



A Promising Future

Marc Magliari, Senior Manager, Corporate Communications
at the Michigan Association of Railroad Passengers in Dearborn
Saturday, March 16, 2024

Contents

- Introduction to Amtrak
- Business Update
- Federal Policy & Funding
- The IIJA
- Hosts, Preference, & Access
- Chicago Hub Improvements
- Emergency Notification Signs



Quick Facts

- 280+ trains per day
- 40+ routes covering 21,400+ route-miles
- 524 stations in 46 states, DC, & Canada
- 32 million+ riders
- 21,600+ employees
- 46% more energy-efficient than cars
- Top speeds soon to reach 160 mph

- Freight railroads were required by law to serve passengers for most of their history—and for decades, it was lucrative. By the 1970s, subsidies for highway and air travel made that service unprofitable, and many railroads faced bankruptcy. The industry turned to Congress and President Nixon for help.
- Congress relieved the railroads of their legal obligation to serve passengers, instead assigning that responsibility to a newly-created company called Amtrak. In exchange for this relief, the railroads were required to grant Amtrak certain assets and permanent rights.
- Amtrak began national operations on May 1, 1971. Today, Amtrak is operated and managed as a private, for-profit company—but Congress sets the mission, confirms most of the board, and provides critical annual funding.

Amtrak's Mission

“Provide efficient and effective intercity passenger rail mobility consisting of high quality service that is trip-time competitive with other intercity travel options.”

Intro to Amtrak: System Map



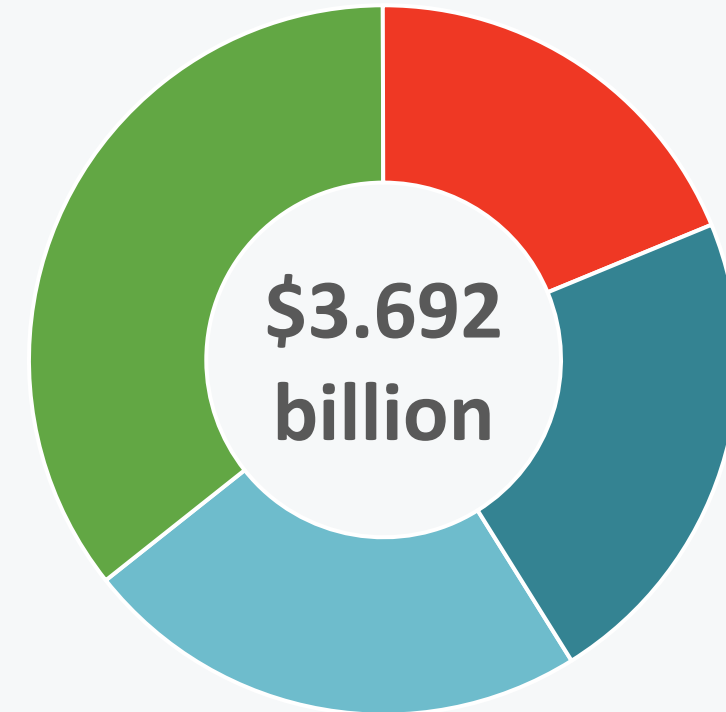
N.B. — If a State-Supported route and Long-Distance route serve the same segment, that segment is shown as State-Supported (blue). If the NEC and either a State-Supported or a Long-Distance route serve the same segment, that segment is shown as NEC (red). Seasonal routes not shown.

Amtrak is a powerful economic engine—not just in the communities we serve, but for the nation as a whole:

- **\$9.2 billion in annual economic impacts nationally**
 - *\$2.0 billion in direct benefits*
 - *\$7.2 billion in additional economic activity*
- **Good, well-paying jobs:**
 - *21,000+ employees, including 1,900+ veterans*
 - *36,000 additional jobs supported*
- **Strict Buy America requirements:**
 - *99% domestic procurements in FY 23*

The historic investments provided by the IJA are increasing these economic and employment impacts over time.

FY 23 Procurements



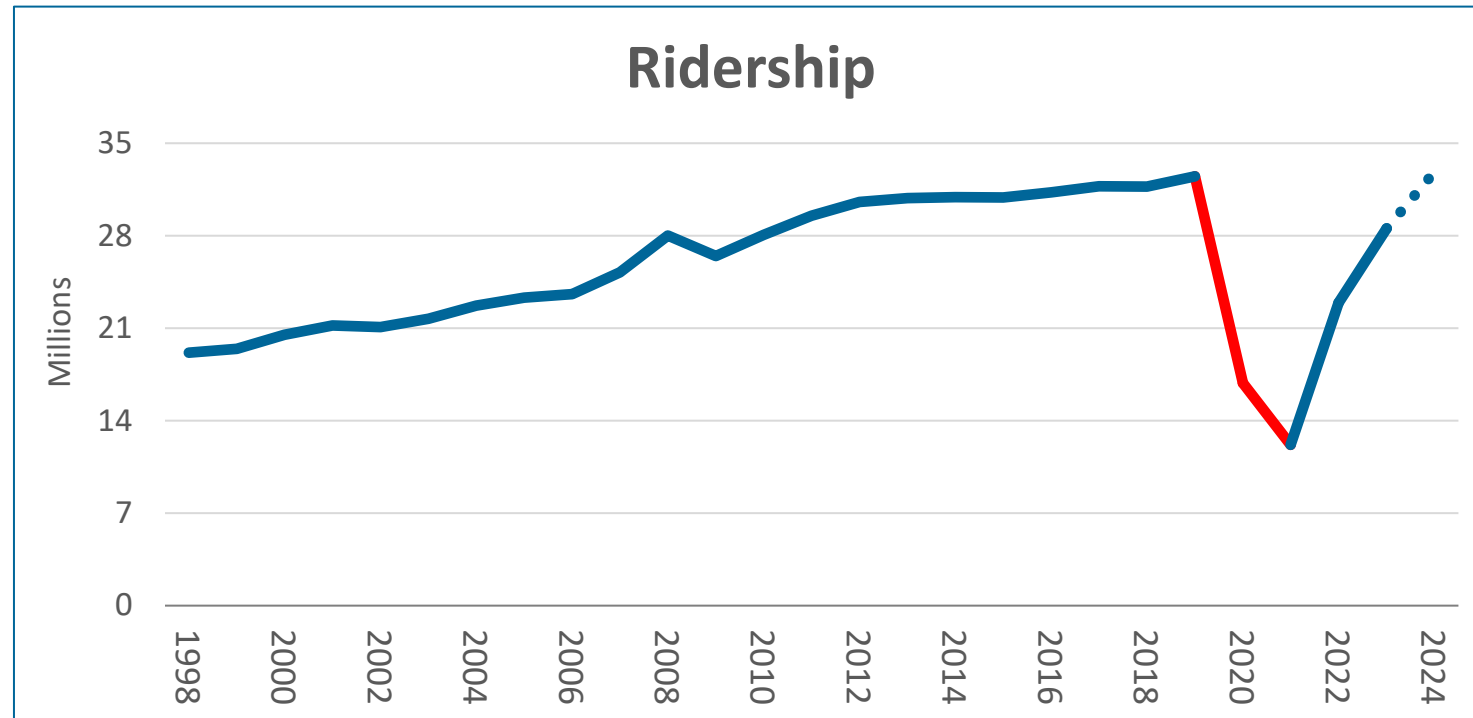
Northeast: \$1.316 billion (36%)

South: \$857 million (23%)

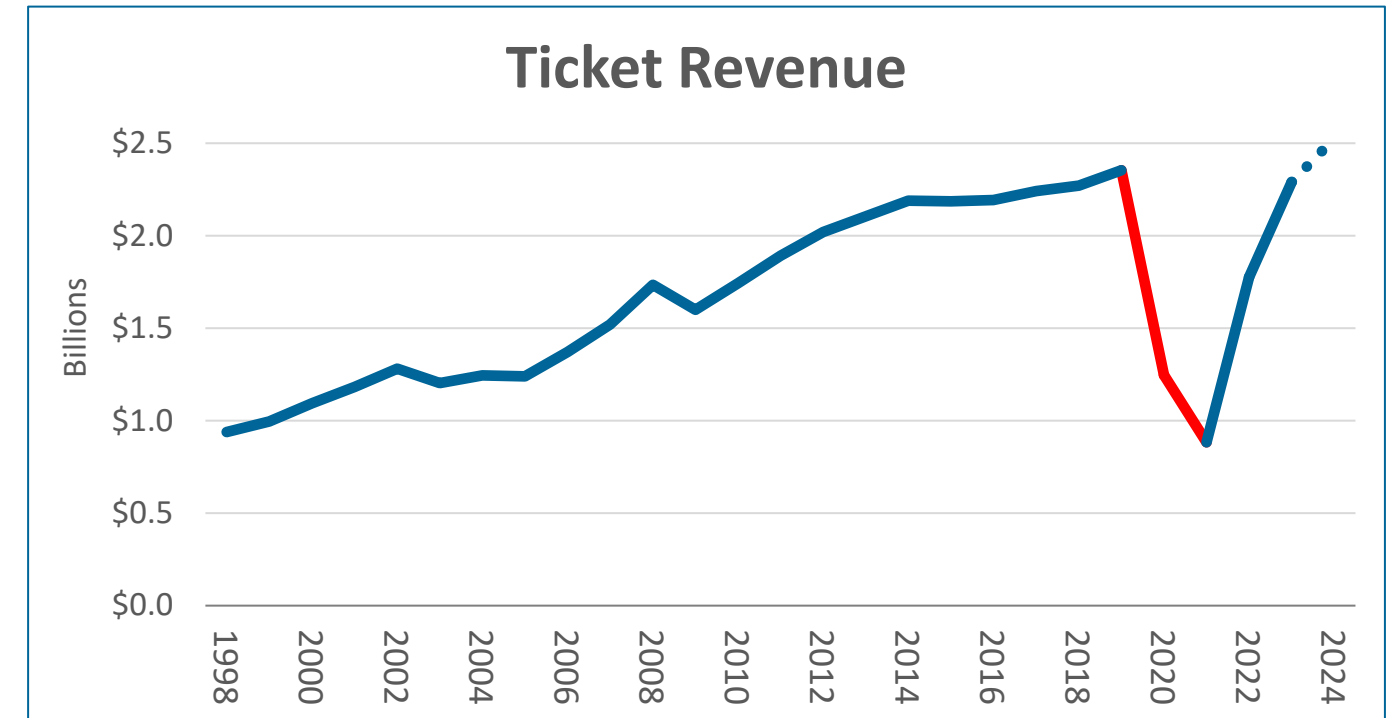
West: \$825 million (22%)

Midwest: \$695 million (19%)

