FY12 New Revenue Initiatives	***($5.6)***
Mobility & Connectivity	HSR Business Plan Funding Study	$2.5
	HSR Next Generation Implementation Studies	$1.0
	Other HSR planning, marketing, and development support efforts	$1.0
	Additional resources for NEC Infrastructure planning, analysis, and support	$1.3
	Additional resources for Commuter contracting	$0.4
	Subtotal Mobility & Connectivity Initiatives	***$6.2***
Customer Service	Additional Ticket Agents Cary/Raleigh NC	$0.3
	Service/staffing increases on targeted long distance routes (route performance improvement program)	$3.8
	Subtotal Customer Service Initiatives	***$4.1***
Safety	Claims reductions from Safe-2-Safer program education	($2.3)
	Other	$0.2
	Subtotal Safety Initiatives	***($2.1)***
Security	Police Department Expansion - add 50 officers	$7.3
	All Other Initiatives to increase security for passengers, employees and assets	$6.6
	Subtotal Security Initiatives	***$13.9***
Environmental	Fuel Conservation Program	($3.5)
	Utility conservation - installation of high efficiency lighting	($1.1)
	Climate Registry Verification	$0.1
	Subtotal Environmental Initiatives	***($4.5)***
Organizational Excellence	SAM Savings	($11.0)
	Wellness Programs	$0.1
	Close Jacksonville Crewbase	$0.2
	Amtrak Leadership Program	$0.2
	Police Fitness Program	$0.5
	Fleet Other	$11.6
	Subtotal Organizational Excellence Initiatives	***$1.6***
Organizational Excellence IT	Replace Outsourced Service with Employees	($1.2)
	IT cost to support new Software and Applications	$10.7
	IT cost of SAP Center of Excellence	$7.3
	Subtotal Organizational Excellence Initiatives-IT	***$16.8***
	Total FY13 New Activity	**$30.3**
FY13 Final Budget		**$4,036.5**

This represents expenses that contribute to the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), net interest expense (funded by debt service appropriation), non-cash depreciation, and non-cash post-retirement benefit accruals.

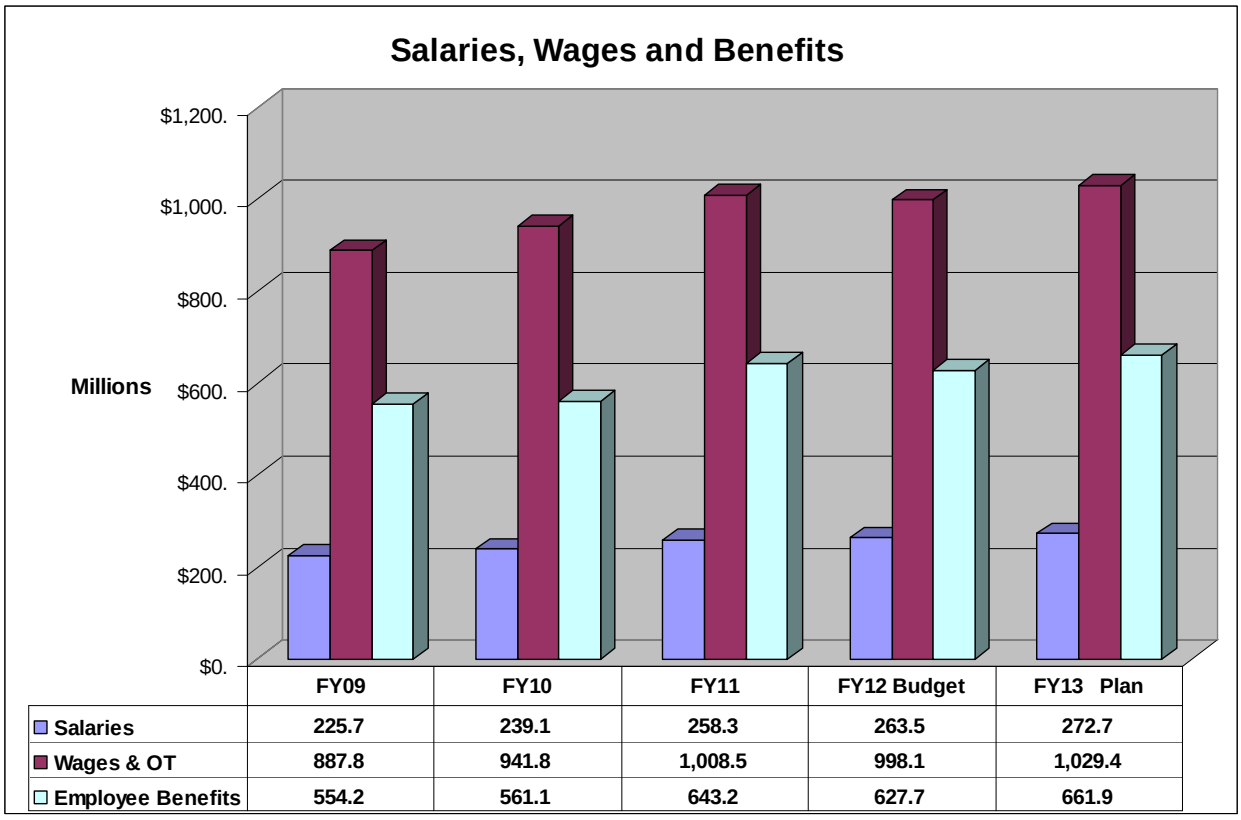
Salaries, Wages, Taxes and Employee Benefits

Salaries: In FY2012, Amtrak decided to forego performance pay increases to non-agreement employees for one year. By not increasing base wages in FY2012, over a period of five years the company is estimated to forgo approximately $50 million in salaries and payroll taxes. FY2013 salaries include a provision for merit-based pay increases but no additional headcount.

Wages: Wage rates are governed by the new labor agreements that began being ratified in the summer of 2010 and which remain in effect until June 30, 2015. Agreements with all unions follow the same wage increase patterns, and accordingly all unions including those still not yet ratified by the unions were budgeted using the terms of the new agreements.

Employee Benefits: Employee benefit costs were calculated using total planned payroll expense across all business activity including capital and reimbursable projects. An outside consulting firm provided actuarial projections for the pension and retirement expense planning. Insurance costs were projected by Amtrak's Benefit Accounting group, with assistance from the outside firm, using the projected participation in each plan and the projected costs of those plans. Railroad taxes were planned in accordance with the prevailing tax rates applied to wage and salary budgets.

Chart 9 – Salaries, Wages, Taxes and Benefits



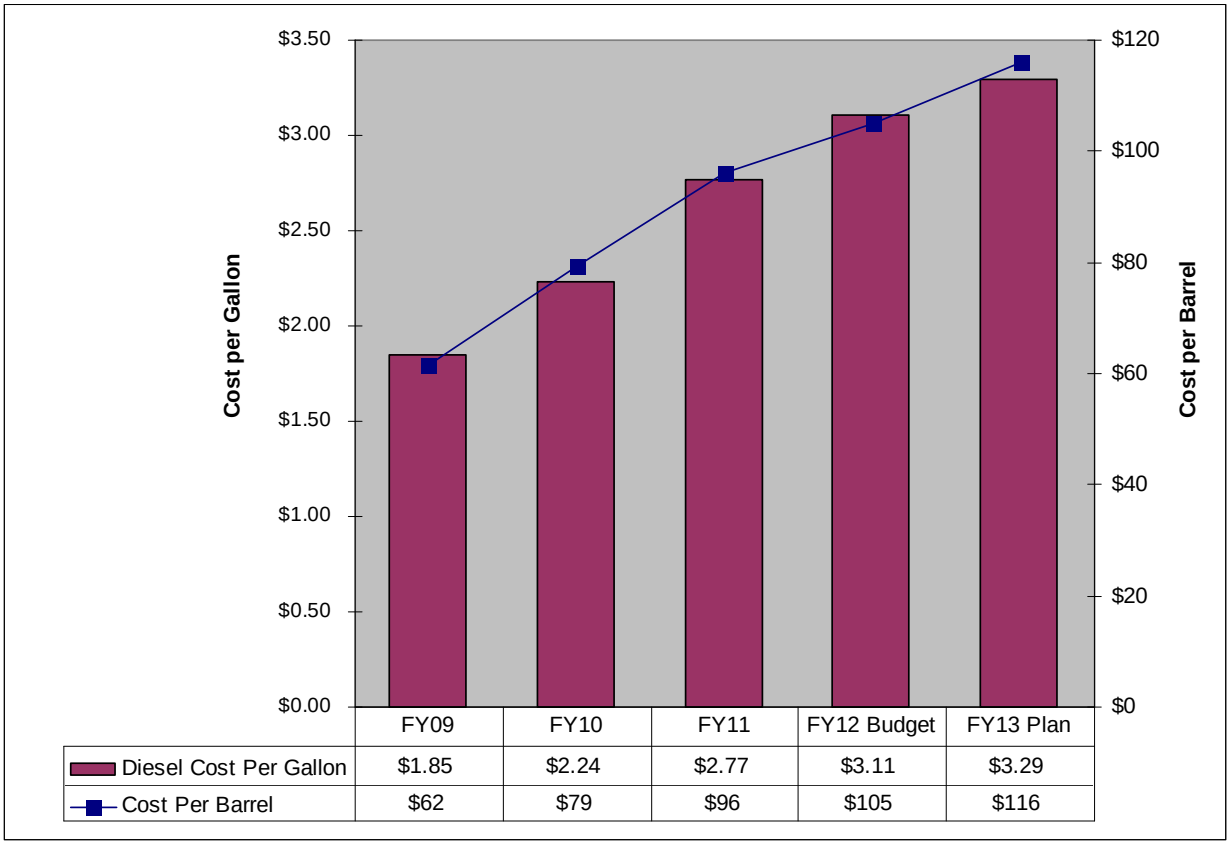
	FY09	FY10	FY11	FY12 Budget	FY13 Plan
Salaries	225.7	239.1	258.3	263.5	272.7
Wages & OT	887.8	941.8	1,008.5	998.1	1,029.4
Employee Benefits	554.2	561.1	643.2	627.7	661.9

Fuel, Power and Utilities

Train Propulsion: Electricity to power electric locomotives operating in the NEC was budgeted in accordance with projected contractual power costs and projected consumption based on the service schedule. Amtrak negotiates multi-year contracts for bulk electric power to be used for train propulsion. All propulsion power distribution is provided by the Philadelphia Electric Company (PECO) but three companies – Exelon, Constellation New Energy, and GDF Suez – are utilized as power generation resources. The most recent contracts became effective January 1, 2011 and provide favorable pricing that has kept this major expense at little to no inflation for several years.

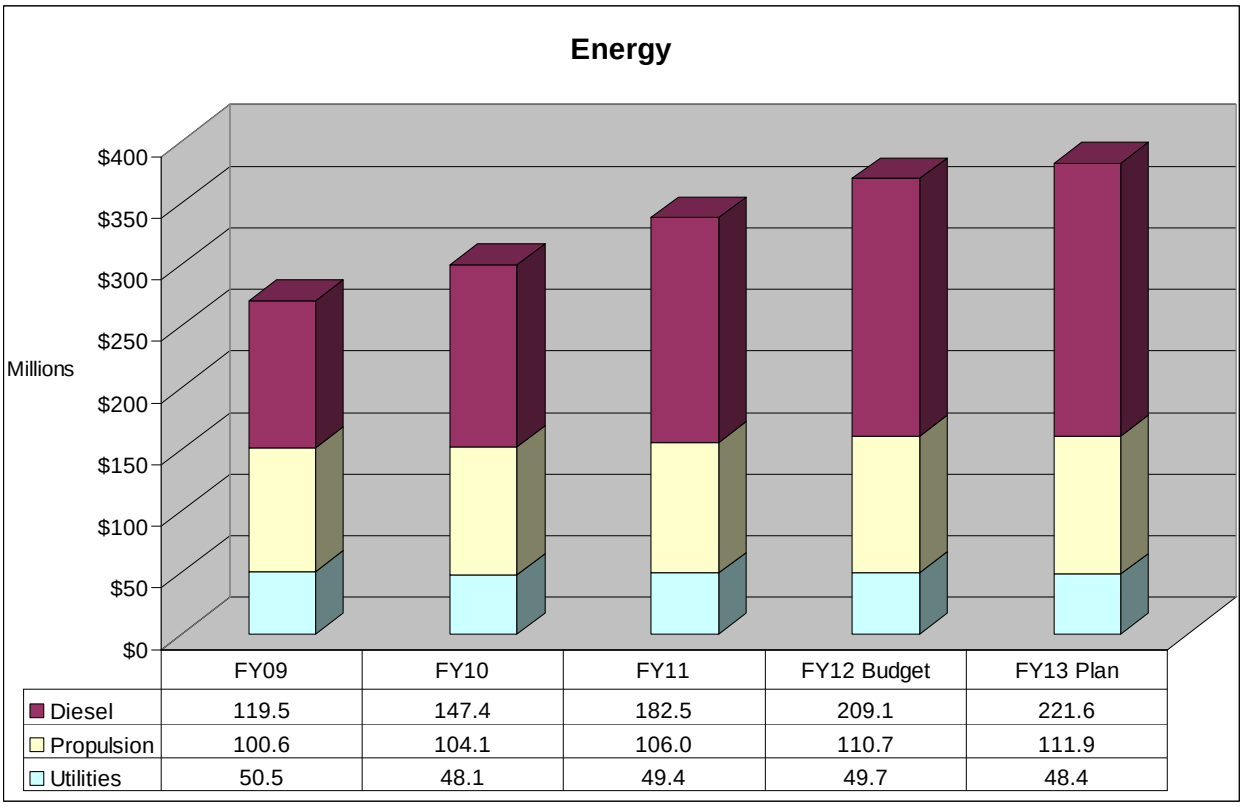
Gallon consumption of diesel fuel to power the off-corridor diesel locomotives was planned in accordance with the service schedule and historical per-mile consumption statistics. The price per gallon of diesel fuel was computed using a historic correlation between the price of oil (per barrel), retail gasoline, and diesel fuel. Diesel fuel prices vary by geographic region due to the sourcing, delivery and transportation options available in each area. Overall, the diesel fuel budget averages $3.29 per gallon. Two charts follow that show the trends for these costs.

Chart 10 – Diesel Fuel



	FY09	FY10	FY11	FY12 Budget	FY13 Plan
Diesel Cost Per Gallon	$1.85	$2.24	$2.77	$3.11	$3.29
Cost Per Barrel	$62	$79	$96	$105	$116

Chart 11 – Fuel, Power and Utilities



	FY09	FY10	FY11	FY12 Budget	FY13 Plan
Diesel	119.5	147.4	182.5	209.1	221.6
Propulsion	100.6	104.1	106.0	110.7	111.9
Utilities	50.5	48.1	49.4	49.7	48.4

Utilities:

FY13 utility budgets were developed with the assistance of an energy management consultant based upon historical utility cost analyses at a detail level.

Other Expenses

Materials: Materials consumed in the maintenance of track infrastructure and train equipment was budgeted by the Engineering and Mechanical departments according to the work production plans in each department.

Occupancy: Rent, Common Area Maintenance, and other occupancy costs were budgeted by the Real Estate department to reflect lease agreement terms in fiscal 2013 and are part of the "Facility, Communications and Office" Account.

Casualty Claims: Estimates for casualty claims including employee Federal Employers' Liability Act (FELA) and passenger liability were developed with actuarial assistance from outside actuarial consultants.

Capital Budget

Amtrak receives funds from state and local entities for capital programs as well as from Federal appropriations. The total FY2013 Capital Budget (not including debt service) is $1,919.1 million from all sources with $1,434.8 million from general federal appropriations. This budget includes $23.4 million from Department of Homeland Security grants and $121.9 million from state and local agencies and other

sources. RRIF loan financing presented below includes an estimate of $262.1 million for the replacement of the electric locomotive fleet and the plan to purchase 40 additional Acela passenger cars even though Amtrak has not yet applied for RRIF financing for the Acela cars.

Table 12 – Summary Capital Programs

	FY2011 Actual	FY2012 Budget	FY2013 Plan	FY2013 Variance to FY2012
Federal General Capital [1]	$658.4	$696.1	$1,444.3	$748.2
Less FRA General Oversight & Section 212 Funding	($9.5)	($9.5)	($9.5)	
Net Capital to Amtrak	**$648.9**	**$686.6**	**$1,434.8**	**$748.2**
Internally Generated Funds	$134.0	$94.6		($94.6)
Total Federal General & Internal Funds	**$782.9**	**$781.2**	**$1,434.8**	**$653.6**
RRIF	$97.9	$119.6	$262.1	$142.5
State, Local, Other	$244.0	$176.3	$145.1	($31.2)
Total Capital Program Funding before Stimulus	**$1,124.8**	**$1,077.1**	**$1,842.0**	**$764.9**
Economic Stimulus	$568.5	$9.4	$77.1	$67.8
Grand Total Capital Programs	**$1,693.3**	**$1,086.4**	**$1,919.1**	**$832.7**

[1] $99.9 million of federal capital was carried forward from the FY10 grant and spent in FY11. This amount is included in the State, Local, and Other FY11 total.

Table 13 – Summary FY2013 Capital Program Budget by Department (millions)

Department	General Federal Capital	Other Federal Grants	Homeland Security Grants	RRIF Loan	Internal Amtrak Funds	State, Local, & Other	Total Capital
Engineering	$814.5				$0.3	$113.9	$928.6
V-ETMS Interoperability on the NEC		$1.9			$0.5		$2.4
ARRA High Speed Rail		$75.0					$75.0
Mechanical	$291.1						$291.1
Rolling Stock Acquisitions	$72.1			$262.1			$334.2
2009 ARRA TSGP Operations Package			$2.1				$2.1
Amtrak Police Department	$8.4		$21.3				$29.7
Chief Financial Officer	$4.5						$4.5
Chief Operating Officer	$0.3						$0.3
Environmental	$18.8						$18.8
Information Technology	$117.1						$117.1
Marketing and Product Management	$57.4						$57.4
Policy & Dev/NEC IID	$4.0					$8.0	$12.0
Procurement	$5.6						$5.6
Real Estate	$9.0						$9.0
Transportation	$31.3						$31.3
Total Capital Programs	**$1,434.1**	**$76.9**	**$23.4**	**$262.1**	**$0.7**	**$121.9**	**$1,919.1**

It is important to note that capital sources shown above do not include potential additional contributions from states under Section 209 of the Passenger Rail Investment and Improvement Act (PRIIA) of 2008. Section 209 requires capital payments for state-supported trains, the amount and timing of which are still being determined by both the Surface Transportation Board and negotiations with individual states, but some capital payments may begin in 2013. Estimates are also under development on the potential impact of a preliminary agreement with the State of New York and CSX Transportation by which Amtrak would assume maintenance responsibilities for CSX-owned portions of the Albany Line between Poughkeepsie and Hoffmans in the vicinity of Schenectady under a reimbursement agreement with the state.

ADA Compliance

Amtrak serves 482 rail stations that are required by the ADA to be "readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, as soon as practicable".

Amtrak presented an estimate of its needs to the Congress on February 1, 2009, in its report "*Intercity Rail Stations Served by Amtrak: A Report on Accessibility and Compliance with the Americans with Disabilities Act of 1990* ("Access Report"). This report, which was delivered pursuant to section 219 of the PRIIA, detailed the scope of Amtrak's need and proposed the level of federal assistance necessary to attain full compliance. An update to this report was issued August 8, 2011 to update Congress on the progress made toward compliance with the ADA at stations we serve and to describe Amtrak's plans. This report is available on www.Amtrak.com/Inside Amtrak.

On September 19, 2011, DOT issued a final rule ("Rule") amending its ADA regulations regarding, among other things, level boarding, alternatives to level boarding, and procedures for obtaining approval of FRA and/or FTA in situations where level boarding is not provided. The Rule is based on a notice of proposed rulemaking ("NPRM") that DOT issued on February 27, 2006, as well as a public hearing held on August 20, 2010. The Rule as a whole takes effect on October 19, 2011, though certain provisions do not become binding until February 1, 2012.

The Rule generally requires Amtrak to provide level entry boarding at stations where the tracks are not shared with freight rail, and allows Amtrak to provide alternative boarding mechanisms at stations where tracks are shared with freight rail. However, for any station where Amtrak does not plan to provide level entry boarding, Amtrak has to provide FRA with detailed reports regarding how it proposes to board passengers with disabilities, and FRA (jointly with FTA where applicable) has responsibility to review, comment and approve all submitted plans. Due to the Rule Amtrak will not be able to achieve compliance at all remaining stations by our previous goal date of September 30, 2015.

The cost and duration impact of the Rule is currently being analyzed internally and results will be provided when complete. Achieving compliance at all Amtrak-served stations is a complex and resource-intensive challenge that will take several years to complete and it is anticipated the Rule will increase both the cost of the program and duration needed to complete that was previously forecasted.

As described more fully in Amtrak's supplemental reports to Congress regarding the status of the ADA compliance program, Amtrak had previously projected that by the end of 2011 it would have fully complied with its ADA obligations at 53 stations and would have progressed detailed design at more than 100 stations. Due to the Rule, the number of ADA compliant stations at the end of 2011 remains at 48. More detailed information about Amtrak's planned ADA compliance work at specific stations is contained in the document "*An Update on Accessibility and Compliance with the Americans with Disabilities Act of 1990"* on www.Amtrak.com.

Two sources of funding have underwritten a significant expansion of Amtrak's ADA compliance program. Legislation passed in FY2010 required that Amtrak invest $144 million towards this program. ARRA and appropriated capital funds have been used to jump-start a program of construction, with a total of $144 million being spent over the FY2010-FY2011 time period and $50 million planned for FY2012.

The greatest challenges to program completion will continue to be:

- The new DOT final rule and the impact on both cost and program duration.
- Agreements. Gaining agreement among the stakeholders for individual projects continues to be a challenge. To advance progress, those stations for which Amtrak has sole or primary responsibility are advanced to the highest priority while planning and agreements on other stations are advanced.

- Timing. The scheduling of projects is controlled by the design, funding and agreement process. As such, program plans for future years will be advanced as later update reports are developed and released.
- Funding. As the program planning advances and project scopes and designs are advanced for each year of Amtrak's ADA station compliance program, funding requirements become more clearly defined.
- Linkage to Station Improvement plans. Many jurisdictions that own stations have plans for expansion, modification, and/or investments to create intermodal transportation centers or other commercial development concepts. Incorporation of ADA improvement elements that are Amtrak's responsibility into other agency plans will require considerable coordination and could complicate the scoping and agreement process.

Fleet Programs

To ensure that adequate rolling stock is in place to safely meet operating needs, Amtrak created the "Amtrak Fleet Strategy" and published an update in February 2011. The FY2012 update will be released in February 2012. In addition to operating requirements and state of good repair needs, this plan will identify "baseline" capacity needs and state of good repair requirements for the fleet and identifies the numbers and types of equipment that will be required to address projected growth on existing and planned services through 2024.

The following table shows the planned units to be active and 'shopped' for maintenance and overhaul activity in Amtrak's mechanical facilities.

Table 14 - Rolling Stock Count and Availability

	End FY12 Projected			End FY13 Projected		
	Active	Planned Shop	Net Available	Active	Planned Shop	Net Available
Car Fleet						
Amfleet I	473	46	427	473	46	427
Horizon	95	17	78	93	16	77
Surfliner	49	9	40	49	9	40
California Cars	78	10	68	78	10	68
North Carolina Cars	12	-	12	11	-	11
Long Distance			-			-
Amfleet II	145	22	123	145	22	123
Heritage Baggage Cars	73	13	60	73	13	60
Heritage Diner	20	5	15	12	2	10
Heritage Dome/Parlor Cars	6	1	5	6	2	4
Viewliner/LDSL [1]	51	10	41	76	15	61
SuperLiner	428	77	351	428	77	351
Turboliner	-	-	-	-	-	-
Auto Carrier	80	9	71	80	9	71
Cab Cars / NPCU	39	8	31	39	8	31
Other [2]	4	-	4	4	-	4
Total Car Fleet	**1,553**	**227**	**1,326**	**1,567**	**229**	**1,338**
Locomotives						
Electric Locomotives [3]	62	17	45	62	17	45
Diesel Locomotives	309	45	264	309	45	264
Switchers	39	-	39	39	-	39
Locomotives Totals	**410**	**62**	**348**	**410**	**62**	**348**
Trainsets						
Acela (20 Trainsets) [4]						
- Cars	121	24	97	121	24	97
- Locomotives	40	8	32	40	8	32
Talgo (5 Trainsets)						
- Cars	60	3	57	60	3	57
- Locomotives	6	1	5	6	1	5
Total Trainsets	**227**	**36**	**191**	**227**	**36**	**191**
Grand Total	**2,190**	**325**	**1,865**	**2,204**	**327**	**1,877**
Planned Availability %			85.2%			85.1%

[1] Long Distance Single Level cars to replace Heritage Baggage Cars and Diner Cars and augment Single Level Sleeper fleet (130 car order comprised of 25 diners, 55 bag cars, 25 bag/dorm cars and 25 sleepers).

[2] Other cars include two wheel cars, two track inspection cars, and one training car

[3] Electric locomotive deliveries begin FY13 and continue thru FY16

[4] Total Acela Trainsets = 20. Two (2) additional Business Class Cars will be inserted into each Trainset FY15.

In fiscal year 2010, Amtrak completed negotiations and entered into purchase agreements for the delivery of:

- 130 single-level long-distance cars to replace old Heritage equipment, including 55 baggage, 25 baggage-dormitory, 25 dining and 25 sleeping cars for a total contract price of $298 million between FY2010 and FY2014.

- 70 electric locomotives to replace and augment locomotives in service on the Northeast Corridor at a total cost of $466 million to be paid starting in FY2011 and ending FY2016.

Amtrak is funding $62.6 million in payments for the single-level long-distance cars from internally generated revenue in FY2012 and the FY2013 payments are being requested in this federal capital appropriation request.

The electric locomotive purchase is funded by a loan agreement under the Railroad Rehabilitation and Improvement Financing (RRIF) Program provided by the Department of Transportation. Amtrak projects that improved ticket revenue from more reliable locomotives will fund the debt service payments to repay this loan. $150.2 million is programmed into the FY2013 capital program for these locomotives.

Northeast Corridor (NEC) Investments

State of Good Repair (SGR): A Foundation for Growth

While Amtrak largely utilizes the rail infrastructure of the private freight railroads for the operation of most of its national network, Amtrak controls and is directly responsible for the condition and reliability of most of the Northeast Corridor (NEC) between Boston, New York, and Washington, which hosts the nation's most intense and complex passenger train operations. Additionally, Amtrak owns the Harrisburg and Springfield lines that connect with it; the 11-mile "Empire" connection linking Penn Station with Spuyten Duyvil on the Albany Line; a number of stations and yard facilities in major urban hubs, and the Michigan Line serving the Chicago to Detroit corridor.

The cost of managing, maintaining, and improving these assets is substantial. In the NEC Master Plan published in May 2010 Amtrak estimated that the State of Good Repair (SGR) backlog alone on Amtrak-owned/operated NEC infrastructure is about $5.2 billion in FY10 dollars. On top of this, the incremental investment needed to renew these existing infrastructure assets once SGR has been achieved is estimated to be $330 million per year.

It is important to note that Amtrak reprioritizes SGR spending when necessary to allow it to address safety and operability issues as they arise. A backlog of SGR should not, therefore, be understood as an accumulation of disintegrating or unsafe structures; rather, it is a list of projects that have passed the end of their useful life but may continue to carry traffic safely, albeit at times with the additional burden of increased maintenance or impacts on reliability and performance.

