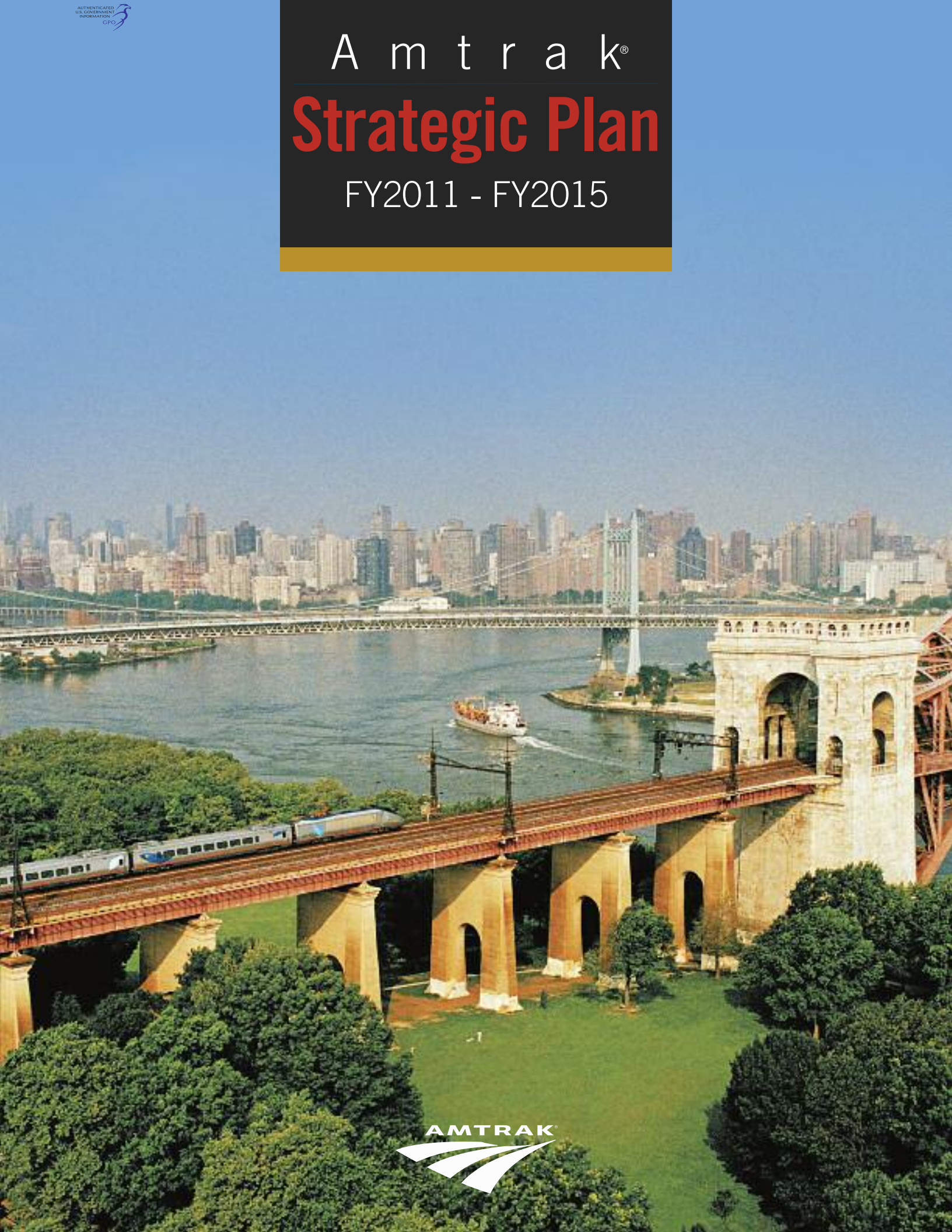
AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Amtrak®

Strategic Plan

FY2011 - FY2015



Acela Express traveling through Bristol, PA. Photo: Gary Pancavage

1. LETTER FROM THE CHAIRMAN 1

2. LETTER FROM THE PRESIDENT AND CEO 2

3. AMTRAK CORPORATE PROFILE 4

4. STRATEGIC PLANNING PROCESS 5

5. VISION, VALUES AND LEADERSHIP PHILOSOPHY 9

6. CORPORATE GOALS AND PERFORMANCE METRICS 15

7. FACTORS THAT COULD AFFECT GOAL ACHIEVEMENT 21

8. CORPORATE STRATEGIES 25

1. Continue and expand Safe-2-Safer
2. Integrate operational functions
3. Implement human capital management best practices
4. Expand use of risk management in security programs
5. Expedite ongoing accessibility programs
6. Invest in energy usage reduction
7. Segment company into business lines

