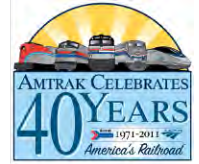


News Release



FOR IMMEDIATE RELEASE
May 19, 2011

ATK-11-076a
Contact: Media Relations
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AMTRAK PURSUING PRIVATE INVESTMENT TO SUPPORT NORTHEAST CORRIDOR HIGH-SPEED RAIL PLANS

WASHINGTON – Amtrak is developing an in-depth business plan that will maximize the opportunity for private investment to finance the construction of infrastructure and the acquisition of equipment required to provide 220 mph (354 kph) next-generation high-speed rail service in the Northeast Corridor.

“Amtrak will aggressively pursue private investment, in combination with funding from the federal government and from other public sources, to achieve our goal of initiating true high-speed rail from Washington to Boston,” said Al Engel, Amtrak Vice President, High-Speed Rail.

In April, Amtrak issued a request for proposals for a fully implementable and robust business and financial plan where Amtrak is the key developer and operator of the high-speed rail system. It will identify and develop public and private funding sources and address fundamental issues of risk, credit, debt and investment phasing among other criteria.

The business plan also will include strategies and tactics for meeting the project delivery timelines and achieving financial targets, provide information for Amtrak’s FY 2013 federal budget request and lay out the strategy for subsequent forays into the private investment and capital markets. To date, numerous private investment firms have expressed interest in working with Amtrak. Proposals are due June 10.

Mr. Engel said the active pursuit of private financing is one of several actions taken by Amtrak to move forward its [next-generation high-speed rail vision plan](#) since it was announced in September 2010. Another key action is the development of a stair-step approach outlining a clear, structured and coordinated path to achieve 220 mph service on exclusive operational segments first between Philadelphia and New York, then New York to Washington, followed by New York to Hartford and finally Hartford to Boston.

The recent announcement by the U.S. Department of Transportation to award Amtrak

- more -

\$450 million to upgrade a 24-mile section of its Northeast Corridor infrastructure to support maximum speeds of 160 mph (257 kph) is an important part of this stair-step approach.

In addition, Amtrak distributed its high-speed rail vision plan for international peer review by high-speed rail operators in Europe and Asia. Most reviewers agreed with the stair-step approach and noted that the current strategy is needed for successfully implementing next-generation high-speed rail in the Northeast Corridor. Many reviewers also said Amtrak ridership estimates were too low and several major operators indicated there are construction cost reduction opportunities that could reduce the capital investment.

There also was the recurring theme by the reviewers that Amtrak would likely capture a larger share of the intercity travel market than what is projected in the plan. “This bodes well for an even higher benefit/cost ratio than the current 2.3 stated in the report,” said Engel.

Other significant actions taken by Amtrak in the past several months include the announcement of the Gateway Project to construct a new Portal Bridge over the Hackensack River and new tunnels under the Hudson River to access an expanded New York Penn Station, and the unveiling of a plan to lengthen all 20 existing high-speed *Acela Express* trains from 6 to 8 coaches to expand seating capacity 40 percent. In addition, the Northeast Corridor was named a federally-designated high-speed rail corridor by the U.S. Department of Transportation.

Furthermore, Amtrak is a partner in the 8th World Congress on High-Speed Rail that will be held in the United States in July 2012. As a partner with the International Union of Railways, the American Public Transportation Association and the Association of American Railroads, Amtrak will host the world congress in Philadelphia. The event is expected to attract some 2,000 attendees worldwide to exchange views on the development and achievements of high-speed rail.

“Even with limited funding, Amtrak is continuing to make bold moves forward toward realizing its vision for 220-mph next-generation high-speed rail in the Northeast Corridor,” Engel explained.

About Amtrak®

Celebrating 40 years of dedicated service as America’s Railroadsm, Amtrak is the nation’s intercity passenger rail provider and its only high-speed rail operator. A record 28.7 million passengers traveled on Amtrak in FY 2010 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. Amtrak also is a strong financial performer achieving an 85 percent cost-recovery ratio in FY 2010. 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.