The infrastructure backlog includes:

- more than 200 bridges, most dating to the turn of the last century;
- Baltimore's B&P Tunnels dating to the post-Civil War period;
- many rail interlockings (junctions and crossovers) that are functionally obsolete; and
- electric traction systems relying on 1930s-era components.

It also includes structural improvements to the tunnels serving New York and station backlog costs as reported in the February 2009 ADA Accessibility Report.

Amtrak estimates that even with adequate funding, resources and additional equipment, it will take a minimum of 15 years to resolve the backlog while still maintaining a reliable level of rail service throughout the necessary maintenance and construction work. Failure to adequately invest in this work on an annual basis will merely push the completion date out further and raise the costs and impacts of such work, as the backlog increases and Amtrak is forced to play "catch-up" year after year.

To achieve a 15-year SGR plan for Amtrak's infrastructure assets will require an average of $700 million per year – $350 million per year on average for the normalized replacement of assets and $350 million per year on average for addressing the SGR backlog. The following table shows how Amtrak intends to fund infrastructure projects for FY13.

Table 15 – State of Good Repair Funding Plan

	FY2012			FY2013		
$Million	**Federal & Amtrak**	**Third Party & Special Grants**	**Total**	**Federal & Amtrak**	**Third Party & Special Grants**	**Total**
Bridges/Culverts/Tunnels	62.2	6.0	68.1	131.7	20.4	152.1
Facility/Station/Other	87.1	12.9	100.0	277.9	24.1	302.0
Signal Systems	35.7	5.8	41.5	62.5	3.1	65.7
Communication Systems	0.5	0.0	0.5	1.8	-	1.8
Overhead Catenary and Transmission systems	14.2	1.4	15.6	41.1	1.0	42.1
Substations/Frequency Converters	9.3	4.7	14.0	60.1	35.3	95.3
Track Replacement	102.6	64.2	166.7	166.1	13.2	179.4
Interlocking Renewal	9.0	6.9	15.9	32.4	14.1	46.5
Equipment Purchase/Replacement	13.9	(0.0)	13.9	31.8	-	31.8
Seattle King St. Coach Yd	7.0	0.0	7.0	8.0	-	8.0
Freight Railroad Improvements	-	-	-	-	-	-
Fire & Life Safety	10.7	12.5	23.2	1.5	2.6	4.1
V-ETMS Interoperability on the NEC	1.9	7.7	9.6	0.5	1.9	2.4
High Speed Inter-city Passenger Rail Program	-	7.3	7.3	-	75.0	75.0
Total	**354.0**	**129.3**	**483.3**	**815.3**	**190.8**	**1,006.1**

Additional funding provided under the FRA-Administered High-Speed Intercity Passenger Rail Program (HSIPR) is providing resources for the design and environmental review of other major backlog projects, including the planned replacement of the 140 year old Baltimore and Potomac (B&P) tunnel south of Baltimore and the century old Susquehanna River Bridge in Northern Maryland.

Amtrak is also investing $450 million between 2012 and 2017 under a recently awarded HSIPR grant to Amtrak to upgrade catenary, track, signal and electric power systems on the four-track NEC main line between New Brunswick and Trenton, New Jersey. This budget includes $7.3 million in funding from this grant. When completed in 2017, this project will increase the top speed for high-speed train operations from 135 mph to 160 mph and improve reliability for all passengers including intercity and commuters on one of the most heavily trafficked sections of the Northeast Corridor.

Additional projects underway with HSIPR funding awarded to third parties but impacting the Amtrak network, include a new third track and platform improvements at Kingston, Rhode Island and double tracking key portions of the Springfield Line in Connecticut. Also planned is the construction of a new grade-separated "flyover" at Harold Interlocking in New York, at the junction where Amtrak and MTA Long Island Rail Road trains converge east of Penn Station New York; installation of a third NEC Main Line track segment in Delaware, and upgrade of State Interlocking in Harrisburg on the Keystone Line in Pennsylvania.

The above projects reinforce Amtrak's approach to SOGR which is to ensure that every project undertaken not only replaces an aging asset and improves the reliability of existing services, but provides a solid foundation for future growth as discussed in the following section.

Beyond SGR: A Vision for the Future

In addition to state of good repair needs, the Northeast Corridor faces capacity constraints. Some 2,200 trains operate on the corridor on a daily basis, including Amtrak, commuter and freight trains.

Amtrak's New York Penn Station and the Hudson River Tunnels that feed it traffic from New Jersey are at capacity today, and a number of other major segments are at or nearing their capacity limits, as documented in the Northeast Corridor Infrastructure Master Plan, published in May 2010.

In addition, Amtrak faces increasing demand for service due to high fuel prices combined with congestion and capacity constraints affecting many of the region's major highways and airports. This situation is likely to worsen in coming years as growth outpaces the region's ability to add transportation capacity due to funding, environmental and land constraints.

To help address these issues, Amtrak in September 2010 issued "A Vision for High-Speed Rail in the Northeast Corridor." The "Vision" outlined a conceptual framework and provided an initial review of the feasibility of improving the existing NEC alignment to handle growth in regional, commuter and freight services, while simultaneously planning and building a new, dedicated, two-track, high-speed rail alignment between Boston and Washington to serve the fast-growing intercity rail market, provisionally known as the NEC Next Generation High-speed Rail or "NextGen HSR" system.

This Vision is currently being further evaluated and refined so that it may serve as one of the bases for the more significant planning efforts in FY 2012 and beyond. Amtrak has presently underway, and to be completed by summer, a business and financial planning effort to further consider the financial feasibility and business strategies necessary to pursue improvements set forth in the Vision. Also early in 2012, the Federal Railroad Administration (FRA) is expected to begin work on a Tier 1 Programmatic Environmental Impact Statement (PEIS) for the Northeast Corridor that will consider various alternative development strategies and configurations for the future of the NEC with the aim of minimizing possible environmental impacts from the improvement and expansion of NEC intercity rail service.

Amtrak expects that the concepts set forth in the Vision will be one of the major alternatives evaluated under the PEIS. To advance these plans, Amtrak is also working closely with the Northeast Corridor Infrastructure and Operations Advisory Commission, which is primarily made up of representatives of the FRA, Amtrak and the Northeast states. The Commission, created under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008, aims to help guide the EIS process and is developing policy, funding and financing options to improve intercity passenger rail service in the Northeast.

Implementing the Vision: A Phased Approach

While it is estimated that implementing Amtrak's total Vision for an improved NEC complemented by a new NextGen HSR system with a dedicated two-track alignment between Boston and Washington will take until roughly 2040 to fully complete, significant improvements to the NEC and intercity passenger rail service are achievable in the nearer term. Such opportunities through 2025 include targeted improvements to the existing NEC alignment, expansion of tunnel and station capacity in New York City, expansion of servicing facilities in Boston, MA, Queens, NY and Washington, DC and acquisition of new rolling stock that is will provide additional capacity and improved service on the NEC in the short to medium term.

Amtrak is currently in the initial phases of planning for these improvements, driven by the clear need for greater NEC intercity capacity and performance in the coming years and decades.

The initial Stair-Step Plan calls for expanding Acela Express train lengths from six to eight cars by 2016 The existing Acela train sets will be converted from a 1-6-1 to a 1-8-1 configuration (power car-passenger cars-power car). This adds two coach cars to each of the 20 train sets increasing ridership capacity by 130 seats per train set. Increasing the length of the train sets will require infrastructure changes including lengthening the Acela maintenance facilities in Washington, New York, and Boston in the future. The

costs and expected revenue increases for this program are incorporated in Amtrak's Five Year Financial Plan.

Beyond 2020, however, no significant expansion of intercity service is possible in the Northeast without providing additional rail capacity into and through Midtown Manhattan. Under the "Gateway" portion of the Plan, Amtrak could triple premium high-speed service, to three round trips per hour, between New York and Washington by 2025. To facilitate this service expansion, the Gateway Program includes new tunnels under the Hudson River and replacement of the century-old Portal Bridge east of Newark, New Jersey with two new high level spans. Expansion of station facilities in New York is also necessary in conjunction with the construction of a new "Moynihan Station" directly across 8th Avenue from the existing Penn Station on the site of the former Farley Post Office.

While significant planning work remains, initial estimates show that the Gateway Program is expected to cost approximately $14 billion to $16 billion, depending on the configuration of an expanded Penn Station to accommodate both commuter and intercity rail. Of the estimated cost for Gateway, $137 million of funding has already been made available to begin work on the program, including funding for design and early phase construction at Moynihan Station under a $83M TIGER grant; final design of one of two Portal bridges under a $38.5M million HSIPR grant.

Additional infrastructure-related capital funding needed in FY2013 to advance the Stair-Step Program (including Gateway) is estimated at $60 million, as shown in the table below, for preliminary and final design of these major initiatives.

In addition to the $60 million in capital funds detailed below, requirements in FY2013 include $6 million in operating funds for environmental reviews and conceptual design of the NextGen High-Speed Rail Program and to provide support for the Tier I Programmatic Environmental Impact Statement (PEIS) which is expected to be fully underway in FY2013.

Additional funding also will be needed in FY2013 to advance the Next Generation of premium service equipment to be deployed on the NEC starting in 2020 under the Stair-Step Program. Estimates to develop equipment specifications and progress design in FY2013 are currently in development.

Table 16 – Capital Needs for Stair-Step Program Including Gateway

	$ Millions	
	FY2012 Budget	**FY2013 Request**
Gateway	$15	$35
Other Stair Step Programs (Speed / Capacity)		$25
Total	**$15**	**$60**

Debt Service and Debt Related Equipment Purchases

Principal and Interest

Principal and interest payments for FY2013 amount to $212.4 million and are detailed in Table 17 below.

Table 17 - Debt Service

$ Millions	Q1	Q2	Q3	Q4	FY13
Principal	34.6	57.8	29.3	22.6	144.3
Interest	21.9	15.3	20.1	10.9	68.2
Total Cash P&I (DOT Debt Service Grant)	**56.4**	**73.1**	**49.4**	**33.5**	**212.4**

Early Buyout Options (EBO)

An Early Buyout Option is a contractual right for Amtrak to terminate a long term lease of equipment, in part or in whole, on favorable terms. The EBO gives Amtrak the rights to a) buy the equipment which is owned by a bank and, separately, to b) pay off the rest of Amtrak's lease payment obligations to the bank. The EBO occurs at a specified, fixed price, one time only, late in the term of the lease. It is the only right of voluntary pre-payment in the lease.

PRIIA Section 205 provides that the Secretary of the Treasury may make agreements to restructure (including repaying) Amtrak's indebtedness, including leases, outstanding as of the date of enactment of PRIIA upon such terms as Treasury deems favorable to the interests of the United States Government. Amtrak, Treasury and the Department of Transportation, acting through the Federal Railroad Administration (FRA) entered into a Memorandum of Understanding (MOU) to fund the exercise of certain EBOs on select leases entered into by Amtrak, up to the amounts and on the dates shown in Table 18.

Table 18 – Leases in Treasury MOU – Early Buyout Options

Lease Name	EBO Payment Date	FY2011	FY2012	FY2013
Trust 2001-L-B (2nd closing) for 16 GE P42-DC Locomotives	03-Jan-11	28.40		
Trust 2000-L-A (2nd closing) for 16 GE P42-DC Locomotives	30-Sep-11	23.34		
Trust 94B-A for 6 Superliners	3-Jan-12		11.92	
Trust 94B-C for 8 Superliners	3-Jan-12		17.73	
Trust 98C for 107 Superliners (Secured Note matures on 3-29-12)	31-Jan-12		134.02	
Trust 96A-B for 13 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-12		20.18	
Trust 96B for 20 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-12		30.97	
Trust 97D for 50 Amerail Viewliner Passenger Cars	2-Jul-12		44.01	
Trust 96A-C for 7 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Oct-12			11.12
Trust 97A for 25 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Oct-12			39.66
Trust 96A-D for 19 of 98 GE P-42 DC Single Mode Diesel Locomotives	1-Jul-13			28.70
Trust 94B-B for 7 Superliners	1-Jan-13			13.40
Trust 2000 SD-A (2nd closing) for 10 Surfliners	19-Jun-13			17.03
Total Leases in Treasury MOU		**51.74**	**258.85**	**109.91**
Grand Total				**420.49**

Sources and Uses of Cash – Budget Basis

Amtrak's FY2013 Simple Sources and Uses (Cash flow) is based on this budget and the receipt of federal funding of $2,097.2 million during the year. Amtrak continues to have no access to short-term credit lines.

The following summarizes Amtrak's planned source and use of funds for FY2013 based upon this budget assuming funding will be appropriated as presented in this document.

Table 19 – Simple Sources and Uses

		$Millions
Beginning Available Cash (after outstanding payments)		**147.7**
Uses:		
Operating Expenses (Net operating loss including Depreciation & Non-Cash OPEB's [1]	1,187.4	
Non-Cash Adjustments (Depre & Non-Cash OPEB's)	(737.4)	
Net Operating Loss		450.0
Capital Expenditures		1,919.1
Debt Service Principal & Interest		212.4
Equipment Lease Buyout		109.9
Total Uses		**2,691.5**
Sources:		
Federal Grants:		
Operating	450.0	
Capital	1,434.8	
Debt Service Principal & Interest	212.4	
Subtotal Federal DOT Grants		2,097.2
EBO (from EBO Grant)		109.9
RRIF Loan Financing of Equipment Acquisitions		262.1
Third Party and Special Grants		222.2
Total Sources		**2,691.4**
Estimated Ending Cash		147.7
Net change in assets & liabilities		-
Total Cash		**147.7**

[1] OPEBs - Other Post Retirement Employee Benefits

Department Operating and Capital Programs

Amtrak Police Department

Overview of the Department

The Amtrak Police Department is committed to maintaining the safety and security of the rail traveling public, improving the quality of life of Amtrak personnel and safeguarding the trains and rails through Customer-Oriented Policing. This will be accomplished by building partnerships to enhance capacity to protect a nation in transit. The Amtrak Police organization consists of three Divisions:

1. Patrol Division makes up the majority of the department with officers nationwide at more than 30 locations protecting our passengers, employees and assets. The Patrol Division consists of professionally trained sworn police officers who work closely with local, state and Federal agencies.

2. The Special Operations Division includes a contingent of sworn Special Agents who work in concert with police officers to protect Amtrak passengers, employees and assets. This Division has oversight and coordination responsibilities of Amtrak's nationwide robust and expertly trained explosive detection canine program. Special Operations also includes Amtrak's Intelligence Unit consisting of contract intelligence analysts and sworn personnel assigned to Joint Terrorism Task Forces (JTTFs) in New York, Washington, and Chicago.

3. The Corporate Security Division identifies and implements counterterrorism mitigation strategies in the form of policies, programs and standards to ensure the protection of Amtrak's employees, passengers, assets and critical infrastructures. This Division collaborates with the Patrol and Special Operations Divisions on counter-terrorism and infrastructure protection projects. The Corporate Security function oversees corporate security improvements including security related capital investments.

The Amtrak Police Department total budget request for FY13 is $80.5M representing an increase of $6.6M compared to FY12 budget.

Base Activity:
The FY13 base budget is $66.6M increasing by $1.7M over the FY12 base budget due to inflation of prior year expenses.

New Activity:

- Police Fitness Program-Testing and evaluating candidates to meet established physical fitness standards $0.5M
- Virtual Fence Monitoring Cost $0.9M
- Increase in Wage/Benefits due to new contract with the Fraternal Order of Police $1.9M
- Increase in policing and security scope and coverage $10.6M

Operating Expense Summary FY11 –FY13: Amtrak Police Department

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$6.4	$6.8	$7.1	$0.3	4.0%
Wages & Overtime	$29.5	$34.4	$38.0	$3.6	10.6%
Employee Benefits	$18.7	$20.4	$22.6	$2.1	10.3%
Employee Related	$1.8	$2.3	$2.7	$0.4	15.4%
Salaries, Wages and Benefits	$56.4	$64.0	$70.3	$6.4	10.0%
Train Operations	$0.1	$0.1	$0.1	$0.0	51.1%
Fuel, Power, & Utilities	$0.0	$0.0	$0.0	$0.0	1.1%
Materials	$0.2	$0.0	$0.0	$0.0	1.8%
Facility, Communication, & Office	$3.2	$5.6	$5.6	$0.0	0.0%
Casualty and Other Claims Total	$0.7	$1.3	$1.5	$0.2	11.4%
Professional Fees	$1.0	$1.2	$1.2	$0.0	0.0%
Data Processing Services and Supplies	$0.1	$0.0	$0.0	$0.0	0.0%
Environmental and Safety	$0.5	$0.1	$0.1	$0.0	0.0%
M of W Services	$1.4	$1.5	$1.5	$0.0	2.8%
Total Operating Expenses	**$63.6**	**$73.9**	**$80.5**	**$6.6**	**8.9%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$73.9
Less FY12 New Activity	($9.0)
FY12 Base Activity	**$64.8**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$1.7
Base Activity Increase/(Decrease) from Prior Year	**$1.7**
Total FY13 Base Activity	**$66.6**
New Activity	
Police Fitness Program-Testing and evaluating candidates to meet established physical finess standards	$0.5
Virtual Fence Monitoring Cost	$0.9
Increase in Wage/Benefits due to new contract with the Fraternal Order of Police	$1.9
Increase in policing and security scope and coverage	$10.6
Total FY13 New Activity	**$13.9**
FY13 Total Budget	**$80.5**

Capital Projects: Police and Security

$ Millions

Program Title	Project	GCAP	State, Local & Other	Total
Safety & Security	DHS2010 Operational Packages	$0.0	$0.6	$0.6
Infrastructure Protection	Amtrak Police Department Equipment	$0.4	$0.0	$0.4
	Access Control System Expansion	$0.3	$0.0	$0.3
	NON-Counterterrorism, Security Hardening, Repair	$7.4	$0.0	$7.4
	CCTV Maintenance and Monitoring	$0.4	$0.0	$0.4
	DHS2010 Communications Control Center	$0.0	$0.8	$0.8
	DHS2010 Infrastructure Protection	$0.0	$2.7	$2.7
Planning & Assessments	DHS2010 Planning and Assessments	$0.0	$0.7	$0.7
Training	SECURITY CANINE PROCUREMENT AND TRAINING	$0.0	$0.7	$0.7
	DHS2010 Training and Public Awareness	$0.0	$0.9	$0.9
2011 DHS TSGP	DHS2011 Transit Security Grant Program (TSGP)	$0.0	$10.0	$10.0
2012 DHS TSGP	DHS2012 Transit Security Grant Program (TSGP)	$0.0	$5.0	$5.0
ARRA Law Enforcement Grant	2009 ARRA TSGP Operations Package	$0.0	$2.1	$2.1
	Amtrak Police Department	**$8.4**	**$23.4**	**$31.8**

Safety & Security Program: $0.6M

- Department of Homeland Security (DHS) Operational Packages - $0.6M: This project provides equipment and reimbursement of operational expenses for a four-person mobile screening team in the New England region to augment surge, counter-surveillance and show of force activities**.**

Infrastructure Protection Program: $11.9M

- Amtrak Police Department Equipment - $0.4M: This project is designed to purchase variety of equipment for the APD and Mobile Team to support their increased counter-terrorism and operational activities pertaining to the intercity passenger rail system. The Mobile Team consists of specialized counter-terrorism agents that work collaboratively with APD to detect, deter, and respond to potential acts of terrorism. The project also includes funding to supply both forces with communication and tactile equipment such as satellite communication equipment, mobile handheld, chemical and explosive detectors etc.
- Access Control System Expansion - $0.3M: This project covers the expansion of access control systems and intrusion detection systems to additional facilities that will integrate alarm system with access control alarm monitoring. Current card access system contains over 300 access points throughout the corporation. Goal is to expand card access to larger facilities where key control is difficult due to large number of employees.
- NON-Counterterrorism, Security Hardening, Repair - $7.4M: This project is designed for the use of infrastructure protection, communication, and situational awareness projects not funded under TSGP that nonetheless pose a security or safety risk to Amtrak. Projects will vary depending upon the level of threat or safety and may address issues related to theft of assets and materials, right-of-way safety concerns, installation of station and facility hardening solutions to mitigate security breaches, installation of access control measures to mitigate intrusion and decrease unauthorized access.
- CCTV Maintenance and Monitoring - $0.4M: This project will continue to create new CCTV and Communications capabilities in stations on the East Coast Operations and Western Operations that will the integrate into a video management system. The signals results can be transmitted to National Communications Center (NCC) or remote locations. The APD will have the ability to intelligently dispatch resources and give responding personnel real-time information.

- Department of Homeland Security (DHS) 2010 Communications Control Center - $0.8M: This project will increase the capacity for detection, prevention, and response to security threats by developing a strategic implementation plan and purchasing recommendations for equipment of surveillance and alarm monitoring. This will also fund the improvements of infrastructure, purchase, installation of equipment as needed.
- Department of Homeland Security (DHS) 2010 Infrastructure Protection - $2.7M: This project supports the measures to prevent terrorist attacks against infrastructure and mitigate potential risk to rail passengers and assets. The 2010 grant funds will be applied to measures aimed at facility hardening, Chemical, Biological, Radiological, Nuclear, Explosives detection, HVAC improvements including the detection of airborne particulates and to follow up on Full Spectrum Integrated Vulnerability Assessment recommendations and blast mitigation studies funded by DHS and ARRA grants.

Planning & Assessments Program: $0.7M

- Department of Homeland Security (DHS) 2010 Planning and Assessments - $0.7M: This project supports the planning and assessments activities required to develop and implement efforts aligned with security strategies. Activities under this project include contracting a vendor to conduct a system-wide risk and vulnerability assessment of the national passenger rail infrastructure.

Training Program: $1.6M

- Security Canine Procurement & Training - $0.7M: This project allows the Transportation Security Administration (TSA) Canine Project to set up to provide free canines, training and reimbursement of operating and equipment costs through its National Explosive Detection Canine Team Program (NEDCTP). Amtrak is responsible for partial operating expense.
- Department of Homeland Security (DHS) Training and Public Awareness - $0.9M: This program supports the planning and implementation of security awareness programs to inform and enlist the public support for security efforts. It will also provide security awareness training to employees by giving them opportunities to learn to detect a variety of threat scenarios and take appropriate actions to protect themselves and passengers.

Department of Homeland Security (DHS) 2011 Transit Security Grant Program: $10.0M

- This Project covers the following activities: Further develop Amtrak CCTV capacity and maintain DHS funded CCTV equipment. Further development of the iCOP situational awareness and information sharing tool as well as an intelligent notification system to alert employees, stakeholders and passengers of emergencies. Add hardening measures to protect against potential deployment of CBRNE devices, reduce intrusion, limit unauthorized access, follow up on recommendations of completed DHS sponsored risk assessments, and site specific studies. Support operational training and equipment needs for the APD K9 and Mobile teams and to support their ability to conduct security surge operations and right of way patrols. Development and maintenance support for digital maps of critical assets, updating Station Action Plans and for continuity planning. Develop and implement Amtrak's multi-year Security Exercise Program (SEP).

Department of Homeland Security (DHS) 2012 Transit Security Grant Program: $5.0M

- This project covers the implementation of a range of security and counter-terrorism projects to be developed through a cooperative agreement with the Department of Homeland Security that will help deter, detect, respond to potential acts of terrorism, and related incidents. Funds will be used for Amtrak's infrastructure protection program, communication and situational awareness

program, planning and assessments, security operations, equipment purchases and training, exercise, and public awareness efforts.

ARRA Law Enforcement Grant: $2.1M

- 2009 ARRA TSGP Operations Package - $2.1M: Amtrak will use these grant funds to pay for personnel costs such as salary, overtime, and benefits for 16 officers for a 36 month period plus the costs to outfit them with standard equipment such as uniforms and radios as well as specialized equipment to carry out their appointed duties such as explosive detection equipment and consumables for screening teams and vehicles and kennels for canine teams.

Engineering

Overview of the Department

Amtrak's Engineering department can be described as an engineering firm and operating/construction company responsible for keeping infrastructure in a state of good repair. That includes maintenance, testing, and inspection of Amtrak's physical infrastructure, including track, signals, electric traction, tunnels, and bridges on Amtrak owned right of way and stations and facilities along the right of way. The group is responsible for the maintenance and overhaul of roadway machines and equipment used in the operation. In addition to the core maintenance activities, the group is also responsible for developing and executing the plan to bring the infrastructure into a state of good repair, and support reimbursable project activity in conjunction with state and local agencies on and along our right of way.

Base Activity:

Engineering's FY13 base budget is $282.2M, an increase of $6.8M over FY12 base budget.

A summary of the FY13 changes includes the following:

- Inflation of Prior Year expenses including labor agreements $8.1M
- Increase in transfer credits to capital projects due to increased capital activity in FY13 ($1.3M)

New Activity:

New activity in the department totals $0.1M and is primarily driven by safety operation improvements.

Operating Expense Summary FY11 –FY13: Engineering

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$27.2	$28.3	$29.2	$1.0	3.5%
Wages & Overtime	$149.4	$139.7	$142.9	$3.2	2.3%
Employee Benefits	$85.5	$79.9	$82.1	$2.2	2.8%
Employee Related	$7.2	$6.0	$6.0	($0.0)	0.0%
Salaries, Wages and Benefits	$269.4	$253.8	$260.2	$6.5	2.5%
Train Operations	$0.4	$0.0	$0.0	$0.0	0.8%
Fuel, Power, & Utilities	$9.3	$9.0	$9.1	$0.1	1.6%
Materials	$21.9	$22.1	$22.3	$0.2	0.9%
Facility, Communication, & Office	$17.3	$24.2	$24.2	$0.0	0.0%
Casualty and Other Claims Total	$2.7	$4.0	$4.1	$0.1	2.4%
Professional Fees	$7.2	$11.1	$11.1	$0.0	0.0%
Data Processing Services and Supplies	$3.0	$1.6	$1.6	$0.0	0.0%
Environmental and Safety	$4.1	$4.5	$4.5	($0.0)	0.0%
M of W Services	$30.1	$31.0	$31.9	$0.9	2.9%
Financial	$1.6	$2.4	$2.4	$0.0	0.0%
Pcard Transactions	$0.2	$0.0	$0.0	$0.0	0.0%
Expense Transfers	($1.2)	($0.8)	($0.8)	$0.0	0.0%
Indirect Costs Capitalized To P&E	($94.6)	($87.2)	($88.5)	($1.3)	1.5%
Total Operating Expenses	**$271.3**	**$275.8**	**$282.3**	**$6.5**	**2.3%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$275.8
Less FY12 New Activity	($0.4)
FY12 Base Activity	**$275.4**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$8.1
Decrease in transfer credits to capital projects due to reduced capital activity in FY13	($1.3)
Base Activity Increase/(Decrease) from Prior Year	**$6.8**
Total FY13 Base Activity	**$282.2**
New Activity	
Salaries and benefits related to Operations inprovements	$0.1
Total FY13 New Activity	**$0.1**
FY13 Total Budget	**$282.3**

Capital Projects: Engineering

$ Millions

Program Title	GCAP	State, Local & Other	Total
Bridges/Culverts/Tunnels	$131.7	$20.4	$152.1
Facility/Station/Other	$277.9	$24.1	$302.0
Signal Systems	$62.5	$3.1	$65.7
Communication Systems	$1.8	$0.0	$1.8
Overhead Catenary and Transmission systems	$40.9	$1.2	$42.1
Substations/Frequency Converters	$60.1	$35.3	$95.3
Track Replacement	$166.1	$13.2	$179.4
Interlocking Renewal	$32.4	$14.1	$46.5
Equipment Purchase/Replacement	$31.8	$0.0	$31.8
Seattle King St. Coach Yd	$8.0	$0.0	$8.0
Fire & Life Safety	$1.5	$2.6	$4.1
High Speed Inter-city Passenger Rail Program	$0.0	$75.0	$75.0
V-ETMS Interoperability on the NEC	$0.0	$2.4	$2.4
Total Engineering	**$814.5**	**$191.5**	**$1,006.1**

Bridges, Culverts and Tunnels $152.1M

- Movable Bridges $3.0M – The scope of this program is to bring Amtrak's movable bridges to a state of good repair. Some of the bridges will be brought to a state of good repair through selective component replacement while others require complete replacement of movable structure, mechanical and electrical systems.
- Fixed bridges upgrade $37.5M **–** The scope of this program is to address under grade bridges and to convert open deck under grade bridges to ballast deck for improved train performance**.**
- Tunnels $7.0M – The scope of this program is to bring all tunnels to a state of good repair. This will be accomplished primarily through component replacement or through complete replacement of the tunnel under extreme circumstances.
- Major Bridge Special Projects $94.0M – The scope of this program is to address major bridges currently not in a state of good repair for improved train performance, eliminating slow orders that would occur when bridge components fail and disrupt the train traffic and continuous maintenance costs due to temporary repairs.
- Other programs $10.6M
  - $4.9M for replacement of timber bridge ties
  - $3.2M for replacement of culverts
  - $1.0M for fences
  - $0.3M for interlocking structures
  - $0.2M for retaining wall masonry and concrete work
  - $1.0M for signal bridge

Facility, Station and Other $302.0M

- Maintenance of Equipment Facilities $78.0M – Upgrades to engineering equipment maintenance facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- Maintenance of Way Base $8.0M – Upgrades to maintenance of way facilities such as HVAC replacement, roof replacement, electrical upgrades, and lighting improvements.
- Station Upgrades $200.0M – Upgrades to stations to include elevators, escalators, HVAC, roofing, lighting, bathroom, and other interior improvements as well as ADA compliance projects.