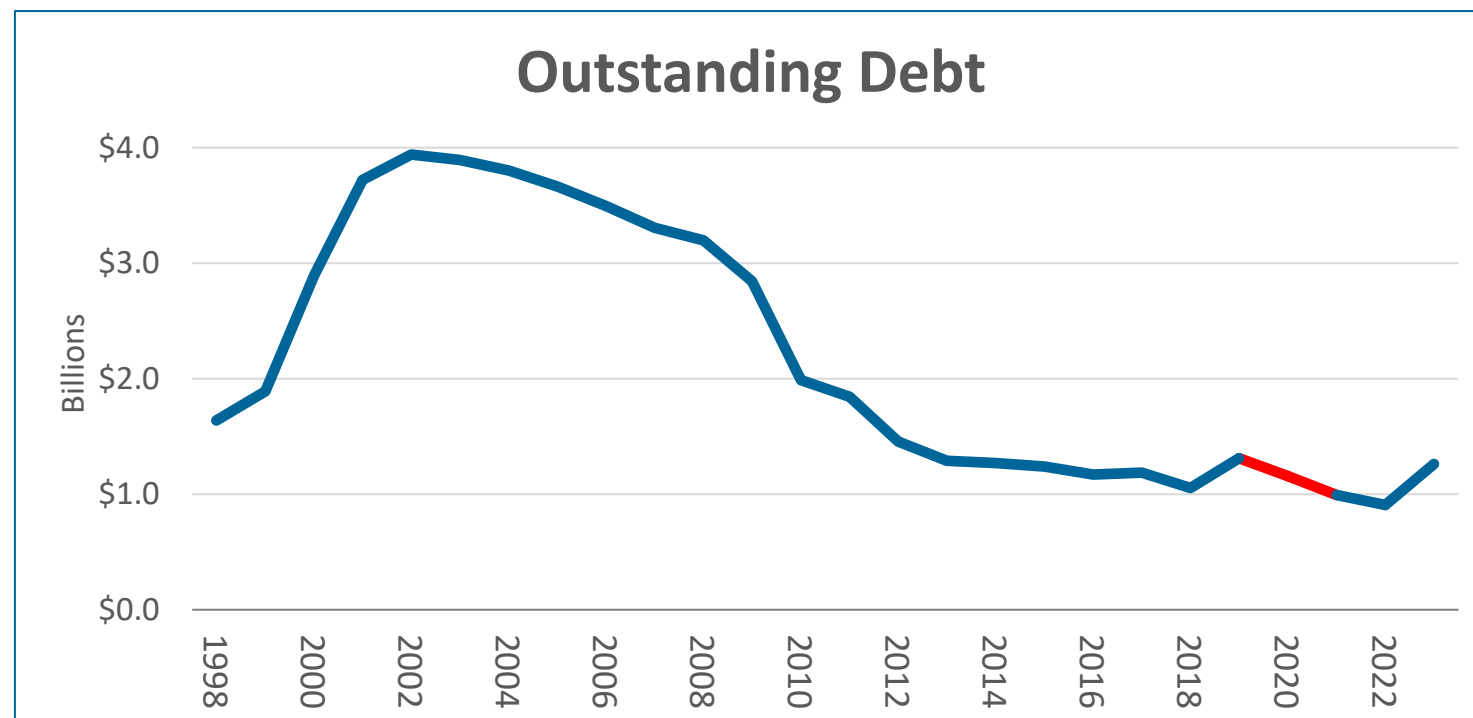
Business Update: Historic Trends



Effects of COVID-19 in FFY 20-21 shown in red. Dotted line shows FY 24 plan.



Effects of COVID-19 in FFY 20-21 shown in red. Dotted line shows FY 24 plan.



Effects of COVID-19 in FFY 20-21 shown in red.

FY 24 Projections

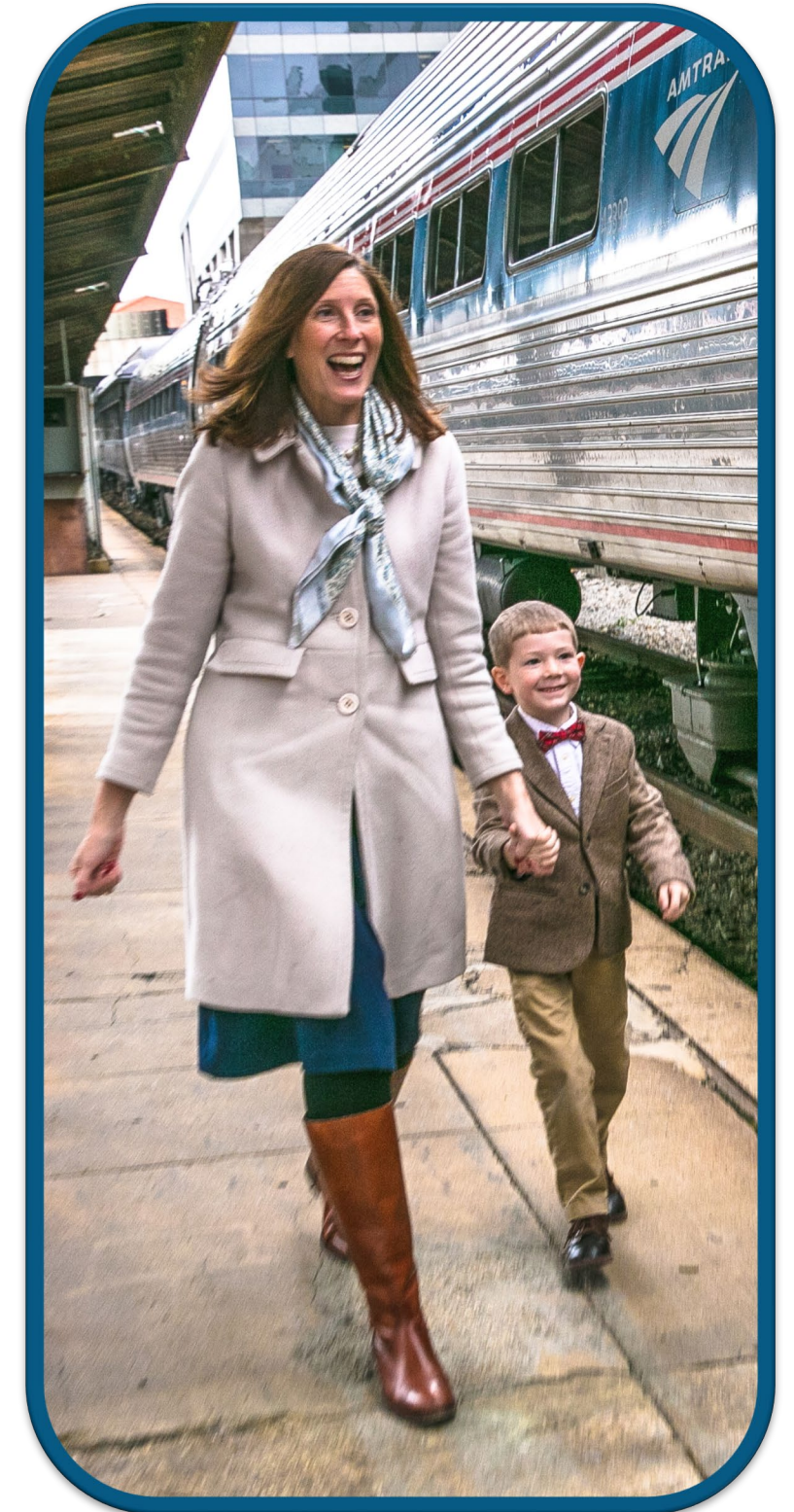
- **Ridership:** 32.8 million (new record)
- **Ticket Revenue:** \$2.5 billion (new record)
- **Finances:** 5% year-over-year improvement in cost recovery; debt remains low

FY 23 Accomplishments

- Restored and expanded service with state and federal partners. Looking ahead, Infrastructure Investment and Jobs Act (IIJA) funding will enable us to further expand and enhance service across the country.
- 28.6 million customers (30% first-timers); aim to set record in FY 24.
- \$3.4 billion total operating revenue; most ever, offset by higher costs.
- 4,800 new hires and \$3.0 billion in capital investments, driven by IIJA.

Challenges

- Ridership is only now returning to pre-COVID levels due to long-term travel market changes, equipment shortages, etc.
- Amtrak faces significant, sustained expense increases due to price inflation, IIJA implementation costs, and other factors.
- In putting IIJA investments to work, Amtrak needs to be both a train service company and a major construction company.



About every five years, Congress updates federal rail policy as part of a surface transportation reauthorization bill—and every year, it provides Amtrak with essential grant funding via the annual THUD appropriations bill.

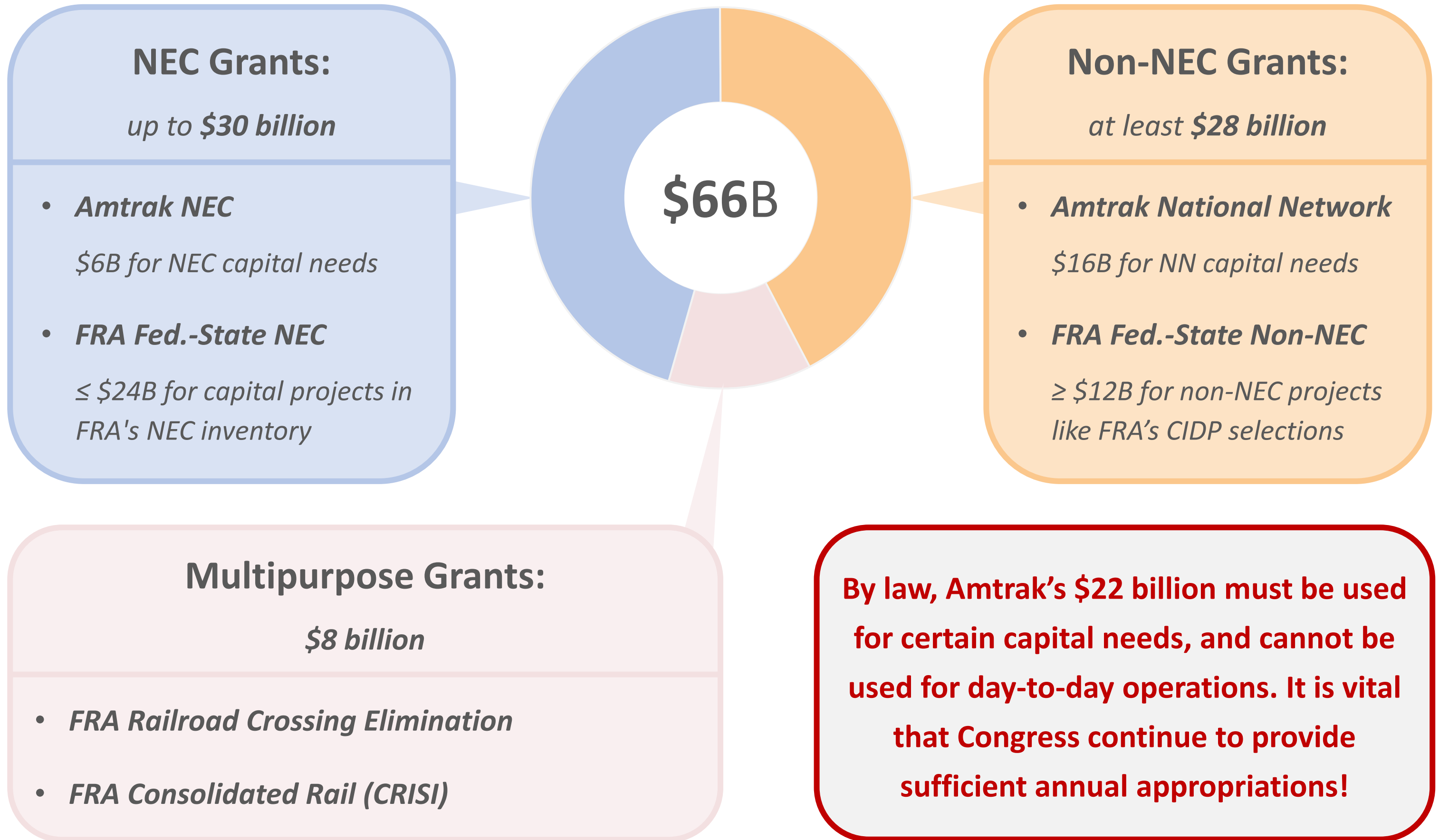
Authorizing Legislation

- Amends rail and transportation policy, including policies affecting Amtrak; and
- Sets non-binding, recommended funding levels (authorized levels) for Amtrak's grants.
 - *Unlike other major surface transportation modes, Amtrak does not receive actual dollars via reauthorization bills. Instead, funding needs to be provided via the annual appropriations process.*

Appropriations Legislation

- Every year, Congress appropriates funding for Amtrak via Northeast Corridor and National Network grants.
- This annual funding enables Amtrak to continue operating its trains, and to meet day-to-day maintenance and capital investment needs.
- The uncertainties of the appropriations process can affect our service and capital planning, resulting in delays, inefficiencies, and increased costs. The IJA provides a reprieve, but not a permanent solution.

