Amtrak and its Host Railroads

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Northwestern University Transportation Center Sandhouse Gang

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Paul Vilter Bio

• 1984: Michigan State University
  – BA in Materials and Logistics Management

• 1984-88: Chessie, CSX
  – Management Trainee; Metals and Intermodal Marketing

• 1989: Northwestern University
  – MBA Kellogg / Transportation Center

• 1989-1999: Conrail
  – Forest products marketing and sales; short line relations; intermodal marketing

• 1999-Today: Amtrak
  – Finance and Planning; Host Railroads
Strong Demand for Amtrak Intercity Passenger Rail Service

Amtrak Ridership, 2002-2012

FY12 (October 2011-September 2012) was another great year
  – Ridership set another record (9th in last 10 years)
  – 25 of our 44 routes had their best ridership year ever
  – Ridership has increased by 44% between 2002 and 2012
  – Ticket revenue was also a record at $2.02 billion
Where Does Amtrak Operate?
Evolution of Amtrak

**Off-Corridor**

- Railroads carried both freight and passenger through most of history
- “Perfect Storm” in 1950s
- Going bankrupt in 1960s
- Amtrak created in 1970 to absorb losses and personnel, and improve service
  - Began operations May 1, 1971
- Initially purchased nearly all services from hosts at incremental cost
- By early 1990s took over on-board train operations and equipment maintenance
- Today, primary host asset used is tracks

**On-Corridor**

- Amtrak acquired Northeast Corridor at formation of Conrail in 1976
Amtrak Size and Scope Today

- Only US railroad with truly national operations
- 70% of Amtrak train-miles are operated on host railroads
- Amtrak provides
  - T&E crews
  - On-Board crews
  - Locomotives
  - Cars
  - Stations/terminals
  - Locomotive and car maintenance
Host Railroad-Amtrak Framework

Based primarily on legislation

- Access
- Incremental cost
- Preference over freight transportation
- Early cases at ICC / National Arbitration Panel resolved questions and definitions
How Do Hosts and Amtrak Interact Day to Day?

• Amtrak duties include:
  – Provide safe, reliable equipment
  – Provide safe, efficient crew
  – Share liability exposure (usually no-fault)
  – Pay our bills

• Host duties include:
  – Provide safe, well-maintained right of way and operating environment
  – Provide preference over freight transportation
  – Assist when Amtrak trains need help
  – Plan on Amtrak trains…we’ve been coming for over 40 years!
Operations Issues

• On-Time Performance and Delays
  – FRA published Metrics and Standards under PRIIA Section 207
    - AAR challenge
  – Management focus by Amtrak and hosts to achieve PRIIA Standards
  – Operating Performance Improvement Programs
    - Operating Improvements (good railroading; preference)
    - Maintenance Improvements (slow orders; Amtrak equipment)
    - Capacity Improvements (if needed as last resort)
  – New role for the Surface Transportation Board
    - Failure to achieve PRIIA Standards
    - Failure to provide preference over freight transportation

• Positive Train Control
  – On-Corridor and Michigan: ACSES, ITCS
  – Off-Corridor: I-ETMS
How Does Amtrak Grow and Change?

• National Network
  – Some revisions / additions / deletions in long-distance service since 1971
  – Growth is in state-supported services

• State-Supported Services
  – Current partners: CA, IL, ME, MI, MO, NC, NY, OK, OR, PA, VA, VT, WA, WI
  – States fund many existing and any new services and frequencies
  – For new services/frequencies:
    - Amtrak estimates annual operating revenues and costs
    - Parties determine possible capacity needs
    - Determine state’s financial appetite and abilities
    - If a “go,” state funds any improvements and Amtrak commences operations
  – For existing state-supported services, PRIIA Section 209 requires states to provide funding on an equal basis starting FY14
Today’s Amtrak System
A Long-Term Challenge: Funding

Amtrak Federal Funding (Not Adjusted for Inflation)

- 2009 includes one-time $1.3 billion stimulus grant; $1.5 billion without grant.
Role Reversal: Freight Railroads Use the NEC

FREIGHT RAILROAD TRACKAGE RIGHTS ON AMTRAK’S NORTHEAST CORRIDOR

LEGEND
- NOT OWNED BY AMTRAK
- CSX
- NS
- CONRAIL
- CONNECTICUT SOUTHERN
- SPRINGFIELD TERMINAL
- CANADIAN PACIFIC

AMTRAK®
Intercity and Commuter Rail Trains Also Use the NEC (Not all lines owned by Amtrak)

**Amtrak services on the NEC**

Red: Acela, Regional

Gold: Keystone, Springfield, Albany Services

Source for all NEC Data: Amtrak NEC Master Plan, 2010
NEC Intercity, Commuter and Freight Operations Also Growing

### NEC Passenger Operations Including Harrisburg, Albany, and Springfield Lines

<table>
<thead>
<tr>
<th></th>
<th>Daily Trains</th>
<th>Annual Riders (millions)</th>
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<tr>
<td></td>
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<tr>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2,272</strong></td>
<td><strong>3,294</strong></td>
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</tbody>
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Freight changes on the NEC

- Coal traffic down
- New oil trains on the NEC serving refineries in SE Pennsylvania and northern Delaware

Source for all NEC Passenger Data: Amtrak NEC Master Plan, 2010
• Amtrak works with freight and commuter railroad partners in both host and tenant roles nationwide

• Questions and Discussion