- Transportation Department Facilities $1.0M – The scope of this program is the renewal of interlocking towers such as the "K" tower and Dock interlocking tower.
- Sunnyside Yard New Mechanical Facility $15.0M – The scope of this program is to build a new consolidated Mechanical, Engineering, and Transportation maintenance facility and warehouse at Sunnyside Yard outside of New York Penn Station. This program is 100% funded by external agencies (MTA).

Signal Systems $65.7M

- Automatic Block Signal (ABS) $48.0M – The scope of the program is to bring ABS assets to a state of good repair. ABS component failures have been identified as a major contributor to train delay. Upgrading of outdated components will result in increased reliability, improved on-time performance and railroad safety.
- Advanced Civil Speed Enforcement System (ACSES) $3.0M – This program involves the relocation of the system database to the on-board locomotive computer from its wayside location. Positive Train Control (PTC) is required by the FRA to operate speeds in excess of 125 mph; operations beyond 125 mph are only possible with ACSES. This program will enhance safety by ensuring positive stops at all stop signals and ensuring speed enforcement at curve restrictions, therefore eliminating exposure to human error train collisions.
- Cable Fiber & Copper $1.7M – The scope of this program is the replacement of deteriorated cable with fiber optic cable. Similar to copper cable, fiber optic cable also caries the voice and data signals that allow remote operation of the railroad.
- Interlocking – Communications & Signals $9.0M – This program will upgrade signal systems at inter-locking(s) to eliminate equipment failures and reduce maintenance costs. This program involves conversion of air switch machines to electric machines, automation of manual towers and replacement of obsolete interlocking signal system components.
- Crossings $0.8M – The scope of this program is to upgrade highway crossing detection devices for more reliable operation of warning systems. It will enhance grade crossing system safety and reduce maintenance costs.
- Centralized Traffic Control (CETC) $3.2M – The scope of this program is to replace centralized traffic control equipment in CETC locations with modern server-based systems. The three existing locations do not have back-up capability. Server-based systems will allow for easy back up in case of a disaster.

Communications Systems $1.8M

The objective of this program is the renewal and replacement of radio assets to bring Amtrak in compliance with the Federal Communications Commission. Work performed under this program includes the renewal of battery back-up systems at radio locations and the replacement of analog radio equipment with digital narrowband equipment.

Overhead Catenary and Transmission Systems $42.1M

- Constant Tension Catenary $1.6M– The scope of this program involves the replacement of the constant tension catenary system which is utilized for providing power from the transmission system to the electric train sets. Failure of the catenary system would prohibit movement of the electric train sets and lead to excessive train delays and decrease on-time performance.
- Catenary $12.5M – The scope of this program is the replacement and renewal of catenary wire, insulators and hardware currently not in a state of good repair. Elements of this program include not only replacement of components that are beyond their useful life, but also the replacement of wire that is beyond the allowable wear percentages.

- Catenary Pole $5.5M – Many of the catenary poles are over 90 years old and are beyond their designed service life. Replacement of the poles will provide physical support to the power transmission and catenary systems.
- Transmission $22.5M – The scope of this program is the replacement of traction power transmission cable and associated hardware. Much of the existing cable has been in service for over 70 years and has far exceeded its useful life.

Substations Frequency Converters $95.3M

The scope of this program is to make improvements of the electric traction and substations along the Northeast Corridor. Some examples of work performed under this program are: replacement of rotary traction power frequency converters; replacement or renewal of existing power machines; and renewal of substation components such as power transformers, circuit breakers and control cables. The reliable operation of these assets is critical to on-time performance.

Track Replacement $179.4M

- Track Ballast $4.5M – The scope of this program is to perform work that will bring the ballast assets to a state of good repair. Examples of work performed under the program are replacement through spot undercutting and shoulder cleaning where total replacements are not needed.
- Track Drainage $5.5M – The scope of this program is to renew and replace track drainage assets currently not in a state of good repair. If not corrected, poor drainage will result in slow orders and higher maintenance costs associated with the accelerated degradation of track geometry.
- Track Rail Replacement $13.5M – The goal of this program is the replacement of rail that is currently not in a state of good repair. There is roughly 1,600 miles of main line track that is 40 to 50 years old. Amtrak must replace an average of 35 miles of rail per year. Useful service life of rail has been exceeded once horizontal or vertical wear limits, internal defect rates, or surface conditions are approaching safety limits. This program will help to reduce maintenance costs and slow orders.
- Crosstie / Timber $30.0M– This program will replace crosstie and track timber along the Northeast Corridor which will reduce train delays, track geometry degradation, FRA track defects, and switch failures.
- Track Laying System (TLS) $72.3M– This program is the utilization of TLS for the complete replacement of wood tie track with concrete cross ties including replacement of concrete ties that have been found to be defective. This replacement program will reduce maintenance costs, potential slow orders, and provide for an increase in on-time performance.
- Track Turnouts $21.2M– This program involves the replacement of standard wood turnouts and associated components not currently in state of good repair. Associated components include frogs, switch points, and wood and concrete switch timbers and other track turnout material.
- Track Geometry $12.3M– Surfacing, realignment and re-profiling of track surface as required to meet FRA Track Safety Standards, maintain ride quality standards, and extend the life of track components.
- Construction Applications $0.5M – The scope of this program includes the development of the Maximo Work Management System (MWMS) for the Engineering Department, development of an infrastructure asset library, development of the Engineering Personnel System (EPS), and the development of an Enterprise Project Management System (EPM). It also builds on earlier investments in Timberline estimating and Primavera scheduling and document management.
- Other $19.6M– Other programs included are:
  $1.0M Fasteners
  $3.3M Roadbed
  $0.5M Crossing Road
  $1.0M Special Track Work
  $0.8M Track Appliance

$3.0M Track Rehabilitation
$10.0M Section Improvement

Interlocking Renewal $46.5M

The scope of this program is the total renewal of the existing track structure within interlocking limits with new advanced technology, turnouts including concrete switch ties, moveable point frogs, and switches. These interlocking renewal projects will move the railroad towards a state of good repair by eliminating failures and reducing maintenance costs.

Equipment Purchase/Replacement $31.8M

The program involves the replacement of existing equipment at the end of its useful service life. The replacement program will increase efficiency, utility and production capacity of the equipment by taking advantage of technological advances within the industry.

Seattle King St. Coach Yard $8.0M

This program involves upgrades to the Seattle maintenance of equipment facility to meet contractual obligations for Sound Transit and to provide increased capacity to maintain Talgo & Amtrak fleets.

Fire & Life Safety $4.1M

- Miscellaneous Design & Construction $4.1M– Two construction projects are planned to improve communications: one will provide radio coverage in all tunnels for local Fire Department personnel, and the other one will provide redundant communication capability

High Speed Inter-city Passenger Rail $75.0M

The general objective of the program is to upgrade and improve the catenary, power, track and signal systems on the NEC primarily between New Brunswick, NJ and Trenton, NJ, and to improve the western approach tracks in Penn Station New York in order to facilitate increased speeds and improved reliability for all users and eventual higher levels of service. The program will also support the goals of increased service capacity, helping Amtrak to meet near-term rising demand for high-speed service on the NEC by operating additional trains in the 2018 to 2023 timeframe and beyond.

V-ETMS Interoperability on the NEC $2.4M

The purpose of this program is to design, develop and install Advanced Civil Speed Enforcement System (ACSES) with interoperable electronic train management system. This system will be designed to interface Amtrak's current PTC system with foreign railroad's PTC system.

Environmental Health and Safety

Overview of the Department

The Amtrak Environmental Health and Safety (EHS) Department performs in five functional areas: System Safety (including Industrial Hygiene), Public Health, Environmental Management, , Health Services (including Employee Assistance Programs and Operation Redblock) and Medical Services.

The ***Safety*** group is responsible for the System Safety program, chemical product evaluation and selection, OSHA compliance, Federal Railroad Administration (FRA) safety compliance, management of Operation Lifesaver program, facility safety audits, employee exposure surveys and controls, safety training program development, and expert OSHA testimony for Claims. In addition, the Safety group includes the Central Reporting Office, responsible for compliance with FRA injury/illness reporting, input and tracking of passenger safety incident reports and Claims support.

The ***Public Health*** group oversees Food and Drug Administration (FDA) food service and sanitation compliance, Environmental Protection Agency (EPA) drinking water compliance, passenger and employee food-borne illness investigations, Sanitation Task Force facility audits, pest control service contract management, Pandemic Flu preparation and FDA food car design requirements.

The ***Environmental*** group supports Amtrak facilities and functions by providing both companywide and facility specific compliance guidance. Compliance activities include development and delivery of training programs, permit applications, routine inspections and monitoring, and submittal of required agency reports. The environmental audit and assessment program is a part of the Environmental Management System and is used to identify non-compliance issues and develop corrective actions to prevent these non-compliance issues from re-occurring which could lead to enforcement actions. Amtrak's Environmental Management System (EMS) is coordinated and led by the Environmental group. EMS helps Amtrak departments address environmental activities through awareness, training and outreach. Monthly interdepartmental meetings are held to discuss environmental issues and set goals for environmental improvements. Performance against goals is also tracked through the EMS. The EMS is also used to support marketing with environmental attributes of Amtrak various advertising campaigns. In addition, the Environmental group provides project management for both operating and capital projects. These projects include remediation of contamination or risk reduction projects at facilities. These projects keep Amtrak in compliance with environmental regulations and clean-up requirements and create more valuable property. Amtrak's Environmental Reserve Schedule, in compliance with GAAP, lists over $60 million in known contamination needing to be remediated over the next 5-15 years. The group has also worked with the Mechanical department to obtain $4 million in grants for more efficient locomotives.

In addition to tracking emissions from the company's carbon footprint and helping with programs to reduce greenhouse gas emissions, the Environmental group provides support to Marketing and Government Affairs regarding sustainable practices and the environmental attributes of passenger rail travel.

The ***Health Services*** group is responsible for providing programs and services for Amtrak employees (and families) that improve their well-being in order to be productive and safe in the workplace. They oversee and implement programs through the Employee Assistance Program (EAP); drug and alcohol testing; audiometric testing under the Hearing Conservation program; accommodations through the Americans with Disability Act; and wellness programs. The EAP assist employees to restore and maintain their full capabilities and emotional well being when trying to cope with grief, trauma, marital/relationship/family problems, depression, and other stressors; to help maximize safety in all aspects of Amtrak operations; to assist in retaining valued employees, and to reduce overall incidence of substance abuse in the workplace, toward the ultimate goal of maintaining a drug-and-alcohol-free work environment. The EAP oversees the Critical Assistance and Response for Employees (CARE) program.

They work collaboratively with Operation RedBlock teams to assist employees with drug and alcohol problems. The drug and alcohol testing program provides the services of a Designated Employer Representative (DER) and oversees the following testing programs – random, rule G follow-up, pre-employment, return-to-duty from 30 day leave, fitness-for-duty, periodic, for cause, FRA/FMCSA Federal Post accident. The wellness program promotes program to establish a healthy life style such as walking, weight-reduction, smoking cessation, health assessments and biometric screens.

The ***Medical Services*** group is responsible for the review and processing of all medical examinations, including pre-employment, periodic, Commercial Drivers License (CDL), respirator clearance, and return to work, assuring compliance with both regulatory and corporate standards. Additional responsibilities include extensive case management of Medical Leave of Absence occurrences, providing Fitness for Duty determinations and regular collaboration with other departments on medical issues. Oversight of the Work with Medications (Form 3133) process involves the careful review of records, medical conditions and job descriptions by the Medical Services professional staff in making approvals or non-approvals. The Medical Services group also manages and oversees the network of 200 provider clinics to make certain that quality services are provided to our employees and identified standards are maintained.

The total FY13 Budget request is $13.8M representing a decrease of ($0.5M) compared to FY12 budget.

Base Activity:
The Environmental Health and Safety Department's FY13 base budget is $13.5M, an increase of $0.4M over FY12 base budget, which is explained by inflation of prior year expenses. The FY13 budget is mainly driven by labor costs with a total of $11.0M.

New Activity:
A summary of FY13 new activity includes the following:

- Contract with Liberty Mutual for cross functional teams to improve work place safety processes $0.1M
- Injury Analysis $0.1M
- Climate registry verification and verification of Greenhouse Gas Emissions $0.1M
- Wellness programs such as smoking cessation and weight reduction $0.1M

Operating Expense Summary FY11 –FY13: Environmental, Health and Safety

				FY13 Incr/(Decr) vs FY12	
$ millions	FY11 Actual	FY12 Budget	FY13 Budget	$	%
Salaries	$5.1	$5.3	$5.5	$0.2	3.7%
Wages & Overtime	$0.3	$0.4	$0.5	$0.0	5.5%
Employee Benefits	$3.0	$2.9	$3.0	$0.1	3.9%
Employee Related	$2.8	$1.9	$2.0	$0.1	3.0%
Salaries, Wages and Benefits	$11.2	$10.6	$11.0	$0.4	3.7%
Facility, Communication, & Office	$0.5	$0.6	$0.6	$0.0	0.0%
Advertising and Sales	$0.0	$0.0	$0.0	($0.0)	0.0%
Casualty and Other Claims Total	$0.0	$0.0	$0.0	$0.0	5.0%
Professional Fees	$1.4	$1.0	$0.2	($0.9)	-81.0%
Data Processing Services and Supplies	$0.1	$0.0	$0.0	$0.0	0.0%
Environmental and Safety	$3.4	$2.0	$2.0	($0.0)	0.0%
Expense Transfers	$0.0	$0.0	$0.0	$0.0	0.0%
Total Operating Expenses	**$16.6**	**$14.3**	**$13.8**	**($0.5)**	**-3.2%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$14.3
Less FY12 New Activity	($1.1)
FY12 Base Activity	**$13.2**

Changes to Base Activity	
Inflation of Prior Year expenses including labor agreements	$0.4
Base Activity Increase/(Decrease) from Prior Year	**$0.4**
Total FY13 Base Activity	**$13.5**
New Activity	
Contract with Liberty Mutual for cross functional teams to improve work place safety processes	$0.1
Injury Analysis	$0.1
Climate registry verification and verification of Greenhouse Gas emissions	$0.1
Wellness programs such as smoking cessation and weight reduction	$0.1
Total FY13 New Activity	**$0.3**
FY13 Total Budget	**$13.8**

Capital Projects: Environmental Health and Safety

Program Title	Project	GCAP	State, Local & Other	Total
Environmental Risk Reduction	LOS ANGELES WASTEWATER UPGR	$1.0	$0.0	$1.0
	Environmental Pollution Prevention Project Design	$0.3	$0.0	$0.3
	New Orleans DAF Upgrades	$1.0	$0.0	$1.0
	BEECH GROVE FACILITY - WASTEWATER TREATMENT SYS RE	$2.0	$0.0	$2.0
	New Orleans Environmental Upgrades	$2.0	$0.0	$2.0
	Wilmington Maintenance Facility Stormwater Separat	$1.0	$0.0	$1.0
	Oakland Stormwater Treatment System	$0.2	$0.0	$0.2
	Prevention of Groundwater Contamination	$1.0	$0.0	$1.0
	Southhampton Canopy Dumpster	$0.2	$0.0	$0.2
	California Large Spark Ignition (LSI) Retrofit/Rep	$0.1	$0.0	$0.1
	Environmental Sustainability Initiative	$0.3	$0.0	$0.3
Environmental Remediation Program	Asbestos, Lead Paint and Mold Abatements	$0.8	$0.0	$0.8
	Penn Station Track Remediation	$0.2	$0.0	$0.2
	SUNNYSIDE YARD OIL/PCB REMED	$2.0	$0.0	$2.0
	WILMINGTON MOFE FACILITY-PCB/OTHER CONTAMINANTS RE	$3.3	$0.0	$3.3
	County Yard Environmental Remediation	$2.0	$0.0	$2.0
	East Barracks Yard Remediation	$1.5	$0.0	$1.5
Safety Hazard	Safety Hazard Reduction Initiatives	$0.1	$0.0	$0.1
	Environmental	**$18.8**	**$0.0**	**$18.8**

Environmental Risk Reduction: $8.9M

The goal of the Environmental Risk Reduction program is to use preventive measures to mitigate potential environmental issues.

- Los Angeles Facility – Wastewater Treatment System Upgrades - $1.0M: This project covers the potential elimination or reduction in use of 80 year old wastewater treatment ponds at Los Angeles Yards that has considerable potential for non-compliant discharges. This project anticipates design of subsurface storm water diversion features and construction of storm water diversion devices such as containment curbs, canopies or other enclosures. The design for eliminating and converting existing wastewater treatment ponds will continue in FY13.

- Environmental Pollution Prevention Project Design $0.3M: This project covers the design of capital construction or remediation projects including preparation of biddable specifications for future capital projects which will be implemented in FY13. These design projects will serve to determine the best possible methods of implementing pollution control processes. The design projects in FY12 include Oakland storm water system separator and various canopy projects. The upgrades and new construction would be based on maintaining compliance with Federal, State and local environmental regulations.

- New Orleans DAF Upgrades $1.0M: This project covers the design costs for replacement of the 30 year old wastewater treatment system in New Orleans. The wastewater system treats wastewater from the car wash and from areas of the facility were oily materials are handled. The treatment is required to meet the City's discharge standards for wastewater.

- Beech Grove Facility – Wastewater Treatment System Upgrades - $2.0M: This project includes the replacement of the existing wastewater treatment system that is 60 years old and built below ground which has the potential to leak to the groundwater. Amtrak will also replace or reroute the sewers that are discharging storm water to the industrial wastewater system. The system is outdated and requires major repairs. This is mandatory from the City of Beech Grove to reduce the discharge of storm water into the city sanitary sewer.

- New Orleans Environmental Upgrades $2.0M:This project is to upgrade the New Orleans facility which includes a replacement of waste oil tank, removal of old piping and repair of the existing tank and fueling systems.

- Wilmington Maintenance Facility Storm water Separator $1.0M: This project involves several items associated with the separation of Storm Water from the Wilmington facility industrial wastewater (IW) pretreatment system: (1) there are several locations where drains are tied to the IW system simply as a means for secondary containment will be re-routed to the locomotive yard storm drain system. This type of storm water discharge is prohibited by city of Wilmington ordinance. In addition, the OWS will capture petroleum residues from the Locomotive Yard which are currently discharged without treatment in some locations. (2) A trough drain behind the Locomotive Shop which is currently tied to the IW system will be rerouted to an adjacent storm drain. (3) A drain at the base of the Powerhouse basement ramp currently collects a large volume of water via roof and surface runoff. This drain is currently tied to the IW system, and will be re-directed to the storm water conveyance system.

- Oakland Stormwater Treatment System $0.2M: This project covers design and installation of a stormwater treatment system capable of preventing a significant diesel or oil release into a stormwater discharge system.

- Prevention of Groundwater Contamination $1.0M***:*** This project will upgrade existing under/above ground tanks and upgrade separators which are at the end of its useful life or present a threat in contaminating the groundwater through leakage. The tanks will be upgraded or be replaced with aboveground tanks when possible except where prohibited by local regulation or impracticability Environmental Protection Agency (EPA) regulation.

- Southampton Canopy Dumpster $0.2M: This project is designed to construct a dumpster canopy, thus allowing for disposal of waste to be in compliance with environmental regulation.

- California Large Spark Ignition (LSI) Retrofit/Rep $0.1M**:** To comply with the California State Off-Road Large Spark Ignition (LSI) Engine Regulation (LSI fleet regulation), Amtrak must retire, replace, and retrofit high-emissions LSI equipment. The plan is to retro-fit as many as 15 high-emissions forklifts and 11 high-emissions non-forklifts (sweepers/scrubbers, tow-tractors, airport ground support equipment), to comply with the California Air Resource Board's 2009 fleet

requirements. Subsequently, additional equipment must be retired, replaced with new purchases, and retrofit to comply with the 2011 and 2013 requirements, including 40 high-emissions forklifts and 25 high-emissions non-forklifts.

- Environmental Sustainability Initiative $0.3M: This project would coordinate, support and expand on multi-departmental initiatives to promote solar-powered applications, replacing fossil-fueled equipment with electric equipment, expanding the company's recycling and waste reduction efforts, and incorporating green building elements.

Environmental Remediation Program: $9.8M

Environmental remediation involves cleanup at work sites due to a Court or an Agency Administrative Order. In FY13, Amtrak plans to spend $9.8M on environmental remediation to meet ordered clean ups. The various projects being undertaken as part of this program include:

- Asbestos, Lead Paint and Mold Abatements $0.8M: As part of multi year initiative, asbestos, mold and lead paint will be removed or remediated during construction projects, as they are encountered. Many of the facilities inherited by Amtrak have asbestos containing materials (ACM) and lead based paint. As part of Federal, State, and Local regulations, ACM must be abated prior to construction or demolition activities. Mold findings have occurred in facilities occupied by Amtrak employees or at Stations with water leak issues.

- Penn Station Track Remediation $0.2M: This mandatory project is for the protection of employees and the environment by properly disposing of PCB-contaminated soil during track work. There are track areas of Penn Station New York which have known PCB contamination and are in need of remediation and track replacement. Remediation and track replacement has occurred in every fiscal year beginning in 2003 through 2010. Areas completed include Erie Tracks 1, 2, 3, 4, 5; portions of the Erie ladder, North Tube, D yard and the south tube of the Hudson River tunnels. As Engineering continues its track replacements (which are scheduled during FY12) this project will cover remediation of any PCB-contaminated soil encountered.

- Sunnyside Yard Oil/PCB Remediation $2.0M: Train operations continuing until the1970's caused polychlorinated biphenyl (PCB) and diesel fuel releases at Sunnyside Yard which contaminated the subsoil. Amtrak and New Jersey Transit (NJT) signed a consent order with the New York State Department of Environmental Conservation (NYSDEC) to clean up the soil in order to reduce potential PCB exposure to employees. The project involves the continuation of ongoing remediation of contaminated subsoil and groundwater as per NYSDEC orders.

- Wilmington Facility Remediation $3.3M: This project encompasses remediation of PCB and other contaminants and initiating erosion control measures at the Wilmington maintenance facility. The soil at the facility is contaminated with PCBs and petroleum. PCBs can be potentially transported offsite via erosion to surrounding surface water bodies, impacting the aquatic life. Amtrak signed a Voluntary Cleanup Agreement (VCA) with Delaware Department of Natural Resources and Environmental Control (DNREC) and is legally obligated to perform this work.

- County Yard Environmental Remediation $2.0M: This commuter yard in New Brunswick NJ was never operated by Amtrak. Although it is Amtrak-owned, it has been used by NJT with an operating agreement for commuter operations. Based on information from NJT's Real Estate group that they owned the property, NJT had originally planned to clean up PCBs on the property. However, in late March 2010, they notified Amtrak's Director, Environmental Field Operations that their information was incorrect, Amtrak owned the property and they were no longer planning to proceed with cleanup. The State of NJ has been notified of the PCB

contamination following environmental regulations. Amtrak will pursue cost sharing with NJT for this cleanup.

- East Barracks Yard Remediation $1.5M**:** This commuter yard in Trenton NJ was never operated by Amtrak. Although it is Amtrak-owned, it has been used by NJT with an operating agreement for commuter operations. Based on information from NJT's Real Estate group that they owned the property, NJT had originally planned to clean up PCBs on the property. However, in late March 2010, they notified Amtrak's Director, Environmental Field Operations that their information was incorrect, Amtrak owned the property and they were no longer planning to proceed with cleanup. The State of NJ has been notified of the PCB contamination following environmental regulations. Amtrak will pursue cost sharing with NJT for this cleanup.

Safety Program: $0.1M

Amtrak plans to spend a total of $0.1M in FY13 on safety programs to improve safety by reducing risk and increasing compliance at work sites and address gaps in Amtrak's reporting capabilities to external customers. Safety Hazard Reduction Initiatives is part of the Safety Program.

- Safety Hazard Reduction Initiatives $0.1M:
  Amtrak initiated a multi-year safety hazard reduction program that utilizes cross functional management and craft teams to evaluate and address potentially high risk activities at Amtrak facilities or worksites. The goal of the project is to eliminate or reduce potential hazards by modifying equipment and facilities or utilizing new technologies. The project will assist in complying with both Federal and State regulations in addressing potentially hazardous activities that can contribute to passenger and employee injuries.

Finance

Overview of the Department:
The Finance Department is comprised of the CFO Staff, Treasury, Controller (Corporate Accounting, Payroll, Capital Accounting, Accounts Receivable, and Accounts Payable), Financial Analysis, Financial Planning, and Internal Audit functions. The NEC Advisory Commission was added to the Finance department in FY12. The costs for the commission are reimbursable but the revenue collected for the costs is recorded in another center. In addition to the operating costs of these departments, the Finance operating expense budget contains significant costs for the company as a whole that are not directly attributable to any single department. Of the FY13 Finance operating budget of $231.2M, only $40.1M (17.3%) is for departmental costs; the remaining $191.2M (82.7%) is for general Amtrak expenses, most notably the cost of electric power for propulsion of the electric locomotive fleet in the NEC, expenses incurred for ticket sales using credit cards, property and liability insurance, financing related costs, and bank and armored car fees.

Base Activity:
The FY13 base budget request is $223.1M an increase of $0.6M over the FY12 base budget

- $2.5M is inflation primarily related to salaries, wages and propulsion.
- $1.7M increase for credit card commissions, based on projected revenues
- Reduction to Professional fees ($2.7M)
- Decrease in general office and employee related expenses ($0.6M)

New Activity:
FY13 budget contains $11.6M of for early buyout of equipment purchases and financing costs for locomotive acquisition; reduction of salaries wages and benefits ($3.0M); ($0.4M) reduction of Bad Debt expense.