The IIJA: \$66 Billion Investment in Rail



NEC Grants:

up to \$30 billion

- **Amtrak NEC**
\$6B for NEC capital needs
- **FRA Fed.-State NEC**
≤ \$24B for capital projects in FRA's NEC inventory

Non-NEC Grants:

at least \$28 billion

- **Amtrak National Network**
\$16B for NN capital needs
- **FRA Fed.-State Non-NEC**
≥ \$12B for non-NEC projects like FRA's CIDP selections

Multipurpose Grants:

\$8 billion

- **FRA Railroad Crossing Elimination**
- **FRA Consolidated Rail (CRISI)**

By law, Amtrak's \$22 billion must be used for certain capital needs, and cannot be used for day-to-day operations. It is vital that Congress continue to provide sufficient annual appropriations!

The IJA: How Amtrak Plans to Use Funds

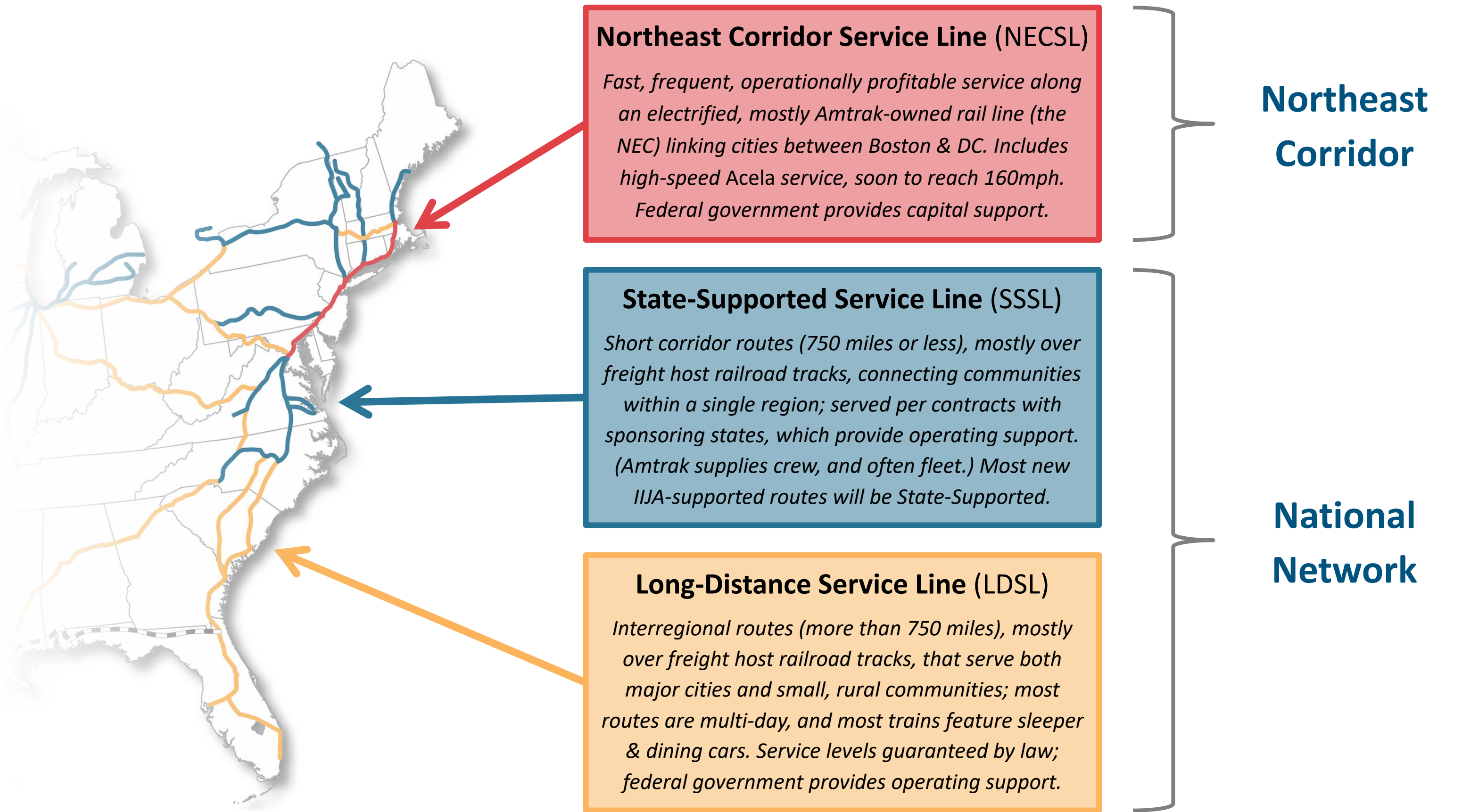


The below illustrative lists show the kinds of projects for which Amtrak is using IJA funds (including Amtrak’s own grant dollars, FRA Federal-State Partnership and CRISI grants, and other funding as applicable):

National Network
Fleet & Supporting Facilities <ul style="list-style-type: none">• New Airo trainsets for State-Supported routes and the <i>Palmetto</i>• New ALC-42 Charger locomotives for Long-Distance routes• New passenger equipment for overnight Long-Distance routes• Improvements to existing passenger equipment
Infrastructure — Capital Renewal & Other <ul style="list-style-type: none">• Chicago Hub Improvement Program (CHIP)• <i>Empire Builder</i> infrastructure & station improvements
ADA Stations Program <i>(full Amtrak-responsible compliance by 2029)</i>
Obsolete National Rail Asset Replacement <ul style="list-style-type: none">• Next-generation reservation systems• Cybersecurity improvements for operational technology
Future Growth — New and Enhanced Service <ul style="list-style-type: none">• Gulf Coast service restoration (two round trips daily)• Daily <i>Cardinal & Sunset Limited</i> Long-Distance service• Furtherance of other FRA CIDP (corridor development) selections

Northeast Corridor
Fleet & Supporting Facilities <ul style="list-style-type: none">• New Airo trainsets for <i>Northeast Regional</i> service
Infrastructure — Major Backlog <ul style="list-style-type: none">• Gateway Program (e.g., Hudson Tunnel) & other NY/NJ projects• Frederick Douglass Tunnel (B&P Tunnel replacement)• Connecticut River bridge replacement (main line)• MD bridges replacement (Susquehanna, Gunpowder, Bush)
Infrastructure — Capital Renewal & Other <ul style="list-style-type: none">• Construction of fourth NEC track through Harrison, NJ• Catenary replacement (Brill to Landlith, Landlith to Wine)• Signal system upgrades to “562” (County to Elmora)• Construction of fourth NEC track through BWI Airport
Major Stations <ul style="list-style-type: none">• Washington Union Station (near-term rail plan, long term expansion)• Baltimore Penn. Station (master plan)• Philadelphia Gray 30th Street Station (district plan)• New York Penn. Station (various)
ADA Stations Program <i>(full Amtrak-responsible compliance by 2029)</i>

Service Lines: Three Lines; Two Accounts



Service Lines: Northeast Corridor (NECSL)



- **Travel Market Changes** — Post-COVID-19 declines in business travel plus increased leisure travel mean changes in who's riding our flagship *Acelas*.
- **Re-fleeting** — New *Acela* equipment will enter service soon, and new Airo trainsets will begin replacing *NE Regional* equipment later in the 2020s.
- **Infrastructure** — While not fully NECSL's responsibility, the condition and management of physical NEC infrastructure (bridges, etc.) affect operations.
 - Sec. 212 — In 2008, Congress created an NEC Commission and directed it to devise a formula for allocating infrastructure and other costs to the NEC's users (Amtrak, commuter, and freight railroads). User investments cover some—not all!—of the NEC's capital needs.
 - SOGR Backlog — Decades of underinvestment in NEC infrastructure have led to a \$40B+ state-of-good-repair (SOGR) backlog, which impairs service and chokes off growth. Key needs include the Gateway Program (NJ/NY); Frederick Douglass Tunnel (MD); and major station re-developments (NYC, DC, Philadelphia, & Baltimore).

FY 23 Quick Facts: NECSL

Ridership	12.1M
Operating Earnings	\$203M
Cost Recovery	119%

Use of Amtrak's Infrastructure

While the NECSL operates Amtrak's *Acela* and *Northeast Regional* trains, a separate, non-operating service line—**Infrastructure Access**—is responsible for providing access to Amtrak-owned infrastructure on the NEC (and elsewhere) to other railroads at a fair cost.

Non-Amtrak entities that routinely access the NEC include eight commuter railroads (**MBTA** (MA/RI), **CTrail** (CT/MA), **Metro-North Railroad** (NY/CT), **Long Island Rail Road** (NY), **NJ Transit** (NJ/NY/PA), **SEPTA** (PA/DE), **MARC** (MD/DC), & **VRE** (DC)) and six freight railroads.

Service Lines: State-Supported (SSSL)



- **Sec. 209** — Federal law requires the use of a standardized methodology to fairly allocate SSSL route costs between Amtrak and the sponsoring state(s). The State-Amtrak Intercity Passenger Rail Committee (SAIPRC) maintains this methodology. An IJA-required update is being implemented in FY 24.
- **Growth** — Ridership on corridor routes has risen by two-thirds in recent years. SSSL ridership accounts for almost 50% of Amtrak’s national total.
 - Recent Expansions — New or expanded service has recently begun in VT (*Ethan Allen* extension) and NY/MA (*Berkshire Flyer*); frequencies have been added to existing routes in places like NC, OR, VA, & WA.
 - Upcoming Expansions — Additional new service is planned for 2024 in the Midwest (IL, WI, MN) and along the Gulf Coast (LA, MS, AL).
 - CIDP — FRA’s Corridor Identification & Development Program (CIDP) and new IJA funding have created an opportunity to greatly increase State-Supported service, bringing even more trains to more people.

