
Amtrak and the Future of Passenger Rail

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Development

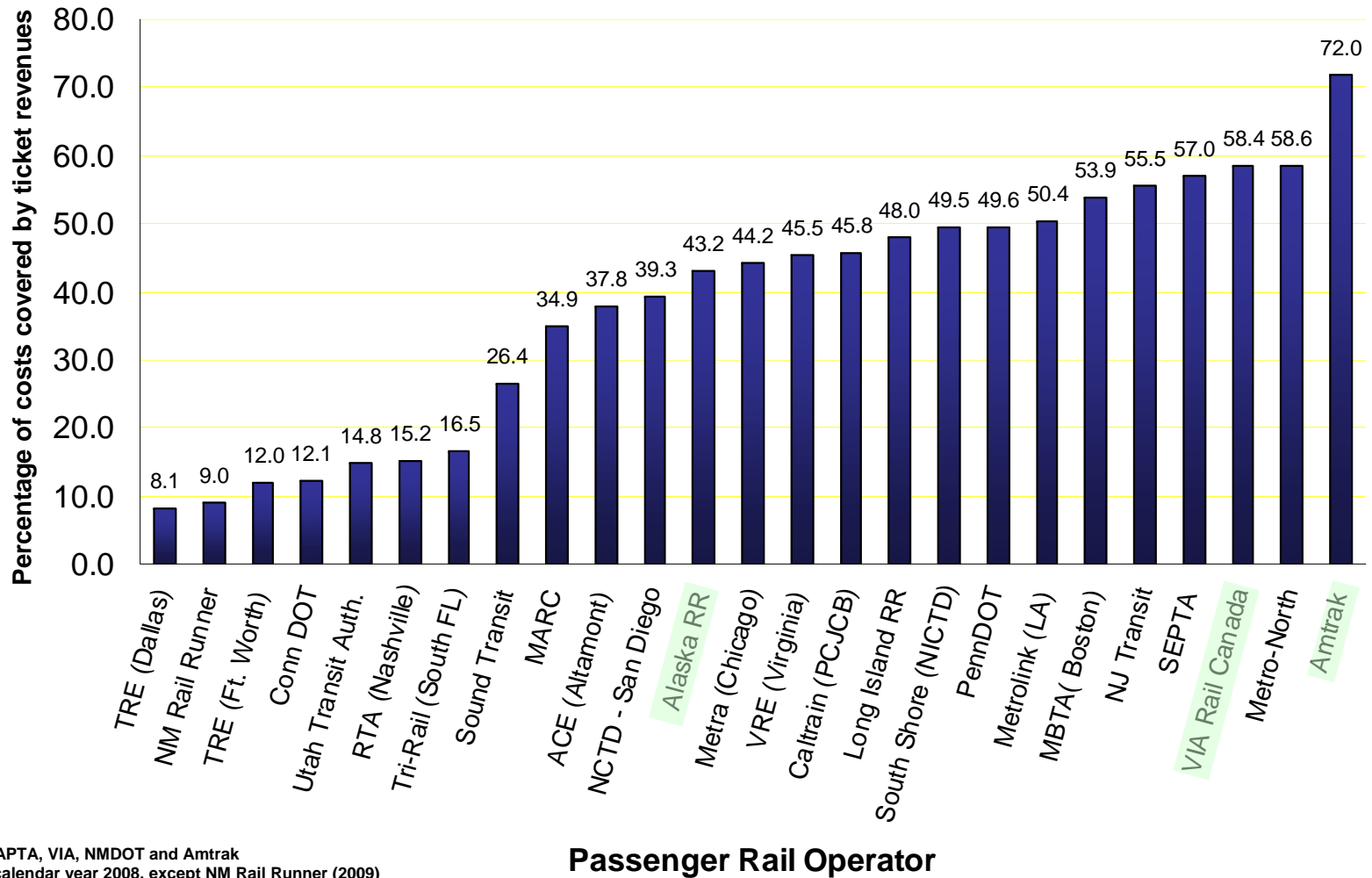
September 16, 2010

Amtrak 101 – basic company and system statistics



- National railroad: Congressionally chartered corporation owned by DOT and operated as quasi-nonprofit corporation
- We operate a 21,100 mile system
 - 308 daily intercity trains using 528 stations
 - 1,519 cars and 469 locomotives, 80 auto carriers, and 101 baggage cars
 - More than 19,000 employees
 - Nearly half of our services operate at 100+ mph
 - 70% of our train-miles run on track owned by other railroads (mostly large freight railroads)
 - We operate service for fifteen state partners on 22 routes
- We had a ridership record in FY08 and we're going to be close to breaking it in FY10
- Amtrak generated total of \$2.3 billion in revenues in FY 09 (incl. ancillary business)
- Roughly \$350 million in revenues and investment from the operation and infrastructure access for commuter services
 - Operated 4 services, provide access or services for 13 agencies in total
 - In process of adding Metrolink in LA to our business
- Federal funding for Amtrak is slightly more than \$1.6 billion in FY 2010
 - \$563 million for operating expenses
 - \$1 billion for capital needs

