
Amtrak Today
Tri-State Alliance
Driving Development and Infrastructure
April 21, 2008
Freeport, Illinois

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Government Affairs

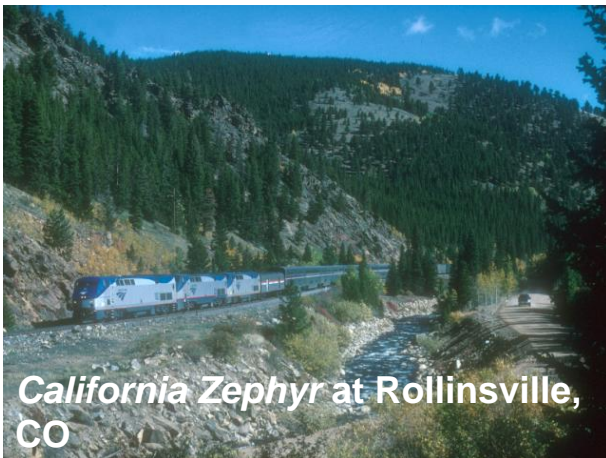


A Little History

- National Railroad Passenger Corporation (Railpax/Amtrak) created by Rail Passenger Service Act, October 1970
- Began operations shortly after midnight, with operation of a New York to Philadelphia train, May 1, 1971
- Amtrak was created in seven months out of equipment and payments from private railroads that wanted out of the passenger business.
- Initially, Amtrak was only an administrative office in Washington. The freight railroads still provided most personnel and staff as before.
- Amtrak has been in existence one-fifth of the history of railroading.

Basic Amtrak Facts

- Serves 21,100 route-miles in 46 states, serving 525 stations
- FY 07 ridership was 25.8 million, up 6.4% from FY 06
- FY 07 ticket revenues were \$1.519 billion, up 10.8% from FY 06
- This was our fifth straight year of increases



What we're up to

- Building a five year strategic plan
 - Identifying opportunities for smart growth
 - Developing metrics for success
- Focus is the development of short-distance corridor service
 - Fast, frequent service between city centers ~350 mile routes
 - Long-distance service will be a vital component – sustains the national system, provides connectivity
- Essentials for success
 - New equipment procurement strategy
 - Cost containment/financial discipline
 - State partnerships

Vision for the future – corridor service

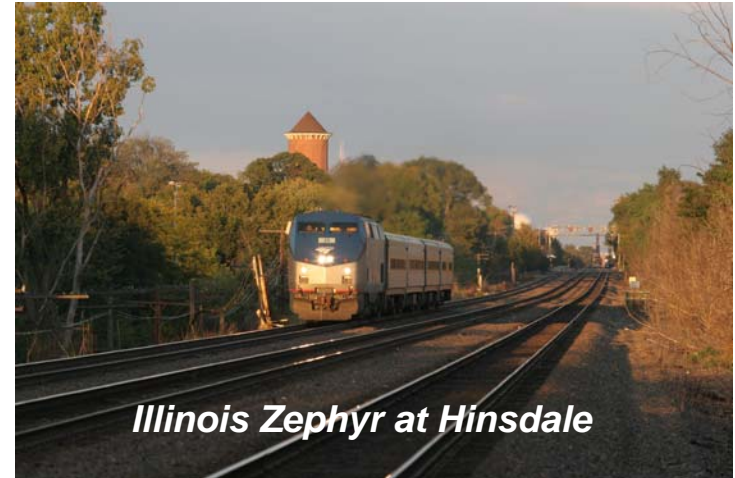
- Amtrak’s focus for the future is the development of corridor service
 - Expand existing services and initiate new ones
 - Frequent, fast service over short distances (~100-400 miles)
 - Anchored by major metro areas
 - Supported in part by state funding
 - Growth of existing service, not a replacement for it



- The long distance trains will have multiple roles as vital parts of the national network –
 - Connect corridor hubs
 - Provide an additional service frequency on corridor routes
 - Retains passenger train service “franchise” on main trunk lines for future expansion
- Expeditious, timely handling of passenger trains on freight lines is a key component of this vision
- Engaging freight railroads and improving communications does improve OTP, an approach Alex Kummant has championed