Amtrak Next-Generation High Speed Rail in the Northeast Corridor



Al Engel, Vice President – High Speed Rail

May 19, 2011

Media Briefing

HSR Developments Since Rollout of Amtrak Vision (Sept 2010)

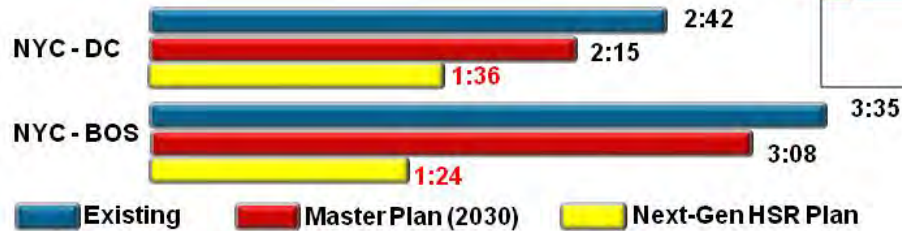
- Gateway Project announced
 - New tunnels under the Hudson River to NY Penn Station
 - Replacement of Portal Bridge over Hackensack River
 - Expansion of NY Penn Station
- Plan to increase *Acela Express* capacity 40% (from 6 to 8 coaches per train) with new equipment procurement to begin in FY 2012
- Vision Plan peer reviewed by international HSR operators
- NEC designated an FRA eligible HSR Corridor
- RFP for private financing issued
- \$450 million awarded for improvements to support 160 mph service
- Amtrak named a partner in the 8th World Congress on HSR to be held in the U.S. in 2012



Next-Gen High-Speed Rail : Dramatic Trip Time Reduction

- World-Class High-Speed Network:

- Dedicated 2 - track alignment; 220 mph equipment
- 40% - 60% travel-time reductions in key markets
- Boston – Washington DC: **from 6:30 to 3:20**



- Higher frequency

Service Departures (Each Direction)

	Current	Next-Gen HSR
Hourly	1	3-4
Daily	10-15	53-73

- Higher average speeds

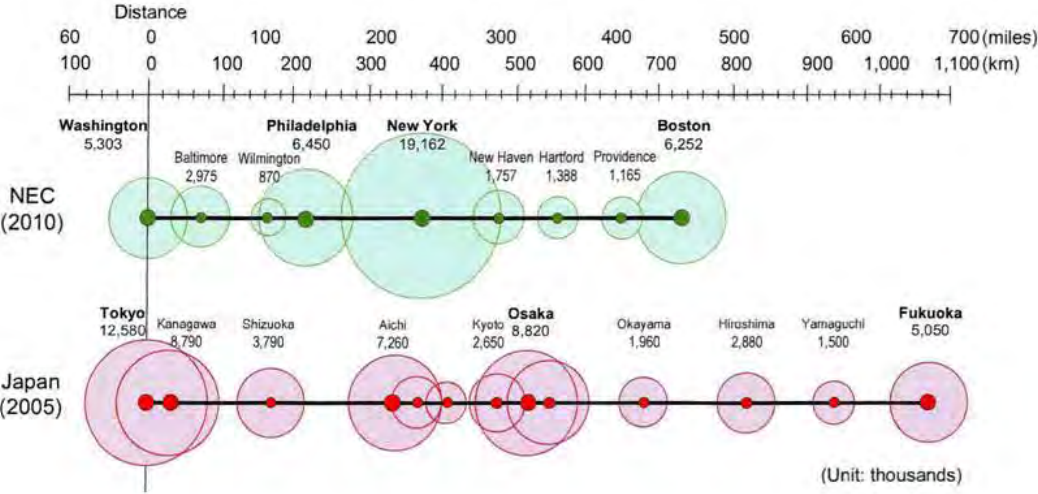
Average Speeds (Super Express)

	Current	Next-Gen HSR
NYC - BOS	104 kph	238 kph
NYC - DC	136 kph	220 kph



NEC Compares Favorably to Most Successful HSR Corridor

Population Distribution Comparison



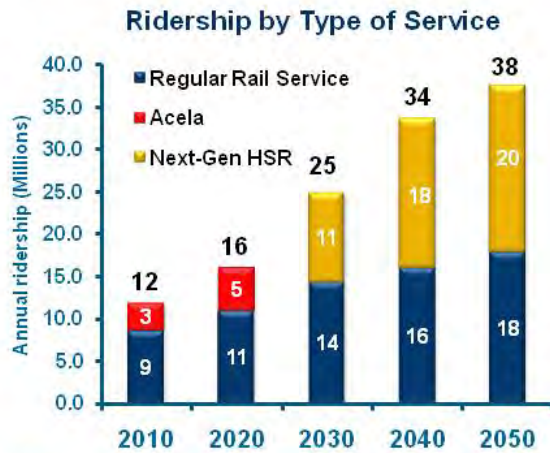
Quantum Leap in Ridership and Revenue

- Major growth in premium service's share of NEC ridership (2040)