9. CORPORATE IMPLEMENTATION 31

10. BUSINESS LINE STRATEGIC PLANS 35

1. Northeast Corridor Infrastructure and Investment Development
2. Northeast Corridor Operations
3. State Services
4. Commuter Services
5. Long-Distance Services
6. Corporate Asset Development

11. APPENDIX 57

Metric Definitions

Cover Photo: The *Acela Express* crosses the Hellgate Bridge in New York City.

The *Empire Builder* crosses Marias Pass in Montana.

On May 1, 2011, Amtrak celebrated its 40th anniversary, which represents four decades of improvements to America's passenger rail system. Our hard work is evidenced by the ridership records we have been setting consistently in recent years, including this year, as we are on pace to reach the milestone of 30 million riders. These accomplishments have not come easily. Over the years, the men and women of Amtrak have worked through shifting national passenger rail policy and uncertain financial support, which have made it difficult to effectively plan for the future and implement fruitful changes.

Despite these challenges, Amtrak developed the nation's first high-speed rail corridor in the Northeast and launched Acela Express service just over a decade ago. In combination with our other services in the Northeast Corridor, Amtrak now carries more passengers between Washington, D.C., New York and Boston than the entire airline industry.

Even with aging cars and locomotives, we continue to make progress across the country. Fifteen states now partner with Amtrak for corridor train service by investing their own dollars in operating and capital expenses. Individual communities provide additional investments to support rail service because they understand the social and economic impact it provides. These state partnerships represent the fastest growing segment of our business, accounting for more than 40 percent of our daily passengers.

Other notable accomplishments of the last few years include appointing a strong president and CEO who has assembled an aggressive management team; the cultivation of good and productive relationships with our labor unions; the strengthening of financial management and controls; reductions in debt that allowed us to finance purchases of new passenger cars and electric locomotives; and the completion of major infrastructure capital projects throughout our system. We are also committing resources to upgrade our internal systems so we can better serve our partners and customers while managing our own finances more effectively.

Additionally, the passage of the Passenger Rail Investment and Improvement Act of 2008 has led to major changes in our company. The legislation outlines goals and metrics for Amtrak and its partners. It also establishes a funding "road map" for future capital and operating needs. We have aggressively set out to fulfill our requirements and are committed to our vision of becoming "America's first intercity travel choice for connections to and between the nation's key metropolitan areas."

We have gone from being focused on survival to being focused on growth and improvement. The recent national interest in high-speed and inter-city passenger rail has presented us with unprecedented opportunities.

But to fully capitalize on the opportunities we have — now and in the future — we need to do more. So that is why we have developed this five-year strategic plan. It outlines a future vision for our company and focuses on goals that are needed to improve our bottom line while meeting the expectations of Congress, Amtrak management and the American traveling public. And it provides strategies to help accomplish those goals.

For 40 years Amtrak has survived, and at times thrived, despite the uniquely challenging position from which we operate. This strategic plan will be our guide as we continue our efforts to build an organization that is best equipped to provide the rail transportation this country needs.

Sincerely,

Thomas Carper
Chairman, Board of Directors

It is my pleasure to present Amtrak's strategic plan for Fiscal Years 2011-2015. Amtrak has made significant improvements in many areas of our company over the last several years. I am confident we can make even bigger strides by creating greater accountability for the financial performance of our various businesses and aligning the efforts of every employee around common goals.

One of the things I am most proud of is the fact that our plan is the result of months of hard work by our own employees according to a structured process we developed after researching best practices in the private sector and in government. Rather than hire consultants or outside experts to help set the direction of Amtrak, we leveraged the expertise of the people who know our business and our industry the best. Union leaders and employees of every level from every department were tapped for input into this plan under the direction of our Board and Executive Committee. To all the employees who contributed to this process, I want to extend a most sincere "thank you" for your hard work.

The focus of this plan is to make Amtrak's bottom line the center of our attention. Certainly we must keep safety and security as our top priority, and we have other responsibilities to fill as America's Railroad. Our strategic plan is a crucial starting point to carrying out our mission in the most financially effective way possible.