Amtrak's farebox recovery is the best of any passenger rail operator in America



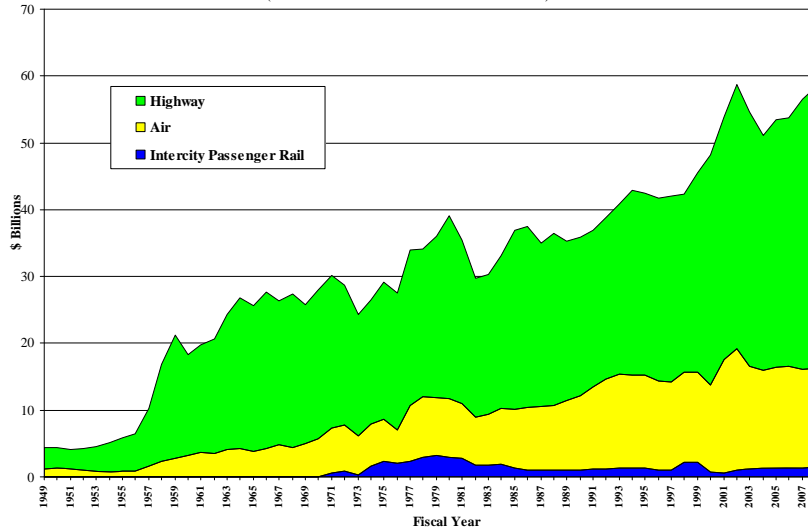
Source: APTA, VIA, NMDOT and Amtrak
 All data calendar year 2008, except NM Rail Runner (2009)

Intercity carriers highlighted in green; others provide commuter rail service only
 Note: Amtrak data includes costs associated with food service, but *not* revenues

Intercity passenger transportation in the United States

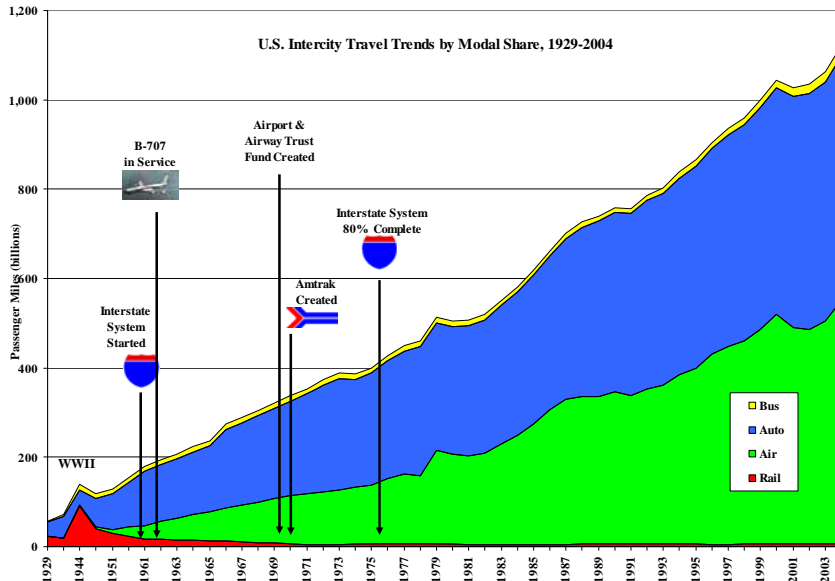
Federal Investment in Transportation, 1949-2008

(2009 Constant Dollars. Time Axis Not to Scale.)



- Since WWII, Federal government has vastly expanded investment in aviation and highways
- Since Amtrak was created to take over rail passenger service in 1971, Federal investment in intercity passenger rail has been dwarfed by investment in competing modes

U.S. Intercity Travel Trends by Modal Share, 1929-2004



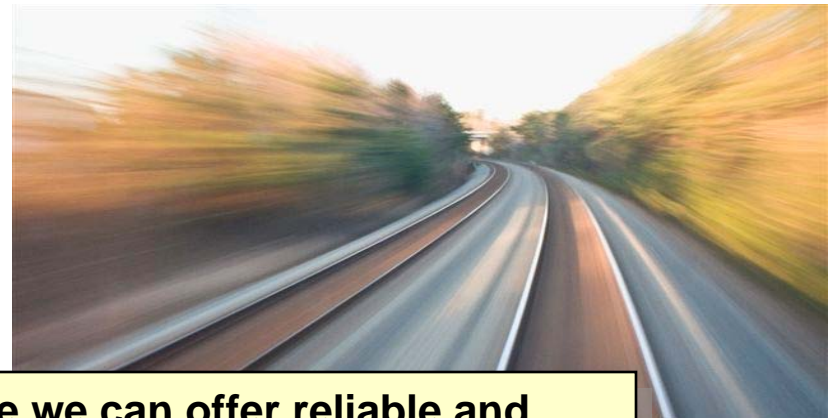
- For every dollar Federal government spent on rail between 1956 and 2006, it spent:
 - \$6 on aviation
 - \$16 on highways

Source: US DOT



Why we need rail

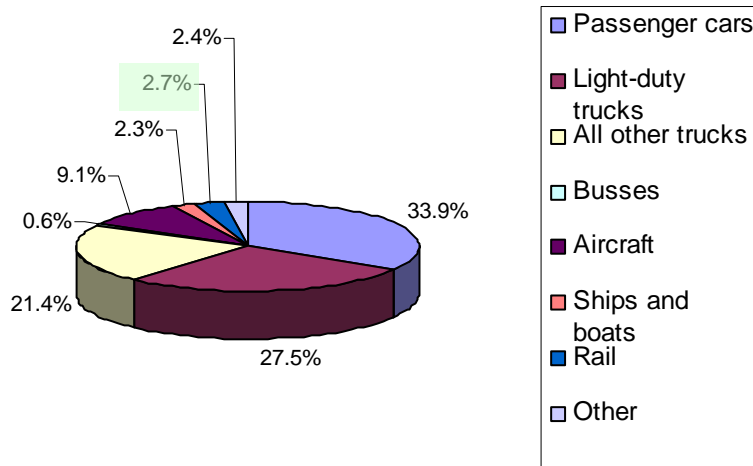
- Competing modes are congested, and getting worse
 - Number of urban areas with more than 20 hours of annual rush hour traffic delay increased *sevenfold* between 1982 and 2007
 - Between 2000 and 2008, number of flight delays due to airport terminal volume increased by 42%
- Rail's niche is the sub-500 mile intercity market – and it's a big market
 - More than 79% of total trips USDOT classifies as 'long distance' (50+ miles) fall into this category
 - Number of Americans living in urban areas expected to double (150M to 300M) by 2050



