
Amtrak Fleet and the Sec. 305 Committee



Stephen Gardner

Vice President, Policy and Development

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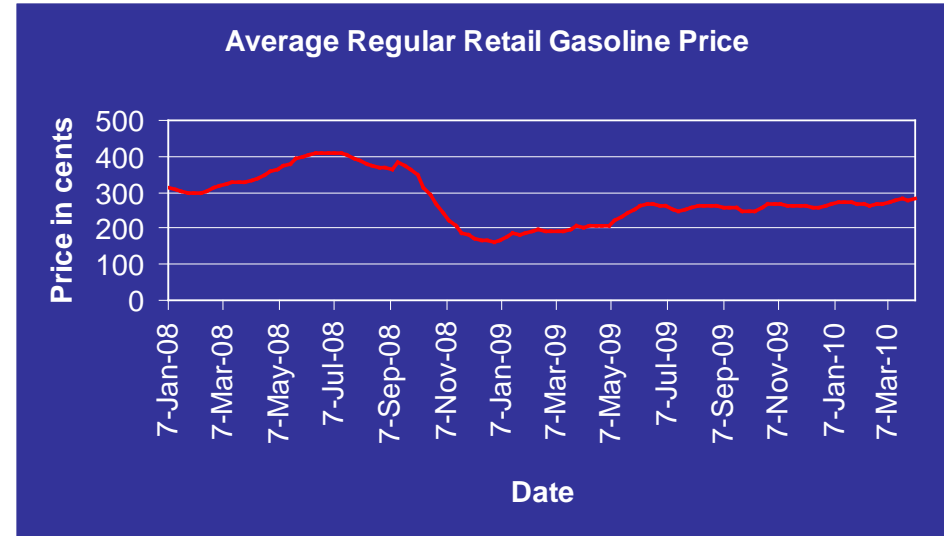
Amtrak 101 – basic company and system statistics

- Congressionally chartered corporation created in 1970, operated as quasi-nonprofit corporation
- The mission of Amtrak is to provide efficient and effective intercity passenger rail mobility consisting of high quality service that is trip-time competitive with other intercity travel options
- We operate a 21,100 mile system
 - 308 daily intercity trains (generally 86+ miles)
 - 528 stations, 1,519 cars and 469 locomotives
 - 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 carried 27.1 million riders in FY 09, with \$2.3 billion in revenues (incl. ancillary business)
- Federal funding for Amtrak will total slightly more than \$1.5 billion in FY 2010
 - \$563 million for operating expenses
 - \$1 billion for capital needs



The Amtrak system in perspective

- Record ridership
 - Six straight years of growth (FY 2002-2008)
 - Record years in 2007, 2008 (28.7M riders)
 - On track for record in FY10
 - Best 1st quarter and 1st half in Amtrak history
 - Rising gas prices spurring ridership growth
- Financial & operating improvements
 - Financial: Operating cost recovery over 80%
 - Operational: 80% OTP in FY09
- Building blocks for future growth
 - Strong administration and public support for passenger rail
 - State corridor services: Partnerships with 15 states
 - High-speed experience: Only maintainer and operator of 100+ mph service in Western Hemisphere
- Amtrak's challenges
 - Manpower: 3000 fewer employees than in 2002 and an aging workforce throughout the industry
 - Readiness: planning capacity eviscerated during the '00's.
 - Equipment: Older than any time in Amtrak's history
 - Funding: chronically underfunded, even now – our FY'11 request is \$2.6 Billion, but looking bleak



PRIIA is a Blueprint for a New Era

- Passenger Rail Investment and Improvement Act of 2008 (PRIIA) passed in October 2008
 - Reauthorized Amtrak (approximately \$2 billion annually)
 - Creates Federal matching grant program for intercity/HSR capital investments
 - Clear vision for Amtrak and intercity passenger rail within the national transportation system
- Amtrak to pursue operation of “national rail passenger transportation system”:
 - LD network: create greater value for existing system
 - HSR corridors: help plan, develop, and operate in cooperation with states and private sector
 - State-sponsored corridors: standardize, improve and facilitate expansion
 - NEC: repair, renew, and cooperatively plan for expansion
 - Commuter: pursue strategically
- Amtrak’s new mission: “provide efficient and effective intercity passenger rail mobility consisting of high-quality service that is trip-time competitive with other intercity travel options”.