Premium Ridership (2040)

- Master Plan (Acela): 6.5 million (28%)
- Next-Gen HSR Plan: **18 million (52%)**

- **Result: Next-Gen HSR Plan would raise revenues more than ridership**



Total NEC Ridership & Revenues (2040)

	Master Plan	Next-Gen HSR Plan	Increase Total	Increase %
Ridership (Millions)	23.4	33.7	10.3	44%
Passenger Fares (Billions)	\$1.84	\$3.29	\$1.45	79%



Operating Surplus Exceeds \$900 Million

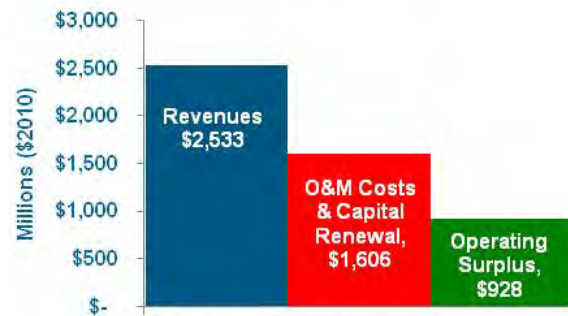
- **Next-Gen HSR operations generates \$928 million annual surplus**

- **Costs include:**

- O&M costs
- Capital Renewal (infrastructure & rolling stock): long-term equipment & capital repair

- **Employment Opportunities:**

- 44,000 full-time jobs annually over a 25 year for construction
- 120,000 permanent jobs
- 7,100 new rail operations jobs



Next-Gen HSR Operations - 2040



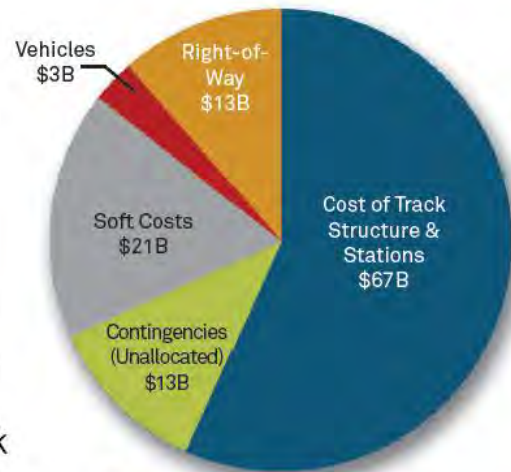
Capital Investment Costs

- **\$117 Billion (in \$2010)**

- Equivalent of \$4.7 Billion annually over 25 years of construction
- 0.16 % of annual GDP

- **Phasing of Construction**

- Four phases over the 2015 to 2040 period
- Phases 1-3 (2015 – 2030): New York to Washington
- Phase 4 (2024 – 2040): New York to Boston



*Projected Capital Construction
Costs: \$117 Billion (\$2010)*

International Peer Review Highlights

- **Travel Demand Market Analysis**

- All reviewers mention that there is potential to capture a much higher market share in the NEC than proposed in the report.
- One reviewer estimates that Next-Gen HSR can have a total intercity (air and car) market share of 25% between NYC and WAS (21% est) and 40% between NYC and BOS (20% est).

- **Ridership & Revenue Forecasts**

- Most reviewers note that ridership numbers seem very low in the report.
- All reviewers recommend implementing a ridership and revenue forecast study to verify assumptions used in the operational plan.

- **Capital Cost Estimate Methodology**

- All reviewers mention that the project capital costs are higher than their own estimates.
- Reviewers also note that design, construction, operations and maintenance costs all decrease as HSR technologies advance (i.e. Spain, China).



NEC Stair-Steps to Next-Gen HSR Vision



Engaging Private Sector Investment

Purpose of Business and Financial Plan :

“Develop an in-depth Strategic Plan to finance the construction and acquisition of the infrastructure and equipment required to initiate HSR service in the NEC.”