FY 23 Quick Facts: SSSL	
Ridership	12.5M
Operating Earnings	(\$237M)
Cost Recovery	78%

State-Supported Routes

Adirondack (NY), *Berkshire Flyer* (NY/MA), *Blue Water* (MI), *Capitol Corridor* (CA), *Carl Sandburg* (IL), *Carolinian* (NC), *Cascades* (OR/WA), *Downeaster* (ME), *Empire Service* (NY), *Ethan Allen Express* (NY/VT), *Hartford Line* (CT/MA), *Heartland Flyer* (OK/TX), *Hiawatha* (IL/WI), *Illini* (IL), *Illinois Zephyr* (IL), *Keystone* (PA), *Lincoln Service* (IL), *Maple Leaf* (NY), *Missouri River Runner* (MO), *Pacific Surfliner* (CA), *Pennsylvanian* (PA), *Père Marquette* (MI), *Piedmont* (NC), *Saluki* (IL), *San Joaquin* (CA), *Valley Flyer* (CT/MA), *Vermont* (CT/MA/VT), *Virginia Service* (VA), *Wolverine Service* (MI)

Service Lines: Long-Distance (LDSL)



- **The Future of Long-Distance** — The IJA generally prohibits discontinuance of LDSL routes. We are working continually to modernize our Long-Distance offerings in order to better serve our customers.
- **Shortages** — Wreck repairs and pandemic-era work deferrals have limited the availability of Long-Distance passenger cars. Building on efforts in FY 23, Amtrak aims to return 47 additional cars to service during FY 24.
- **On-Time Performance** — Long-Distance passengers are chronically late due to freight railroads' violation of Amtrak's preference rights, despite clear prohibitions.
- **Schedules** — Some major cities are currently served mainly in the dead of night (e.g., Cleveland) or less than daily (e.g., Houston). Where appropriate, Amtrak is seeking to address such issues via FRA's CIDP process.
- **Old Equipment** — Decades-old LDSL passenger cars need to be replaced. The IJA is enabling Amtrak to procure new ones, but this will take time.

FY 23 Quick Facts: LDSL	
Ridership	3.9M
Operating Earnings	(\$596M)
Cost Recovery	50%

Long-Distance Routes

Auto Train (DC-Orlando), *California Zephyr* (Chicago-SF Bay Area), *Capitol Limited* (Chicago-Washington), *Cardinal* (New York-Chicago), *City of New Orleans* (Chicago-New Orleans), *Coast Starlight* (Los Angeles-Seattle), *Crescent* (New York-New Orleans), *Empire Builder* (Chicago-Seattle/Portland), *Lake Shore Limited* (New York/Boston-Chicago), *Palmetto* (New York-Savannah), *Silver Meteor* (New York-Miami), *Silver Star* (New York-Miami), *Southwest Chief* (Los Angeles-Chicago), *Sunset Limited* (Los Angeles-New Orleans), *Texas Eagle* (Los Angeles/San Antonio-Chicago)



Corridor Development (CIDP) – New FRA program to select corridors for development, and to organize needed capital investments into a prioritized “project pipeline.” Selections announced December 8, 2023, received \$500k each for service studies.



Grant Programs – New FRA discretionary grant programs, backed by substantial funding:

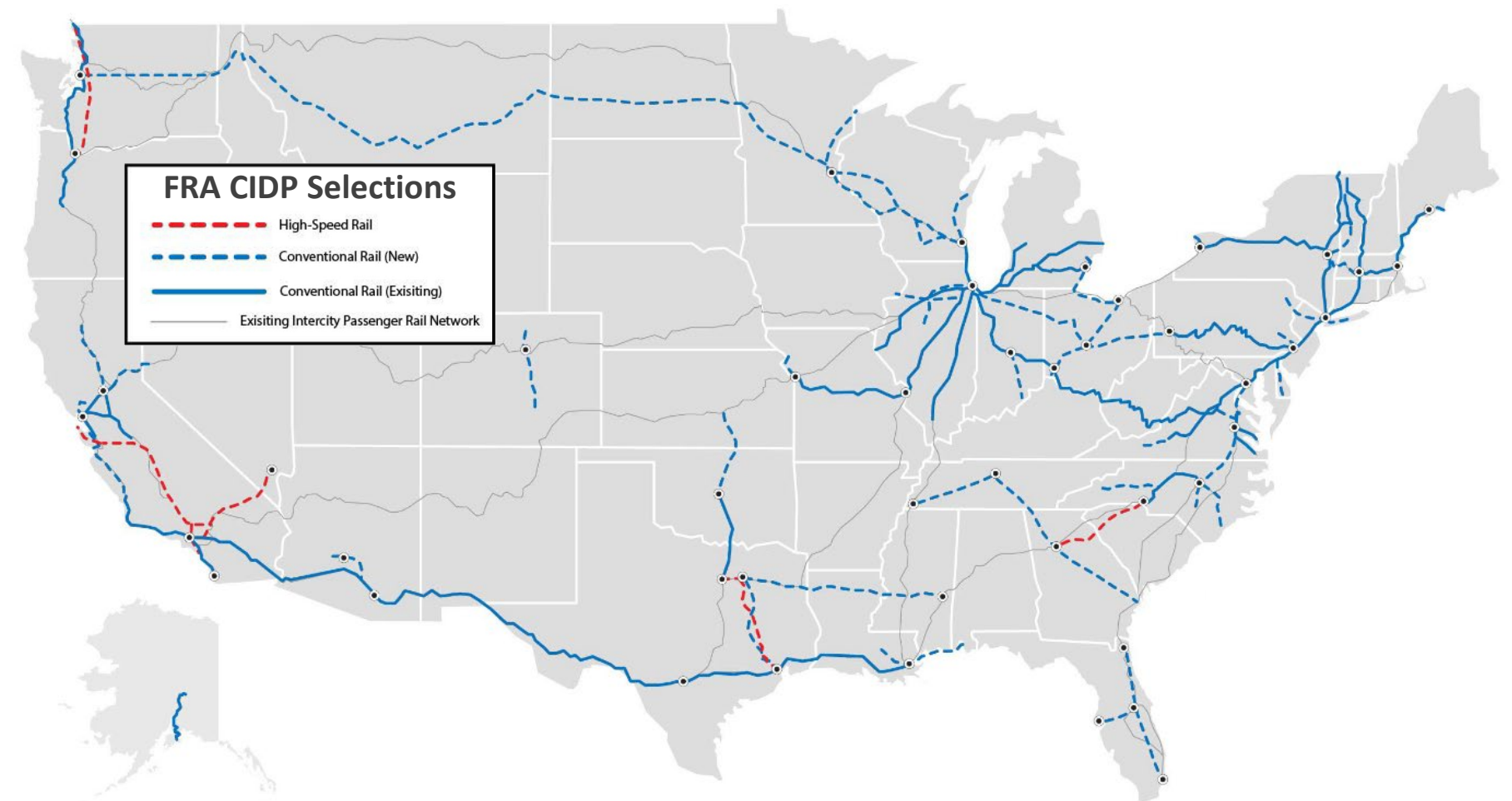
- *Federal-State Partnership for Intercity Passenger Rail* — Planning / capital support for NEC infrastructure projects and FRA corridor development selections, among other projects.
- *Railroad Crossing Elimination* — Planning / capital support for projects to eliminate highway- or pathway-railway grade crossings.
- *Interstate Rail Compact* — Administrative support for carrying out interstate rail compacts.



State-Supported Routes — SAIPRC (forum for Amtrak State-Supported partners) required to update “Sec. 209” policy that allocates route costs. New policy is being fully implemented in FY 24.

Looking Ahead: FRA's CIDP Selections

- Late in 2023, FRA announced initial acceptance of 69 applications into its corridor development program (CIDP). Most applications were led by states, not Amtrak.
- Successful applicants received \$500k to lay groundwork for later preparation of service development plans (SDPs), which will map out proposed service changes in detail.
- In the future, FRA will decide which corridors should continue to advance towards development; eventually, the agency will award planning and capital grants to the most successful applicants.



Map originally by FRA, with modifications by Amtrak.

Successful Amtrak-Led Applications

Four Amtrak applications were accepted. The company will now work towards **daily *Cardinal* service; daily *Sunset Ltd. service*; extension of *NE Regional* service to Ronkonkoma (Long Island); and a new **Dallas - Houston high-speed rail route.****

Hosts and Reliability: On-Time Performance

Amtrak grades host railroads based on delay-minutes, but the government’s Metrics and Standards for On-Time Performance (OTP) are the best measure of passenger experience. Federal law requires that Amtrak trains receive priority over freight—but hosts often ignore this requirement and favor their own trains. As a result, most Amtrak National Network routes don't meet OTP standards.

	Host Railroad	2023 Grade	4-Year GPA
1	CPKC	A	4.11
2	CSX	B+	3.2
3	Canadian National	B+	3.31
4	BNSF	B	3.33
5	Norfolk Southern	B-	1.81
6	Union Pacific	C-	1.99

State-Supported: Most Routes Fail			
Route	Class I Host(s)	Customers on Time	Meets 80% Standard?
Keystone	Amtrak	94%	Pass
Pere Marquette	CSX, NS	87%	
Hiawatha	CPKC	86%	
New York - Albany	Amtrak	85%	
Capitol Corridor	UP	85%	
Downeaster	CSX	81%	
Pacific Surfliner	BNSF, UP	80%	
Carl Sandburg / IL Zephyr	BNSF	80%	
Illini / Saluki	CN	80%	
Pennsylvanian	NS	79%	
Ethan Allen Express	CPKC	74%	
New York – Niagara Falls	CSX	74%	
Missouri River Runner	UP	74%	
Maple Leaf	CSX	73%	
Vermont	(other hosts)	70%	
Adirondack	Amtrak	69%	
Wolverine	NS, CN	69%	
Piedmont	NS	68%	
San Joaquins	BNSF, UP	66%	
Blue Water	NS, CN	66%	
Heartland Flyer	BNSF	64%	
Cascades	BNSF, UP	64%	
Lincoln Service	CN, UP	63%	
Carolinian	CSX, NS	61%	