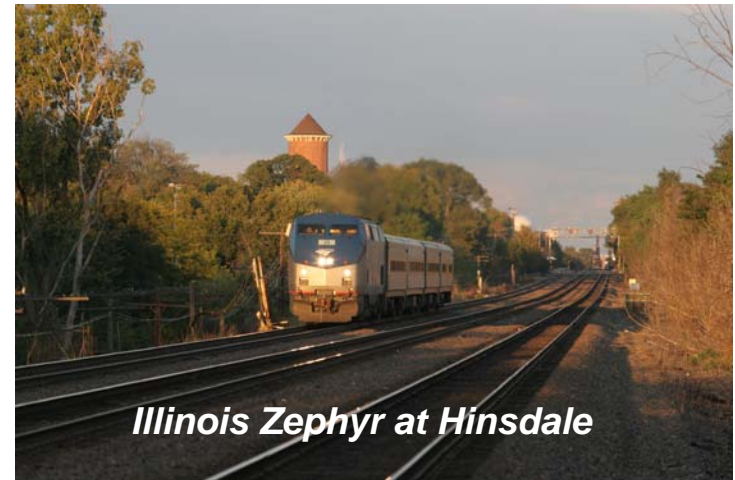
Illinois – a growing network of corridors

- Supported by significant state investment
- Our first State Partner in Nov. 1971
- Sandburg and IL Zephyr connects Quincy and Chicago
 - Ridership up 41 % in FY 07, 24% this year
 - Carried 169,258 last year
- Illini and Saluki connects Carbondale, Champaign and Chicago
 - Grew by 67% in FY 07, 27% this year
 - Route also includes a long distance train
- Lincoln Service connects St. Louis ,Springfield, Normal and Chicago
 - Over 400,000 riders in FY 07; up 56% in FY 07, 29% this year
 - We and State working with Union Pacific to improve on time performance



Illinois – success leading to expansion?

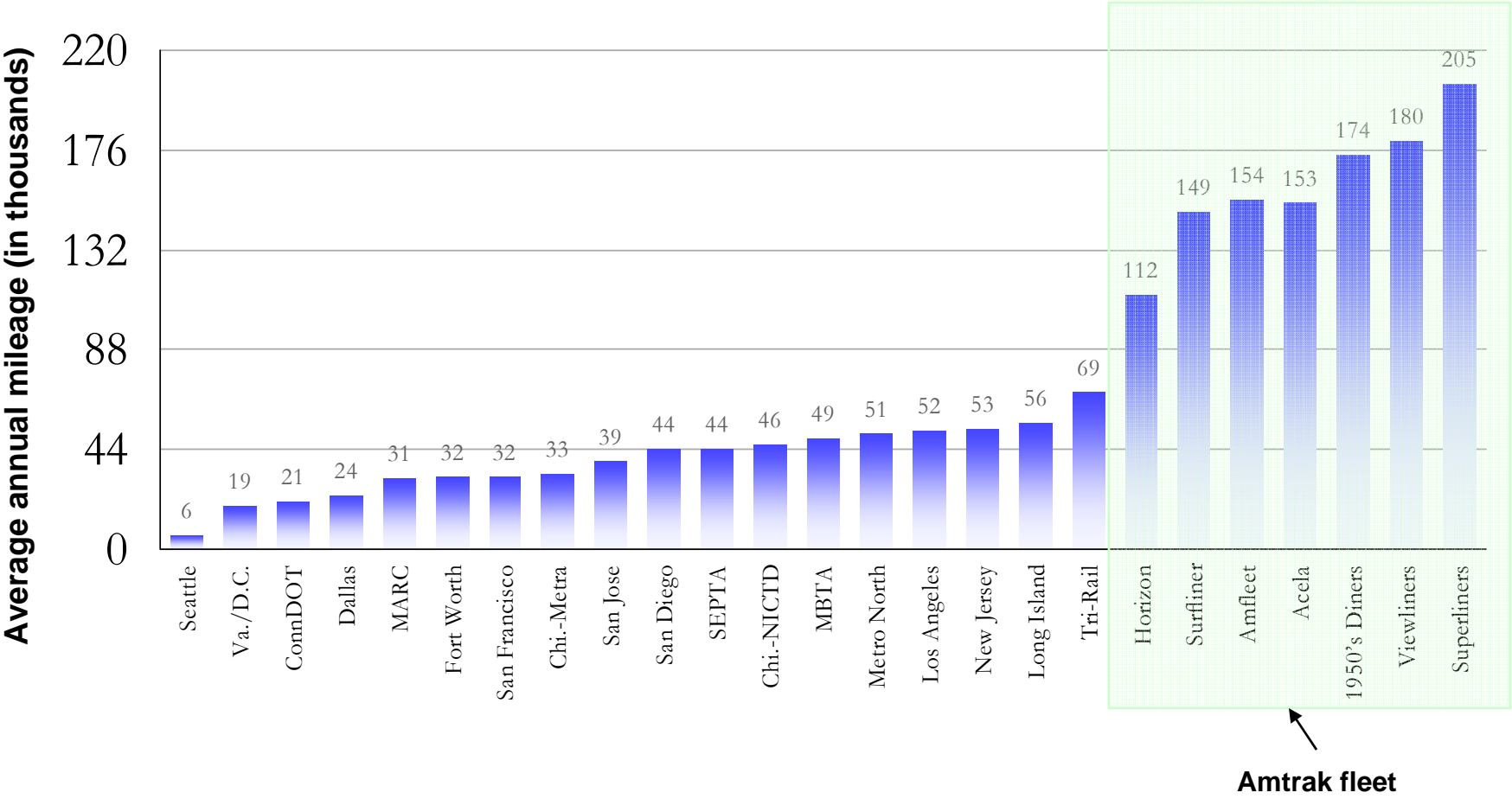
- Additional route studies requested
- Chicago-Rockford-Freeport-Dubuque
 - Released May 2007
 - 74,500 passengers on most direct route
 - Requires \$32 million in capital upgrades
- Chicago-Moline-Rock Island
 - Released this January
 - 110,800 passengers with upgrades to maximum allowable speed
 - Requires \$22 million in capitol upgrades on most direct route
- Chicago-Peoria study to begin soon
- New service on all these routes depends on a capital bill