Parameters:

- Amtrak as the key developer and operator of the system
 - With partners and the support of vendors

Outcomes:

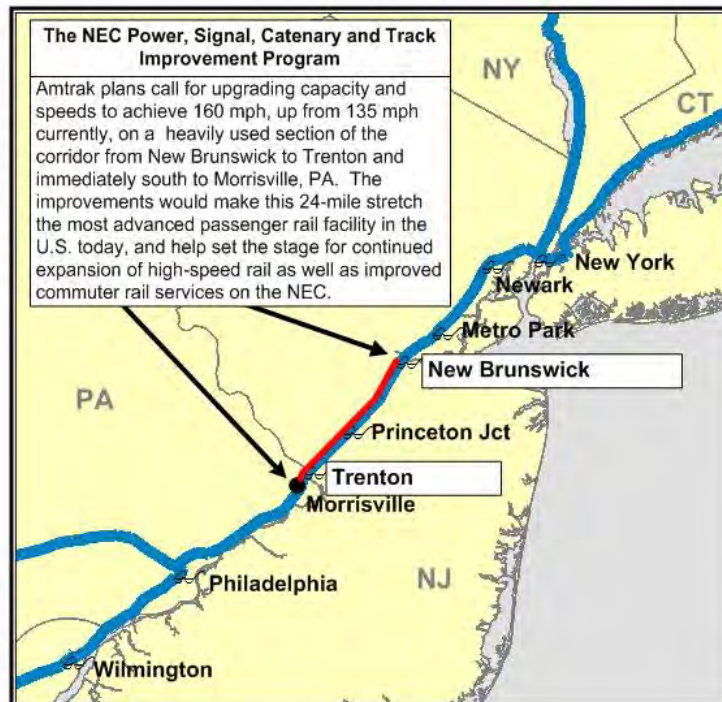
- Develop a “roadmap” strategy on how to fund and/or finance the development of true, world class high speed rail service
 - Define the optimal Federal role
 - Maximize opportunities for private investment
 - Outline the options for financial involvement of other governmental stakeholders (states, cities, public authorities)
- Inform Amtrak’s 2013 federal budget request

Schedule:

- RFP issued in April; Proposals due mid-June
- Final report due second quarter of CY2012



NEC High Speed Rail Improvements --\$450 million award



NEC High Speed Rail Improvements -- \$450 million project

Racetrack Project Elements:

- Upgrades to NY Penn Station and interlockings
 - Upgrade “A” interlocking in Penn Station to improve throughput
 - Upgrade Midway interlocking to allow 80 mph crossover moves and tracks 1 and 4 between Princeton Jct and Morrisville for 125 MAS
- Upgrades between New Brunswick and Trenton
 - Increase Metuchen Frequency Converter capacity by 25% to accommodate additional trains
 - Build 2 new traction power substations
 - Upgrade Catenary for 160 mph service between New Brunswick and Trenton— approximately 24 miles
 - Install electronic track circuits and upgrade to cab signaling between New Brunswick and Trenton



Previous Major Amtrak Projects

- Revitalization of the NEC
(Late 70s – early 80's)
- Introduction of HSR to NEC – infrastructure improvements south of New York, electrify New Haven to Boston, equipment procurement
(1992 - 2000)
- Electrification of Keystone Corridor – Philadelphia to Harrisburg
(2004 – 2006)
- \$1.3 billion ARRA program covering hundreds of capital projects
(2009-present)
- \$1 billion annual capital program



Conclusion

- Amtrak has a well-developed and internationally peer reviewed plan to bring 220 mph HSR to the Northeast Corridor.
- Amtrak is open to private financial investment and is presently developing a strategy to access private capital.
- Amtrak introduced HSR to America and has the experience and expertise to bring next-generation HSR to reality.
- Amtrak is moving forward with its HSR vision and is able to help achieve the nation's HSR goals.



AMTRAK HIGH SPEED RAIL
BUSINESS AND FINANCIAL PLAN
STATEMENT OF WORK, DATED April 22, 2011

SCOPE OF SERVICES

Contractor will work with Amtrak and its designated advisors and stakeholders to develop an in-depth strategic plan to finance the construction and acquisition of the infrastructure and equipment required to initiate high speed rail service in the Northeast Corridor.

As the statutory custodian of the Northeast Corridor passenger rail system, Amtrak will be the key developer and operator of the system, with other entities joining it in various roles ranging from partner to vendor. The nature of those relationships, and how they will influence Amtrak's ability to raise the financing necessary to build the system, is at the core of the business plan.

The plan will develop a roadmap on how to fund and/or finance development of true high speed rail on the Northeast Corridor, and shall define the optimal federal role necessary to maximize the amount of and opportunities for private investment, and shall outline the options for financial involvement from other governmental stakeholders such as public authorities, state and cities. The plan will provide information for Amtrak's 2013 federal budget request and lay out the strategy for its subsequent forays into the private investment and capital markets. This work is not intended to produce a study, but a fully implementable, robust financial plan, and as such must address fundamental issues of risk, credit, sources and timing of debt and equity, institutional and financial structure, and investment

phasing. It must describe with specificity how the overall plan will be achieved and include strategies and tactics for meeting the project delivery timeline and achieving its financial targets. Contractor shall develop financial pro formas showing debt coverage ratios and equity returns and perform sensitivity analysis against key drivers.