Where we can offer reliable and trip-time competitive service, Amtrak thrives – and demonstrates the latent and growing demand for intercity passenger service

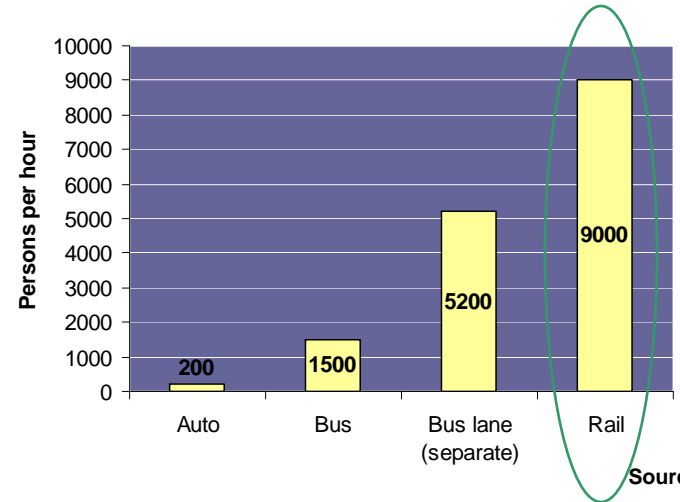
Passenger rail is a safer, greener, and healthier travel choice

Share of CO₂ Emissions, by mode



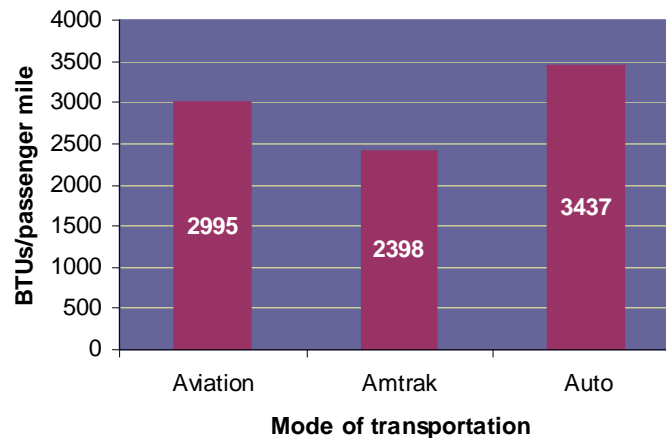
Source: US DOT, 2008 Trans Stats Annual Report