PRIIA – Partnerships are the Key

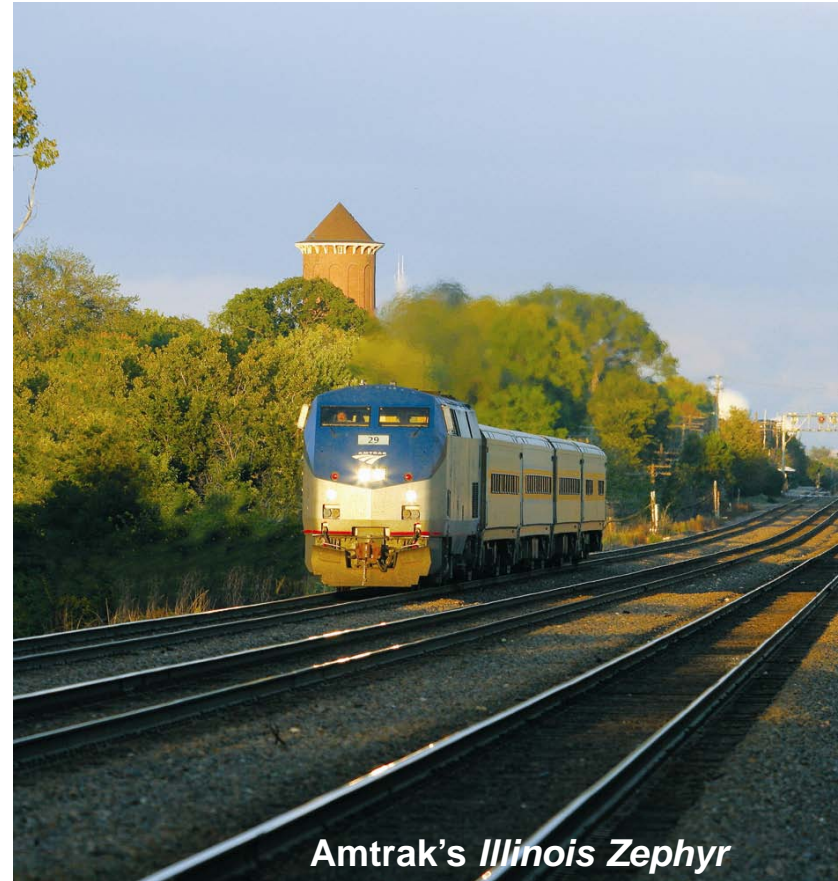
- PRIIA establishes a new partnership to develop the national rail passenger transportation system between:
 - DOT/FRA
 - Amtrak
 - States
 - Host Railroads
- Additionally, with system growth, come new public and private sector partners:
 - Commuter RR's and regional authorities
 - Suppliers
 - Developers
 - Builders
 - Operators
 - Other modes

Each has their role and collaboration among us all is essential

WE ARE ALL DEPENDENT ON ONE ANOTHER

Evolving into our New Roles – State and Federal partners

- States will be lead partners
 - Create integrated rail plans establishing rail's role and priorities
 - federal grant recipients for capital funds
 - Provide operating and capital funding for corridor services
 - Provide 20% capital match (stimulus funds excepted)
 - Under PRIIA, all short distance routes must be state-supported by 2013
 - Own and manage some system assets
- FRA leads national policy
 - National rail plan
 - Safety and performance standards
 - Administers grant and loan programs
 - Manages Amtrak
 - Facilitates among partners – states, Amtrak, freights



Evolving into our New Roles - Amtrak

- As the Federal operating arm, Amtrak facilitates intercity rail operations and development
 - Operator of the national network
 - National systems: reservations, yield management, marketing, e-ticketing, wifi
 - Equipment and facilities
 - Statutory access to all US railroads and ROW and Imminent domain authority
 - Uniform liability arrangement
 - The only current high speed provider in North America
 - **All** track approved for 110+ mph service in North America maintained by Amtrak
 - Existing labor agreements, qualified workforce , Training
 - Safety and security leaders
 - Tax exempt
 - Planning services for states and other partners
 - Market knowledge
 - Regulatory understanding
 - Service integrator: HS, intercity, commuter, and freight
 - National jurisdiction to facilitate multi-state and regional efforts

Equipment: Amtrak Fleet Strategy

- Average passenger car 25 years old, older than ever
- Equipment = growth capacity
- Comprehensive fleet plan for all Amtrak business lines
- Total fleet procurement over a 30-year period will include
 - 2,500 cars and 700 locomotives = 100 cars annually
- Total anticipated cost (2009 dollars)
 - \$11 billion through 2023, \$23 billion through 2040
 - Not including needs for projected state-supported corridor frequency increases and new services
- Designed for baseline 2% ridership growth on existing services

- Procurement model scalable for higher growth (options and retirement rate)
- Creates sustainable domestic manufacturing capacity
- Incentive for innovation
- Fleet design to be coordinated with Sec. 305 process/specs to create common designs/subsystems/parts/processes across entire system
- Amtrak's fleet needs create a major opportunity
 - High sustained Amtrak demand supports supplier investments and competitive marketplace
 - Piggyback on Amtrak orders lowers per unit costs

Equipment: Sec. 305

- PRIIA Sec 305 - Next gen corridor equipment pool Committee established by PRIIA
- Committee with representatives of States, Amtrak, FRA, suppliers, etc
- Goal: Standardized, interoperable equipment and efficient equipment management to support growth
- State participation creates opportunity for:
 - Economies of scale in equipment design and purchases to lower acquisition costs and reduce risk
 - Efficiencies in operations and maintenance, which reduce operating costs
 - New opportunities for innovative procurement, management, and financing strategies
- Sec. 305 work is basis for HSIPR equipment grant-funding

- Very aggressive 1st year goals (1/11)–
 - Bi-level coach
 - Single-level coach
 - Diesel-electric locomotive
- Administrative, Technical and Finance subcommittees established
- Technical working groups underway on bi-level
- Future projects – HSR, DMU, trainsets