You will see that we have set five goals to align with our future vision for Amtrak:

Goal 1 – **Safety and Security:** Become North America's safest, most secure railroad by creating a collaborative, team-oriented workplace culture that minimizes risks and maximizes passenger and employee safety.

Goal 2 – **Customer Focus:** Advance customer service quality by responding to the wants, needs and expectations of our customers in order to improve their experience and maximize passenger and partner satisfaction.

Goal 3 – **Mobility and Connectivity:** Improve national mobility and connectivity by growing Amtrak's business through new partnerships, routes and frequencies to increase ridership system wide.

Goal 4 – **Environment and Energy:** Contribute to the nation's environmental health by attracting automobile and air travelers to trains, while improving Amtrak's efficiency and reducing transportation-related carbon emissions and fossil fuel consumption.

Goal 5 – **Financial and Organizational Excellence:** Attain a standard of organizational excellence by aligning our products, services, processes and culture with stakeholder expectations to improve financial performance and overall business results.

Our plan also includes key metrics and performance targets to measure our progress over the coming months and years.

To accomplish those goals, we have defined the values and leadership philosophies we believe are needed to be successful. We have also established seven corporate-level strategies:

Strategy 1 – Continue and expand Safe-2-Safer, our proven behavior-based change initiative in order to improve our culture and other areas critical to financial and organizational excellence.

Strategy 2 – Integrate our field operating departments within geographic divisions to maximize collaboration, efficiency and service delivery.

Strategy 3 – Implement best practices related to human capital management in order to develop a workforce that is best equipped to achieve our corporate goals.

Strategy 4 – Expand our use of risk management principles to further improve our multi-layered security program so we can better prevent and deter acts of terrorism and criminal behavior within our system.

Strategy 5 – Expedite our ongoing programs to make Amtrak accessible for all individuals.

Strategy 6 – Identify and invest in systems and technologies that will reduce both energy usage and operating expenses.

Strategy 7 – Establish business lines within the company to better manage our financial performance and respond to the wants, needs and expectations of our various customer groups. To guide us in this strategy, we have developed a strategic plan for each of the six business lines we will establish.

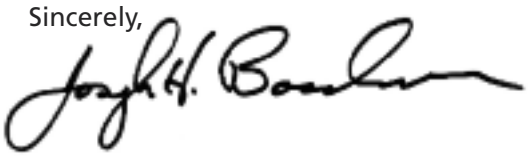
Obviously, all the planning in the world means nothing if we don't dedicate an equal amount of effort to implementing the strategies we've developed. To that end, we have identified several ways to ensure that this plan becomes the important tool it should be and not just a document that sits on a shelf.

Our implementation plan includes robust communication and education with employees throughout the company; the use of modern management tools to drive our performance and measure the results; making necessary adjustments to our financial, fleet and station planning; and improving the way we manage enterprise risks.

The overarching purpose of the implementation plan is to align every function within the company around our strategies and goals. We must spend our money and our time in a way that produces the biggest impact on our goals. We must invest and grow the businesses that improve our bottom line the most, and not waste resources on activities that don't advance our corporate goals.