Finance - Operating Expenses Summary FY11-FY13

$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$14.2	$15.3	$17.9	$17.2	($0.7)	-4.0%
Wages & Overtime	$4.7	$4.9	$4.3	$4.1	($0.1)	-3.1%
Employee Benefits	$10.2	$11.0	$11.3	$10.8	($0.4)	-3.8%
Employee Related	$0.3	$0.5	$0.6	$0.3	($0.3)	-47.2%
Salaries, Wages and Benefits	$29.4	$31.6	$34.0	$32.4	($1.6)	-4.6%
Fuel, Power, & Utilities	$103.2	$90.7	$93.5	$94.7	$1.2	1.3%
Facility, Communication, & Office	$2.9	$2.4	$2.7	$2.4	($0.3)	-10.6%
Advertising and Sales	$36.7	$41.2	$43.8	$45.5	$1.7	3.9%
Casualty and Other Claims Total	$0.2	$0.1	$0.2	$0.2	($0.0)	-3.6%
Professional Fees	$6.9	$5.7	$7.0	$4.4	($2.6)	-37.4%
Data Processing Services and Supplies	$0.7	$1.2	$0.9	$0.7	($0.2)	-26.2%
Financial	$44.6	$38.9	$43.2	$50.9	$7.7	17.9%
Indirect Costs Capitalized To P&E	$0.0	($0.4)	$0.0	$0.0	$0.0	0.0%
Total Finance Department Expenses	**$224.5**	**$211.8**	**$225.3**	**$231.2**	**$6.0**	**2.6%**
Risk Contingency				$50.0	$50.0	0.0%
Total Operating Expenses	**$224.5**	**$211.5**	**$225.3**	**$281.2**	**$56.0**	**24.8%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$225.3
Less FY12 New Activity	($2.8)
FY12 Base Activity	**$222.5**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$2.5
Travel Business, Meetings and Conferences	($0.3)
Office Expenses	($0.3)
Credit Card Commissions	$1.7
Reduction in Professional Fees	($2.7)
Outsourced Services	($0.2)
Base Activity Increase/(Decrease) from Prior Year	**$0.6**
Total FY13 Base Activity	**$223.1**
New Activity	
Salary, Wages and Benefits	($3.0)
Financing Related Expense	$11.6
Bad Debt	($0.4)
Total FY13 New Activity	**$8.1**
FY13 Total Finance Budget	**$231.2**
Risk Contingency	$50.0
FY13 Total Budget	**$281.2**

Capital Projects: Finance

Program Title	Project	GCAP	State, Local & Other	Total
Energy Efficiency	Install High Efficiency Lighting at Mechanical Fac	$1.0	$0.0	$1.0
	Replace Wilmington Maintenance Facility Heating Sy	$1.2	$0.0	$1.2
	Replace Underground Air System – Ivy City	$1.3	$0.0	$1.3
	Lighting and HVAC Control Project	$0.5	$0.0	$0.5
Credit Card Efficiency	Credit Card Interchange Reduction Costs	$0.5	$0.0	$0.5
	Chief Financial Officer	**$4.5**	**$0.0**	**$4.5**

Energy Efficiency $4.0M

- Install high efficiency lighting at Mechanical facilities $1.0M: This project continues the work commenced in FY 2010 to install high efficiency lighting at mechanical facilities and shops. This project will replace old HID lighting fixtures with fluorescent technology that will produce higher quality light at a lower overall cost.

- Replace Wilmington maintenance facility heating system $1.2M: This project proposes to replace the heating system at Wilmington Maintenance Facility.

- Replace underground air system – Ivy City $1.3M: The underground air system within Ivy City yard has various leaks which causes machinery to be over-worked and results in frequent service disruptions. These leaks also cause the use of additional electricity expense and more frequent change-out of machinery due to being overworked.

- Lighting and HVAC control $0.5M: Install lighting, heating and HVAC control systems at high usage locations. HVAC at most Amtrak locations is not effectively or centrally controlled resulting in unnecessary utility expense. This project will facilitate the installation of these control systems that will allow the more efficient use of utility expenses at these major locations.

Credit Card Efficiency $0.5M

- Credit Card Interchange reduction costs $0.5M: The purpose of the project is the modernization of Amtrak's credit card processing systems in order to comply with payment card industry requirements, reduce Credit Card Interchange costs, and be consistent with other Amtrak projects to update financial and ticketing systems. This project contributes to making Amtrak Safer because it improves the protection of credit card information from fraud, crime, and theft.

Government Affairs and Corporate Communications

Overview of the Department

The Government Affairs Department is divided into three functional areas: Government Affairs, Corporate Communications, and Great American Stations. In FY12 the department will be assuming staff and responsibilities for state partnerships from the recently dissolved Policy & Development department.

Government Affairs: Federal grants account for almost half of Amtrak's overall budget. The Department provides Congress and the Administration with funding requests and documentation required to support the requests, prepares for related hearings before House and Senate Appropriations Committees, and responds to follow-up questions from the Committees. The Department makes annual legislative requests and follows through with appropriate Congressional staff at each stop of the way. When multi-year

reauthorization bills are in play, the Department provides Congress and the Administration with information relating to reauthorization proposals, prepares for related hearings before the House Transportation and Infrastructure and Senate Commerce Committees, and responds to follow-up questions from the Committees. The department has omnipresence on Capitol Hill, educating the Members of Congress and staff about Amtrak and passenger rail.

Government Affairs field staff provide education and intelligence to support other departments in advancing the company's needs and business interests. The field staff is active in all states with Amtrak service but with focus on those with state-supported services. Field staffs are required to visit the Mayor or other leaders of every community served by Amtrak at least once a year.

The Department educates Congressional staff and advocacy groups who wish to advance Amtrak's legislative agenda and convenes regular related meetings. It also represents Amtrak at meetings and hearings at all levels of government and regularly meets with local officials in Amtrak communities. The Department responds to external and internal inquiries, provides written responses for the signature of the CEO and Board Members, prepares speeches and presentations, and assists with public officials' travel arrangements.

Corporate Communications: Employee and Customer Communications prepares and issues the Annual Report, produces the monthly Amtrak Ink employee newspaper, produces the annual Amtrak wall calendar, provides content for the on-board Arrive magazine, and issues weekly employee advisories and service-related customer advisories for posting in stations and on trains. Media Relations responds to media inquiries, prepares news releases and statements, organizes public events, and assists with journalists' travel arrangements.

Great American Stations*:* This group creates new content for and maintains the Great American Stations website, an Amtrak project that educates local officials and the public about the benefits of station improvements and the importance of ADA compliance projects at stations and how Amtrak can help advance such projects. It also performs outreach to station communities, including through two annual "Civic Conversations," regional conferences of local officials and Amtrak officials to discuss station projects.

As of the date of this document and following the company's realignment of functions under the FY 2011-2015 Strategic Plan, the Policy and Development department was dissolved and in large part integrated with the Government Affairs and Corporate Communications department. There will be more changes occurring during fiscal year 2012 following this realignment.

Base Activity:

Government Affairs' FY13 base budget is $8.5M, an increase of $1.1M over FY12 base budget. Salaries and benefits typically make up more than 90% of the budget. A summary of FY12 changes includes the following:

- Inflation of Prior Year expenses including labor agreements $0.3M
- Increase in Salaries and Benefit expenses $0.8M

Operating Expense Summary FY11 –FY13: Government Affairs

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$5.1	$4.5	$5.2	$0.7	16.7%
Wages & Overtime	$0.1	$0.0	$0.0	$0.0	5.4%
Employee Benefits	$2.8	$2.2	$2.6	$0.4	16.7%
Employee Related	$0.4	$0.2	$0.2	$0.0	0.0%
Salaries, Wages and Benefits	$8.4	$6.9	$8.0	$1.1	16.2%
Fuel, Power, & Utilities	$0.0	$0.0	$0.1	$0.0	24.6%
Facility, Communication, & Office	$0.4	$0.3	$0.3	$0.0	0.0%
Advertising and Sales	$0.1	$0.1	$0.1	$0.0	0.0%
Professional Fees	$0.9	$0.1	($0.0)	($0.2)	-123.4%
Data Processing Services and Supplies	$0.0	$0.1	$0.1	$0.0	0.0%
Total Operating Expenses	**$9.8**	**$7.6**	**$8.5**	**$1.0**	**13.0%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$7.6
Less FY12 New Activity	($0.2)
FY12 Base Activity	**$7.4**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$0.3
Increase in salaries and Benefit expenses	$0.8
Base Activity Increase/(Decrease) from Prior Year	**$1.1**
FY13 Total Budget	**$8.5**

NEC Infrastructure and Investment Development

Overview of the Department

The new NEC business line is focused on coordinating, managing and developing Amtrak-owned infrastructure in the Northeast to maximize the financial performance of the NEC and to support the current and future operations on the Corridor, including Amtrak, commuter and freight railroad service. It is charged with leading high-speed rail projects, advancing a state of good repair, managing capacity allocation and creating new capacity for existing and new rail services on the Corridor.

The High Speed Rail (HSR) is now part of NECIID and will continue to work on a NEC high-speed rail business and financial plan that will address a variety of project financing issues and will identify strategies for financing, including opportunities to maximize private investment in the future development of the NEC.

Note that in FY12 approximately 70% of the employees in the predecessor departments were shifted to the Government Affairs Department where they now reside.

Base & New Activity:

The base activity includes work done in the predecessor departments. The baseline expenses of $2.6M and new activities of $ 6.2M resulting in a total budget request of $8.8M.

Base activity details are as follows:

- Inflation from Prior year - $0.3M

- Salaries - $0.6M
- Employee Benefits $0.3M

New activities include specific HSR projects and strategic NEC projects. A number of the projects may be reallocated within the department based on corporate needs and Strategic Plan. The breakdown is as follows:

- HSR Business Plan Funding Study - $1.0M
- HSR Marketing & Communications - $1.0M
- HSR Next Generation Implementation Studies - $2.5M
- NEC Related projects including planning & support -$1.7M

Operating Expense Summary FY11 – FY13: NEC Infrastructure and Investment Development

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$5.4	$4.0	$4.8	$0.8	21.1%
Employee Benefits	$3.0	$2.0	$2.4	$0.4	21.1%
Employee Related	$0.4	$0.3	$0.3	($0.0)	0.0%
Salaries, Wages and Benefits	$8.8	$6.2	$7.5	$1.3	20.2%
Facility, Communication, & Office	$0.5	$0.5	$0.5	($0.0)	0.0%
Professional Fees	$2.4	$4.4	$0.7	($3.7)	-83.9%
Data Processing Services and Supplies	$0.6	$0.1	$0.1	$0.0	0.0%
Total Operating Expenses	**$12.4**	**$11.2**	**$8.8**	**($2.4)**	**-21.8%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$11.2
Less FY12 New Activity	($9.9)
FY12 Base Activity	**$1.3**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$0.3
Salaries	$0.6
Employee Benefits	$0.3
Base Activity Increase/(Decrease) from Prior Year	**$1.3**
Total FY13 Base Activity	**$2.6**
New Activity	
Business Plan Funding Study	$1.0
HSR Marketing & Communications	$1.0
HSR Next Gen Implementation Studies	$2.5
Strategic Planning	$0.6
Commuter Contracts	$0.4
NEC Commission Support	$0.4
Analytical Capability	$0.3
Total FY13 New Activity	**$6.2**
FY13 Total Budget	**$8.8**

Capital Projects: NEC Infrastructure and Investment Development

$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
Stations Program	$ 2.0	$ -	$ 2.0
Reimbursable Commuter Projects	$ -	$ 8.0	$ 8.0
Other Programs	$ 2.0	-	$ 2.0
TOTAL	**$ 4.0**	**$ 8.0**	**12.0**

Stations Programs $2.0M

- Design Improvements at Washington Terminal - $2.0M: The project involves a study of the Washington Union Terminal (WUT) to advance improvements critical to mitigating congestion at WUT. The improvements will reduce delays, improve OTP and allow services increases, resulting in improved regional mobility and accessibility and improved relationships with key partners and stakeholders (Amtrak, VRE and MARC).

Joint Benefit Program $8.0M

Amtrak will spend contractually obligated funds developed through the joint benefit capital program process for commuter railroads as follows:

- Maryland Area Regional Commuter (MARC) – $8.0M

Other Programs $2.0M

- Station Development and ADA requirements - $2.0M: The objective of this project is to support the design development for approximately 481 stations that need to be made compliant with applicable statutory and regulatory ADA requirements.

Human Capital Department

Overview of the Department

The role of the Human Capital department is to partner with managers in developing, implementing and administering strategies that maximize business performance while sustaining an organizational climate that supports workforce inclusion, employee satisfaction and productivity. In order to achieve this objective the Department is organized by the following key functions:

- Recruitment and staffing including employment testing and evaluation
- Employee Relations
- Employee Shared Services
- Compensation Management, Retirement Administration, and HR Technology
- Employee Development including new hire training, supervisory and leadership training and learning management
- Career Management, and Employee Recognition Services
- Diversity Outreach Initiatives
- Strategic Workforce Planning including human capital management, workforce analytics and succession planning
- Labor Administration negotiates labor contracts with the fourteen unions and two councils representing Amtrak employees and serves as the authority in labor contract interpretations, appeals and arbitrations of discipline and grievance cases. It provides research, planning support, training and advice on all matters bearing on management and employee rights under twenty-four labor contracts, and serves as liaison between Amtrak management and system level union leaders in the development, communication, and implementation of company-wide initiatives to improve the business and the satisfaction level of employees.

The FY13 total budget request is $26.9M representing an increase of $1.3M compared to FY12 total budget.

Base Activity:
The Human Capital department's FY13 base budget is $27.0M, an increase of $1.5M over FY12 base budget. A summary of FY13 changes includes the following:

- Inflation of Prior Year expenses including labor agreements $0.8M
- Increase in Salaries and benefit expenses $0.8M
- Other ($0.1)

Operating Expense Summary FY11 –FY13: Human Capital Department

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$14.4	$13.2	$14.1	$0.9	6.6%
Wages & Overtime	$0.1	$0.1	$0.1	$0.0	2.3%
Employee Benefits	$7.9	$6.6	$7.1	$0.5	6.6%
Employee Related	$1.6	$2.1	$2.1	($0.0)	0.0%
Salaries, Wages and Benefits	$24.1	$22.0	$23.4	$1.4	6.0%
Fuel, Power, & Utilities	$0.0	$0.1	$0.1	$0.0	2.6%
Materials	$0.0	$0.0	$0.0	$0.0	1.7%
Facility, Communication, & Office	$1.9	$2.3	$2.2	($0.1)	-4.9%
Advertising and Sales	$0.1	$0.1	$0.1	$0.0	0.0%
Professional Fees	$0.5	$0.9	$0.9	$0.0	0.0%
Data Processing Services and Supplies	$0.3	$0.1	$0.1	$0.0	0.0%
M of W Services	$0.1	$0.1	$0.1	$0.0	2.6%
Total Operating Expenses	**$27.0**	**$25.6**	**$26.9**	**$1.3**	**4.8%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$25.6
Less FY12 New Activity	($0.1)
FY12 Base Activity	**$25.5**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$0.8
Increase in Salariesa and Benefit expenses	$0.8
Other	($0.1)
Base Activity Increase/(Decrease) from Prior Year	**$1.5**
Total FY13 Base Activity	**$27.0**
New Activity	
Amtrak Leadership Program	($0.1)
Total FY13 New Activity	**($0.1)**
FY13 Total Budget	**$26.9**

Information Technology

Overview of the Department:

The Information Technology Department (IT) provides the information and technology tools required by the enterprise to safely and reliably provide rail passenger services and meet Amtrak's business partners' needs. The department's mission is to be a collaborative and excellence-driven component of Amtrak's business ecosystem that delivers innovative and world-class business technology solutions which enable the continued transformation of passenger rail and reliably meet the evolving needs and expectations of customers and business partners. IT is focused on improving operational stability, improving organizational excellence and transparency, increasing customer and business partner focus and delivery of key projects. The department is organized with three Group Information Officers aligned to support the following areas: Enterprise Resource Planning, Marketing & Product Development, and Operations. There are also Information Technology Officers aligned to the business and supporting teams for Architecture, Technology Operations, Information Security, and Program Management/Business Services.

Operating Budget:

The FY13 base budget request is $191.4M with initiatives of $13.8M for a net budget request of $205.1M. The FY13 total request is an increase of $14.2M compared to FY12. The budget request is mainly driven by expenses related to IT Infrastructure, labor and contracted services.

Base Activity:

The base budget includes the entire infrastructure, labor and contracted services cost required to maintain and operate the organization's systems and equipment. The base budget increase is $16.4M in FY13. A summary of FY13 base changes includes the following:

- Inflation of Prior Year Core expenses - $1.5M
- Salaries for new application support and conversion of contractors to employees - $1.9M
- Change in Base Employee Benefits & FELA - $1.0M
- Data Communication / Long Distance - $4.0M
- IBM Data Center Operations - $8.0M

New Activity:

There are additional costs to Amtrak with the implementation of the SAP Strategic Asset Management (SAM) project including the creation of a "Center of Excellence" (COE) to support SAM. IT also anticipates costs for Amtrak corporate ADA initiatives to support the new Passenger Information Display Systems (PIDS). There is an initiative to increase support for various Operating Department applications that are being deployed. There are operational savings related to the conversion of existing contractor position to Amtrak employee status. The implementation of the Strategic Asset Management (SAM) project is anticipated to reduce cost by $3.0M due to operational efficiencies. Total initiatives in FY13 are $13.8M which is distributed as follows:

- Increased cost for SAM /SAP COE operations - $7.3M
- ADA system support cost for new Passenger Information Displays - $1.0M
- Replace contractors/outsourced services with employees – ($1.2M)

- Cost to support new Amtrak departmental and corporate applications - $9.7M
- SAM related operational efficiencies – ($3.0M)

Operating Expenses Summary FY11 – FY13: Information Technology

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$24.0	$26.0	$27.9	$1.9	7.3%
Wages & Overtime	$0.3	$0.2	$0.2	$0.0	2.7%
Employee Benefits	$13.3	$13.0	$14.0	$0.9	7.3%
Employee Related	$1.2	$0.8	$0.8	$0.0	0.0%
Salaries, Wages and Benefits	$38.8	$40.1	$43.0	$2.9	7.1%
Train Operations	$0.1	$0.0	$0.0	$0.0	0.0%
Facility, Communication, & Office	$43.4	$39.6	$43.6	$4.0	10.2%
Professional Fees	$2.0	$0.2	$0.2	$0.0	0.0%
Data Processing Services and Supplies	$110.1	$111.0	$118.4	$7.3	6.6%
Total Operating Expenses	**$194.4**	**$190.9**	**$205.1**	**$14.2**	**7.5%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$190.9
Less FY12 New Activity	($15.9)
FY12 Base Activity	**$175.0**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$1.5
Salaries	$1.9
Employee Benefits	$1.0
Communications	$4.0
IBM Data Center Operations	$8.0
Base Activity Increase/(Decrease) from Prior Year	**$16.4**
Total FY13 Base Activity	**$191.4**
New Activity	
IT Cost of SAP Center of Excellence (IT09)	$7.3
IT Cost related to ADA / PIDS implementation (IT12)	$1.0
Replace Outsourced Service with Employees (IT13)	($1.2)
New Support for Marketing Applications (IT14)	$6.0
New Support for Finance, HR, & Corporate Applications (IT15)	$0.1
New Support for Operating Dept Applications (IT16)	$0.5
New Support for IT Dept Applications (IT17)	$3.1
Strategic Asset Management project related savings	($3.0)
Total FY13 New Activity	**$13.8**
FY13 Total Budget	**$205.1**

Capital Projects – Information Technology

$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
Enterprise Resource Planning / SAM 2.0	$ 66.4	$ -	$ 66.4
Cyber/Information Security	0.1	-	0.1
Reservations Next Generation	17.0	-	17.0
Amtrak Information Modernization (AIM)	13.3	-	13.3
IT Infrastructure	7.0	-	7.0
Rail Operations	13.4	-	13.4
TOTAL	**$ 117.1**	**$ -**	**$ 117.1**

Enterprise Resource Planning / SAM 2.0 $66.4M

- Strategic Asset Management Enterprise (SAM) - $61.9M - this is the completion of the current phase of a multi-year strategic project designed to integrate key operational, financial, and human resources business processes and replace core outdated financial, work management, and other systems. It includes implementing a new Public Budget Formulation tool (PBF). In FY2011 the first phase of this effort replaced the majority of Amtrak's key financial, procurement and materials management systems.
- SAP Employee Information Management (EIM) - $4.0M - the employee information management plan calls for building on the core human resources/payroll SAP capabilities that were deployed in December 2006 and Phase II and III deployed in 2009 and 2010. This will enable Amtrak to achieve positioning in the 75th percentile of human resources best practices as measured against firms of comparable size in comparable industries.
- IT Enterprise Test Tool Environment - $0.5M - the intent of this project is to create one common unified test environment to replace the various unique test environments and allow testing of any system to be done in a consistent environment.

Cyber Information Security $0.1M

- Information Security Infrastructure Upgrades & Enhancements $0.1M - this is a multi-year project for ongoing enhancement and refresh of Amtrak's information security program and technology components. It will improve Amtrak's ability to ensure confidentiality, integrity, and availability of Amtrak's critical infrastructure systems. It also involves the safeguarding of customer transaction information. Failure to complete this project may result in the failure to quickly identify and respond to vulnerabilities in Amtrak's information technology infrastructure and non-compliance with regulatory and legal requirements. In FY13 the focus will be on maintaining compliance with the Payment Card Industry standards, assessing our compliance with FISMA standards and acquiring improved tools for the programmers creating custom applications to verify their program code is secure.

Reservations Next Generation $17.0M

- Reservations Ecosystem Next Generation - $17.0M the purpose of this program is to modernize, streamline and significantly reduce business and technical risks from Amtrak's Sales, Reservation and Ticketing system in support of Amtrak's current and future business needs and opportunities. This involves updating the underlying system, "Arrow" that is over 30 years old and is based on significantly outdated technology which is the backbone foundation for Amtrak's sales, ticketing and operational processes, including customer service and train operations. Potential failure of this system is a critical business risk that must be addressed as soon as possible. In FY12 and FY13, RES-NG project will deliver key milestones that include software and platform upgrades, decommissioning archaic hardware, enhanced ability to share data and information, reduced system outage windows and other sales, reservation, ticketing and operational upgrades to mitigate risk and deploy a "next generation" platform that can flexibly lead and respond to emerging travel industry standards and needs of state sponsored services.

Amtrak Information Modernization (AIM) $13.3M

- Amtrak Information Modernization - $13.3M - the purpose of this program is to design common data structures and sources that can be used in various applications so all information is derived from a consistent location. This program will also fund the modernization and rationalization of our critical Enterprise Systems.

IT Infrastructure $7.0M

- This is an ongoing program to refresh and expand the IT core infrastructure to ensure reliability standards are met, including network, servers, and workstations. The scope for this project includes: refresh network, servers, and storage infrastructure not covered by the new outsource contract; refresh workstations on a three year cycle; begin the upgrade to the new Desktop Operating system and Office Automation software; acquire hardware to stage in field to improve response time to failures; and replace key IT equipment used in field system and Quik-Trak kiosks. Projects included on this program are: PC and field systems state of good repair $5.0M, network improvements and expansion $1.0M, and network field infrastructure engineering $1.0M.

Rail Operations $13.4M

- Migration or Replacement of Labor Management System Application - $12.5M – Modernizes and replaces an obsolete scheduling and pay calculation system used for On Board Services and Train and Engine crew management. The replacement will provide an integrated, flexible, rules driven and maintainable capability. By implementing a modern solution that integrates with SAP and other transportation systems, this project will reduce the risk of dependence upon obsolete technology and loss of institutional knowledge.
- Operations Dashboard – Enhancements/Deployment - $0.3M - the intent of this project is to deploy approximately 100 floor shop production status displays with real time information about the current state of the system relative to planned levels.
- Enterprise Documentum Infrastructure Upgrade - $0.6M - continue the implementation of the Documentum system across the operating departments. The Mechanical department will use this system to support scanning, indexing, and retrieval of over 1 million documents. In FY13 the focus will be on completing the upgrade of all departmental implementations to the enterprise for records management, implementing enterprise-wide search for those, deploy new document bases for the Law and Police Departments, and add Disciplinary Cases to the Labor Relations repository.

Marketing and Product Development

Overview of the Department

Marketing and Product Development (M&PD) drives Amtrak ridership, ticket revenue, and market share through integrated marketing and sales capabilities and a constant focus on increasing customer satisfaction through targeted product and service improvements. Major departmental functions include sales distribution, customer service, marketing and sales promotion, food and beverage service delivery, market research/analysis, pricing/revenue management, and route-level product management.

M&PD budgeted operating expenses of $265.4M and new cost savings initiatives of ($5.6M) for a net budget request of $259.7M. Major operating expense drivers of the department include advertising and promotional costs, contract management and provisioning costs for food and beverage service, wages and benefits for the reservation/sales call centers, and departmental salaries.

Meeting the new customer satisfaction and route performance targets mandated by PRIIA in Section 207 and route performance improvement plans in Section 210 is the responsibility of M&PD's groups in collaboration with the Operations, and Government Affairs departments.

Targeted metrics as defined under PRIIA Section 207 for financial/operating, on-time performance, train delays, and customer satisfaction will be the focus of management actions to improve and expand passenger rail services. To that end, M&PD will continue to deliver the in-depth customer research program begun in FY10 to evaluate the customer experience and assess customer expectations and help Amtrak prioritize its operating and capital programs.

Continued investments to leverage, build and mature marketing capabilities will be critical to meeting top-line objectives. These will focus on the following:

- Building loyalty (increasing repeat ridership) from the existing customer base
- Stimulating trial to attract new riders from competing travel modes.
- Maintaining Amtrak's air/rail market share in the NEC above 60% in the Washington-New York market and above 50% in the New York-Boston market
- Building market share of total trips in high frequency corridors outside of the NEC.

Key M&PD advances from capital programs towards these goals will include greater sophistication in the use of electronic direct-to-customer communications, through targeted online interactions, and the development of integrated brand marketing campaigns that communicate the benefits of rail travel across digital, print, broadcast, and entertainment/events/sports marketing venues. Decision support capabilities in Pricing/Revenue Management and Market Research/Analysis will continue to play a critical role in improving revenue performance and guiding the application of marketing resources.

Base Activity:

Marketing's FY13 base budget is $265.4M. A summary of FY12 base changes includes the following:

- Inflation of prior year including labor contract requirements - $3.0M
- Salaries - $0.4M
- Increase in Employee Benefits and FELA - $0.2M
- Advertising (partial restoration of FY12 reduction of $39M) - $3.7M

New Activity:

- The FY13 new activity reduction in contact center expense of $5.6M related to the first full year of a booking fee charge to customers for utilizing the contact center for ticket purchases.