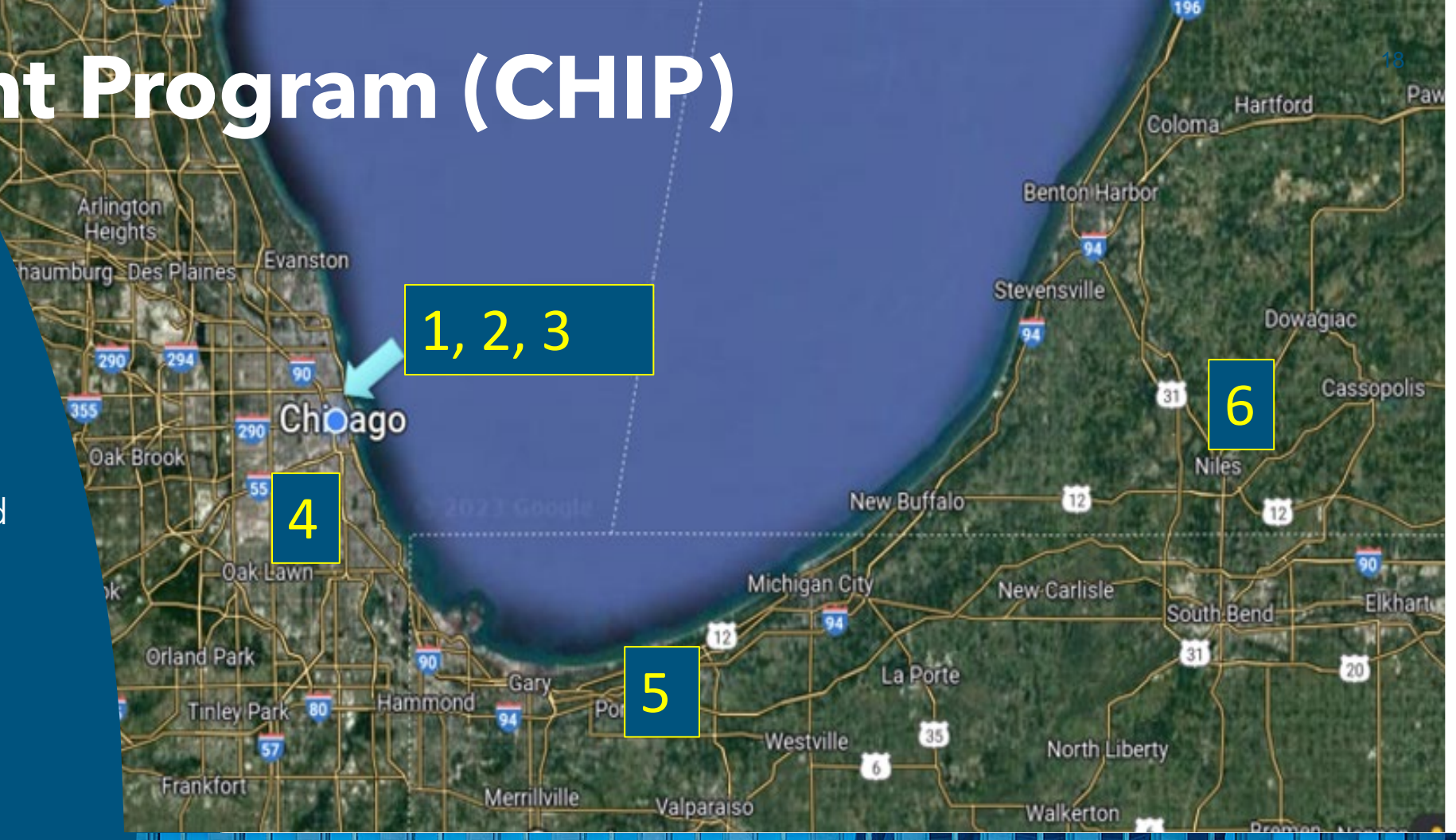
Long-Distance: 15/15 Routes Fail			
Route	Class I Host(s)	Customers on Time	Meets 80% Standard?
City of New Orleans	CN	75%	Fail
Capitol Limited	NS, CSX	70%	
Lake Shore Limited	CSX, NS	69%	
Palmetto	CSX	67%	
Auto Train	CSX	66%	
Texas Eagle	BNSF, UP, CN	60%	
Coast Starlight	BNSF, UP	58%	
Cardinal	NS, CSX	58%	
Crescent Silver	NS	57%	
Meteor	CSX	53%	
Empire Builder	BNSF, CPKC	51%	
Silver Star	CSX, NS	49%	
Sunset Limited	BNSF, UP	44%	
Southwest Chief	BNSF	34%	
California Zephyr	BNSF, UP	33%	

Host Railroads are graded based on “host-responsible delay per minutes per 10,000 train-miles.” 900 host-responsible delay minutes per 10,000 train-miles generally correlates with performance that results in Amtrak trains that are 80% on-time.

Chicago Hub Improvement Program (CHIP)

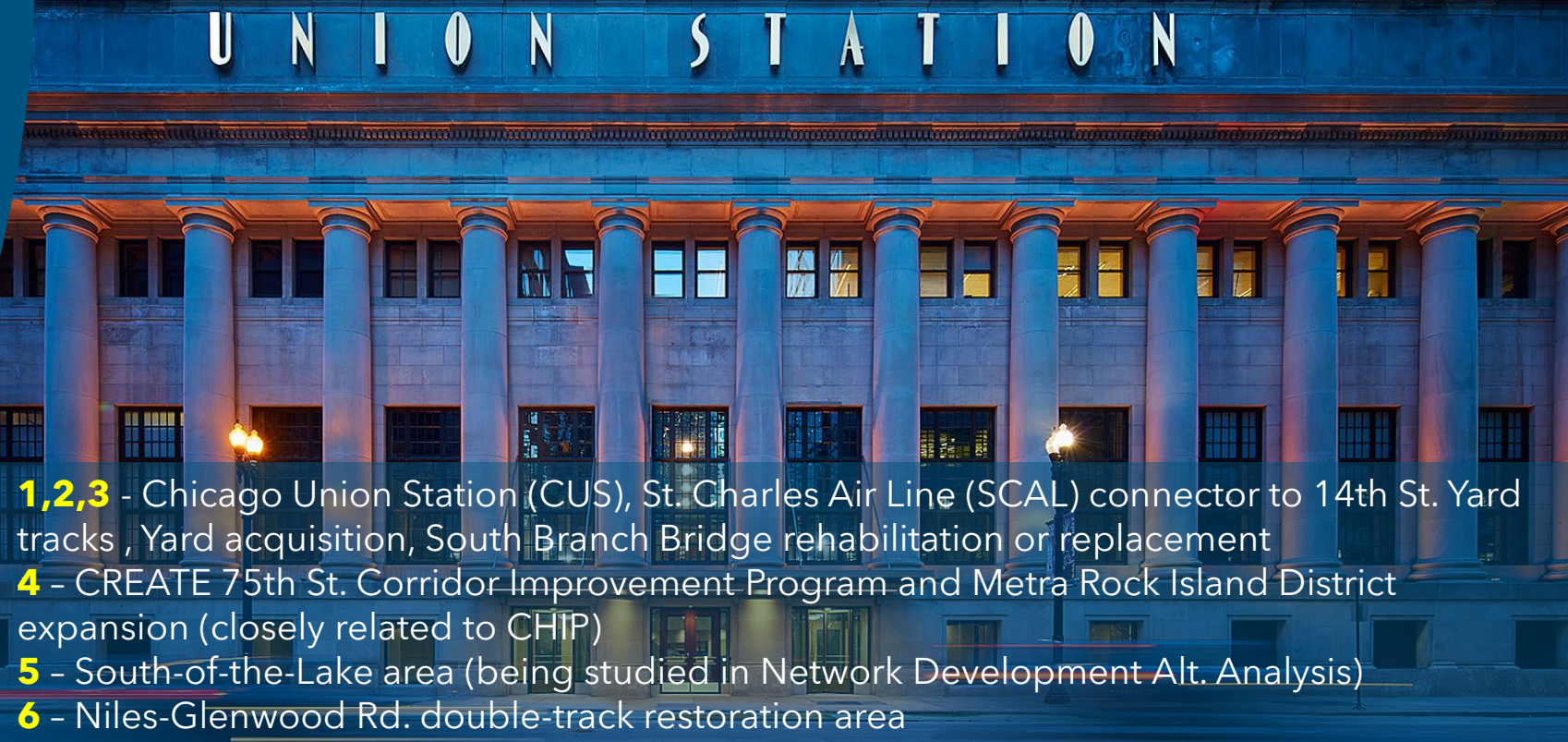
Chicago Union Station (CUS) Improvement Projects:

- **Goal:** Upgrade CUS performance and customer experience by:
 - Reducing station and platform congestion
 - Adding capacity and accessibility for expanded services
 - Providing cleaner air in platform areas
- **Scope:** Concourse and platform renovations/expansions, and ventilation system upgrades.
- **Partners:** FRA, Illinois DOT, Cook County, City of Chicago, Metra
- **Schedule:** Mail Platform target delivery fall 2026; Concourse target delivery fall 2028; Commuter platform expansions and ventilation improvements currently being initiated



Chicago Access Improvement Projects:

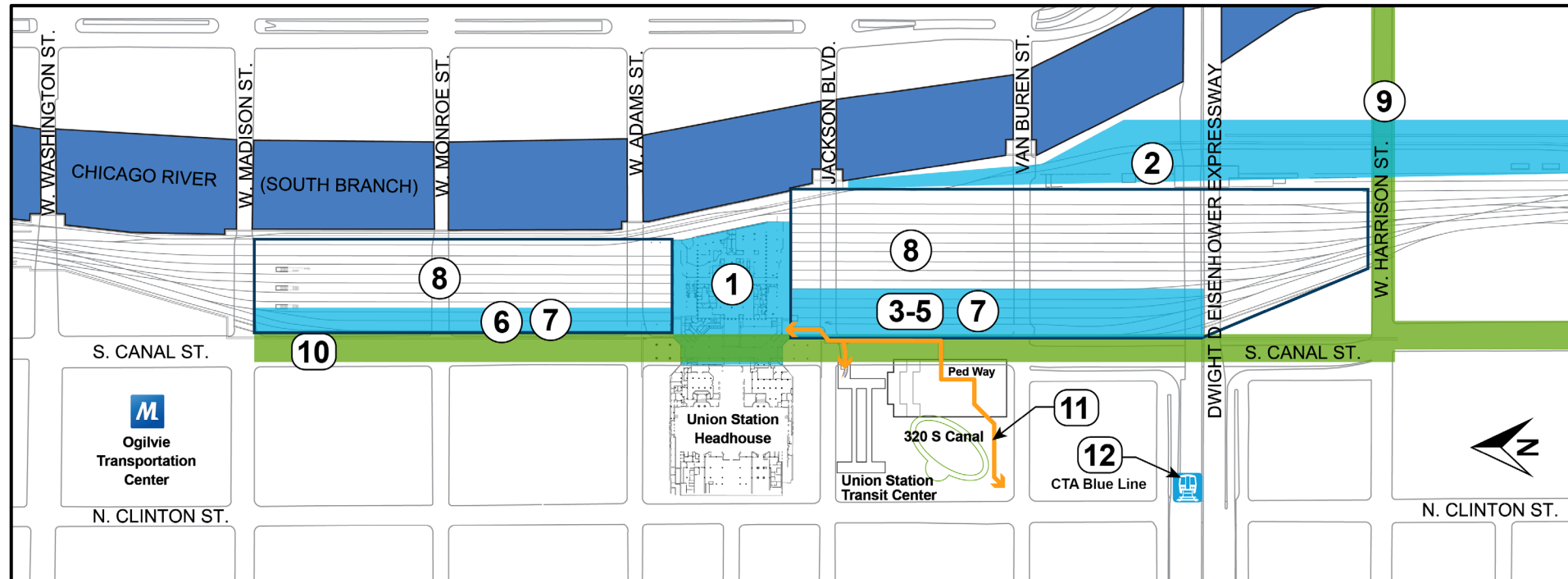
- **Goal:** Add/purchase infrastructure to reduce travel times and improve reliability of current service while accommodating future growth
- **Scope:** Acquire and/or build new infrastructure at several sites in the Chicago area, northwest Indiana, and southwest Michigan
- **Partners:** Host Railroads (CN, BNSF, NS, UP, CSX, Metra) plus funding partners Illinois DOT, City of Chicago, Cook County, Metra, Michigan DOT
- **Schedule:** 30% Design through FY 2025, final design and construction FY2026-30