Passenger capacity per meter of infrastructure width



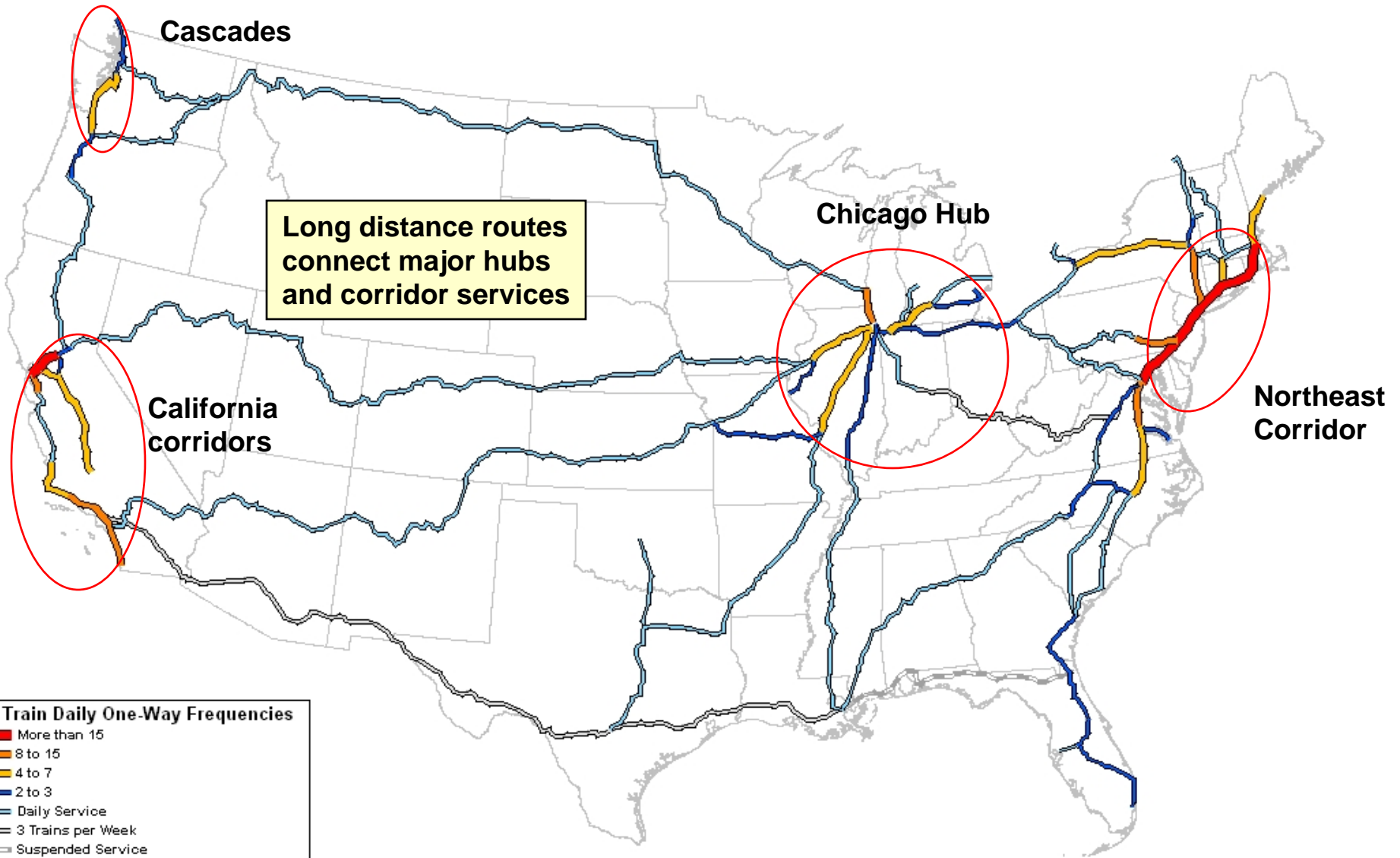
Source: UIC

Energy Intensity of competing modes

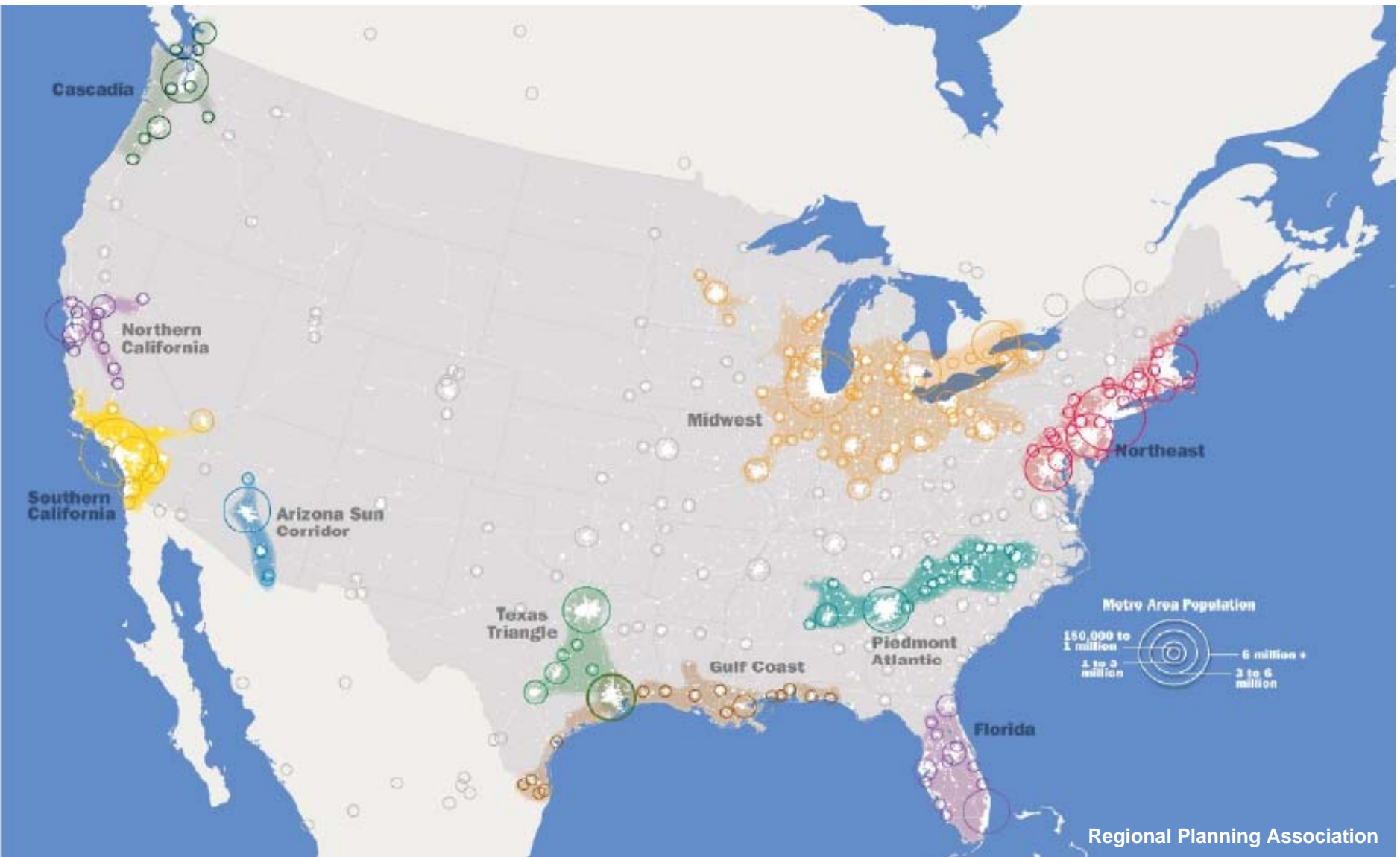


Source: U.S. DOE, Transportation Energy Data Book

The Amtrak system

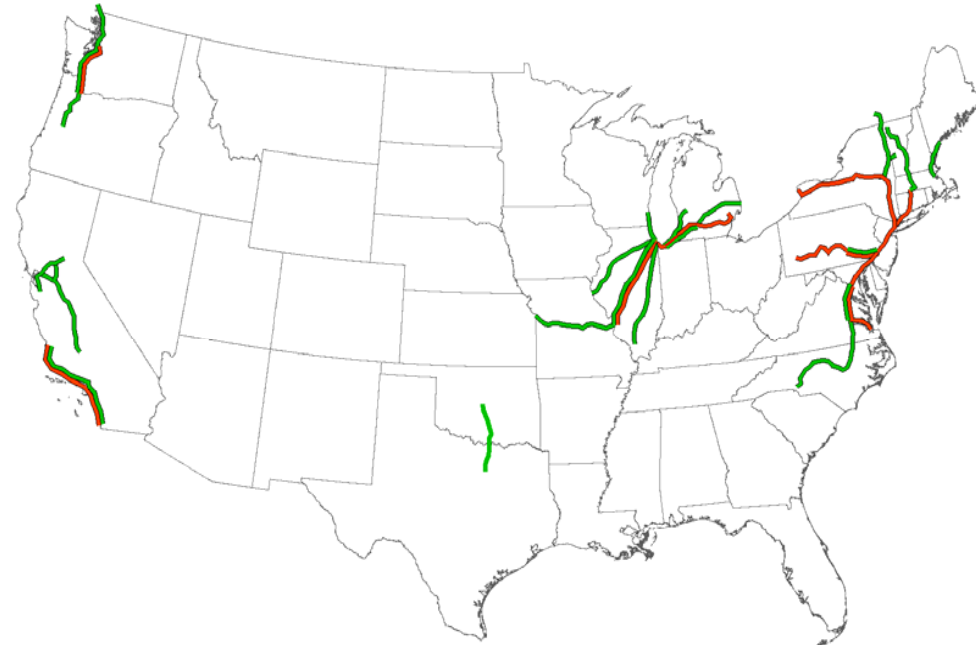


The United States in 2050



State partnerships

- Amtrak currently partners with fifteen states to offer service
- State support provided for in original RPSA; Amtrak has run state-supported trains since 1971
- The long distance routes provide the national network – on top of this foundation we are focusing on developing state-supported corridor services



— State Supported
— System Corridor Service

Current Amtrak State Partners

- | | |
|-----------------|-------------|
| •North Carolina | •Missouri |
| •Vermont | •Oklahoma |
| •New York | •Texas |
| •Maine | •Illinois |
| •Pennsylvania | •California |
| •Michigan | •Washington |
| •Wisconsin | •Oregon |
| | •Virginia |

Recent legislation assigns a pivotal role to states – and funds important projects

ARRA High Speed and Intercity Passenger Rail Grant Program

- Administration announced first round of awards in January, 2010
- Much of the funding will go to FRA-designated “high speed rail corridors”
 - Some have existing services that will be upgraded
 - ARRA will fund dedicated HSR lines on at least 2 routes
- Total of \$7.9 billion in successful applications
 - \$3.5 billion for dedicated HSR projects in California, Florida
 - \$4.4 billion for other shared-use corridors around the country operated by Amtrak
 - Benefits at least 13 existing Amtrak routes
 - Will fund incremental improvement of several existing routes to 110 mph
 - Funds new services/service extensions in Maine, Ohio, and Wisconsin
 - Amtrak has supported most of these projects in a variety of ways
- Amtrak received a separate grant of \$1.3 billion – approximately half went to Northeast Corridor projects



Illinois has been ahead of the curve on rail planning – and well positioned to benefit

CREATE Project

- 25 road/rail grade separations
- 6 passenger/freight rail grade separations
- Railroad projects to improve rail infrastructure and upgrade technologies
- Viaduct improvement program
- Grade crossing safety enhancements
- Rail operations and visibility Improvements

