

News Release



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AMTRAK AIMS TO CONTINUE GROWTH WITH NEW STRATEGIC GUIDANCE AND FIVE YEAR PLAN

Expand and establish new service, develop and operate high-speed rail,
and deploy Wi-Fi on *Acela Express* among initiatives

WASHINGTON – With the release of new Strategic Guidance and the FY 2010-2014 Five Year Financial Plan, Amtrak aims to continue the solid ridership growth seen in recent years and position itself to maximize this historic moment in federal and state support for more passenger rail service, including for the development of high-speed rail corridors.

“Amtrak is moving into the future with clear goals and specific initiatives to secure and expand our leadership position in the increasingly competitive passenger rail industry,” said Thomas Carper, chairman of the Amtrak board of directors.

Carper said the new Strategic Guidance sets the foundation for the FY 2010-2014 Five Year Financial Plan, and together they encompass the strategy for continuing Amtrak’s ridership growth that has increased steadily from 21.6 million in FY 2002 to 27.2 million in FY 2009, with an all-time record high of 28.7 million in FY 2008.

“We must think big, be innovative and pursue opportunities and decisions that make good business sense because the competition is real,” said Amtrak President and CEO Joseph H. Boardman, stressing that he believes the national railroad’s experience and depth of expert knowledge are assets that make Amtrak the right choice to operate new or expanded service.

The [Strategic Guidance](#) outlines the opportunities and challenges facing Amtrak in the new passenger rail environment where states have the primary role in developing new or expanded intercity and high-speed rail service. It establishes six broad goals to be safer, greener and healthier and to improve financial performance, customer service, and meet national needs. Plus, it creates key performance indicators to measure progress.

The [FY 2010-2014 Five Year Financial Plan](#) for the first time provides substantially detailed financial projections for Amtrak’s revenue, operating costs, capital programs and debt

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service obligations. It also provides a comprehensive discussion of initiatives Amtrak is taking to fulfill its goals and key performance indicators with targets by which it will be measured. Among the specific plans to be accomplished by the end of FY 2014 are to increase ridership by 15 percent, grow ticket revenue by 20 percent, expand service on eight existing state-supported corridors, form two new state partnerships and improve reliability of service across the railroad.

The two documents combined create a new vision that supersedes Amtrak's 2005 Strategic Reform Initiatives and align Amtrak's goals with those passed by Congress in Passenger Rail Investment and Improvement Act of 2008 and in the Obama administration's Vision for High-Speed Rail in America.

Amtrak also is partnering with and assisting states as they apply for federal grants to develop high-speed rail corridors, preparing a new fleet plan to replace aging locomotives and passenger rail cars, upgrading tracks and other infrastructure, and installing Positive Train Control technology to enhance safety. In addition, Amtrak plans to deploy Wi-Fi technology on *Acela Express*, implement next generation reservation and eTicketing programs, and improve accessibility for persons with disabilities to Amtrak trains, platforms and stations.

Further, Amtrak is continuing to make lasting investments in all aspects of the railroad including improved business management processes, better on-board services, and modernizing existing passenger car interiors.

About Amtrak

As the nation's intercity passenger rail operator, Amtrak connects America in safer, greener and healthier ways. Last fiscal year (FY 2009), the railroad carried 27.2 million passengers, making it the second-best year in the company's history. With 21,000 route miles in 46 states, the District of Columbia and three Canadian provinces, Amtrak operates more than 300 trains each day—at speeds up to 150 mph—to more than 500 destinations. Amtrak also is the operator of choice for state-supported corridor services in 15 states and for four commuter rail agencies. Visit Amtrak.com or call 800-USA-RAIL for schedules, fares and more information.

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Amtrak Strategic Guidance and FY 2010-2014 Five Year Financial Plan

Summary

Amtrak's [Strategic Guidance](#) discusses the opportunities and challenges presented by the current passenger rail environment and describes the activities being undertaken to reshape, renew and rebuild the railroad. It establishes broad goals and creates key performance indicators to measure Amtrak's progress as it pursues a growth-oriented mission to maximize unprecedented federal and state support for more passenger rail service.

The [FY 2010-2014 Five Year Financial Plan](#) serves as a companion document to, and provides additional detail for, the Strategic Guidance. The Plan for the first time provides financial projections for Amtrak's revenue, operating costs, capital programs and debt service obligations. It also describes specific investments, actions and initiatives Amtrak is planning to take to advance the goals of the railroad and details key performance indicators with targets. It is bound by the authorized funding levels as stated in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA); however, Amtrak's vision extends beyond these constraints.