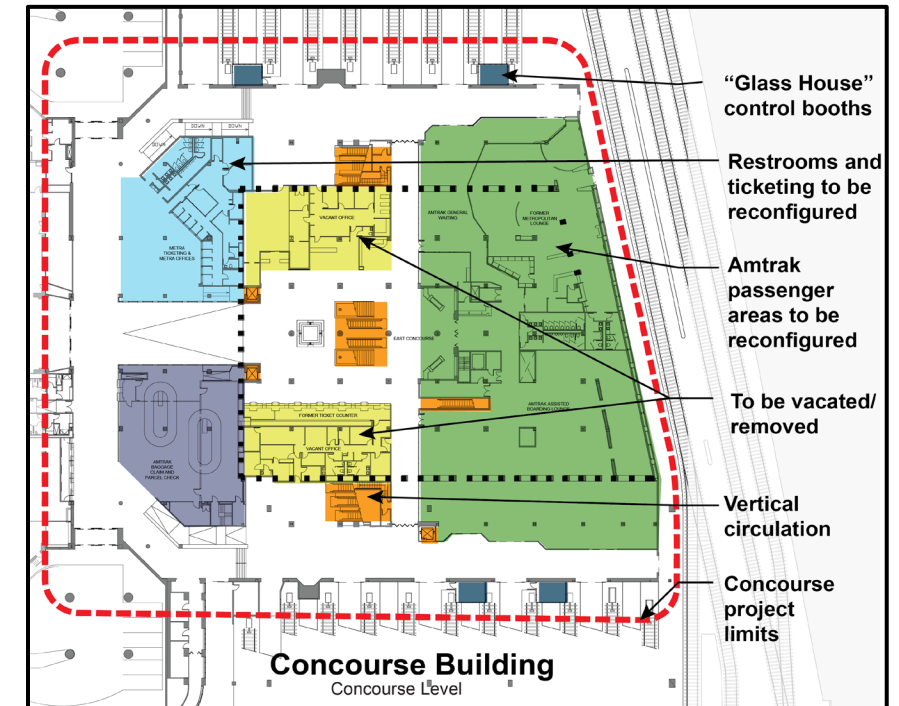


Chicago Union Station Components

Chicago Hub Improvement Program: Chicago Union Station Projects



- | | |
|---------------------------------------|---|
| 1. Concourse Capacity Improvements | 9. Harrison Viaduct Replacement (by CDOT) |
| 2. Mail Platform Reactivation | 10. Canal Viaduct Replacement (by CDOT) |
| 3-6. Commuter Platforms Expansions | 11. Pedway towards CTA Clinton Station (by Developer) |
| 7. Interlocking Adjustments | 12. Clinton Station ADA Improvements (by CTA) |
| 8. Trainshed Ventilation Improvements | |

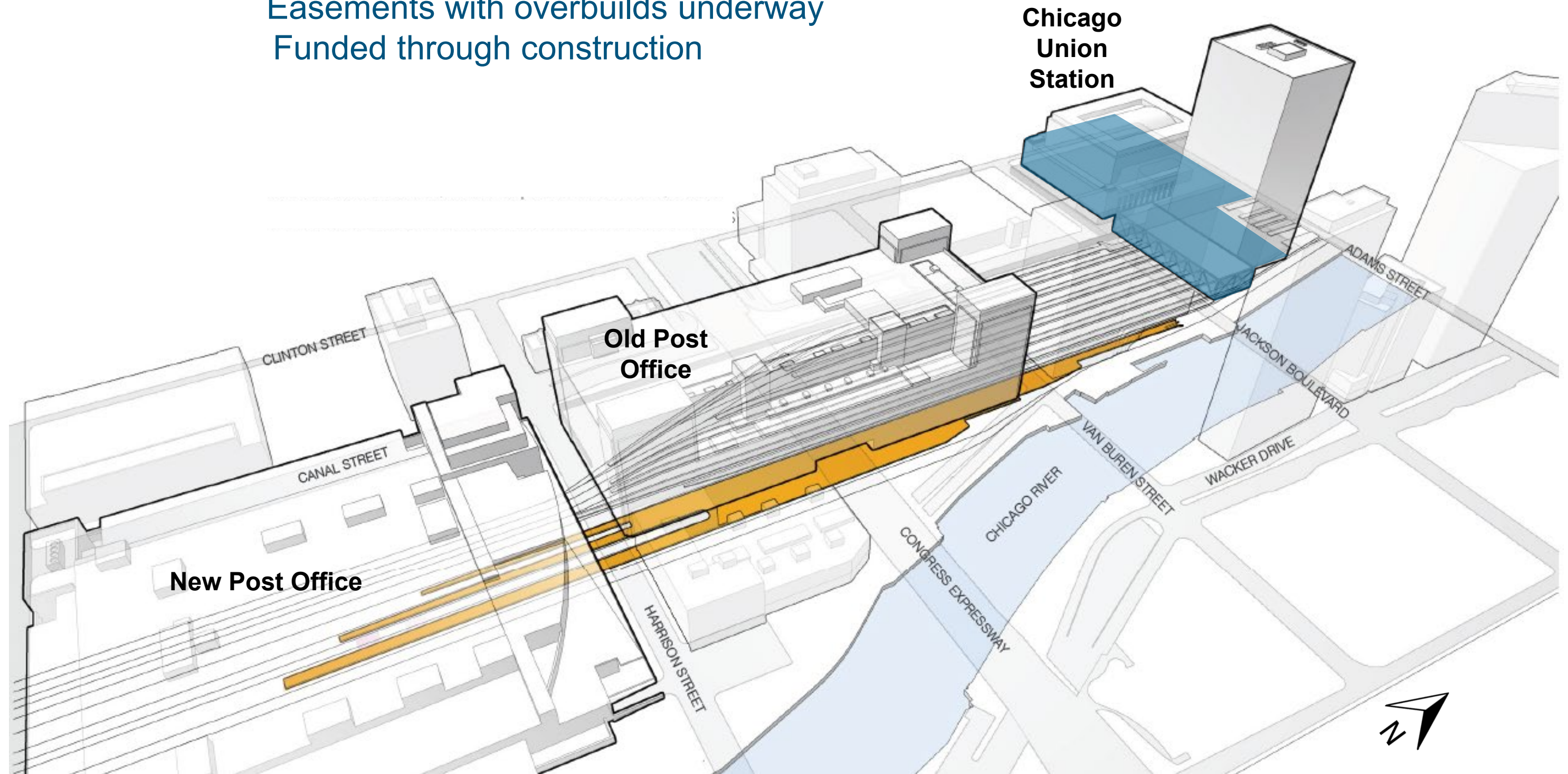


Chicago Union Station
 Upgrades to the station will improve safety, increase capacity, and provide an enhanced customer experience by renovating the concourse, adding a new passenger platform, widened existing platforms, and upgrading ventilation of the train sheds.



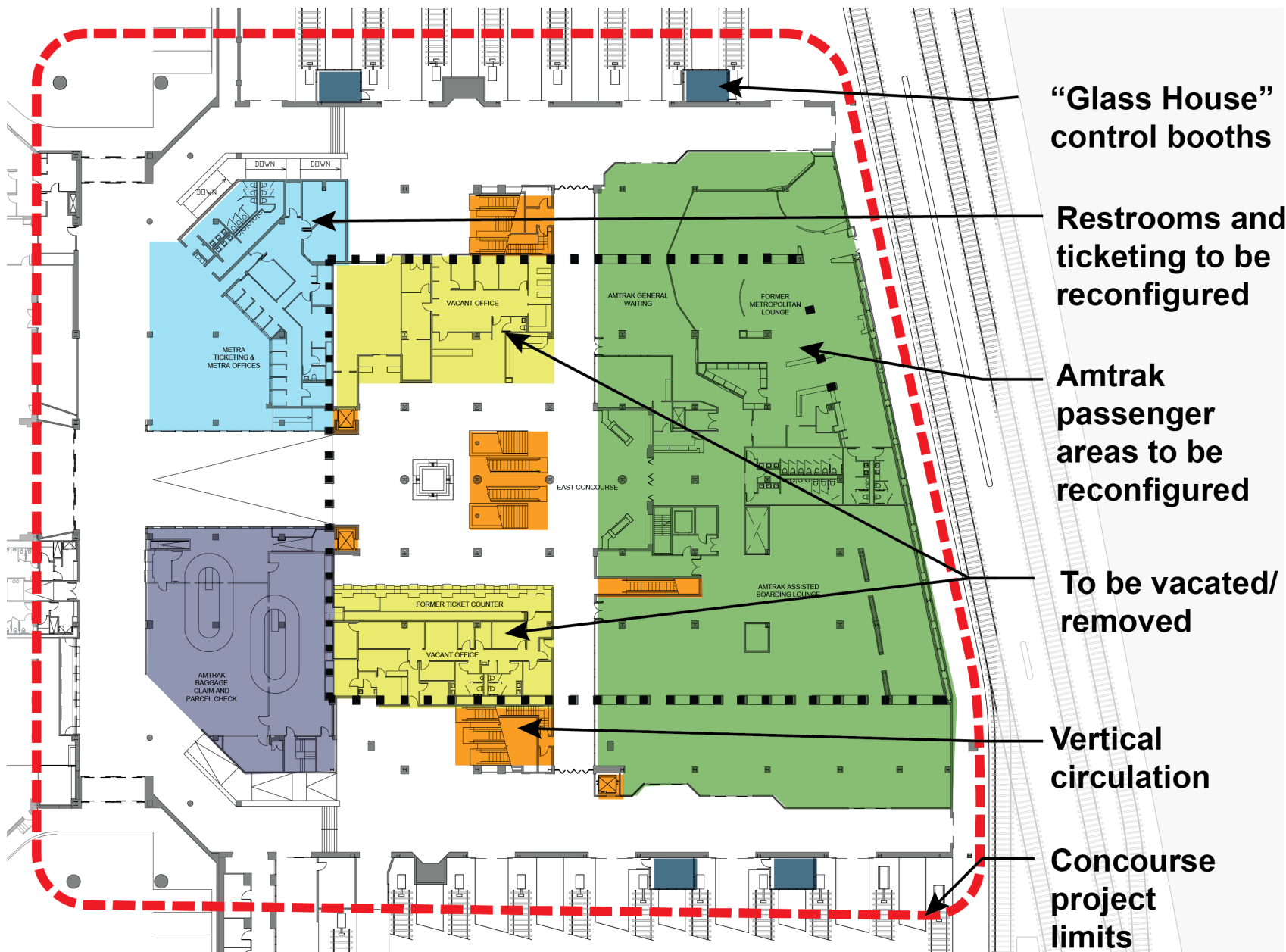
CHIP: CUS Mail Platform Reactivation for Passenger Use