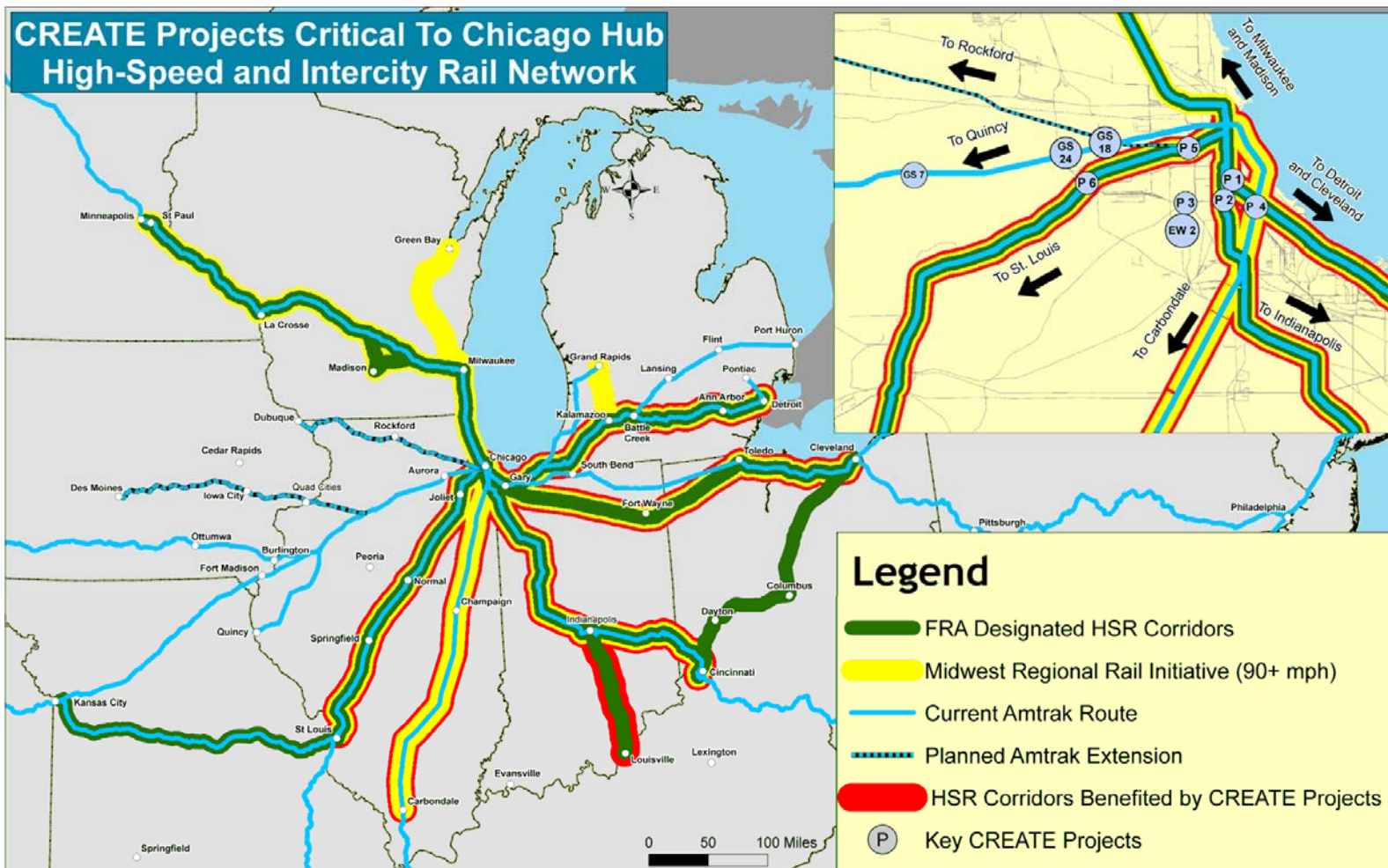


Englewood Flyover

- A bridge designed to eliminate the rail junction at 63rd and State
- Total cost will be \$133M (funded by HSIPR)
- Will separate an at-grade crossing of an NS main, and eliminate daily conflicts between:
 - 78 Metra Rock Island commuter trains
 - 14 Amtrak trains
 - 46 NS trains

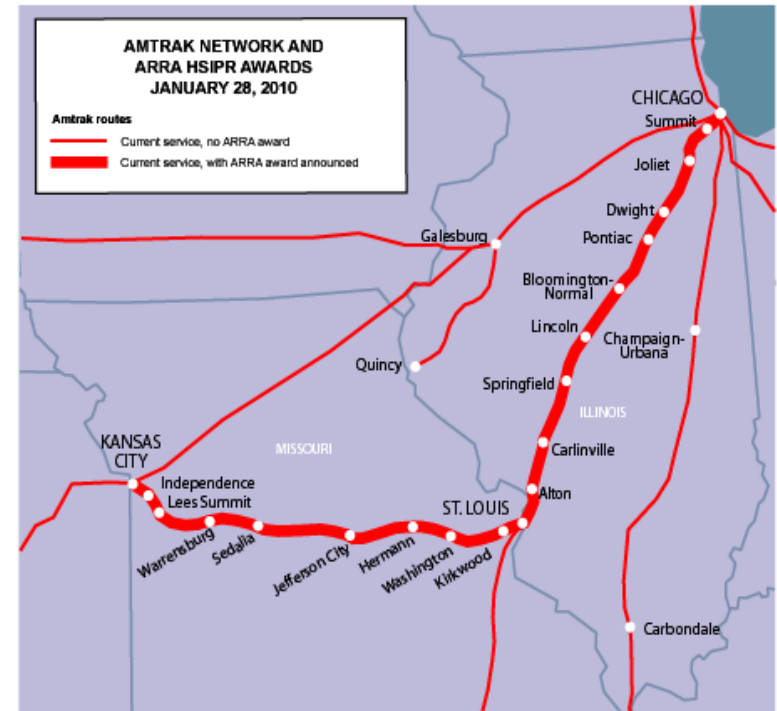


Midwest Regional Rail Initiative



Chicago-St. Louis: Lincoln Service & Texas Eagle

- Chicago-St. Louis: currently 5 daily round-trips (includes 1 long-distance train, the Texas Eagle)
- At \$1.1 billion the third-largest award overall, the Illinois grant for the Chicago-St. Louis portion of the corridor will be upgraded to 110 mph by improving tracks, signals, and roadway crossings; also included is the installation of PTC, as well as planning studies for additional service enhancements
- Initial investment will result in faster service by decreasing trip times of a little over an hour between end points
- Completion of work contemplated under this grant will set stage for another round of investments to permit an eventual increase to eight round trip frequencies per day on Chicago-St. Louis corridor