Operating Expense Summary FY11 –FY13: M&PD

				FY13 Incr/(Decr) vs FY12	
$ millions	FY11 Actual	FY12 Budget	FY13 Budget	$	%
Salaries	$21.7	$22.2	$23.4	$1.2	5.6%
Wages & Overtime	$38.8	$41.2	$40.4	($0.8)	-1.9%
Employee Benefits	$32.2	$31.0	$31.2	$0.2	0.5%
Employee Related	$1.1	$0.8	$0.8	($0.0)	0.0%
Salaries, Wages and Benefits	$93.7	$95.2	$95.8	$0.6	0.7%
Train Operations	$87.9	$91.9	$91.9	($0.0)	0.0%
Fuel, Power, & Utilities	$0.6	$0.6	$0.6	$0.0	1.5%
Materials	$0.1	$0.0	$0.0	$0.0	1.8%
Facility, Communication, & Office	$10.8	$11.3	$11.3	$0.0	0.0%
Advertising and Sales	$71.6	$36.2	$39.9	$3.7	10.2%
Casualty and Other Claims Total	$0.8	$1.2	$1.1	($0.0)	-4.3%
Professional Fees	$15.4	$12.1	$12.1	($0.0)	0.0%
Data Processing Services and Supplies	$2.6	$2.2	$2.2	($0.0)	0.0%
Environmental and Safety	$0.0	$0.0	$0.0	$0.0	0.0%
M of W Services	$0.4	$0.5	$0.5	$0.0	2.1%
Passenger Inconvenience	$4.8	$4.3	$4.3	$0.0	0.0%
Total Operating Expenses	**$288.8**	**$255.5**	**$259.7**	**$4.3**	**1.7%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$255.5
FY12 New Activity	$2.5
FY12 Base Activity	**$258.0**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$3.0
Salaries (primarily lower than expected vacancy rates and increased market rate for new hires)	$0.4
Employee Benefits and FELA	$0.2
Advertising (partial restoration of FY12 reduction)	$3.7
Base Activity Increase/(Decrease) from Prior Year	**$7.4**
Total FY13 Base Activity	**$265.4**
New Activity	
Wage & OT (primarily due distribution booking channel shift and full year implementation of contact center booking fee)	($3.5)
Employee Benefits and FELA on Wage & OT on decrease above	($2.1)
Total FY13 New Activity	**($5.6)**
FY13 Total Budget	**$259.7**

Capital Projects: Marketing & Product Development

$ In Millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
e-Ticketing	$ 5.1	-	$ 5.1
Quik Trak	9.3	-	9.3
E-Commerce	7.6	-	7.6
On-Board	18.7	-	18.7
Customer Service	1.2	-	1.2
Pricing	8.5	-	8.5
Facilities and Infrastructure	3.3	-	3.3
Call Center	3.9	-	3.9
Total	**$ 57.4**	**-**	**$ 57.4**

E-Ticketing Related Programs - $5.1M

- Employee Identity Protection – Rail Pass Automation - $1.1M: Amtrak Pass Riders are currently able to travel throughout the system for free or at reduced rates using the Rail Travel Privilege Card (RTPC). However, the system that currently issues RTPC is a manual, paper-based system that is staffed with two (2) agreement-covered employees and uses media production equipment at the end of its useful life. In addition, the RTPC pass user must communicate their social security number to book pass travel through call centers, stations or enter the social security number at Quik-Trak machines posing a significant risk of identity theft to Amtrak pass riders. Today, over 80% of pass bookings are made via Amtrak's most expensive distribution channels - Station and Contact Center agents. In FY10, approximately 150,000 pass rider bookings were made via the Contact Center and Station agents. We project a minimum of 50% of those bookings to be migrated to Amtrak.com, leading to an annual cost savings of $650,000. This project will eliminate the social security number from the system removing the current identity

Amtrak.com and will thus reduce Amtrak's costs associated with these bookings.

- Reservation System Next Generation – Stations & Call Centers – $4.0M - This project will replace current call center and station agent applications that are at end-of-life with new software equipped with advanced sales tools and web-based user interfaces. This new system is intended to provide Amtrak with industry standard sales and reservations capabilities. The project has 3 primary goals including:
  - Enhancing the customer experience by providing functionality to use customer profile data to facilitate customer transactions, to offer up-sell and cross-sell opportunities and to enable roving agents in the stations to proactively assist customers with their travel needs.
  - Improving operational efficiency and accuracy by enabling more efficient customer handling during service disruptions and providing the ability to effectively manage and track checked bags.
  - Simplifying customer interactions by providing a consistent customer experience across all of Amtrak's distribution channels and by providing Amtrak's agents with timely information about daily operations.

  This project directly aligns with the following corporate goals:
  - Maintain state-of-good-repair with by replacing the outdated station and contact center systems with industry standard functionality and systems to enhance the customer experience.
  - Increase cost recovery by providing contact center and station agents with the ability to proactively cross-sell and up-sell Amtrak products and reducing costs associated with service disruptions and baggage handling.
  - Continue corporate investment in a long-standing and ongoing objective to keep the Contact Centers and Station agent systems in line with state of the art technology.

Quik-Trak Program - $9.3M

Amtrak has relied on self-service ticketing kiosks successfully since 1997. The role of Quik-Trak is significant in the stations environment. In FY2011, the 330 Quik-Trak kiosks operated throughout the country issued boarding passes for 45.2% of ticketed revenue or more than $928.2M in ticket revenue value.

- Enhancements to the to the Quik-Trak machines $5.3M: This project will improve customer experience, increase customer satisfaction and also improve the efficiency and reliability of the machines included:
  - Installation of advanced bar code imaging scanners to allow systems to interact with passenger PDA's
  - Alignment of Quik-Trak screen look and feel with Amtrak.com
  - Improvement of remote monitoring capabilities to enhance kiosk management system
  - Introduction of foreign language capabilities to Quik-Trak
  - Development of a dynamic availability display

- Refresh Quik-Trak Kiosks $4.0M: The project will replace obsolete hardware (the current kiosks were deployed in 2006-2007), which is at end-of-life as well as functionality to adapt to its new eTicketing business model. The new Quik-Trak kiosks will use state-of-the-art technology to provide continued high levels of customer service with a full range of transactions such as eTicket document issuance, reservations purchase, and support of customers' needs to exchange, refund and upgrade reservations and permit checked baggage in the self serve environment. These kiosks will continue to meet requirements for accessibility to passengers with disabilities in compliance with section 508 of the Americans with Disabilities Act ("ADA") and California state law requirements. Anticipated scope of work includes:
  - Develop RFP requirements for 350 new kiosks, and secure vendor contract

- Conduct site surveys
- Complete kiosk design specifications
- Select and order candidate kiosk from selected vendor
- Conduct preliminary user acceptance testing selected model

This Quik-Trak Enhancements project directly aligns with the following corporate goals:

- Maintain state-of-good-repair with logically timed replacement of equipment to provide reliable and highly available system to maintain the customer experience. New kiosks will feature shorter transaction times for customers and be able to handle large volumes of transactions. The new kiosks will also feature improved back-office monitoring capabilities to ensure that kiosk performance can be maintained at the highest levels.
- Increase cost recovery by improving Quik-Trak self-service channel capabilities such as reservation changes, refunds and upgrades, which will lead to lower costs than with the other, more costly, distribution channels. Quik-Trak units have enabled Amtrak to increase ridership while maintaining existing station personnel, and have increased customer satisfaction and convenience.
- Continue corporate investment in a long-standing and ongoing objective to keep Quik-Trak in line with state of the art technology. Continue to meet ADA requirements, maintain and improve machine reliability and allow for fast transactions and high customer satisfaction. New kiosks will improve the functionality of this already efficient and successful ticketing outlet.

E-Commerce Program - $7.6M

- Amtrak.com Enhancements & Upgrades - $3.2M: This project provides for the design and development of software releases to upgrade the Amtrak.com website, which accounts for over 53% of total ticket sales. The updated Amtrak.com website will keep us competitive in the online travel sector, better inform and educate our customers, drive more revenue to automated sales systems thereby lowering costs, increase visibility of fare options/promotions, and enhance the overall customer experience. These enhancements support operations, state partners, legal mandates, PCI compliance, security and internal stakeholders on a national and regional level. These capital investments are critical to the continued growth of this important channel. In FY10 Amtrak.com sales grew by over $127 million (14.7%) over the previous year.

- Enterprise Content Management System - $3.7M: The objective of the project is to develop an Amtrak-wide content management system. This content management system will provide accurate, uniform information to all distribution channels/customer service representatives. Currently, each of Amtrak's distribution channels draws information given to customers from several different databases. The current use of multiple databases means that customers may be given conflicting information when working with Amtrak's various distribution channels and customer service representatives. There will also be cost savings by eliminating redundant processes that manage multiple versions of the same content.

- Amtrak.com Re-launch $0.7M: In order to stay competitive in the online space, the E-Commerce team will implement a major redesign of the Amtrak.com website. This redesign will address both the functionality as well as the presentation of the website. This initial scope will involve creating business and technical requirements only. These detailed requirements will reflect corporate needs, emerging/best of breed technologies and a detailed competitive analysis. To validate these requirements, prototypes will be built based on proposed design and functional changes. These working prototypes will be presented user groups in multiple usability studies. The first usability study will test a more generic prototype that focuses on the pure functionality changes. The second study

will be more refined and include GUI design, as well as functionality. The end result will be a combined business and technical document to start website development in the next fiscal year.

On-Board Programs Technology - $18.7M

- Media Delivery on Trains - $5.2M: The project will enable up-to-date onboard travel information and the delivery of onboard media content (e.g. movies, music, and games) to passengers traveling on Wi-Fi enabled trains. It includes the design, development and implementation of the software and media packages. With this service, Amtrak will be able to provide train status and location information that includes a moving map for passengers to see where they are in their journey whether displayed on their personal electronic devices or via automated announcements and signage. Passengers will receive consistent messaging that is easy to understand and locate. The addition of media on trains also will add a new revenue stream from the sales of onboard movies.

- Wi-Fi System wide - $13.5M: This multi-year project builds on the success of the Acela Wi-Fi rollout by extending the installation of Wi-Fi networks to trains system-wide. As background, all 20 Acela train sets and 8 stations along the NEC were outfitted with Wi-Fi in FY10. A meshed Wi-Fi solution also was constructed in the NY Penn tunnels and on the platforms, enabling all Amtrak Wi-Fi installed trains to make use of additional bandwidth as they pass through the area. In FY11, Amtrak outfitting 435 Amfleet I cars and the Pacific Surfliner trains. This work requires a minor modification of the Acela design. In addition to providing Internet access, the network will serve as a platform for other passenger services (e.g. entertainment) and business services (e.g., support for on board system communications such as eTicketing and Point-of-Sale with Amtrak's corporate network).

  The availability of Wi-Fi on Amtrak trains leads passengers to view their time on board as an opportunity to work or relax with some entertainment, thus making Amtrak trains a more enjoyable, productive way to travel than other modes. Market research completed in FY10 shows that passengers attribute a very high value to this service. Wi-Fi will contribute an incremental 2% in ticket revenue annually for Acela and Amfleet 1 services. Going forward, the project will complete installation on other corridor and long distance fleets, based on priorities established by Amtrak and its State Partners.

Customer Service Program - $1.2M

- Customer Service Performance Measure Index Enhancements - $1.2M: The objective of is to enhance the CSPMI system, which is used to collect and analyze customer feedback and other data that enables the company to track and pinpoint ways of improving front-line employee behavior. These enhancements will enable Amtrak to track and gauge its progress toward meeting PRIIA's mandated Customer Service Index (CSI).

Pricing - $8.5M

- Service Fees - $3.0M: The goal of the Service Fee project is to build the ability to apply a "ticket fee" based on the channel utilized to perform a specified transaction. This is intended to influence customer behavior, specifically to encourage customers to use self-service distribution channels when that option is available to them. It is envisioned that such fees will be applied on a per-PNR or per-passenger basis. Authorized users will be able to establish and manage a service fee structure that will be assessed when a customer books and pays for travel based on the channel selected for the transaction.

- Pricing & Revenue Management Enhancements - $0.5M: Pricing and Revenue Management Enhancements program is a series of projects that automatically generate alert parameters and upload analyst changes directly to Arrow. In addition, the requested funds will support the requirements development for revenue management capabilities of multi-ride customers which allow us to maximize revenue on those trains where we carry a significant amount of multi-ride customers.

- Demand Forecasting & Optimization - $4.0M: The Demand Forecasting and Optimization project is a multi-year project with a goal of implementing an automated system which can accurately forecast demand by city pair and by price point for each of Amtrak's train departures. In addition to detailed forecasts, the system should set authorization levels in the reservation system for each train this will Amtrak to maximize revenue and provide the framework for individual and group booking requests to be priced based on sophisticated forecast and optimization parameters. These tasks are currently done manually based off of historical trends.

- Capacity Planning Tool - $1.0: Historically, the capacity planning process at Amtrak has been a manual one and largely based on subjective analysis of passenger demand. As we become more sophisticated in our pricing and revenue management techniques, there is also a need to advance our capacity planning efforts. The revenue management group is frequently asked to provide analysis on the best routes/markets to add and remove capacity as well as evaluate specific routes for additional capacity opportunities. Currently, this analysis is performed on an ad hoc basis using a demand analysis process that was developed internally.

  This proposed project is designed to build a capacity planning tool that can be used to optimize Amtrak's train schedule. The tool will be used to identify trains and routes which have excess demand and thus need additional capacity as well as those trains where capacity exceeds demand and cars can be removed and repositioned. The tool should provide the capability of making recommendations for the long term and medium term planning cycles as well as incorporating operational restrictions for near term capacity change recommendations. This tool will provide the framework for developing a consistent capacity planning process which incorporates passenger demand as well as operational restrictions when creating capacity recommendations. Additionally, this process should provide us with a strong foundation for creating seasonal and day of week variations in the schedule to accommodate different passenger demand patterns.

Facilities & Infrastructure - $3.3M

Key projects included in this program are commissary facilities upgrade and support equipment for Food & Beverage operations.

- ARAMARK Food & Beverage investment - $1.1M: This capital project takes advantage of a 0% interest $5.0M investment option in Amtrak's Food & Beverage contract with Aramark. Under the terms of this option, Aramark will procure certain equipment and make facility improvements to Amtrak's major commissaries. This project will include investments in a commissary-wide surveillance and security system, standardization of cleaning equipment at commissaries and renovation of employee break rooms and restrooms at those commissaries where Aramark operates.
- Commissary Facilities - $1.0M: The project involves making improvements to Amtrak Commissary facilities across the country to prevent FDA and Public Health non-compliance issues or violations. The focus of this project in FY12 will be the construction of a new commissary for Miami food & beverage operations and a variety of smaller improvements at other facilities.
- Food & Beverage Support Equipment - $0.6M: This project will replace support equipment used for Food and Beverage operations. The equipment replacements are necessary to provide reliable

services on trains, ensure safe operation, and meet increasing service demands. Equipment to be replaced includes food carts and carriers for trains, refrigerated cart carriers, walk-in freezers and cooler and other miscellaneous equipment.

- Commissary Support Vehicles - $0.6M: The purpose of this request is to replace a variety of support vehicles used in the daily operation of the Food & Beverage department and by Aramark, Amtrak's managed services provider. The FY12 scope of work calls for the purchase of a variety of Cushman carts, forklifts, food carriers and other vehicles.

Call Center Program - $3.8M

The Call Center program involves upgrades to call center operations to realize cost savings by reducing average talk times and lowering agent call volume.

- Call Center Technology Efficiencies Program - $3.3M: This program will make investments in several new call center systems that will reduce agent call volume and/or call handling time, include:
    - Enhancements to the Automated Customer Notification System (ACN), which provides automated call-backs to inform customers of schedule changes, service disruption, etc. This project element will prevent Amtrak from having to dedicate resources for manual call backs to customers regarding train delays, cancellations, or other issues. This application currently operates on a prototype platform which limits the application's capabilities and stability.
    - Enhancements to the customer relations system (Remedy) that will improve the functionality of the application, which was originally installed in FY06 –FY07.
    - Voice Response Unit (VRU) enhancements, which are implemented with the goal of retaining greater numbers of calls in the Julie/VRU system so call center agents can focus on the most complex calls. When customers opt to transfer from the VRU to an agent, these enhancements will allow more customer information to be automatically transmitted to the agent.
    - Automated Call Distributor (ACD) System Upgrade - Replace existing ACD systems in the call centers. The ACDs in the call centers will reach end of life in FY14. Failure to do so will put Amtrak's Reservations Contact Centers at risk for failure without support for their phone system. Existing support servers for ACD platform in the call centers are approaching end of life and need to be replaced as well.

- Call Center Facility Needs Assessment - $0.5M: This project involves a comprehensive assessment to identify facility repairs, exterior refurbishment and enhancements necessary to maintain a safe working environment at the Reservation Sales Contact Centers (Call Centers) in Philadelphia, PA and Riverside, CA.

Mechanical

Overview of the Department

The Mechanical Department is responsible for the maintenance, repair and upgrade of all of Amtrak's rolling stock (cars and locomotives). With a labor force of approximately 4,900 employees who are located at eleven (11) major terminals and three (3) back shops throughout the Amtrak system, this department cleans, maintains, repairs, modifies and overhauls the fleet of cars and locomotives to provide daily service to our passengers. Our staff of engineers also provides process expertise as well as technical assistance with the design and procurement of new equipment and the upgrading of existing rolling stock.

Base Activity:

The FY13 base budget request is $566.3M for existing operations and savings of $3.3M for new initiatives for a total budget request of $563.0M. The major driving force of the increased operating budgets for FY13 and beyond, are the costs for the maintenance and inspections for rolling stock passenger cars that were returned from storage to revenue service in FY10 and FY11 as part of the ARRA grant. The budget provides funding for:

- Core operations of equipment turnaround servicing and inspection
- Operation and maintenance of our Mechanical facilities across the Amtrak system
- Preventive maintenance and mandatory FRA required inspections on the cars and locomotives

A summary of FY13 base changes includes the following:

- Inflation of prior year Salary, Wages and labor contracts - $15.6M
- Indirect Cost Capitalized to Plant & Equipment – $3.8M
- Other – $0.1M

New Activity:

The implementation of the Strategic Asset Management (SAM) project is anticipated to reduce cost by $3.3M due to operational efficiencies related to material handling.

Operating Expense Summary FY11 –FY13: Mechanical

				FY13 Incr/(Decr) vs FY12	
$ millions	FY11 Actual	FY12 Budget	FY13 Budget	$	%
Salaries	$33.1	$34.9	$36.2	$1.3	3.7%
Wages & Overtime	$210.2	$194.5	$198.6	$4.1	2.1%
Employee Benefits	$127.7	$127.5	$130.9	$3.4	2.7%
Employee Related	$2.6	$2.1	$2.1	($0.0)	0.0%
Salaries, Wages and Benefits	$373.5	$358.9	$367.8	$8.9	2.5%
Train Operations	$0.2	$0.1	$0.1	($0.0)	0.0%
Fuel, Power, & Utilities	$19.5	$22.3	$22.8	$0.5	2.1%
Materials	$139.6	$157.3	$161.4	$4.1	2.6%
Facility, Communication, & Office	$19.4	$18.4	$18.4	($0.0)	0.0%
Casualty and Other Claims Total	$5.1	$8.2	$8.4	$0.1	1.8%
Professional Fees	$4.3	$6.4	$6.4	$0.0	0.0%
Data Processing Services and Supplies	$1.9	$0.7	$0.7	($0.0)	0.0%
Environmental and Safety	$4.7	$5.5	$5.5	$0.0	0.0%
M of W Services	$0.7	$0.8	$0.8	$0.0	2.5%
Financial	$0.2	$0.1	$0.1	$0.0	0.0%
Pcard Transactions	$0.0	$0.0	$0.0	$0.0	0.0%
Expense Transfers	$0.6	$0.0	$0.0	$0.0	0.0%
Indirect Costs Capitalized To P&E	($32.3)	($33.0)	($29.2)	$3.8	-11.4%
Total Operating Expenses	**$537.6**	**$545.7**	**$563.0**	**$17.3**	**3.2%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$545.7
Less FY12 New Activity	$1.2
FY12 Base Activity	**$546.9**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$15.6
Indirect Costs Capitalized To P&E	$3.8
Other	$0.1
Base Activity Increase/(Decrease) from Prior Year	**$19.5**
Total FY13 Base Activity	**$566.3**
New Activity	
OT Wages (Strategic Asset Management project related savings)	($2.4)
Benefits (Strategic Asset Management project related savings)	($0.9)
Total FY13 New Activity	**($3.3)**
FY13 Total Budget	**$563.0**

Capital Programs: Mechanical

$ in millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
PASSENGER CAR	$ 156.4	$ -	$ 156.4
LOCOMOTIVE	45.8	-	45.8
ACELA PROGRAM	53.0	-	53.0
FLEET ACQUISITIONS	-	334.2	334.2
NON-PASSENGER EQUIPMENT	6.5	-	6.5
WRECKS	4.0	-	4.0
FACILITY IMPROVEMENTS	14.5	-	14.5
MECHANICAL IT PROJECTS	2.5	-	2.5
GENERAL SAFETY AND RELIABILITY	8.5	-	8.5
TOTAL MECHANICAL	**$ 291.1**	**$ 334.2**	**$ 625.3**

Passenger Car Programs $156.4M

- The passenger car program will fund the various levels of overhauls that range from mandatory maintenance to complete equipment overhauls, reconfigurations and conversions of equipment, and modifications required by statutes including the Americans with Disabilities Act (ADA) and the Federal Railroad Administration (FRA). The equipment to be overhauled includes Amfleet, Superliners, Viewliner, Talgo, Heritage and Horizon/Surfliner, and encompasses various configurations including diner, café/club, lounge, sleeper, passenger coach, and cab cars.
- These passenger car programs will enable Amtrak to maintain equipment in a state of good repair, to return the assets to current Amtrak standards, improve reliability and availability of equipment, enhance overall customer experience, comply with applicable federal regulations and mitigate equipment failures which result in customer discomfort and inconvenience.

Locomotive $45.8M

- In Amtrak locomotive programs will involve the various levels of overhaul for electric locomotives (AEM-7 DC, AEM-7 AC, and HHP-8) and Life Cycle Progressive Maintenance (LCPM) for diesel locomotives and modifications required by federal agencies including

Transportation Safety Administration (TSA), Environmental Protection Agency (EPA) and Federal Railroad Administration (FRA).

- This program will enable Amtrak to bring the locomotive fleet to a state of good repair, increase locomotive reliability and availability, extend the useful life of the locomotive, comply with applicable federal rules and regulations, and mitigate future expenses associated with an aging fleet.

Acela Program $53.0M

- Funding is included to continue the Acela Overhaul Program. This activity is the second year of a multi-year program addressing the system overhaul needs of the Acela train sets. Overhaul requirements were identified by major system condition assessments, fatigue life calculations, and reliability data trends.

Fleet Acquisition Program $334.2M

- Amtrak will continue its investment in its fleet acquisition programs for the purchase of 130 single level cars, 40 Acela coaches, 70 electric locomotives, 2 low-emission switcher locomotives and funding for the end of lease purchases of P32-8 locomotives. This program will help the company meet its operating requirements, state of good repair requirements, and capacity needs for its rolling stock equipment fleet.

Non-Passenger Equipment Program $6.5M

- Funding is included to continue the overhaul or modification of various non-passenger equipment types such as baggage cars and auto carriers.

Wrecks $4.0M

- To rehabilitate unanticipated passenger car and locomotive wrecks for Amtrak owned equipment that qualifies for capital improvements.

Facility Improvements $14.5M

- Amtrak plans to continue to invest in facility improvements for modernization and upgrades for various Service and Inspection (S&I) division facilities and heavy overhaul shops. The work to be performed ranges from improvements such as electrical power systems, upgrades to existing facilities, improvements to employee areas, updating tooling, machinery and shop vehicles. The project will enable Amtrak to comply with the Code of Federal Regulations (CFR49) Parts 229 and 238, to bring the facilities to a state of good repair, increase operations safety, reduce employee injuries, increase efficiency, and improve assets safeguarding initiatives. This program also includes an externally funded (State of Maryland) project.

Mechanical Technology Program $2.5M

- The Mechanical Department will continue its support of three applications: Work Management System, Mobile Data Management System and Locomotive Health Monitoring & Analysis System. These investments are expected to improve the ability to schedule and monitor mandatory rolling stock maintenance, eliminate cumbersome manual processes and improve reliability and performance.

General Safety and Reliability Program $8.5M

- General Safety and Reliability programs consist of various projects geared towards locomotive and passenger car reliability and safety measures that are associated with the equipment. The projects are expected to improve customer service, mitigate operating costs, improve operational

efficiencies, ensure compliance with the Rail Safety Improvements Act of 2008 (RSIA) and improve the safety of Amtrak's rolling stock equipment.

- Locomotive Video Cameras/Train Communications: involves the purchase and installation of a digital video recording system on every passenger locomotive in the fleet and 23 work locomotives. This project supports Amtrak's Train Communication Data (TCD) strategy to improve customer service and operational efficiency.
- Engineering Modification Project: involves funding for modification work on rolling stock equipment that is not scheduled for capital overhaul and will be performed at divisional facilities.
- Cracked Wheel Detector Project: funds the purchase and installation of two machines for Wilmington Shop and Beech Grove Shop to continue this program to eventually equip all major Mechanical wheel facilities with this technology.

Office of the General Counsel

Overview of the Department

The Amtrak Law department is responsible for supporting virtually every aspect of Amtrak's business. Every member of the department works to achieve four goals: 1) To ensure the company's compliance with all applicable laws; 2) To minimize risks to the company; 3) To protect corporate assets; and 4) To assist the company to achieve its business and financial objectives.

The Amtrak Law department consists of three organizational or budget entities and seven functional or operational groups. The three budget organizations are the General Counsel, the Office of the Corporate Secretary, and Corporate & Litigation Support; the seven functional/operational groups include: two corporate practice groups (one for real estate, procurement and some engineering matters, and a second for the company's host railroad relations, state-supported contracting and commuter services and environmental matters); a general litigation, employment and labor practice group; a claims management and litigation group; Corporate and Litigation Support (the company's document management, including FOIA, program and all legal assistants); the Corporate Secretary's office; and the General Counsel's office (overall management).

The **General Counsel** Budget entity includes the two corporate practice groups, the litigation, employment and labor practice group and claims litigation and adjustment practice group. The groups in this entity advise management on all corporate, commercial, contractual, real estate, financial, statutory and regulatory matters and transactions. Responsibilities include review, negotiation and interpretation of contracts, management and protection of Amtrak's intellectual property portfolio, and compliance with statutory and regulatory requirements. In addition, the litigation, employment and labor group manages all non-tort claims (i.e., injuries to Amtrak employees or passengers), litigation and outside counsel engaged to represent the company, all employment complaints against the company, provides labor law advice and manages the company's internal disciplinary proceedings for agreement employees. Finally, within this entity is the Claims group which manages all personal injury and wrongful death claims against the company and employee claims filed under the Federal Employers' Liability Act (FELA). Primary responsibilities include investigation of accidents, preservation of evidence, litigation management and support, evaluation of claims, settlement negotiations, trial support, management of outside counsel, review and approval of outside counsel and expert fees, and advice matters ranging from risk management to health and safety issues.

Corporate Secretary: The Corporate Secretary's office supports the Amtrak Board of Directors and serves as liaison between management and the Board of Directors. The Corporate Secretary works with the CEO and the Board to schedule and prepare for Board of Directors meetings, supports the scheduling and related travel of Board members for Amtrak-related activities, and manages the coming-on-board and orientation of new Board members. The Corporate Secretary also advises the Board of Directors on matters of corporate governance under the company's articles of incorporation, bylaws and Board resolutions.

Corporate & Litigation Support: This group administers the company's document management (retention and destruction) program including the Law department's litigation and advice files and the company's FOIA responsibilities. In addition, this group is responsible for supporting the General Counsel in developing and monitoring the department's budget.