Contractor will work in close coordination with Amtrak staff and other advisors, and shall regularly meet in working sessions and provide interim updates on all work streams. The Contractor will be provided estimates of capital and operating costs by time and by project component by Amtrak and/or its outside advisors, for its use in financial modeling and analysis.

Contractor shall also review the demand and revenue studies performed to date for the NextGen project, shall highlight any deficiencies or anomalies in methodology or data it discovers, and shall independently make its own revenue projections of sufficient quality and granularity to be included in the pro forma projections. Amtrak will make available to the Contractor the baseline data, customer surveys, and forecasting models from which the current projections were derived.

Specifically, Contractor's work must include the following elements:

- A. Identify all potential sources of public and private funding and financing for the NextGen system, and detail their requirements and availability, including both linked and unlinked trade financing and vendor financing.
- B. Identify all potential sources of revenue that the System could attract, including passenger fares, real estate fees, availability payments, and local tax streams.

- C. Develop demand and revenue projections of sufficient granularity to allow the assessment of Northeast Corridor HSR operating components separately from the whole.
- D. Identify the operating or capital components that are most likely to attract private investment, by type and by timing.
- E. Match the investment opportunities against the potential revenue streams and/or assets, and estimate the amount of non-federal money that could be attracted to the NextGen system.
- F. Derive the amount, timing and nature of the federal funding that would best leverage the maximum amount of non-federal money.
- G. Develop a financial model that incorporates the information from a-f (the “preliminary financial plan.”)
- H. Define the institutional structures that would be necessary to implement the preliminary financial plan; propose legal and regulatory changes that would be needed to put them in place.
- I. Identify the key risks to project delivery and revenue realization.
- J. Assess the impact of the proposed plan on the overall Amtrak and NEC finances.
- K. Define Amtrak’s role in the development, construction, oversight, operation, price and policy setting of the NextGen System.

DELIVERABLES AND MILESTONES

Contractor’s deliverables must include a work plan detailing its overall methodology, a full project calendar, and a proposed schedule of deliverables and associated payment milestones that provide objective measures of performance. The Contractor may propose its own milestones, but Amtrak reserves the right to approve both the overall schedule and payment milestones.

At a minimum, other deliverables must include the following:

- A. An interim report (“white paper”) detailing all potential sources of both private and public funding and financing for the System, fully

detailing the requirements of each in terms of pre-conditions and conditions, expected returns, terms, duration, risk profile, and cost. This white paper shall reflect the specific phasing and components recommended for the NextGen system, and shall be sourced to actual market transactions and participants, to published materials, to programmatic grant regulations and/or legal requirements, and shall be informed by the Contractor's actual experience.

B. An Excel spreadsheet model and accompanying written report containing the Contractor's projections of revenue and demand, by segment and/or component, as required to model the options being recommended.

C. A white paper describing the range of procurement, institutional and operating models used for similar projects and their applicability to the NextGen System. This white paper shall make preliminary recommendations as to which options would be most attractive to private investment, and which would best fit Amtrak's goals for the overall development of the NextGen System.

D. A fully functional financial model in Excel or other format approved by Amtrak for the NextGen system allowing hypothesis testing, sensitivity analysis and risk pricing.

E. A white paper describing a recommended Business Plan that optimizes the split between federal, Amtrak, state/local and private participation in the NextGen System, including an assessment of its impact on the overall fiscal strength of Amtrak and an overall risk assessment.

F. An Excel spreadsheet and accompanying written report documenting pro forma cash flows for the System in sufficient detail to present to third parties including potential investors and stakeholders that detail debt coverages, equity returns and timing, and cash balances.

- G. A draft final report summarizing all of the white papers, reports, conclusions and recommendations, and including the full business plan and the pro forma cash flows.
- H. The final report in camera-ready format including copy and graphics suitable for broad dissemination.
- I. Written monthly reports detailing progress against the milestone schedule and summarizing work done to date.
- J. Bi-monthly steering committee meetings, to be attended by the industry experts and senior Amtrak designees, held alternately in Philadelphia and Washington.
- K. A minimum of two workshops during the engagement period, in addition to a full-day presentation of draft findings prior to submittal of the draft final report; these shall be separate and distinct from the steering committee meetings, and may include the participation of stakeholders.
- I. As requested, two presentations to the full Amtrak Board of Directors.

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