Status: 100% Design Phase initiated March 2023
Easements with overbuilds underway
Funded through construction

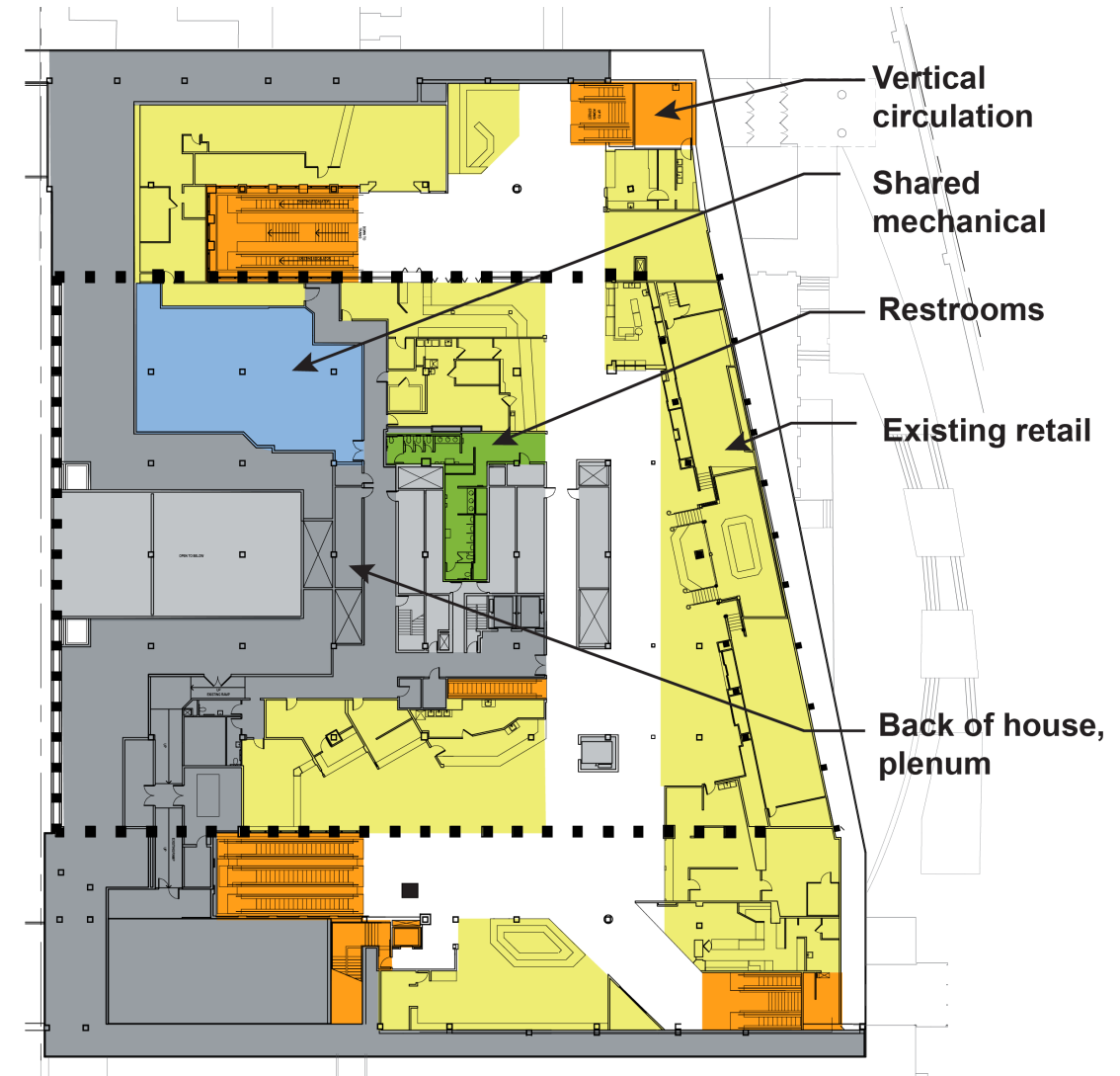


CHIP: CUS Concourse & Mezzanine Improvements

Status: Preliminary Engineering started May 2023



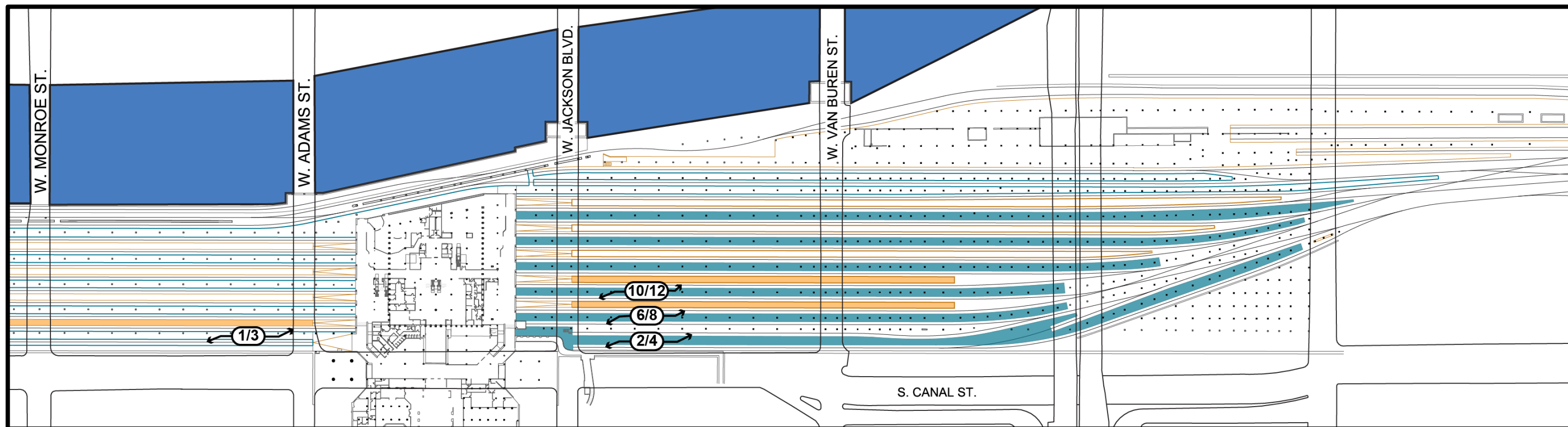
Concourse Level



Mezzanine Level



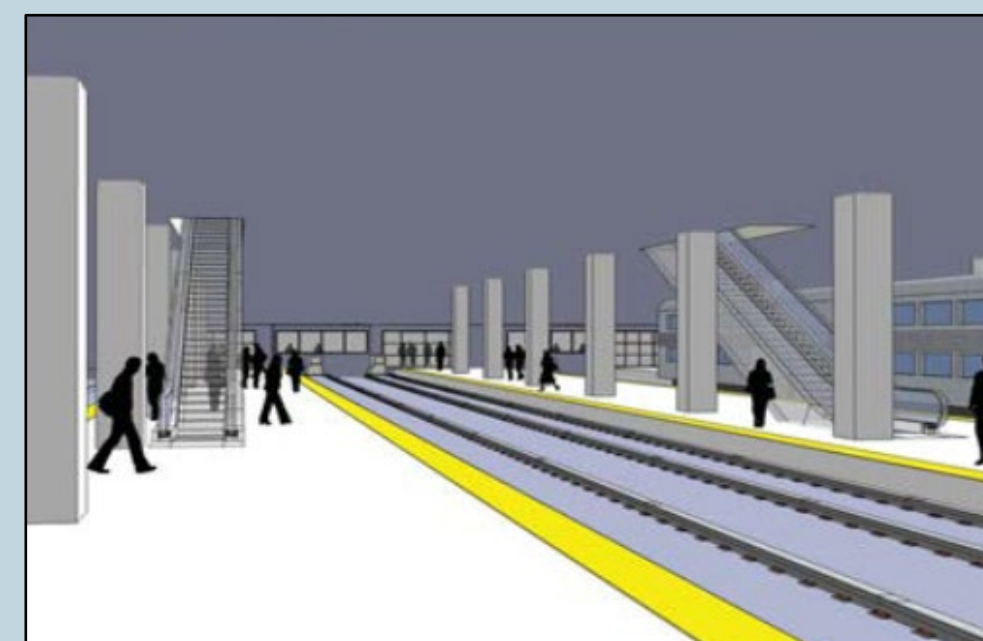
Platform Capacity Expansions – PE/NEPA now funded