Base Activity:

Legal department's FY13 budget is $51.5M, an increase of $0.2M over FY12 budget. A summary of FY13 changes includes the following:

- Inflation of Prior Year expenses including labor agreements $0.7M
- Increase in Salaries and benefit expenses $0.4M
- Decrease in Casualty and other claims ($0.9M)

Operating Expense Summary FY11 – FY13: Office of the General Counsel

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$12.4	$12.1	$12.8	$0.7	5.7%
Employee Benefits	$6.8	$6.0	$6.3	$0.3	5.7%
Employee Related	$0.5	$0.4	$0.4	$0.0	0.0%
Salaries, Wages and Benefits	$19.7	$18.5	$19.6	$1.0	5.6%
Facility, Communication, & Office	$1.4	$1.8	$1.8	($0.0)	0.0%
Casualty and Other Claims Total	$6.3	$7.4	$6.5	($0.9)	-11.5%
Professional Fees	$26.8	$23.5	$23.5	$0.0	0.0%
Data Processing Services and Supplies	$0.1	$0.0	$0.0	$0.0	0.0%
Environmental and Safety	$0.0	($0.0)	($0.0)	$0.0	0.0%
Total Operating Expenses	**$54.4**	**$51.3**	**$51.5**	**$0.2**	**0.4%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$51.3
Less FY12 New Activity	$0.0
FY12 Base Activity	**$51.3**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$0.7
Increase in Salaries and Benefit expenses	$0.4
Decrease in casualty and other claims	($0.9)
Base Activity Increase/(Decrease) from Prior Year	**$0.2**
FY13 Total Budget	**$51.5**

Procurement & Materials Management

Overview of the Department:

The department consists of three distinct functional areas: Procurement, Materials Management and Corporate Administration. Procurement is tasked with developing and managing optimal purchasing processes for all capital and operating parts, components and end items for rolling stock, maintenance of way and equipment consumption as well as bidding and contracting for all other outside services and commodities. The Materials Management group operates supply chain activity such as warehousing, transportation and logistics, and inventory planning, management, and control. In addition, this department manages all corporate administrative functions at the corporate offices including mail communications, reprographics center, facility management, construction and space planning.

The FY13 total budget request is $40.2M compared to $38.5M for FY12 budget.

Base Activity:

The FY13 base budget request is $40.7M and it is mainly driven by labor cost, facility expenses and a credit for capitalized overhead expenses. The FY13 base core operating request, as compared to FY12 base budget has increase by $2.2 M. This increase is primarily due to:

- Inflation and higher wages totaling $1.5M.
- Reduction in material transfer credit $0.5M
- Salary and benefit expenses $0.2M

New Activity:

The implementation of Strategic Asset Management system is expected to show savings in salary, wages and related benefits of ($0.4M).

Procurement & Materials Management: Operating Expenses Summary FY11-FY13

				FY13 Incr/(Decr) vs FY12	
$ millions	**FY11 Actual**	**FY12 Budget**	**FY13 Budget**	**$**	**%**
Salaries	$11.6	$11.9	$12.3	$0.5	3.9%
Wages & Overtime	$16.8	$18.9	$19.4	$0.4	2.3%
Employee Benefits	$15.3	$16.0	$16.5	$0.5	2.9%
Employee Related	$0.6	$0.8	$0.8	($0.0)	0.0%
Salaries, Wages and Benefits	$44.3	$47.6	$49.0	$1.4	2.9%
Fuel, Power, & Utilities	$0.3	$0.3	$0.3	$0.0	2.4%
Materials	$0.1	$0.2	$0.2	$0.0	3.3%
Facility, Communication, & Office	$5.6	$5.0	$4.9	($0.1)	-2.0%
Advertising and Sales	$0.1	$0.1	$0.1	$0.0	0.0%
Casualty and Other Claims Total	$0.4	$0.7	$0.7	$0.0	2.3%
Professional Fees	$2.3	$1.6	$1.6	$0.0	0.0%
Data Processing Services and Supplies	$1.9	$0.8	$0.8	$0.0	0.0%
Environmental and Safety	$0.0	$0.1	$0.1	($0.0)	0.0%
M of W Services	($0.9)	$0.5	$0.5	$0.0	2.3%
Pcard Transactions	$0.3	$0.0	$0.0	$0.0	0.0%
Indirect Costs Capitalized To P&E	($12.3)	($18.5)	($18.0)	$0.5	-2.6%
Total Operating Expenses	**$42.1**	**$38.5**	**$40.2**	**$1.8**	**4.6%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$38.5
Less FY12 New Activity	$0.1
FY12 Base Activity	**$38.5**
Changes to Base Activity	
Inflation of Prior Year expenses including labor	$1.5
Salary and Benefits	$0.2
Reduction to materials expense allocation	$0.5
Base Activity Increase/(Decrease) from Prior Year	**$2.2**
Total FY13 Base Activity	**$40.7**
New Activity	
Savings from Strategic Asset Management implementation	($0.4)
Total FY13 New Activity	**($0.4)**
FY13 Total Budget	**$40.2**

FY13 Capital Program Budget
Procurement

Program Title	Project	GCAP	State, Local & Other	Total
Facility Purchases and Improvements	Mat Handling Equp Facilities State Of Good Repair	$0.3	$0.0	$0.3
	Material Management Facilities State of Good Repai	$1.3	$0.0	$1.3
Equipment and Tool Purchases	Vending Machines Purchase	$0.6	$0.0	$0.6
	Vehicle Replacement	$3.3	$0.0	$3.3
	Procurement	**$5.6**	**$0.0**	**$5.6**

Facility Purchases and Improvements $1.6M

- Material handling equipment facilities state of good repair, $0.3M to replace and upgrade material handling equipment at Materials Management warehousing facilities system wide. Equipment being replaced is generally beyond its useful life (8-10 years) and beyond economical repair.
- Material management facilities state of good repair, $1.3M, to make improvements to Material Management store rooms, warehouses, and rail yards. Improvements include: storage racking system and decking to improve storage capacity; security fencing/cameras/doors; upgrades to sprinkler system; roll up doors; dock levelers; upgrades to rail yard and bases, including cable storage barns, heating and lighting improvements, floor resealing, paving and roof replacements.

Equipment and Tool Purchases $3.9M

- Vending Machine Purchase, $0.6M to continue the deployment of Supply Pro vending machine and software in order to provide mechanics self service access to frequently used parts. This will improve mechanic's productivity by reducing waiting time for materials and providing materials close to the point of use.
- Vehicle Replacement, $3.3M to replace heavy duty work vehicles. The vehicles recommended for replacement were chosen based on age, mileage, overall condition, or increased maintenance costs.

Real Estate Development

Department Overview

The Real Estate Development Department (RED) has national responsibility for leveraging and maximizing the revenue opportunities for all Amtrak owned, leased and licensed real estate used for railroad, corporate and commercial purposes and providing support to the Operating Departments.

RED is comprised of several major components as follows:

Revenue Production

Property development through the long term leasing of Amtrak owned real estate; leasing excess fiber optic capacity in stations and along the right-of-way to telecommunications companies; revenue generation through advertising in stations, along the right-of-way and on-board trains; management of parking facilities through operating agreements; retail leases in stations; special events in stations and filming; pipe and wire occupations; automated teller machines, vending machines and payphones in stations; the sale/lease/easement of excess property and the purchase/lease of property required for Amtrak operations.

Operations Support

Real estate property management including current property maps and title information; enforcement of all terms and conditions of revenue generating leases for Amtrak-owned property; acquisition of, negotiation of, and management of lease documents for properties (station, office, warehouse) occupied by Amtrak to secure cost efficient operations; working with commuter agencies in the joint development and use of stations; working with Federal, state and local agencies in development projects; and providing general real estate services to Amtrak's Engineering, Operations and Law Departments.

The goals of this Department are:

- Meeting the needs of Amtrak internal and external customers for efficient operation of the Railroad;
- Revenue production focused on long term revenue generation;
- Achieve highest returns and best use of Amtrak owned real estate;
- Agreement compliance and enforcement of real estate documents; and
- Maintenance of real estate records.

The Department manages approximately:

- 1,100 real estate leases, licenses, easements and management agreements;
- 190 retail leases;
- 160 telecommunication agreements;
- 2,300 pipe & wire agreements; and
- 500 requests for property maps/plans/descriptions per year.

The FY13 total budget request is $10.0M representing an increase of $0.1M compared to the total FY12 budget of $9.8M.

Base Activity:

The FY13 base budget request is $10.0M and it is mainly driven by labor cost and the 30th Street Station (Philadelphia, PA) and Chicago West Loop (Chicago, IL) parking garage operating expenses. The FY13 base operating request, as compared to FY12 base budget has increased by $0.2M. This increase is primarily due to inflation.

Real Estate - Operating Expenses Summary FY11-FY13

				FY13 Incr/(Decr) vs FY12	
$ millions	**FY11 Actual**	**FY12 Budget**	**FY13 Budget**	**$**	**%**
Salaries	$2.4	$2.5	$2.6	$0.1	3.5%
Wages & Overtime	$0.1	$0.1	$0.1	$0.0	2.9%
Employee Benefits	$1.4	$1.3	$1.3	$0.0	3.5%
Employee Related	$0.1	$0.1	$0.1	$0.0	0.0%
Salaries, Wages and Benefits	$3.9	$3.9	$4.1	$0.1	3.4%
Fuel, Power, & Utilities	$0.5	$0.4	$0.4	$0.0	1.2%
Facility, Communication, & Office	$3.1	$3.2	$3.2	$0.0	0.0%
Professional Fees	$1.4	$2.0	$2.0	$0.0	0.0%
Financial	$0.3	$0.3	$0.3	$0.0	0.0%
Total Operating Expenses	**$9.2**	**$9.8**	**$10.0**	**$0.1**	**1.4%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$9.8
Less FY12 New Activity	$0.0
FY12 Base Activity	**$9.8**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$0.1
FY13 Total Budget	**$10.0**

FY13 Capital Program Budget
Corp Real Estate

Program Title	Project	GCAP	State, Local & Other	Total
Chicago Union Station	Chicago Parking Garage Improvements	$1.0	$0.0	$1.0
Philadelphia-30th St. Station	30th Street Station - Understreet Garage Reconstruction	$8.0	$0.0	$8.0
	Real Estate	**$9.0**	**$0.0**	**$9.0**

Chicago Parking Garage Improvements $1.0M

- The project involves improvements to the following areas: concrete slab, overhead/vertical concrete, post-tensioned beams, barrier cables, steel members, column/beam/wall cracks, construction/expansion/cove joints, waterproofing membrane, stairwell windows/frames, drainage system and metal doors/frames. These improvements are comprehensive and designed to last 15-18 years before additional extensive improvements would be required. Deferral of this project represents a potential safety risk to Amtrak's parking customers and may negatively impact the $6.0 million of annual revenue generated from the facility. In addition, Amtrak, in the future, may be in violation of city and state building codes resulting in fines, litigation and possible closure of the parking facility.

Philadelphia – 30th Street Station Garage Reconstruction $8.0M

- This is a continuing project and involves the permanent replacement of deteriorated structural columns, beams and surface decking of the under- street parking facility below 30th Street Station, Philadelphia, PA. The work also includes remedying the water infiltration problems throughout the facility. Additional scope will include sandblasting, inspecting, replacing and painting the structural steel below the North Parking Deck (NPD) that has not already been improved or replaced.

Transportation

Overview of the Department

The Transportation Department consists of six operating divisions, one customer service division and six support areas including: System Operations (CNOC), Risk and Emergency Preparedness Management, Host Railroads, Safety and Operating Rules Compliance, Service Delivery and Operations Management groups. Transportation is responsible for providing a safe, comfortable and on-time national rail passenger service as well as developing train schedules and dispatching of trains for Amtrak and five Commuter agencies. It has the responsibility for all operations, maintenance and staffing for Amtrak and non-Amtrak owned Stations. Crew Management and Scheduling (CNOC) create cost efficient crew couplets to support train operations.

Transportation's funding request is largely based on the number of train miles in the timetable, train schedules and the equipment consist book. Salaries, labor and benefits comprise 64% of our FY12 Operating expenses; other major cost categories are train fuel, host railroad payments, connecting transportation services, utilities, and station/facilities costs.

Base Activity:

Transportation's FY13 base budget is $1,495.0M with new initiatives of $0.8M for a total budget of $1.495.7M. Labor, benefits and FELA and Host railroad costs are the driving factors in the base increase from FY12 to FY13. A summary of FY12 changes includes the following:

- Inflation of Prior Year base including labor agreement - $41.1M
- Salary Increases - Lower Vacancy and Increase work scope - $3.8M
- Wages & OT (Net of Inflation and Initiatives, primarily restoration of past reductions service level cuts) - $32.1M
- Change in Base Employee Benefits & FELA - $19.0M
- Employee Related and Travel – $0.7M
- Materials – $3.2M
- Facility, Communications & Office (primarily building maintenance & janitorial services) – $3.1M
- Professional Fees, Environmental & Safety - $1.0M
- Maintenance of Way - $1.4M
- Passenger Inconvenience – $4.1M)
- Indirect Cost Capitalized to P&E - $0.4M
- Loss of commuter contract for full year in FY13 (offset by loss of revenue) – ($62.5M)
- Other - $0.4M

New Activity:

Transportation has a number of initiatives in the FY13 Plan that will add $0.8M to FY13 operating expenses and are carried over from FY12. Initiatives include staffing adjustments on board certain routes as well as Route Performance Initiatives (RPIs). A summary of FY13 changes includes the following:

- On Board Services (OBS) increase Lake Shore Limited - $0.7M
- Fuel Conservation program ($4.5M)
- RPI on Capitol Limited - $0.9M
- Additional ticket agents Cary/Raleigh , NC - $0.3
- Fuel Pricing Adjustment - $1.0M
- RPI City of New Orleans - $0.6M
- RPI Crescent - $0.8M
- Closing Jacksonville crew base - $0.2M
- China Service on Capitol Limited - $0.9M

Operating Expense Summary FY11 –FY13: Transportation

$ millions	FY11 Actual	FY12 Budget	FY13 Budget	FY13 Incr/(Decr) vs FY12 $	FY13 Incr/(Decr) vs FY12 %
Salaries	$73.2	$72.1	$72.4	$0.3	0.4%
Wages & Overtime	$558.0	$564.2	$584.9	$20.7	3.7%
Employee Benefits	$280.2	$279.1	$290.7	$11.6	4.2%
Employee Related	$11.3	$9.2	$8.8	($0.4)	-4.5%
Salaries, Wages and Benefits	$922.8	$924.6	$956.8	$32.2	3.5%
Train Operations	$165.8	$179.7	$181.6	$1.8	1.0%
Fuel, Power, & Utilities	$216.2	$240.9	$253.7	$12.7	5.3%
Materials	$26.5	$20.1	$18.8	($1.4)	-6.8%
Facility, Communication, & Office	$56.2	$50.0	$48.3	($1.8)	-3.5%
Advertising and Sales	$0.1	$0.1	$0.1	$0.0	0.0%
Casualty and Other Claims Total	$13.2	$22.3	$23.2	$0.9	4.0%
Professional Fees	$10.6	$3.8	$3.3	($0.5)	-11.9%
Data Processing Services and Supplies	$0.7	$0.5	$0.5	$0.0	0.0%
Environmental and Safety	$1.8	$2.0	$1.8	($0.2)	-10.3%
M of W Services	$3.4	$2.3	$1.4	($0.9)	-39.6%
Passenger Inconvenience	$11.6	$6.4	$10.5	$4.1	63.2%
Financial	$0.3	$0.3	$0.3	($0.0)	-0.2%
Indirect Costs Capitalized To P&E	($4.9)	($4.9)	($4.5)	$0.4	-8.0%
Total Operating Expenses	**$1,424.4**	**$1,448.3**	**$1,495.7**	**$47.4**	**3.3%**

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$1,448.3
Less FY12 New Activity	($0.9)
FY12 Base Activity	**$1,447.4**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$41.1
Salaries	$3.8
Wages & OT	$32.1
Employee Benefits & FELA	$19.0
Employee Related Expenses	$0.7
Materials	$3.2
Facility, Communication & Office	$3.1
Professional Fees, Environmental & Safety	$1.0
Maintenance of Way	$1.4
Passenger Inconvenience	$4.1
Indirect Costs Capitalized To P&E	$0.4
Loss of Caltrain Contract	($62.5)
Other	$0.4
Base Activity Increase/(Decrease) from Prior Year	**$47.6**
Total FY13 Base Activity	**$1,495.0**
New Activity	
OBS increase - Lake Shore Ltd	$0.7
Fuel Conservation Program	($4.5)
Route Performance Initiative China Service - Capitol Ltd	$0.9
Ticket Agents Cary/Raleigh NC	$0.3
Fuel Pricing Adjustment	$1.0
Route Performance Initiative Food Service Trains 58/59 City of NO	$0.6
Route Performance Initiative Staffing Crescent	$0.8
Closing Jacksonville OBS Crewbase	$0.2
China Service on Train 29/30	$0.9
Other	($0.0)
Total FY13 New Activity	**$0.8**
FY13 Total Budget	**$1,495.7**

Capital Projects: Transportation

$ In Millions

PROGRAM TITLE	GCAP	STATE & LOCAL / OTHER	TOTAL
System/Business Application Improvement	$ 4.1	$ -	$ 4.1
Training and Performance Tracking	5.0	$ -	5.0
Station and Facility Improvements	20.6	$ -	20.6
Transportation Rolling Stock Mods	1.6	$ -	1.6
TOTAL	**$ 31.3**	**$ -**	**$ 31.3**

System/Business Application Improvement Program $4.1M

- Rail Incident Management System - $1.2M: This is a continuing project. The project goal is to obtain a commercial, off the shelf (COTS) software package to be used on an enterprise basis across Amtrak. The system will allow Amtrak to create incident procedures, create and execute drills for practice, and internally measure our performance at the conclusion of an incident. It will be designed so that it can handle multiple, simultaneous incidents ranging from simple incidents only requiring documentation to large corporate wide disasters.
- New Office Building in LA - $2.5M: This project is for the design and construction of a new building at the LA Yard. This new building will house T&E crews, OBS, Mechanic Shop, storage and employee facilities area Human Resources, Engineering, Inspector General's Office, Labor Relations and other Administration offices. The new building will reduce rent payments for renting offices at Los Angeles Union Station up to 50%.
- On Time Performance and Delay Reporting System $0.4M: This project will fund software upgrades, including development of user managed definition tables, for the On Time Performance (OTP) and Delay Reporting System. The OTP and Delay Reporting System is the system of record, which includes OTP business rules and serves as both an analysis and reporting tool.

Training and Performance Tracking Program $5.0M

- Wilmington Training Center Expansion - $5.0M: The project will double the current size of the building to accommodate displaced staff from CNOC and allow the Engineering, Mechanical and Transportation departments to increase centralized training where desired as well as utilize space for meetings. Expansion will include an additional 7 classrooms, 2 mock-up rooms, 2 computer based training rooms, 30 offices and 3 conference rooms.

Station and Facility Improvements Program: $20.6M

- Chicago Union Station Improvements: This is a multi-year project. Project will relocate CUS Metropolitan Lounge to historical building, renovate the coach boarding lounge, convert lounge G to public restrooms, install 72 sets of historical building entry doors, install induction lighting, restore historical building façade, install a new HVAC system for the great hall and the 2nd and 3rd floors of the station, replace 12 escalators, replace tactile edging along the platforms, renovate pedestrian way, install historical building sprinkler system, replace both exterior and interior windows throughout the historical building, and modernize elevators (4 passenger, 2 freight), and perform environmental remediation work, which will include lead based paint and asbestos removal on upper floors.
- Support Equipment: This is an annual request. Equipment for the 600+ stations to provide the best possible service to our passengers, comply with all applicable ADA regulations, and minimize operational expenses through use of common equipment. This equipment includes

items such as radios, tractors, people movers, baggage floats, self-service luggage carts, tugs, and wheelchairs.

- Station Signage: In many locations, Amtrak has outdated, worn and faded signage much of which is not ADA compliant. Signage obsolescence causes operational inefficiencies, results in less than optimal customer service, and increases the chance of passenger misunderstandings, particularly at unstaffed stations.
- Purchase of Wheel Chair Lifts: This is a continuing project. Involves the compliance with ADA requirements by covering costs of sheds, site surveys, site preparations, wheelchair lifts.
- Club Acela Modifications: This is a continuing project. Renovate lounges in Washington Union Station, 30th Street Station and NY Penn Station. Includes new furniture and fixtures, equipment replacement, increased seating capacity, alarm system upgrades, elevator upgrades, and self service beverages/snack area re-design to address ADA issues. The Lounges promote premium amenities for Select Plus members, Continental President's Club members, Guest Rewards recipients and customers traveling first class on the Acela Express and Long Haul Sleeper trains.
- NYP Station Improvements: This is a continuing project. This project will improve customer service by addressing the station facilities and amenities as well as safety and ADA issues, including public restroom renovation and replace HVAC units, replace 3 sets of entrance doors, upgrade Station PA system, platform painting, tactile edging replacement, general station painting, install stairway treading, increase ACELA seating areas by 200 seats, and replace counter work areas.
- San Antonio Station/Facility Improvements: This project involves the replacement of the existing platform with a new concrete platform, installation of yellow tactile warning tiles, platform ramps, platform railing and hand rails. Modify existing stations ticket counter, station signs and access to ensure compliance with ADA guidelines.
- Orlando Station Improvements: Design and refurbish the Orlando Station, offices, ticket counter, restrooms, waiting room and exterior.
- Station Emergency Improvements: This project will fund a variety of improvements as a result of unforeseen operational and disaster events. Improvements will include public restroom renovations, HVAC replacements, and window and door replacements, phone system upgrades, fencing installations, roof and canopy replacements, platform renovations, roadway asphalt paving, ticket counter replacements, elevator and escalator renovations, shelter construction, electrical and plumbing upgrades and equipment purchases.

Transportation Rolling Stock Modifications Program $1.6M

- Rail Passenger Emergency Response Evacuation Simulator - $1.6M: This project will fund the purchase of a Rail Passenger Emergency Response Evacuation Simulator (rollover rig) for emergency response training.

Corporate Common

Overview of the Department

The Corporate Common responsibility center is for accounting for transactions that are not directly attributable to a specific department, such as depreciation and accounting transactions that relate to the subsidiaries. The major types of expenses included in Corporate Common are:

- Employee Benefits
- Claims Insurance including FELA
- Depreciation & Amortization
- Subsidiary Accounting transactions

Employee Benefits are expected to cost $688.2M in FY13, although $66.0M of that total is for post-retirement benefits that do not use current year funding. The benefit costs are allocated to the functional departments. Claims Insurance is expected to be $57.8M. Depreciation and amortization is expected to cost $660.0M, although the vast majority is a non-cash expense that does not impact current year operating funding.

Base Activity:

The FY13 base budget is $681.0M and is mainly driven by Amtrak, depreciation, and insurance claims that are not allocated to the departments. The FY13 base operating request, as compared to FY12 base budget, has increased by $16.0M. This increase is primarily due to:

- Inflation of prior year expenses $24.4M
- Increase in benefit costs allocated ($30.9M)
- Employee benefit usage increase $18.7M
- Electricity reduction (High Efficiency Lighting) ($2.0M)
- Increase Claims expense $9.3M
- Reduction in credits for Environmental reserve $1.6M
- Increase in Overhead allocation ($6.0M)
- Other $0.9M

New Activity:

- Reduction in Claims Insurance and Legal Claims are expected due to implementation of Safe to Safer ($2.3M).
- Completion of installing high efficiency lighting is estimated to save ($1.1M).