The Chicago-Porter issue

- Amtrak route from Chicago east to Porter, IN is a major chokepoint
- Substantial freight traffic
- All eastbound Amtrak trains also use this route:
 - LD trains to NY, Boston, DC
 - Corridor trains to Detroit
- FRA has announced a \$71 million HSIPR grant to Indiana will pay for track and signal infrastructure improvements on NS line between Chicago and Porter, IN
 - NS has contributed generous amounts of management time
 - Capacity modeling, field inspections, engineering designs and estimates
- This chokepoint must be addressed if we are to realize FRA's vision of a Detroit-Chicago high speed route

Major fleet issues

- Amtrak equipment is run very, very hard
- Age of equipment is at an all-time high:
 - Average Amtrak car is now older than the average car we inherited in 1971
 - Heritage equipment is pushing (and in some cases past) sixty years
- Lack of homogeneity (multiple classes of equipment for short and long distance and corridor service) complicates maintenance
 - Some classes have 300+ cars, some 50 or fewer
 - Complete standardization will never be possible – but we need to reduce the number of classes and mechanically distinct variants
- Mass obsolescence is a problem
- Supply base is limited – lack of market demand led to market exit
 - Transit and commuter rail have taken attention of remaining manufacturers
 - Amtrak needs to take a lead, or:
 - Market will offer equipment not optimized for intercity service
 - Limited range of choices may lead to increased cost and risks
 - Industry may continue to atrophy

Amtrak's Average Annual Car Miles – Highest in US Passenger Rail

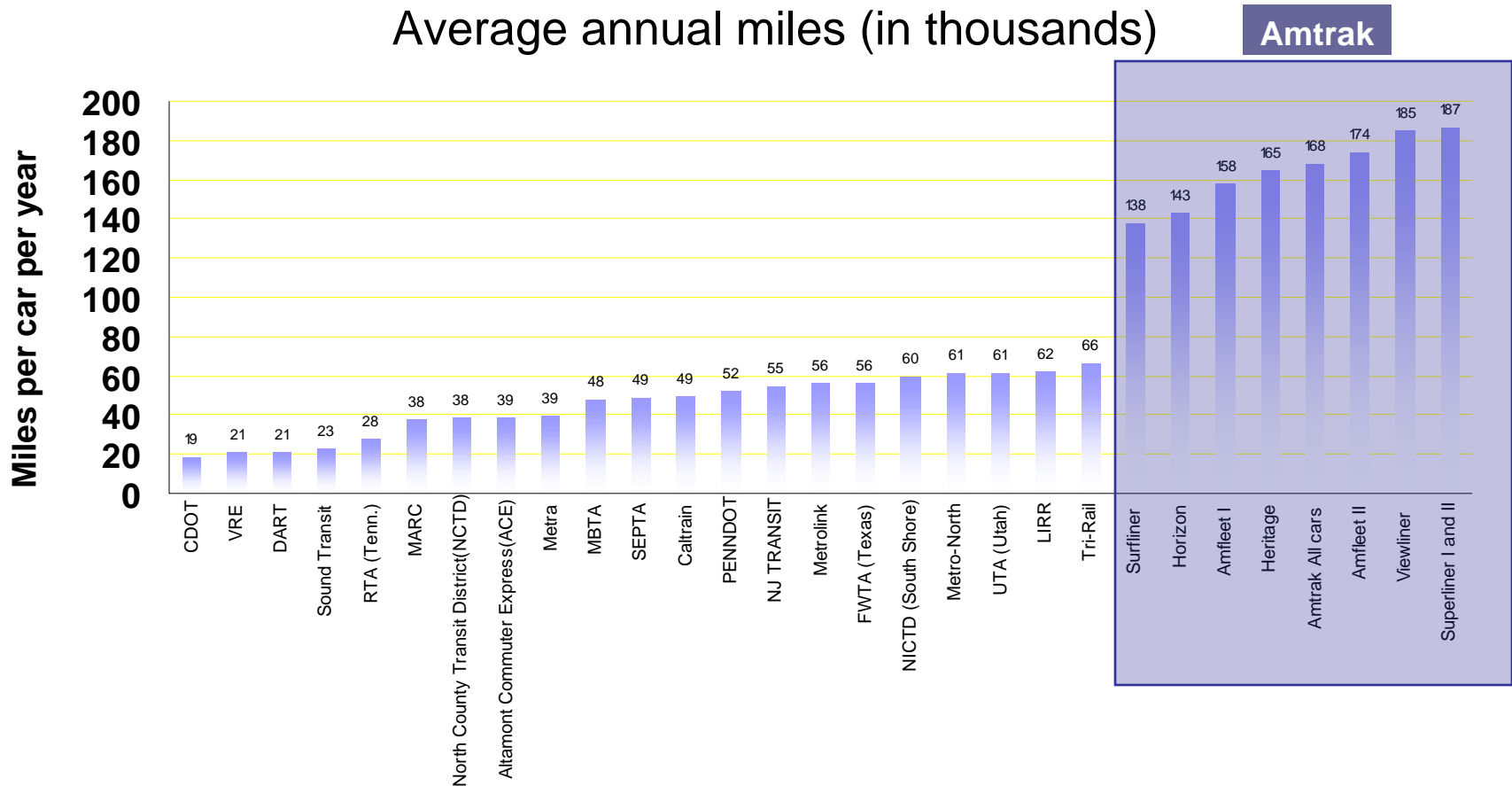
Commuters:

Maintained nights, weekends, off-peak

Amtrak:

Operate 24x7, turnaround in 4 to 6 hours

Average annual miles (in thousands)