The Strategic Guidance sets the foundation for the Five Year Financial Plan, and together they encompass the strategy for continuing the growth Amtrak has seen since 2002 and better positions the company to capitalize on this historic moment in passenger rail and secure its leadership position in an increasingly competitive industry. The two documents combined create a new vision that supersedes Amtrak's 2005 Strategic Reform Initiatives and align Amtrak's goals with those passed by Congress in PRIIA and in the Obama administration's Vision for High-Speed Rail in America.

Strategic Guidance

Over the course of the last decade, economic and social trends have led to an increase in the demand for passenger rail. In a period during which airport and highway congestion is growing, fuel prices are volatile, urban centers are expanding and concerns about environmental sustainability are affecting city planning, Congress responded and passed PRIIA.

PRIIA gives states more control over the development and expansion of passenger rail and sets objectives for Amtrak to serve as the nation's intercity passenger rail provider. In addition, the American Recovery and Reinvestment Act (ARRA) provides Amtrak economic stimulus funds with which to make and advance significant investments, while providing states funds to expand service and develop high-speed passenger rail corridors.

It is within this context that Amtrak has set six fundamental strategic goals to be safer, greener and healthier and to improve financial performance, customer service and meet national needs. Amtrak will advance these goals by improving current service and by partnering with states. To track its progress toward these goals, Amtrak will use nine Key Performance Indicators.

Amtrak's Strategic Guidance also outlines several values that its workforce must embody in order to achieve its goals and remain competitive. Recognizing the value of every employee, and understanding that each employee makes his or her own contribution to the company's well-being and success, the company will strive to foster a working environment that calls for safety and integrity, and encourages qualities such as teamwork, innovation and customer focus.

Development of Intercity Passenger Rail and High-Speed Corridors

PRIIA assigns many roles to Amtrak including being the operator of the national intercity passenger rail network, operator and steward of the Northeast Corridor, operator of high-speed rail, and partner of choice for intercity passenger rail development. Amtrak's role in these partnerships will be that of planner, service provider and expert adviser. With Amtrak's help, the states will strategically plan rail service and the federal government will integrate state plans into a national plan and administer the capital grant program. Amtrak will bring knowledge, expertise, and capacity to these partnerships.

In addition, Congress appropriated \$8 billion in intercity and high-speed passenger rail funding as part of the ARRA. This will begin funding the PRIIA vision and the associated grant programs, and it will require close cooperation between Amtrak and the states to accelerate the pace of development and investment. Amtrak must leverage its experience as the nation's only operator of high-speed trains to support projected growth in new high-speed services.

Funding

During the FY 2010-2014 period, Amtrak will fund 80 percent of its operating need from revenues, a share that will increase as costs shift onto state partners in compliance with federal law. The company will, however, continue to require federal funding for both operating and capital costs.

Ridership and Ticket Revenue

Amtrak aims to increase ridership to 31.4 million passengers by FY 2014, representing a 15 percent jump from 27.2 million in FY 2009. In addition, the railroad expects ticket revenue to grow 20 percent by the end of FY 2014, exceeding \$2 billion annually. Amtrak intends to achieve these goals with the successful implementation of the many initiatives described below.

Safer: Operate the safest passenger railroad in America

Amtrak is undertaking two revolutionary initiatives that will work hand in hand with more traditional approaches to safety. The Safe-2-Safer program strengthens the emphasis on safety within the corporate culture by promoting a more collaborative working environment and ensures a higher reliability of safe behaviors at all levels of the railroad. Amtrak also will implement Positive Train Control across its system to bring the most modern information technologies to the task of controlling and protecting train movements to prevent collisions and other accidents.

Also, passengers will see a more interactive police and security presence with greater emphasis on random and unpredictable patrols, baggage screenings and other activities in stations and on trains. Amtrak will continue to expand its K-9 explosive detection teams, harden more stations and strengthen cooperative inter-agency operations with local, state, and federal law enforcement and counterterrorism partners.

Greener: Increase efficiency, reduce emissions, and make better use of resources

Passenger rail has a smaller carbon footprint than its competitors and Amtrak is proving that it can draw riders from both air and auto in places like the Northeast Corridor, the Midwest and California. Amtrak also is taking action to improve its own Green bottom line by pursuing the following initiatives:

- Conserve energy at buildings and other facilities and reduce diesel locomotive fuel consumption;
- Reduce greenhouse gas emissions by diesel locomotive operations;
- Expand recycling program at facilities, stations and aboard trains and incorporate alternative energy sources such as solar cells and wind turbines where it makes sense to do so;
- Extend electrification to additional routes to utilize low-emission energy generation sources; and
- Purchase more energy-efficient locomotives and extend the life of the existing fleet as warranted.