Corporate Common: Operating Expenses Summary FY11-FY13

				FY13 Incr/(Decr) vs FY12	
$ millions	FY11 Actual	FY12 Budget	FY13 Budget	$	%
Corporate Benefits - Cash	$616.5	$593.5	$634.4	$40.9	6.9%
Post Retirement Benefits - Non Cash	$62.1	$63.8	$66.0	$2.2	3.5%
Benefits Allocated to Departments	($681.6)	($657.3)	($688.2)	($30.9)	4.7%
Net Benefit Cost to Corp Common	($3.0)	($0.0)	$12.2	$12.2	100.0%
Total Cost of Claims Insurance	$49.7	$47.8	$57.8	$10.0	20.9%
Depreciation & Amortization	$591.4	$660.0	$660.0	$0.0	0.0%
Total Other - Change primarily due to Increase in allocation of expense to capital projects	($15.5)	($6.3)	($12.0)	($5.7)	91.3%
Total Operating Expenses	$599.6	$661.9	$677.6	$15.8	2.4%

Corporate Common

FY13 Operating Expense Budget

Summary of Changes from FY12 to FY13

	$ Millions
FY12 Total Budget	$661.9
Add FY12 New Activity	$3.1
FY12 Base Activity	**$665.0**

Changes to Base Activity	
Inflation of Prior Year expenses including labor	$24.4
Allocation of Employee Benefits	($30.9)
Employee Benefits increase	$18.7
Electricity reduction (High Efficiency Lighting)	($2.0)
Increase in Casualty and Other claims	$9.3
Reduction in Environmental and Safety	$1.6
Increase Overhead allocation	($6.0)
Other	$0.9
Base Activity Increase/(Decrease) from Prior Year	**$16.0**
Total FY13 Base Activity	**$681.0**
New Activity	
Claims Insurance - FELA (Safe to Safer)	($2.3)
Utilities - Electricity (High Efficiency Lighting)	($1.1)
Other	($0.1)
Total FY13 New Activity	**($3.4)**
FY13 Total Budget	**$677.6**

National Railroad Passenger Corporation

AMTRAK

Fiscal Year 2013 Comprehensive Business Plan

Operating, Capital Programs, and Debt Service Expense Budget

Appendix Reports

Summary Income Statement by Major Account
Summary Income Statement by Department and Major Account
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Summary Metrics FY2011-FY2013
Route Level Metrics

Summary Income Statement by Major Accounts [1]

FY13 Operating Budget

$ millions	FY10 Actual	FY11 Actual	FY12 Budget	FY13 Preliminary Budget	FY13 Fav/(Unfav) to FY12 $	FY13 Fav/(Unfav) to FY12 %
REVENUES:						
Passenger Related:						
Ticket Revenue	1,702.1	1,851.5	1,967.9	2,049.3	81.4	4.1%
Food and Beverage	97.5	109.4	109.3	113.2	3.9	3.6%
State Supported Train Revenue	174.3	191.1	192.9	198.7	5.8	3.0%
Subotal Passenger Related Revenue	**1,973.9**	**2,152.0**	**2,270.1**	**2,361.2**	**91.1**	**4.0%**
Commuter	152.5	173.4	140.0	112.3	(27.7)	-19.8%
Reimbursable	100.7	84.1	103.0	100.2	(2.8)	-2.7%
Commercial Development	74.8	76.2	71.8	72.1	0.3	0.4%
Other Transportation	135.6	139.5	143.3	146.1	2.8	2.0%
Freight Access Fees and Other	47.0	50.6	59.0	57.3	(1.7)	-2.9%
Subtotal Other Revenue	**510.5**	**523.8**	**517.0**	**487.9**	**(29.1)**	**-5.6%**
Total Operating Revenue	**2,484.4**	**2,675.9**	**2,787.1**	**2,849.1**	**62.0**	**2.2%**
Salaries, Wages and Benefits:						
Salaries	239.1	258.3	263.5	272.7	(9.3)	-3.5%
Wages & Overtime	941.8	1,008.5	998.1	1,029.4	(31.3)	-3.1%
Employee Benefits	534.9	609.9	600.1	634.6	(34.5)	-5.8%
Employee Related	26.1	33.3	27.6	27.3	0.3	1.2%
Salaries, Wages and Benefits	**1,741.9**	**1,909.9**	**1,889.3**	**1,964.0**	**(74.8)**	**-4.0%**
Train Operations	262.4	253.6	271.8	273.7	(1.9)	-0.7%
Fuel, Power, & Utilities	299.7	337.9	369.5	381.9	(12.4)	-3.4%
Materials	184.2	191.7	200.6	203.5	(2.9)	-1.4%
Facility, Communication, & Office	178.0	172.5	176.6	179.2	(2.7)	-1.5%
Advertising and Sales	113.7	112.9	80.4	85.8	(5.4)	-6.7%
Depreciation	602.5	602.6	671.4	671.4	(0.0)	0.0%
Other Non-labor Fees and Services	177.1	210.6	208.0	276.9	(68.9)	-33.1%
Total Expenses	**3,559.6**	**3,791.7**	**3,867.6**	**4,036.5**	**(168.9)**	**-4.4%**
Operating Loss	**(1,075.2)**	**(1,115.9)**	**(1,080.5)**	**(1,187.4)**	**(106.9)**	**-9.9%**
Adj for Non-Cash Depreciation/OPEBs/Impairment	655.2	664.4	735.2	737.4	2.2	0.3%
Net Operating Loss	**(419.9)**	**(451.5)**	**(345.3)**	**(450.0)**	**(104.7)**	**-30.3%**
Federal Appropriation/PRIIA Authorized	**563.0**	**561.9**	**466.0**	**631.0**	**165.0**	**35.4%**
Over/(Under) Federal Support	**(143.1)**	**(110.4)**	**(120.7)**	**(181.0)**		

[1] This income statement represents the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	Revenue	Transportation	Mechanical	Engineering
REVENUES:				
Passenger Related:				
Ticket Revenue	2,049.3			
Food and Beverage	0.0			
State Supported Train Revenue	198.7			
Total Passenger Related Revenue	2,248.0	0.0	0.0	0.0
Commuter		112.3		
Reimbursable		0.5	9.1	90.6
Commercial Development				
Other Transportation	136.1			
Freight Access Fees and Other	27.0			
Total Other Revenue	163.1	112.7	9.1	90.6
Total Operating Revenue	**2,411.1**	**112.7**	**9.1**	**90.6**
EXPENSES:				
Salaries, Wages and Benefits:				
Salaries		72.4	36.2	29.2
Wages & Overtime		584.9	198.6	142.9
Employee Benefits		290.7	130.9	82.1
Employee Related		8.8	2.1	6.0
Salaries, Wages and Benefits		956.8	367.8	260.2
Train Operations		181.6	0.1	0.0
Fuel, Power, & Utilities		253.7	22.8	9.1
Materials		18.8	161.4	22.3
Facility, Communication, & Office		48.3	18.4	24.2
Advertising and Sales		0.1	0.0	0.0
Casualty and Other Claims Total		23.2	8.4	4.1
Depreciation		0.0	0.0	0.0
Amort of Gain On Sale/Leaseback		0.0	0.0	0.0
Professional Fees		3.3	6.4	11.1
Data Processing Services and Supplies		0.5	0.7	1.6
Environmental and Safety		1.8	5.5	4.5
Maintenance of Way Services		1.4	0.8	31.9
Passenger Inconvenience		10.5	0.0	0.0
Financial		0.3	0.1	2.4
Other Expenses		0.0	0.0	(0.8)
Indirect Costs Capitalized To P&E		(4.5)	(29.2)	(88.5)
Total Expenses		1,495.7	563.0	282.3
Operating Income (Loss)	**2,411.1**	**(1,383.0)**	**(553.9)**	**(191.7)**
Other (Income) and Expense:				
Interest Income				
Interest Expense				
Other Expense - Net				
Project Expenses				
Net Income or (Loss)	**2,411.1**	**(1,383.0)**	**(553.9)**	**(191.7)**
Adj for Depreciation, OPEBs, PRJ & Interest				
Adjusted Income or (Loss)	**2,411.1**	**(1,383.0)**	**(553.9)**	**(191.7)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	EHS	Operations Staff	Total Operations Departments
REVENUES:			
Passenger Related:			
Ticket Revenue			
Food and Beverage			
State Supported Train Revenue			
Total Passenger Related Revenue	0.0	0.0	0.0
Commuter			112.3
Reimbursable			100.1
Commercial Development			
Other Transportation			
Freight Access Fees and Other			
Total Other Revenue	0.0	0.0	212.4
Total Operating Revenue	**0.0**	**0.0**	**212.4**
EXPENSES:			
Salaries, Wages and Benefits:			
Salaries	5.5	1.1	144.4
Wages & Overtime	0.5	0.0	926.9
Employee Benefits	3.0	0.5	507.2
Employee Related	2.0	0.0	18.8
Salaries, Wages and Benefits	11.0	1.7	1,597.5
Train Operations	0.0	0.0	181.7
Fuel, Power, & Utilities	0.0	0.0	285.5
Materials	0.0	0.0	202.4
Facility, Communication, & Office	0.6	0.1	91.6
Advertising and Sales	0.0	0.0	0.1
Casualty and Other Claims Total	0.0	0.0	35.7
Depreciation	0.0	0.0	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0
Professional Fees	0.2	0.1	21.1
Data Processing Services and Supplies	0.0	0.0	2.9
Environmental and Safety	2.0	0.0	13.8
Maintenance of Way Services	0.0	0.0	34.1
Passenger Inconvenience	0.0	0.0	10.5
Financial	0.0	0.0	2.8
Other Expenses	0.0	0.0	(0.8)
Indirect Costs Capitalized To P&E	0.0	0.0	(122.2)
Total Expenses	13.8	1.9	2,356.7
Operating Income (Loss)	**(13.8)**	**(1.9)**	**(2,144.3)**
Other (Income) and Expense:			
Interest Income			
Interest Expense			
Other Expense - Net			
Project Expenses			
Net Income or (Loss)	**(13.8)**	**(1.9)**	**(2,144.3)**
Adj for Depreciation, OPEBs, PRJ & Interest			
Adjusted Income or (Loss)	**(13.8)**	**(1.9)**	**(2,144.3)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	Finance	Real Estate	Procurement and Matl Mgmt	Corporate Common	Chief Financial Officer	Police & Security Division
REVENUES:						
Passenger Related:						
Ticket Revenue						
Food and Beverage						
State Supported Train Revenue						
Total Passenger Related Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Commuter						
Reimbursable						0.1
Commercial Development		66.4			66.4	
Other Transportation						
Freight Access Fees and Other						
Total Other Revenue	0.0	66.4	0.0	0.0	66.4	0.1
Total Operating Revenue	**0.0**	**66.4**	**0.0**	**0.0**	**66.4**	**0.1**
EXPENSES:						
Salaries, Wages and Benefits:						
Salaries	17.2	2.6	12.3	0.0	32.1	7.1
Wages & Overtime	4.1	0.1	19.4	(10.8)	12.9	38.0
Employee Benefits	10.8	1.3	16.5	12.2	40.8	22.6
Employee Related	0.3	0.1	0.8	0.0	1.2	2.7
Salaries, Wages and Benefits	32.4	4.1	49.0	1.5	86.9	70.3
Train Operations	0.0	0.0	0.0	0.0	0.0	0.1
Fuel, Power, & Utilities	94.7	0.4	0.3	(3.0)	92.4	0.0
Materials	0.0	0.0	0.2	(0.2)	0.0	0.0
Facility, Communication, & Office	2.4	3.2	4.9	9.3	19.8	5.6
Advertising and Sales	45.5	0.0	0.1	0.0	45.6	0.0
Casualty and Other Claims Total	0.2	0.0	0.7	17.4	18.3	1.5
Depreciation	0.0	0.0	0.0	664.1	664.1	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	(4.1)	(4.1)	0.0
Professional Fees	4.4	2.0	1.6	0.9	9.0	1.2
Data Processing Services and Supplies	0.7	0.0	0.8	0.0	1.5	0.0
Environmental and Safety	0.0	0.0	0.1	(0.4)	(0.3)	0.1
Maintenance of Way Services	0.0	0.0	0.5	0.0	0.5	1.5
Passenger Inconvenience	0.0	0.0	0.0	0.0	0.0	0.0
Financial	50.9	0.3	0.0	0.0	51.2	0.0
Other Expenses	50.0	0.0	0.0	(1.8)	48.2	0.0
Indirect Costs Capitalized To P&E	0.0	0.0	(18.0)	(6.0)	(24.0)	0.0
Total Expenses	281.2	10.0	40.2	677.6	1,009.1	80.5
Operating Income (Loss)	**(281.2)**	**56.4**	**(40.2)**	**(677.6)**	**(942.7)**	**(80.4)**
Other (Income) and Expense:						
Interest Income	(9.7)				(9.7)	
Interest Expense	97.0				97.0	
Other Expense - Net	87.4				87.4	
Project Expenses						
Net Income or (Loss)	**(368.6)**	**56.4**	**(40.2)**	**(677.6)**	**(1,030.1)**	**(80.4)**
Adj for Depreciation, OPEBs, PRJ & Interest	87.4			730.1	817.5	
Adjusted Income or (Loss)	**(281.2)**	**56.4**	**(40.2)**	**52.5**	**(212.6)**	**(80.4)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	CEO	Marketing	IT	HR
REVENUES:				
Passenger Related:				
Ticket Revenue				
Food and Beverage		113.2		
State Supported Train Revenue				
Total Passenger Related Revenue	0.0	113.2	0.0	0.0
Commuter				
Reimbursable				
Commercial Development				
Other Transportation				
Freight Access Fees and Other		25.3		
Total Other Revenue	0.0	25.3	0.0	0.0
Total Operating Revenue	**0.0**	**138.5**	**0.0**	**0.0**
EXPENSES:				
Salaries, Wages and Benefits:				
Salaries	0.9	23.4	27.9	14.1
Wages & Overtime	0.0	40.4	0.2	0.1
Employee Benefits	0.4	31.2	14.0	7.1
Employee Related	0.0	0.8	0.8	2.1
Salaries, Wages and Benefits	1.3	95.8	43.0	23.4
Train Operations	0.0	91.9	0.0	0.0
Fuel, Power, & Utilities	0.0	0.6	0.0	0.1
Materials	0.0	0.0	0.0	0.0
Facility, Communication, & Office	0.1	11.3	43.6	2.2
Advertising and Sales	0.0	39.9	0.0	0.1
Casualty and Other Claims Total	0.0	1.1	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	0.0
Professional Fees	0.0	12.1	0.2	0.9
Data Processing Services and Supplies	0.0	2.2	118.4	0.1
Environmental and Safety	0.0	0.0	0.0	0.0
Maintenance of Way Services	0.0	0.5	0.0	0.1
Passenger Inconvenience	0.0	4.3	0.0	0.0
Financial	0.0	0.0	0.0	0.0
Other Expenses	0.0	0.0	0.0	0.0
Indirect Costs Capitalized To P&E	0.0	0.0	0.0	0.0
Total Expenses	1.4	259.7	205.1	26.9
Operating Income (Loss)	**(1.4)**	**(121.3)**	**(205.1)**	**(26.9)**
Other (Income) and Expense:				
Interest Income				
Interest Expense				
Other Expense - Net				
Project Expenses				
Net Income or (Loss)	**(1.4)**	**(121.3)**	**(205.1)**	**(26.9)**
Adj for Depreciation, OPEBs, PRJ & Interest				
Adjusted Income or (Loss)	**(1.4)**	**(121.3)**	**(205.1)**	**(26.9)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	Policy & Development	General Counsel	High Speed Rail	Government Affairs	Total Corporate
REVENUES:					
Passenger Related:					
Ticket Revenue					
Food and Beverage					113.2
State Supported Train Revenue					
Total Passenger Related Revenue	0.0	0.0	0.0	0.0	113.2
Commuter					
Reimbursable					0.1
Commercial Development					66.4
Other Transportation					
Freight Access Fees and Other					25.3
Total Other Revenue	0.0	0.0	0.0	0.0	91.7
Total Operating Revenue	**0.0**	**0.0**	**0.0**	**0.0**	**204.9**
EXPENSES:					
Salaries, Wages and Benefits:					
Salaries	3.5	12.8	1.4	5.2	128.3
Wages & Overtime	0.0	0.0	0.0	0.0	91.7
Employee Benefits	1.7	6.3	0.7	2.6	127.4
Employee Related	0.1	0.4	0.2	0.2	8.4
Salaries, Wages and Benefits	5.2	19.6	2.2	8.0	355.8
Train Operations	0.0	0.0	0.0	0.0	92.0
Fuel, Power, & Utilities	0.0	0.0	0.0	0.1	93.1
Materials	0.0	0.0	0.0	0.0	0.1
Facility, Communication, & Office	0.3	1.8	0.2	0.3	85.3
Advertising and Sales	0.0	0.0	0.0	0.1	85.7
Casualty and Other Claims Total	0.0	6.5	0.0	0.0	27.5
Depreciation	0.0	0.0	0.0	0.0	664.1
Amort of Gain On Sale/Leaseback	0.0	0.0	0.0	0.0	(4.1)
Professional Fees	(0.9)	23.5	1.6	(0.0)	47.5
Data Processing Services and Supplies	(0.0)	0.0	0.1	0.1	122.4
Environmental and Safety	0.0	(0.0)	0.0	0.0	(0.2)
Maintenance of Way Services	0.0	0.0	0.0	0.0	2.6
Passenger Inconvenience	0.0	0.0	0.0	0.0	4.3
Financial	0.0	0.0	0.0	0.0	51.2
Other Expenses	0.0	0.0	0.0	0.0	48.2
Indirect Costs Capitalized To P&E	0.0	0.0	0.0	0.0	(24.0)
Total Expenses	4.6	51.5	4.1	8.5	1,651.5
Operating Income (Loss)	**(4.6)**	**(51.5)**	**(4.1)**	**(8.5)**	**(1,446.6)**
Other (Income) and Expense:					
Interest Income					(9.7)
Interest Expense					97.0
Other Expense - Net					87.4
Project Expenses		0.3			0.3
Net Income or (Loss)	**(4.6)**	**(51.7)**	**(4.1)**	**(8.5)**	**(1,534.2)**
Adj for Depreciation, OPEBs, PRJ & Interest		0.3			817.7
Adjusted Income or (Loss)	**(4.6)**	**(51.5)**	**(4.1)**	**(8.5)**	**(716.5)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)
Summary Income Statement by Department and Major Account(1)
FY13 Operating Budget

$ millions	Corporate Entries	Subsidiaries & Elimination	Total Amtrak
REVENUES:			
Passenger Related:			
Ticket Revenue			2,049.3
Food and Beverage			113.2
State Supported Train Revenue			198.7
Total Passenger Related Revenue	0.0	0.0	2,361.2
Commuter			112.3
Reimbursable			100.2
Commercial Development		5.8	72.1
Other Transportation		10.0	146.1
Freight Access Fees and Other		5.0	57.3
Total Other Revenue	0.0	20.7	487.9
Total Operating Revenue	**0.0**	**20.7**	**2,849.1**
EXPENSES:			
Salaries, Wages and Benefits:			
Salaries	0.0	0.0	272.7
Wages & Overtime	0.0	10.8	1,029.4
Employee Benefits	0.0	0.0	634.6
Employee Related	0.0	0.0	27.3
Salaries, Wages and Benefits	0.0	10.8	1,964.0
Train Operations	0.0	0.0	273.7
Fuel, Power, & Utilities	0.0	3.2	381.9
Materials	0.0	1.0	203.5
Facility, Communication, & Office	0.0	2.3	179.2
Advertising and Sales	0.0	0.0	85.8
Casualty and Other Claims Total	0.0	0.4	63.6
Depreciation	0.0	7.3	671.4
Amort of Gain On Sale/Leaseback	0.0	0.0	(4.1)
Professional Fees	0.0	0.9	69.6
Data Processing Services and Supplies	0.0	0.0	125.2
Environmental and Safety	0.0	0.0	13.6
Maintenance of Way Services	0.0	0.0	36.7
Passenger Inconvenience	0.0	0.0	14.8
Financial	0.0	0.5	54.6
Other Expenses	0.0	1.8	49.2
Indirect Costs Capitalized To P&E	0.0	0.0	(146.3)
Total Expenses	0.0	28.3	4,036.5
Operating Income (Loss)	**0.0**	**(7.5)**	**(1,187.4)**
Other (Income) and Expense:			
Interest Income		(0.1)	(9.7)
Interest Expense			97.0
Other Expense - Net		(0.1)	87.3
Project Expenses			0.3
Net Income or (Loss)		**(7.5)**	**(1,274.9)**
Adj for Depreciation, OPEBs, PRJ & Interest		7.2	824.9
Adjusted Income or (Loss)		**(0.2)**	**(450.0)**

(1) Not a GAAP financial statement. Costs for Amtrak's OIG and state contributions to capital projects are excluded.

National Railroad Passenger Corporation (Amtrak)

Revenue and Expenses by Department [1]

FY13 Operating Budget

	Revenue			Expenses			Profit/(Loss)		
	Base Activity	New Activity	Total Activity	Base Activity	New Activity	Total Activity	Base Activity	New Activity	Total Activity
Passenger Revenue - No Specific Dept	2,389.7	21.4	2,411.1				2,389.7	21.4	2,411.1
Transportation	112.7		112.7	1,495.0	0.8	1,495.7	(1,382.2)	(0.8)	(1,383.0)
Mechanical	9.1		9.1	566.3	(3.3)	563.0	(557.3)	3.3	(553.9)
Engineering	90.6		90.6	282.2	0.1	282.3	(191.6)	(0.1)	(191.7)
Environmental, Health, and Safety				13.5	0.3	13.8	(13.5)	(0.3)	(13.8)
Reliability Centered Maintenance									
Operations Staff				1.9		1.9	(1.9)		(1.9)
Total Operations Departments	**212.4**		**212.4**	**2,358.9**	**(2.2)**	**2,356.7**	**(2,146.5)**	**2.2**	**(2,144.3)**
Finance				273.1	8.1	281.2	(273.1)	(8.1)	(281.2)
Real Estate	66.4		66.4	10.0		10.0	56.4		56.4
Procurement and Materials Management				40.7	(0.4)	40.2	(40.7)	0.4	(40.2)
Corporate Common				(49.1)	(3.4)	(52.5)	49.1	3.4	52.5
Chief Financial Officer	66.4		66.4	274.7	4.3	279.0	(208.3)	(4.3)	(212.6)
Police & Security Division	0.1		0.1	66.6	13.9	80.5	(66.5)	(13.9)	(80.4)
CEO				1.4		1.4	(1.4)		(1.4)
Marketing	127.9	10.5	138.5	265.4	(5.6)	259.7	(137.5)	16.2	(121.3)
IT				191.4	13.8	205.1	(191.4)	(13.8)	(205.1)
HR				27.0	(0.1)	26.9	(27.0)	0.1	(26.9)
Policy & Development				2.9	1.7	4.6	(2.9)	(1.7)	(4.6)
General Counsel				51.5		51.5	(51.5)		(51.5)
High Speed Rail Department				(0.4)	4.5	4.1	0.4	(4.5)	(4.1)
Government Affairs				8.5		8.5	(8.5)		(8.5)
Total Corporate	**194.3**	**10.5**	**204.9**	**889.0**	**32.4**	**921.4**	**(694.6)**	**(21.9)**	**(716.5)**
Corporate Entries									
Subsidiaries & Elimination	20.7		20.7	21.0		21.0	(0.2)		(0.2)
Total Amtrak Excluding OIG	427.5	10.5	438.0	3,268.8	30.3	3,299.1	(2,841.4)	(19.7)	(2,861.1)
Operating Subsidy Requirement	**2,817.1**	**31.9**	**2,849.1**	**3,268.8**	**30.3**	**3,299.1**	**(451.7)**	**1.7**	**(450.0)**
Depreciation				671.4		671.4	(671.4)		(671.4)
OPEB's				66.0		66.0	(66.0)		(66.0)
Non-Cash Expenses				737.4		737.4	(737.4)		(737.4)
Project Expenses				0.3		0.3	(0.3)		(0.3)
Interest Expense, net of Interest Income				87.3		87.3	(87.3)		(87.3)
Net Loss Including Non-Cash and Project	**2,817.1**	**31.9**	**2,849.1**	**4,093.8**	**30.3**	**4,124.0**	**(1,276.6)**	**1.7**	**(1,274.9)**

[1] This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently) and state contributions associated with capital projects.

National Railroad Passenger Corporation (Amtrak)
Commuter Income Statement by Major Accounts [1]
FY13 Operating Budget

$ millions	FY13 Budget
REVENUES:	
Commuter	112.3
Total Operating Revenue	**112.3**
EXPENSES:	
Salaries, Wages and Benefits:	
Salaries	4.6
Wages & Overtime	35.5
Employee Benefits	16.0
Employee Related	0.2
Salaries, Wages and Benefits	56.3
Train Operations	0.7
Fuel, Power, & Utilities	13.2
Materials	5.0
Facility, Communication, & Office	0.8
Casualty and Other Claims Total	1.3
Professional Fees	0.0
Environmental and Safety	0.2
Maintenance of Way Services	0.1
Passenger Inconvenience	0.0
Financial	0.1
Other Expenses	0.0
Indirect Costs Capitalized To P&E	0.8
Total Expenses	78.7
Operating Income (Loss)	**33.5**

[1] This income statement represents the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)

Commercial Development Income Statement by Major Accounts [1]

FY13 Operating Budget

$ millions	FY13 Budget
REVENUES:	
Passenger Related:	
Commercial Development	72.1
Total Operating Revenue	**72.1**
EXPENSES:	
Salaries, Wages and Benefits:	
Salaries	2.6
Wages & Overtime	0.5
Employee Benefits	1.5
Employee Related	0.1
Salaries, Wages and Benefits	4.6
Fuel, Power, & Utilities	0.5
Facility, Communication, & Office	3.2
Professional Fees	2.0
Financial	0.4
Indirect Costs Capitalized To P&E	0.1
Total Expenses	10.7
Operating Income (Loss)	**61.4**

[1] This income statement represents the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)

Summary Income Statement by Major Account and Activity [1]

FY13 Operating Budget

$ millions	Base Activity	New Activity	FY13 Budget
REVENUES:			
Passenger Related:			
Ticket Revenue	2,027.9	21.4	2,049.3
Food and Beverage	113.2	0.0	113.2
State Supported Train Revenue	198.7	0.0	198.7
Total Passenger Related Revenue	2,339.8	21.4	2,361.2
Commuter	112.3	0.0	112.3
Reimbursable	100.2	0.0	100.2
Commercial Development	72.1	0.0	72.1
Other Transportation	146.1	0.0	146.1
Freight Access Fees and Other	46.7	10.5	57.3
Total Other Revenue	477.4	10.5	487.9
Total Operating Revenue	**2,817.1**	**31.9**	**2,849.1**
EXPENSES:			
Salaries, Wages and Benefits:			
Salaries	271.0	1.8	272.7
Wages & Overtime	1,027.9	1.5	1,029.4
Employee Benefits	632.2	2.4	634.6
Employee Related	26.4	0.9	27.3
Salaries, Wages and Benefits	1,957.4	6.6	1,964.0
Train Operations	272.5	1.2	273.7
Fuel, Power, & Utilities	387.5	(5.6)	381.9
Materials	204.3	(0.8)	203.5
Facility, Communication, & Office	171.9	7.3	179.2
Advertising and Sales	85.8	0.0	85.8
Casualty and Other Claims Total	65.8	(2.2)	63.6
Depreciation	671.4	0.0	671.4
Amort of Gain On Sale/Leaseback	(4.1)	0.0	(4.1)
Professional Fees	61.8	7.8	69.6
Data Processing Services and Supplies	120.5	4.7	125.2
Environmental and Safety	13.6	0.0	13.6
Maintenance of Way Services	36.7	0.0	36.7
Passenger Inconvenience	14.8	0.0	14.8
Financial	43.4	11.2	54.6
Other Expenses	49.2	0.0	49.2
Indirect Costs Capitalized To P&E	(146.3)	0.0	(146.3)
Total Expenses	4,006.2	30.3	4,036.5
Operating Income (Loss)	**(1,189.1)**	**1.7**	**(1,187.4)**
Other (Income) and Expense:			
Interest Income	(9.7)	0.0	(9.7)
Interest Expense	97.0	0.0	97.0
Other Expense - Net	87.3	0.0	87.3
Project Expenses	0.3	0.0	0.3
Net Income or (Loss)	**(1,276.6)**	**1.7**	**(1,274.9)**
Adj for Depreciation, OPEBs, PRJ & Interest	824.9	0.0	824.9
Adjusted Income or (Loss)	**(451.7)**	**1.7**	**(450.0)**

[1] This income statement represents the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this income statement excludes costs for Amtrak's Office of the Inspector General (funded independently) and state contributions associated with capital projects (funded by capital appropriation).

Reconcilation of FY13 Operating Budget to FY12 Operating Budget [1]

$ Millions

		Revenue	Expenses	Net Income/(Loss)
FY12 Total Budget		**$2,787.1**	**$3,132.4**	**($345.3)**
FY12 Base Budget		**$2,762.2**	**$3,132.4**	**($370.2)**
Changes to Base Activity				
	Impact of changes in demographics and the economy	$29.1		$29.1
	Inflation including ticket price increases, labor agreements, fuel prices, and other	$60.4	$152.1	($91.7)
	NEC schedule restoration leading to faster trip times	$15.0		$15.0
	Remove additional day of ticket revenue in FY12 due to leap year	($5.0)		($5.0)
	FY12 Incremental revenue from Amtrak.com related partners not budgeted in FY13	($6.5)		($6.5)
	Decrease in Commuter revenue and expenses primarily due to loss of contract	($32.7)	($26.4)	($6.3)
	All Other	($5.4)	$10.7	($16.1)
	Base Activity Increase/(Decrease) from Prior Year	**$55.0**	**$136.4**	**($81.5)**
Total FY13 Base Activity Budget		**$2,817.1**	**$3,268.8**	**($451.7)**
New Activity				
New Revenue Initiatives	Launch of Wi-Fi Systemwide	$13.7		$13.7
	Contact Center Booking Fee	$10.5	($5.6)	$16.2
	Marketing, Advertising & Social Media activities	$6.0		$6.0
	Launch of enhanced next generation eTicketing channel	$1.7		$1.7
	Total FY12 New Revenue Initiatives	***$31.9***	***($5.6)***	***$37.6***
Mobility & Connectivity	HSR Business Plan Funding Study		$2.5	($2.5)
	HSR Next Generation Implementation Studies		$1.0	($1.0)
	Other HSR planning, marketing, and development support efforts		$1.0	($1.0)
	Additional resources for NEC Infrastructure planning, analysis, and support		$1.3	($1.3)
	Additional resources for Commuter contracting		$0.4	($0.4)
	Subtotal Mobility & Connectivity Initiatives		***$6.2***	***($6.2)***
Customer Service	Additional Ticket Agents Cary/Raleigh NC		$0.3	($0.3)
	Service/staffing increases on targeted long distance routes (route performance improvement program)		$3.8	($3.8)
	Subtotal Customer Service Initiatives		***$4.1***	***($4.1)***
Safety	Claims reductions from Safe-2-Safer program education		($2.3)	$2.3
	Other		$0.2	($0.2)
	Subtotal Safety Initiatives		***($2.1)***	***$2.1***
	Amtrak's headquarter front desk – Contracted security officers		$0.3	($0.3)
	Ivy City building – Contracted security officers		$0.3	($0.3)
	Operational fees for monitoring cameras at Penn Station NY		$0.3	($0.3)
	Safety Engineering		$0.5	($0.5)
	CCTV Maintenance		$0.5	($0.5)
	Issuance of Smart ID Cards for contractors access to Amtrak's property		$0.5	($0.5)
	Virtual Fence Monitoring Cost		$0.9	($0.9)
	Police Department Expansion - add 50 officers		$7.3	($7.3)
	Other		$3.4	($3.4)
	Subtotal Security Initiatives		***$13.9***	***($13.9)***
Environmental	Fuel Conservation Program		($3.5)	$3.5
	Utility conservation - installation of high efficiency lighting		($1.1)	$1.1
	Climate Registry Verification		$0.1	($0.1)
	Subtotal Environmental Initiatives		***($4.5)***	***$4.5***
Organizational Excellence	SAM Savings		($11.0)	$11.0
	Wellness Programs		$0.1	($0.1)
	Close Jacksonville Crewbase		$0.2	($0.2)
	Amtrak Leadership Program		$0.2	($0.2)
	Police Fitness Program		$0.5	($0.5)
	Fleet Other		$11.6	($11.6)
	Subtotal Organizational Excellence Initiatives		***$1.6***	***($1.6)***
Organizational Excellence IT	Replace Outsourced Service with Employees		($1.2)	$1.2
	IT cost to support new Software and Applications		$10.7	($10.7)
	IT cost of SAP Center of Excellence		$7.3	($7.3)
	Subtotal Organizational Excellence Initiatives-IT		***$16.8***	***($16.8)***
	Total FY13 New Activity	**$31.9**	**$30.3**	**$1.7**
FY13 Final Budget		**$2,849.1**	**$3,299.1**	**($450.0)**

[1] This reconciliation represents the revenues and expenses that form the total federal support required for Amtrak operations. This is not a GAAP financial statement. As compared to a GAAP financial statement, this statement excludes costs for Amtrak's Office of the Inspector General (funded independently), non-capitalizable costs and state contributions associated with capital projects (funded by capital appropriation), and net interest expense (funded by debt service appropriation).