Criteria for short-distance corridor development

- A willing State partner
 - Exhibits political commitment to fund the service and have a vision for long term growth
 - Ability of the railroad partner to accommodate passenger trains
 - Excited communities willing to partner on promotion and station development. Intermodalism is key.
 - Ridership growth must add to the bottom line
- Addressing our own equipment shortage

Greatest need – new passenger equipment



Amtrak's passenger fleet is run hard – it's time to inaugurate the Amfleet replacement process



Congestion is also a problem

- Freight train-miles per year grew 44% between 1990 and 2005
- Track mileage in the same period (1990-2005) **dropped** by 18%
- The average mile of track carried **twice** as many ton-miles in 2005 as in 1990
- While average tonnage per car has *dropped* the addition of 286,000 ton freight cars to the mix means that, without investment, the rail network faces a perfect storm:
 - Train length is increasing (issues for single track lines)
 - Train height is increasing (double stacks – clearance issues)
 - And potential axle loading is increasing (286,000 pound cars – rail and maintenance)

Greater loads and dropping mileage translate into.....

Decreased velocity and volume

- “Ton-miles per train-hour” (think of the speed and volume of flow through a pipe) fell 11.3% between 1990 and 2005
- The system isn’t freezing up – but the liquid in the tubes looks a lot more viscous than it used to
- We have been seeing episodic congestion over the last decade
- Some of the following symptoms are already beginning to manifest themselves:
 - Longer actual transit times
 - Lower speeds
 - Maintenance on infrastructure and equipment harder, costlier

There are no easy answers

- Railroads are not rewarded by Wall Street for capital investment
- System fluidity is not a railroad-only problem – it's a transportation industry problem.
- Between 1996 and 2005, U.S. freight railroads invested 17.2 percent of revenue in recapitalization
 - Five times the national industrial average
 - Still not enough
- We need to take some bold steps
 - Amtrak wants to work with the freights
 - We will need Federal and state partners

Summary

- It's a great time to be at Amtrak
 - Across-the-board growth in Amtrak ridership
 - States interested in developing services
- We need to be thinking about the future
 - Congestion is a problem, and demands investment (freights, Amtrak)
 - Equipment is aging, and fleet is sized for lower levels of demand
- These are not rail-only problems
 - Highway, airport congestion is serious
 - There's only one pot of money
 - Need for a national surface transportation policy to make choices