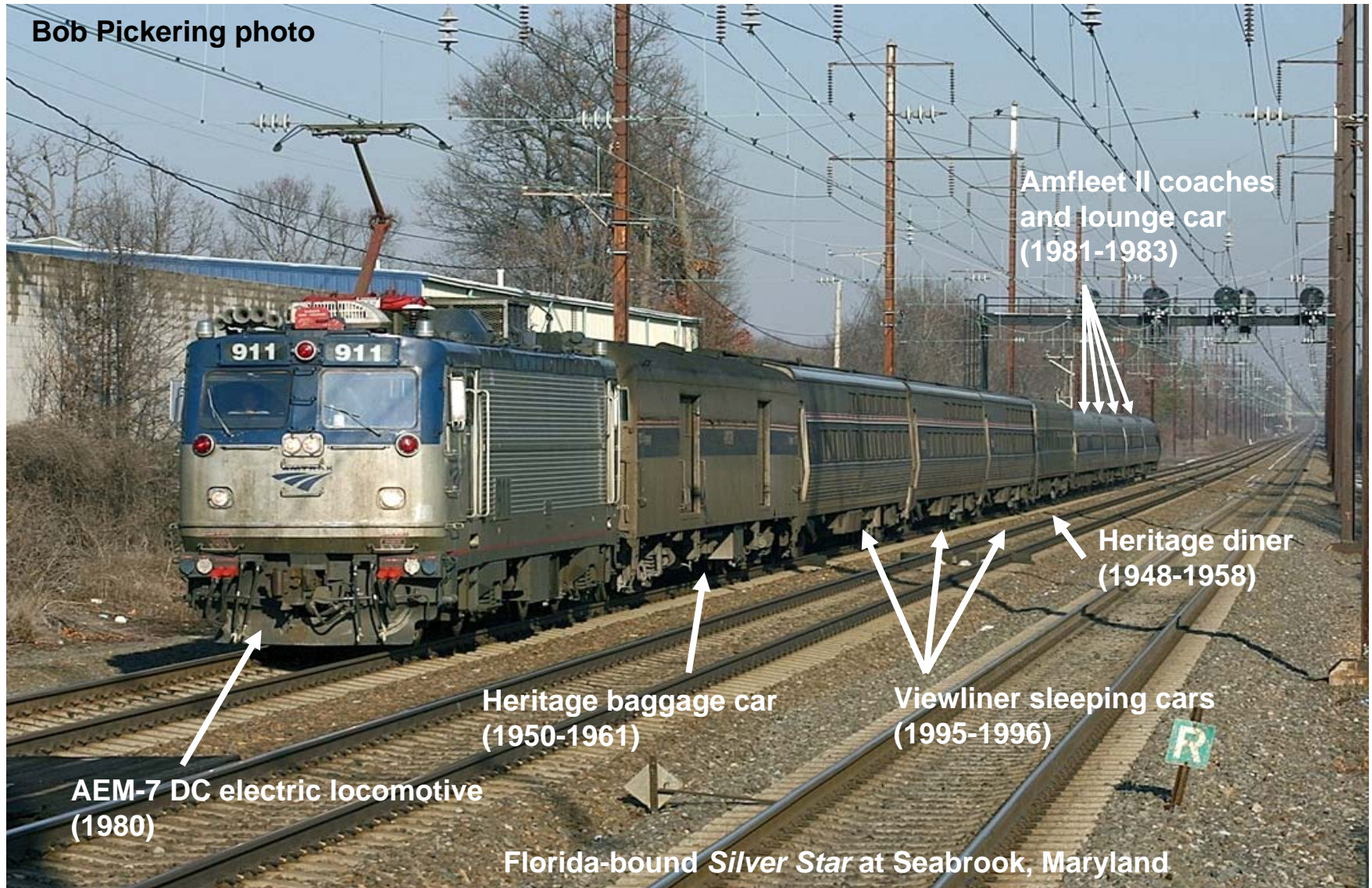


No other passenger operator runs their equipment half as hard as we do

Data: APTA and Amtrak
Amtrak data fiscal year



A snapshot of our biggest need – new equipment!



Section 305 Committee



- Established by PRIIA to:
 - Determine types of equipment and quantities needed for corridor service
 - Establish pool of equipment to be used on corridors funded by participating states
 - Involve Amtrak in the process of design, maintenance, and rebuilding
- Whole range of goals – interoperability, opportunities for economies of scale (and savings all around) are significant
- Seeding domestic railcar manufacturing industry also important – need to be able to provide production runs that will attract and sustain an industry
- Creation of a spec for bilevel cars (approved by FRA on August 31, 2010) an important step toward standardization

Conclusions

- Surface transportation reauthorization is now in progress – and represents a major opportunity to address issues of national interest:
 - Congestion
 - Pollution
 - Energy costs
- This bill can build on recent progress by establishing policy foundation we will need for real growth in rail:
 - Level playing field (and make up for decades of neglect) by establishing dedicated funding source
 - Embrace mode-neutral policy framework as an end goal
 - Define the Federal vision
 - Define Amtrak's role
 - Identify and select for strategic outcomes

Conclusions

- This is a great moment for rail – and the state of Illinois was well positioned to take an effective lead
- Existing projects and plans provided opportunities – and we made the most of them
 - Chicago-St. Louis
 - CREATE
 - MWRRI
- We need to be thinking about next steps
 - Federal transportation policy will soon be “reauthorized”
 - Funding for future projects – state support is a must