Healthier: Improve the condition, durability and wholesomeness of every aspect of the company

The health of the company relates to its vital signs — ridership and revenue, the condition of its infrastructure and fleet, financial stability, cost savings and new revenue opportunities, improved business processes and systems and sustained workforce and customer satisfaction.

Amtrak is making enduring investments in all areas of the company to become healthier and grow. To that end, during the next five years, Amtrak will:

State-Supported Services

Building upon existing and developing new partnerships with states to offer new and expanded rail service is a key objective for Amtrak over the next five years. In FY 2008, approximately 47 percent of Amtrak's daily train departures were state-supported, and Amtrak is leveraging its expertise and experience to capitalize on the demand for passenger rail and the opportunities presented by the availability of funds through the American Recovery and Reinvestment Act for passenger rail corridors and high-speed rail.

- Establish agreements for eight service expansions (frequency increases and/or route extensions) through existing state partnerships;
- Form at least two new state partnerships; and
- Increase ridership on state corridors and state financial support as required by federal law.

Reliability

- Maintain Amtrak-owned tracks, infrastructure and equipment in a state of good repair to minimize malfunctions and associated train delays;
- Replace equipment that has reached the end of its life span including 130 single-level long-distance cars, 20 single-level cab cars and 20 electric locomotives;
- Order 470 new single-level cars to replace coaches approaching the end of their life span as funding sources are identified;
- Modernize and replace outdated Information Technology systems and business processes critical to the delivery of service such as for internal business processes and for external reservation and ticketing.

Customer Service: Improve the quality and attractiveness of our service for passengers

Amtrak must offer riders an experience that is convenient, competitive, and pleasant. Convenience and competitiveness are products of trip time and reliability, but customer experience is a product of a range of factors such as accessibility, food service, comfort, and service delivery.

In addition, customer service is at the heart of Amtrak's objective to maintain and forge new agreements with state and commuter service partners. Amtrak strives to exemplify qualities typically attributed to excellent customer service, such as responsiveness, anticipating needs and a high degree of professionalism in its approach to its relationships with its partners. Because of its depth of knowledge and experience, Amtrak serves as expert advisor as well as service provider.

Through FY 2014, Amtrak will:

- Continue with the "Mobility First" accessibility program to create barrier-free pathways from streets/parking areas to platforms and trains;
- Advance self-service reservation booking and ticket delivery programs to implement eTicketing, enhance current Quik-Trak ticket kiosks, better customize the Amtrak.com Web site, and enable ticket retrieval by mobile device;
- Install Wi-Fi Internet access first on *Acela Express* trains and subsequently to other services;
- Continue its Route Performance Improvement Program, which determines best opportunities for improvement on targeted routes; and
- Automate and streamline its Food and Beverage Management System to improve product availability aboard trains.

Financial Performance: Improve our bottom line

Amtrak is a government-supported business, and it must not lose sight of the responsibilities that come with taxpayer support. The company has a positive responsibility to ensure that federal and state money is spent in an economical and efficient manner that provides the nation with effective intercity passenger service and protects the investment the nation has made in its railroad. To this end, Amtrak must ensure that capital money is invested in those projects that return value and that sustain our infrastructure and that operating funds be spent efficiently and return the maximum obtainable benefit for the lowest cost consistent with the need to attract customers and develop new business.

In addition, Key Performance Indicators established in the Strategic Guidance will measure the return on investments made by the company such as cost per available seat mile, customer service index of performance, on-time performance, and ridership growth, among others.

National Needs: Participate and assist with disaster relief and mobilization efforts and help advance national policies and plans

Amtrak was created to provide an essential national service and must support the government in moments of national need as demonstrated by agreements with the Federal Emergency Management Agency to provide services during periods of disaster relief and with the Department of Defense to transport troops. In addition, the railroad is expected to support national policies such as increasing the role of passenger rail as part of a more balanced transportation network. To achieve this goal, Amtrak is supporting the development and expansion of intercity and high-speed rail networks and is partnering with states to provide the required expert analysis and advice needed to advance these plans.

As Amtrak grows, so does its capacity to meet national needs, such as contributing to national emergency response, congestion mitigation, emissions reduction, and reduction in the demand for foreign oil.

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