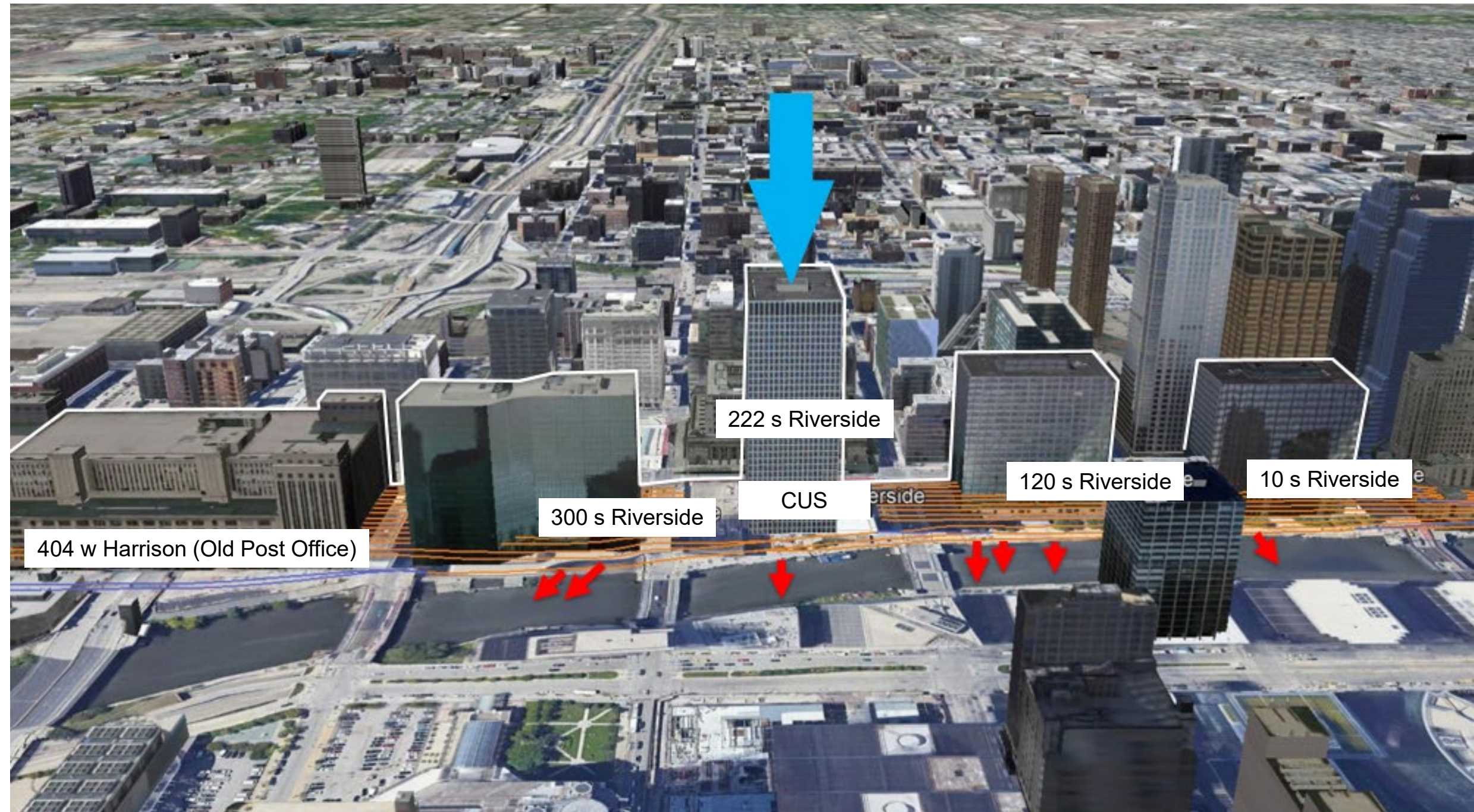
Before



After



Trainshed Ventilation Solution: Air Flow Concept – PE/NEPA now funded



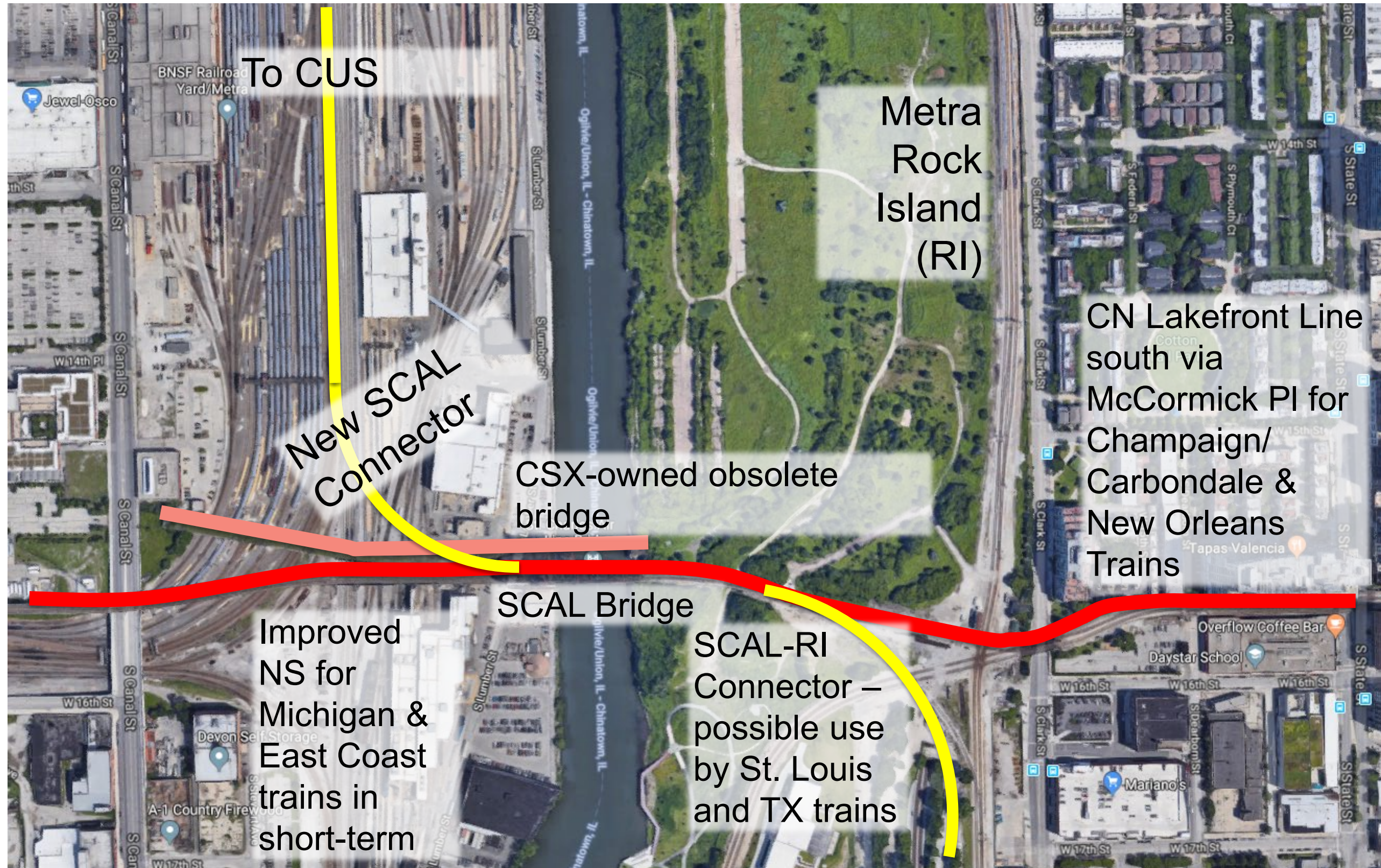


Chicago Access Components

Chicago Union Station (CUS) Access – Today



CUS Access Proposal – With St. Charles Air Line (SCAL) Connector and Improved SCAL-Metra Rock Island (RI) Connector



CUS-SCAL Connector – Benefits to Intercity Service

CHIP would enhance Midwest intercity passenger service via:

- Shorter running times
- Improved reliability
- Elimination of *Illini/Saluki* and *City of New Orleans* 10-15 min back-up maneuver
- Potential path for STL and TX trains to reach Metra RI to Joliet



-----St. Charles Air Line (SCAL)-----

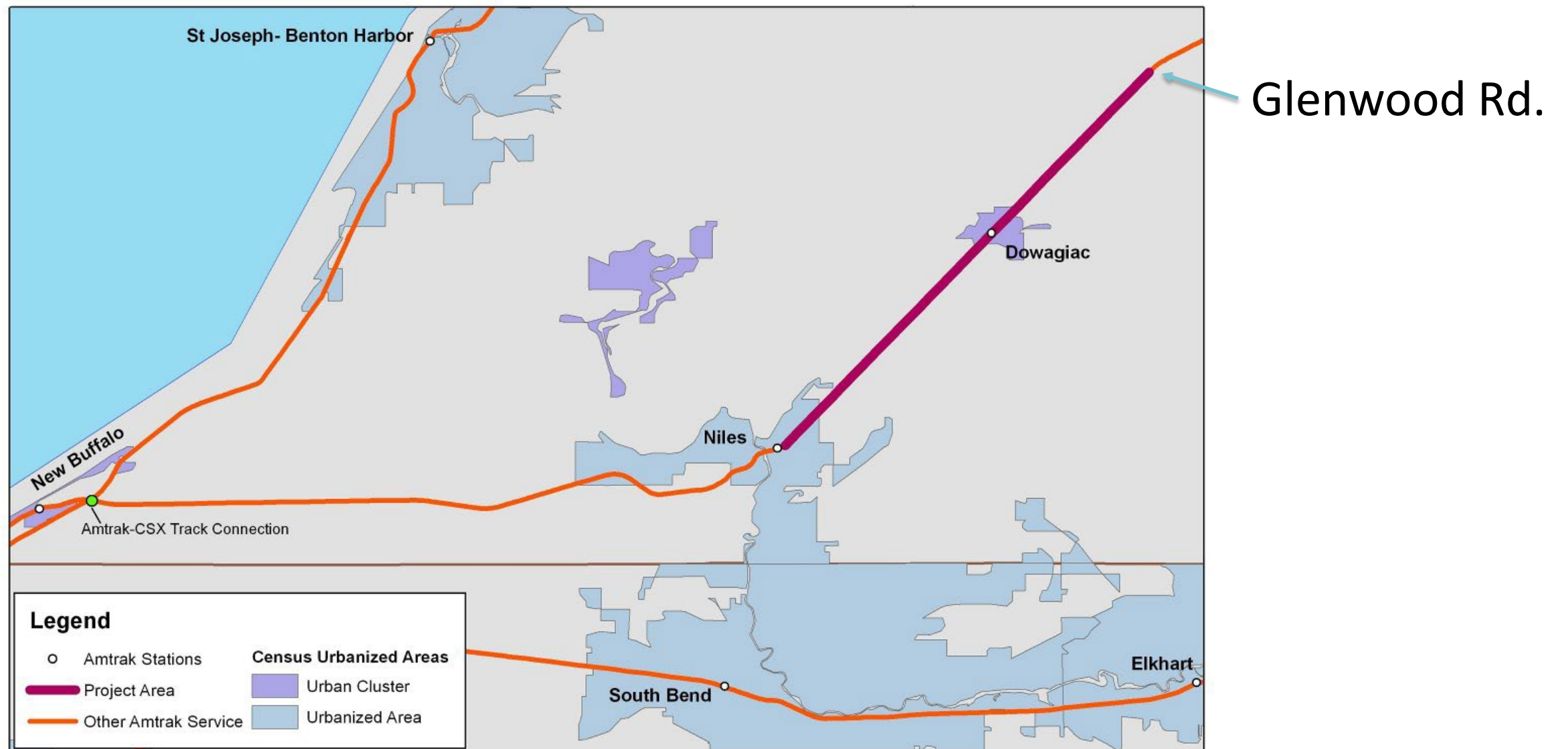
Northward view of St. Charles Air Line and Chicago Loop, taken from 18th St. bridge.

Replacement of South Branch Bridge



- Used by almost all Amtrak south/east trains, and multiple Metra routes
- Bridge often doesn't seat during summer; in '23, it wouldn't raise for 3 weeks during cold weather
- Built in 1914; designated a Chicago landmark in 2007
- Sits only 10 feet above the water when down; per USCG, 18' standard minimum today would require minimal bridge raises
- Chief bridge engineer recommends study to determine if bridge should be rehabbed or replaced
- Fully functional bridge essential both for current and expanded service, including non-revenue moves

Niles-Glenwood Rd. Double-Track



- 19-mile project area on Amtrak ownership; 16 miles of new track saving estimated 5 minutes and eliminating problematic meets
- Expect to receive NEPA categorical exclusion
- First of several projects in Michigan designed to reduce Chicago-Detroit travel time by total of 30 minutes

Looking Ahead: The Path Forward

Intercity passenger rail has a bright future. With Congress' continued support, Amtrak can bring NEC assets into a state of good repair, expand State-Supported routes, and invest in sustaining Long-Distance service for the next generation. Achieving these goals will require Amtrak to focus not just on train service, but on large-sale construction and project management.

What do the Next Few Years Look Like?

- *NEC project delivery*
- *Re-fleeting (network-wide)*
- *FRA corridor development*
- *Resilience and sustainability*

What does Amtrak Still Need from Congress?

- *Robust annual appropriations*
- *Fixes to host railroad issues*
- *Predictable long-term funding*





AMTRAK®

Look for the blue Emergency Notification Signs

Lakeside Road, Berrian County, Mich.

Don't let
your life
end like
this!



REPORT PROBLEM
OR EMERGENCY
1-800-222-2222
X-ING 123456A

If you're stuck on the tracks, call the number on the blue and white emergency notification sign. Give the dispatcher the seven digit locator number and get away from the vehicle!