National Railroad Passenger Corporation (Amtrak)
Monthly Average and End of Year Headcount by Department
FY13 Operating Budget

	FY12 End of Year Headcount Budget						FY13 End of Year Headcount Budget					
	Exempt					Total	Exempt					Total
	Mgmt	ARASA	Total	Non-Exempt	Interns	Headcount	Mgmt	ARASA	Total	Non-Exempt	Interns	Headcount
Transportation	615	188	803	7,614	-	8,417	615	188	803	7,614	-	8,417
Mechanical	389	-	389	4,059	10	4,458	389	-	389	4,059	10	4,458
Engineering	402	-	402	3,160	9	3,571	402	-	402	3,160	9	3,571
Operations Staff	8	-	8	-	-	8	8	-	8	-	-	8
Operating Departments	1,415	188	1,603	14,833	19	16,455	1,415	188	1,603	14,833	19	16,455
Finance	158	-	158	94	2	254	158	-	158	94	2	254
Real Estate	24	-	24	2	-	26	24	-	24	2	-	26
Procurement and Matl Mgmt	145	-	145	332	-	477	145	-	145	332	-	477
Corporate Common	-	-	-	-	-	-	-	-	-	-	-	-
Chief Financial Officer	327	-	327	428	2	757	327	-	327	428	2	757
Police & Security Division	62	-	62	472	-	534	62	-	62	522	-	584
EHS	60	1	61	5	-	66	60	1	61	5	-	66
CEO	3	-	3	-	-	3	3	-	3	-	-	3
Marketing	238	4	242	931	-	1,173	238	4	242	931	-	1,173
IT	229	-	229	4	2	235	229	-	229	4	2	235
HR	155	-	155	1	-	156	155	-	155	1	-	156
Policy & Development	18	-	18	-	-	18	18	-	18	-	-	18
General Counsel	125	-	125	-	-	125	125	-	125	-	-	125
High Speed Rail Dept	(5)	-	(5)	-	-	(5)	(5)	-	(5)	-	-	(5)
Government Affairs	33	-	33	1	1	35	33	-	33	1	1	35
Total Corporate	1,246	5	1,251	1,842	5	3,098	1,246	5	1,251	1,892	5	3,148
Total Amtrak	2,660	193	2,853	16,675	24	19,552	2,660	193	2,853	16,725	24	19,602
Inspector General	80	-	80	-	-	80	80	-	80	-	-	80
Total Amtrak	2,740	193	2,933	16,675	24	19,632	2,740	193	2,933	16,725	24	19,682

FY13 Capital Program stated in FY12 Ranking Order

Project Title	Department	Federal General Capital (GCAP)	State Local and Other	Total	Cumulative GCAP
Engineering Programs	Engineering	814.52	114.13	928.65	814.52
Acela Overhaul	Mechanical	53.00	-	53.00	867.52
AEM-7 AC Locomotive Overhauls	Mechanical	3.00	-	3.00	870.52
AEM-7 DC Locomotive Overhaul	Mechanical	2.50	-	2.50	873.02
HHP-8 Locomotive Overhaul	Mechanical	2.25	-	2.25	875.27
Diesel Locomotive LCPM	Mechanical	35.00	-	35.00	910.27
Amfleet Coach Overhaul Level 2	Mechanical	13.60	-	13.60	923.87
AMFLEET I COACH OVERHAUL LEVEL 1	Mechanical	14.40	-	14.40	938.27
Amfleet I Café/Club Overhaul	Mechanical	9.10	-	9.10	947.37
Amfleet II Coach Overhaul Level 1	Mechanical	9.00	-	9.00	956.37
Amfleet II Diner Overhaul Level 2	Mechanical	2.25	-	2.25	958.62
CAB CAR OVERHAUL - LEVEL 1	Mechanical	1.63	-	1.63	960.25
Viewliner Sleeper - Overhaul	Mechanical	6.83	-	6.83	967.07
Superliner 1 Coach Overhaul	Mechanical	33.66	-	33.66	1,000.73
Superliner II Coach Overhaul	Mechanical	1.20	-	1.20	1,001.93
Superliner II Sleeper Overhaul	Mechanical	9.98	-	9.98	1,011.91
Superliner II Trans Sleeper Dorm Overhaul	Mechanical	6.05	-	6.05	1,017.96
Superliner II Lounge Overhaul	Mechanical	3.01	-	3.01	1,020.97
Superliner II Diner Overhaul	Mechanical	5.25	-	5.25	1,026.22
Superliner I Sleeper Overhaul	Mechanical	9.80	-	9.80	1,036.02
HORIZON COACH OVERHAUL - LEVEL 2	Mechanical	7.50	-	7.50	1,043.52
Horizon Café Overhaul	Mechanical	2.55	-	2.55	1,046.07
Heritage Diner Overhauls	Mechanical	3.60	-	3.60	1,049.67
Baggage Car Overhaul	Mechanical	3.45	-	3.45	1,053.12
Auto Carrier Modifications	Mechanical	3.00	-	3.00	1,056.12
Surfliner Coach Overhaul	Mechanical	1.30	-	1.30	1,057.42
Surfliner Cab Car Overhaul	Mechanical	0.42	-	0.42	1,057.84
Surfliner Café Overhaul	Mechanical	0.84	-	0.84	1,058.68
Surfliner Custom Coach Overhaul	Mechanical	0.63	-	0.63	1,059.31
Talgo Equipment Modifications	Mechanical	2.00	-	2.00	1,061.31
LOCOMOTIVE MANDATORY PROGRAMS	Mechanical	3.00	-	3.00	1,064.31
Car Mandatory Programs	Mechanical	2.00	-	2.00	1,066.31
Engineering Modification Project	Mechanical	8.50	-	8.50	1,074.81

Project Title	Department	Federal General Capital (GCAP)	State Local and Other	Total	Cumulative GCAP
High Speed Facility	Mechanical	1.00	-	1.00	1,075.81
S&I/Running Repair - NY	Mechanical	1.50	-	1.50	1,077.31
SI Running Repair-South	Mechanical	1.50	-	1.50	1,078.81
SI Running Repair-WAS	Mechanical	2.00	-	2.00	1,080.81
SI Running Repair-Central	Mechanical	2.00	-	2.00	1,082.81
SI Running Repair-West	Mechanical	1.50	-	1.50	1,084.31
Wilmington Facility Improvements	Mechanical	1.00	-	1.00	1,085.31
Beech Grove Shops Facility Improvement	Mechanical	1.00	-	1.00	1,086.31
Bear Facility Improvements	Mechanical	1.00	-	1.00	1,087.31
RELIABILITY CENTER IMPROVEMENTS	Mechanical	2.00	-	2.00	1,089.31
Locomotive Health Monitoring & Analysis System	Mechanical	1.00	-	1.00	1,090.31
Work Management System	Mechanical	1.50	-	1.50	1,091.81
Long Dist. Single Level Replacement	Mechanical	72.13	-	72.13	1,163.93
Migration/Replacement LMS Application	Information Technology	12.50	-	12.50	1,176.43
Reservation Ecosystem Next Generation Program	Information Technology	17.00	-	17.00	1,193.43
30th Street Station - Understreet Garage Reconstru	Real Estate	8.00	-	8.00	1,201.43
CUS Improvements	Transportation	3.50	-	3.50	1,204.93
Network Redesign and Expansion	Information Technology	1.00	-	1.00	1,205.93
SUNNYSIDE YARD OIL/PCB REMED	Environmental	2.00	-	2.00	1,207.93
Asbestos, Lead Paint and Mold Abatements	Environmental	0.80	-	0.80	1,208.73
WILMINGTON MOFE FACILITY-PCB/OTHER CONTAMINANTS RE	Environmental	3.30	-	3.30	1,212.04
Service Fees - Phase 2	Marketing & Product Management	3.00	-	3.00	1,215.04
CCTV Maintenance and Monitoring	Police & Security	0.40	-	0.40	1,215.44
PC and Field Sys State of Good Repair	Information Technology	5.51	-	5.51	1,220.95
Strategic Asset Mgmt Enterprise (SAM 2.0)	Information Technology	61.90	-	61.90	1,282.85
BEECH GROVE FACILITY - WASTEWATER TREATMENT SYS RE	Environmental	2.00	-	2.00	1,284.85
DHS2010 Infrastructure Protection	Police & Security	-	2.70	2.70	1,284.85
2011 DHS TSGP	Police & Security	-	10.00	10.00	1,284.85
DHS2010 Communications Control Center	Police & Security	-	0.80	0.80	1,284.85
DHS2010 Training and Public Awareness	Police & Security	-	0.90	0.90	1,284.85
DHS2010 Planning and Assessments	Police & Security	-	0.65	0.65	1,284.85
SECURITY CANINE PROCUREMENT AND TRAINING	Police & Security	-	0.68	0.68	1,284.85
DHS2010 Operational Packages	Police & Security	-	0.60	0.60	1,284.85
MARC Jt Benefit Projects	Policy & Development	-	8.00	8.00	1,284.85
Acela Additional Car Acquisition	Mechanical	-	111.87	111.87	1,284.85
2009 ARRA TSGP Operations Package FY11	Police & Security	-	2.11	2.11	1,284.85
Trenton-NYC Stimulus Program	Engineering	-	75.00	75.00	1,284.85

Project Title	Department	Federal General Capital (GCAP)	State Local and Other	Total	Cumulative GCAP
VETMS	Engineering	-	2.41	2.41	1,284.85
Electric Locomotives	Mechanical	-	150.20	150.20	1,284.85
Superliner 1 Lounge Overhauls	Mechanical	4.66	-	4.66	1,289.51
Superliner 1 Diner Overhauls	Mechanical	3.60	-	3.60	1,293.11
2012 DHS TSGP	Police & Security	-	5.00	5.00	1,293.11
Locomotive Wreck Program	Mechanical	2.00	-	2.00	1,295.11
Car Wreck Program	Mechanical	2.00	-	2.00	1,297.11
Superliner II Trans Sleeper Dorm Overhaul	Mechanical	1.60	-	1.60	1,298.71
SAP Employee Information Mgmt (EIM)	Information Technology	4.00	-	4.00	1,302.71
IT Enterprise Test Tool Environment	Information Technology	0.50	-	0.50	1,303.21
Info Security Infra. Upgrades & Enhance.	Information Technology	0.10	-	0.10	1,303.31
Enterprise Business Intelligence	Information Technology	0.25	-	0.25	1,303.56
Marketing & Product Mgtm Information & Reporting	Information Technology	0.50	-	0.50	1,304.06
Train Communication Enterprise (TCE) Service Imple	Information Technology	1.00	-	1.00	1,305.06
Enterprise Data Warehouse	Information Technology	1.50	-	1.50	1,306.56
Enterprise Systems SOGR	Information Technology	10.00	-	10.00	1,316.56
Appl Server and Storage - State of Good Repair	Information Technology	0.50	-	0.50	1,317.06
Mechanical Dashboard - Enhancements/Deployment	Information Technology	0.30	-	0.30	1,317.36
Documentum Departmental Implementations	Information Technology	0.55	-	0.55	1,317.91
Chicago Parking Garage Improvements	Real Estate	1.00	-	1.00	1,318.91
Rail Incident Management System	Transportation	1.20	-	1.20	1,320.12
New Office Building - Los angeles, CA	Transportation	2.50	-	2.50	1,322.62
On Time Performance and Delay Reporting System	Transportation	0.35	-	0.35	1,322.97
WILMINGTON TRAINING CENTER EXPANSION	Transportation	5.00	-	5.00	1,327.97
Support Equipment	Transportation	3.00	-	3.00	1,330.97
Station Signage	Transportation	1.60	-	1.60	1,332.57
PURCHASE OF WHEEL CHAIR LIFTS	Transportation	0.40	-	0.40	1,332.97
Club Acela Modifications	Transportation	0.30	-	0.30	1,333.27
NYP Penn Station Improvements	Transportation	2.00	-	2.00	1,335.27
San Antonio Station/Facility Improvements	Transportation	3.00	-	3.00	1,338.27
Orlando Station Improvements - Transportation	Transportation	2.50	-	2.50	1,340.77
Station Emergency Improvements	Transportation	4.30	-	4.30	1,345.07
Rail Passenger Emergency Response Evacuation Simul	Transportation	1.60	-	1.60	1,346.67
Employee Identity Protection – Rail Pass Automatio	Marketing & Product Management	1.05	-	1.05	1,347.72
Reservation Systems Next Generation - Stations & C	Marketing & Product Management	4.00	-	4.00	1,351.72
QUIK TRAK ENHANCEMENTS	Marketing & Product Management	5.30	-	5.30	1,357.02
Quik-Trak Kiosk Hardware Refresh	Marketing & Product Management	4.00	-	4.00	1,361.02

Project Title	Department	Federal General Capital (GCAP)	State Local and Other	Total	Cumulative GCAP
Amtrak.com Enhancements & Upgrades	Marketing & Product Management	3.24	-	3.24	1,364.25
Enterprise Content Management System	Marketing & Product Management	3.70	-	3.70	1,367.95
Amtrak.com Relaunch	Marketing & Product Management	0.70	-	0.70	1,368.65
Media Delivery on Trains	Marketing & Product Management	5.16	-	5.16	1,373.81
WiFi - Systemwide	Marketing & Product Management	13.50	-	13.50	1,387.31
CSPMI Enhancements	Marketing & Product Management	1.20	-	1.20	1,388.51
Pricing & Revenue Management Enhancements	Marketing & Product Management	0.45	-	0.45	1,388.96
Demand Forecasting & Optimization	Marketing & Product Management	4.00	-	4.00	1,392.96
Capacity Planning Tool	Marketing & Product Management	1.00	-	1.00	1,393.96
ARAMARK Food & Beverage Investment	Marketing & Product Management	1.08	-	1.08	1,395.04
Commissary Facility Projects	Marketing & Product Management	1.00	-	1.00	1,396.04
Food & Beverage Support Equipment	Marketing & Product Management	0.60	-	0.60	1,396.64
Commissary Support Vehicles	Marketing & Product Management	0.60	-	0.60	1,397.24
Call Center Technology Efficiencies Program	Marketing & Product Management	3.33	-	3.33	1,400.57
Call Center Facility Needs Assessment	Marketing & Product Management	0.53	-	0.53	1,401.09
LOS ANGELES WASTEWATER UPGR	Environmental	1.00	-	1.00	1,402.09
Environmental Pollution Prevention Project Design	Environmental	0.25	-	0.25	1,402.34
New Orleans DAF Upgrades	Environmental	1.00	-	1.00	1,403.34
New Orleans Environmental Upgrades	Environmental	2.00	-	2.00	1,405.34
Wilmington Maintenance Facility Stormwater Separat	Environmental	1.02	-	1.02	1,406.36
Oakland Stormwater Treatment System	Environmental	0.15	-	0.15	1,406.51
Prevention of Groundwater Contamination	Environmental	1.00	-	1.00	1,407.51
Southhampton Canopy Dumpster	Environmental	0.15	-	0.15	1,407.66
California Large Spark Ignition (LSI) Retrofit/Rep	Environmental	0.05	-	0.05	1,407.71
Environmental Sustainability Initiative	Environmental	0.25	-	0.25	1,407.96
Penn Station Track Remediation	Environmental	0.20	-	0.20	1,408.16
County Yard Environmental Remediation	Environmental	2.00	-	2.00	1,410.16
East Barracks Yard Remediation	Environmental	1.50	-	1.50	1,411.66
Safety Hazard Reduction Initiatives	Environmental	0.10	-	0.10	1,411.76
Amtrak Police Department Equipment	Police & Security	0.35	-	0.35	1,412.11
Access Control System Expansion	Police & Security	0.30	-	0.30	1,412.41
NON-Counterterrorism, Security Hardening, Repair	Police & Security	7.35	-	7.35	1,419.76
Design Improvements at Washington Terminal	Policy & Development	2.00	-	2.00	1,421.76
STATION DEVELOPMENT AND ADA REQUIREMENTS	Policy & Development	2.00	-	2.00	1,423.76
CREDIT CARD INTERCHANGE REDUCTION COSTS	Finance	0.50	-	0.50	1,424.26
Lighting and HVAC Control Project	Finance	0.50	-	0.50	1,424.76
Replace Underground Air System – Ivy City	Finance	1.30	-	1.30	1,426.06

Project Title	Department	Federal General Capital (GCAP)	State Local and Other	Total	Cumulative GCAP
Replace Wilmington Maintenance Facility Heating Sy	Finance	1.20	-	1.20	1,427.26
Install High Efficiency Lighting at Mechanical Fac	Finance	1.00	-	1.00	1,428.26
Vehicle Replacement	Procurement	3.35	-	3.35	1,431.61
Vending Machines Purchase	Procurement	0.61	-	0.61	1,432.22
Material Management Facilities State of Good Repai	Procurement	1.30	-	1.30	1,433.52
MAT HANDLING EQUP FACILITIES STATE OF GOOD REPAIR	Procurement	0.30	-	0.30	1,433.82
OPERATIONS DEPARTMENT - CONSOLIDATED DASHBOARD	COO	0.25	-	0.25	1,434.07
		1,434.07	**485.04**	**1,919.11**	

Summary Metrics

FY12 - FY13 Summary Metrics

	FY12 Budget	FY13 Preliminary Budget
KPIs		
RASM - Core Revenue per Seat Mile (a)	$0.182	$0.189
CASM - Core Expenses per Seat Mile (b)	$0.219	$0.235
Core (NTS) Cost Recovery Ratio (c)	83.1%	80.4%
Ridership (000's)	31,385	32,050
Passenger Miles per total core employee (000's) (d)	34	35
On-Time Performance (Endpoint)	85.0%	85.0%
Customer Satisfaction Index	84	n/a
Host Railroad Performance (e)	900	900

Other Indicators		
Seat Miles (000's)	12,586,232	12,586,232
Passenger Miles (000's)	6,860,574	6,986,000
Train Miles (000's)	37,580	37,580
Average Load Factor	54.5%	55.5%
Core diesel gallons per train mile (f)	2.3	2.3
Seat Miles per total core employee (000's) (g)	63	63
Customer Injuries	n/a	n/a
Equipment - % of Units in Service:		
Locomotive Fleet	85.9%	85.4%
Passenger Fleet	89.0%	89.3%
Unadjusted Ticket Revenue ($000's)	$2,009,133	$2,090,550
Average Ticket Yield	$0.2929	$0.2992
Average Ticket Price	$64.02	$65.23
Core Revenue per Train Mile (h)	$65.79	$68.24
Core Expenses per Train Mile (i)	$77.64	$83.54
Total Operating Ratio (j)	1.40	1.42
Total Cost Recovery Ratio (k)	71.7%	70.2%
Average cost per gallon of diesel (l)	$3.11	$3.30

Notes:

(a) This is calculated as NTS Total Core Revenue divided by Available Seat Miles to be consistent with the KPI's. This number is Preliminary.

(b) This is calculated as NTS Total Core Expense less Depreciation and non-cash OPEB's divided by Available Seat Miles. This number is Preliminary.

(c) This is calculated as RASM divided by CASM. This number is Preliminary.

(d) Average monthly Passenger Miles divided by year-end headcount.

(e) Average monthly minutes of delay per ten thousand Train Miles.

(f) This is calculated as Total Diesel Gallons excluding those used for commuter services.

(g) Average monthly Seat Miles divided by year-end headcount.

(h) This is calculated as Total Core Revenue divided by Total Train Miles.

(i) This is calculated as Total Core Expense less Depreciation and non-cash OPEB's divided by Total Train Miles.

(j) This is calculated as Total Operating Expenses by Total Operating Revenue.

(k) This is calculated as Total Operating Revenue divided by Total Operating Expenses.

(l) This includes net Fuel Hedge.

National Railroad Passenger Corporation (Amtrak)

Preliminary Budgeted FY13 Data [1]

Dollars in Millions except Contr./(Loss) per Rider statistics

		Ridership	Revenue	Expense	Allocation of Federally Funded Capital Projects [2]	Contr./(Loss) per Rider	Avg. PM per Core employee (000's) [3]	Avg. SM per Core employee (000's) [3]
RT01	Acela	3,603,175	$550.8	$360.1	$225.8	$52.93	28	42
RT05	Regional	7,784,639	$554.1	$546.5	$314.8	$0.97	32	66
RT99	NEC Special Trains	6,274	$1.2	$1.2	$2.3	($1.19)	16	73
	NEC Spine	**11,394,088**	**$1,106.1**	**$907.9**	**$542.8**	**$17.40**	**30**	**56**
RT03	Ethan Allen Express	49,898	$4.4	$5.5	$1.0	($22.20)	25	63
RT04	Vermonter	98,060	$9.1	$10.7	$7.2	($16.09)	39	76
RT07	Maple Leaf	458,228	$27.0	$32.5	$10.0	($12.03)	62	103
RT09	The Downeaster	564,532	$12.9	$14.2	$5.2	($2.15)	48	119
RT12	New Haven - Springfield	394,105	$12.5	$25.0	$5.0	($31.82)	20	40
RT14	Keystone Service	1,426,177	$42.8	$68.2	$30.3	($17.78)	27	63
RT15	Empire Service	1,103,124	$45.5	$69.8	$16.2	($22.02)	29	79
RT20	Chicago-St.Louis	659,525	$29.8	$42.8	$10.2	($19.81)	40	79
RT21	Hiawathas	886,068	$24.2	$37.2	$6.7	($14.67)	28	70
RT22	Wolverines	562,889	$23.3	$40.8	$11.1	($30.98)	43	80
RT23	Illini	321,715	$14.7	$21.3	$7.3	($20.57)	42	109
RT24	Illinois Zephyr	240,662	$13.6	$21.0	$6.0	($30.39)	28	72
RT29	Heartland Flyer	93,584	$6.4	$8.7	$2.8	($24.25)	27	54
RT35	Pacific Surfliner	2,923,362	$96.3	$122.0	$25.4	($8.79)	29	84
RT36	Cascades	861,562	$54.7	$63.7	$19.3	($10.38)	32	57
RT37	Capitols	1,817,248	$62.7	$75.2	$14.6	($6.91)	23	72
RT39	San Joaquins	1,076,796	$75.9	$82.2	$18.0	($5.79)	29	65
RT40	Adirondack	133,773	$12.7	$13.7	$2.7	($7.68)	44	53
RT41	Blue Water	210,372	$12.0	$14.1	$3.7	($10.34)	44	92
RT46	Washington-Lynchburg	163,012	$9.9	$6.2	$1.8	$22.69	90	141
RT47	New York-Newport News	566,372	$37.7	$29.4	$6.9	$14.58	56	100
RT54	Hoosier State	38,108	$0.9	$6.3	$1.7	($140.54)	14	28
RT56	Kansas City-St.Louis	205,029	$14.7	$14.9	$5.7	($1.22)	38	81
RT57	Pennsylvanian	214,936	$10.1	$16.7	$20.0	($30.54)	43	65
RT65	Pere Marquette	114,818	$6.5	$7.5	$2.7	($8.35)	35	62
RT66	Carolinian	344,074	$23.4	$23.3	$18.3	$0.07	65	76
RT67	Piedmont	151,749	$5.0	$5.2	$2.8	($1.31)	48	110
RT96	Non NEC Special Trains	38,062	$1.6	$1.9	$0.6	($7.89)	98	35
	State Supported Routes	**15,717,839**	**$690.5**	**$880.1**	**$263.0**	**($12.06)**	**35**	**76**
RT16	Silver Star	450,491	$37.7	$90.2	$62.1	($116.41)	37	54
RT18	Cardinal	122,859	$8.3	$25.6	$6.1	($141.04)	28	47
RT19	Silver Meteor	394,644	$43.9	$88.5	$58.3	($112.99)	39	56
RT25	Empire Builder	550,490	$73.5	$135.9	$38.8	($113.36)	43	70
RT26	Capitol Limited	247,641	$23.9	$47.0	$14.2	($93.41)	38	51
RT27	California Zephyr	408,297	$60.6	$116.0	$34.6	($135.52)	41	64
RT28	Southwest Chief	390,422	$51.1	$117.9	$32.5	($170.96)	44	59
RT30	City of New Orleans	264,244	$20.9	$46.1	$13.9	($95.29)	39	56
RT32	Texas Eagle	323,564	$29.4	$59.2	$18.8	($92.09)	46	60
RT33	Sunset Limited	107,845	$13.2	$55.9	$14.2	($395.49)	23	43
RT34	Coast Starlight	437,001	$52.6	$101.4	$26.1	($111.56)	33	52
RT45	Lake Shore Limited	422,115	$35.4	$74.2	$16.0	($91.98)	44	63
RT48	Palmetto	214,104	$20.0	$34.9	$30.8	($69.72)	39	74
RT52	Crescent	339,781	$33.8	$81.9	$15.3	($141.62)	33	53
RT63	Auto Train	264,574	$74.4	$92.2	$17.5	($67.37)	36	52
	Long Distance Routes	**4,938,074**	**$578.8**	**$1,166.8**	**$399.1**	**($119.09)**	**38**	**58**
	National Train Service	**32,050,001**	**$2,375.4**	**$2,954.8**	**$1,205.0**	**($18.08)**	**35**	**63**
	Non-Allocated Capital [4]				**$229.1**			
	Total Capital				**$1,434.1**			

[1] Budget route results are projected based on APT historical ratios. Expenses exclude net Depreciation, OPEB's, PRJ and Interest.

[2] This represents the allocation of Federally Funded Capital Projects to Routes.

[3] Employee data is not aggregated by route in Amtrak's Financial Systems. The data presented here is based on an allocation of Core employees based on total costs of each route. PM equals Passenger Miles and SM equals Seat Miles.

[4] Non-Allocated Capital category includes environmental remediation and commercial projects related to stations.