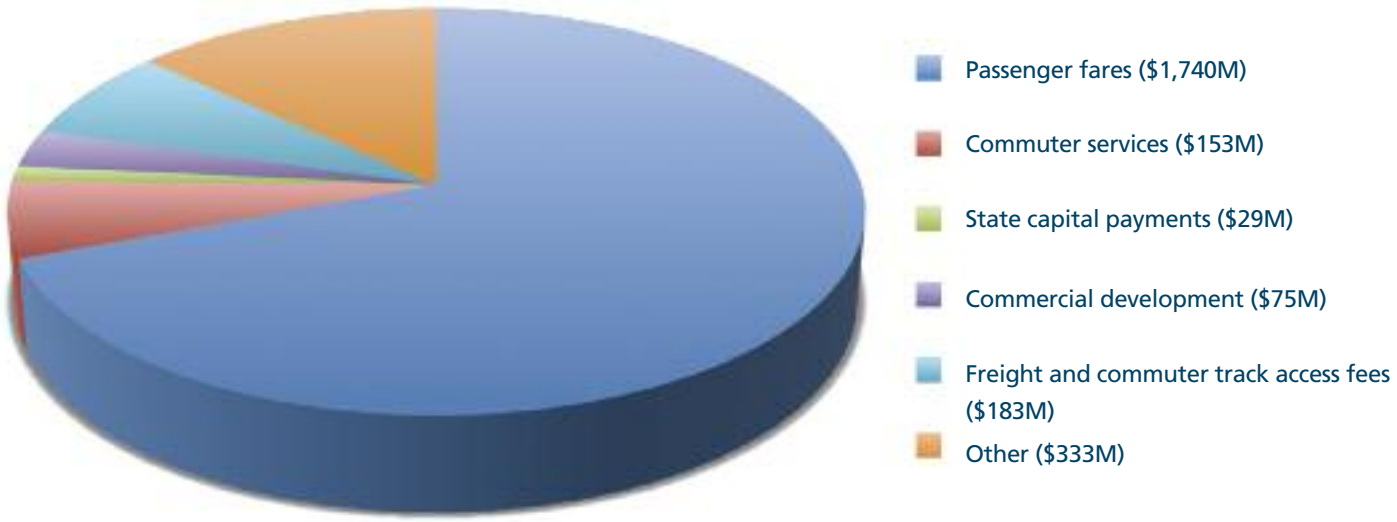
Each department, group and employee has to use this plan as a compass to guide their decisions every day. We must all develop, understand and use specific tactics to achieve Amtrak's goals. This is anything but easy. It will require tough decisions and it will require being uncomfortable as we change. But I know the collective talent and dedication of our team can bring Amtrak to a level of success it has never seen before.

Sincerely,



Joe Boardman
President and Chief Executive Officer

Amtrak® Revenue Sources
Fiscal Year 2010



Amtrak® is America's intercity passenger rail service provider, operating a nationwide network that connects more than 500 destinations in 46 states and three Canadian provinces.

In Fiscal Year 2010, Amtrak generated $2.51 billion from various revenue streams and had combined operating and capital costs of $3.72 billion. Additionally, Amtrak received $1.57 billion in grants from the U.S. government to support operating, capital and debt service costs. Like every other passenger rail operator in the world, Amtrak relies on public funding for capital and/or operating costs. In FY10, Amtrak's farebox recovery — the portion of operating costs directly covered by ticket revenue — was 76 percent, which is well above every other U.S. passenger railroad. Operating expenses covered by total company revenue were 85 percent.

FY10 ridership on Amtrak trains totaled 28.72 million. When included among U.S. airlines, Amtrak ranks among the top 10 in domestic passengers carried[1]. In addition to its own branded trains, Amtrak facilitates travel for more than 900,000 commuters every weekday via its partnerships with 13 commuter agencies across the country. Altogether, Amtrak moved approximately 270 million riders during the year.

Amtrak at a Glance:

- Rail network covers more than 21,000 route miles
- Approximately 20,000 employees
- Nearly 60 percent of trains operate at maximum speeds in excess of 90 mph
- Equipment fleet includes 1,519 passenger cars, 469 locomotives, 80 Auto Train vehicle carriers and 101 baggage cars

[1] According to 2010 data from the Bureau of Transportation Statistics (www.transtats.bts.gov)

STRATEGIC PLANNING PROCESS

The *Empire Builder* at Columbia River Gorge in Washington.

Amtrak has made significant strides over its 40-year history serving as America's Railroad®. With increasing needs for energy-efficient travel in the U.S., heightened customer demands and more competitors showing interest in the passenger rail market, a cohesive strategic plan is critical to future success.

Amtrak has dedicated considerable amounts of time, effort and other resources to complete the strategic planning process. The resulting strategic plan provides a compass that will help guide all business decisions in the coming years. Through defined corporate goals, performance targets and strategic efforts, the plan serves as a tool to align organizational efforts, prioritize resource allocation and measure performance against goals and strategies.

To produce the most effective plan possible, Amtrak assembled a team within the Office of the President and CEO to manage a strict planning process. Input was systematically gathered from the Board of Directors, Executive Committee[2], more than 150 employees and union leaders, and company-wide employee surveys.

Amtrak executed the following process to develop this strategic plan:

1. Executive Preparation: The entire Executive Committee, along with numerous senior leaders, participated in a three-day retreat to analyze the current state of the company and discuss its future direction.

2. Defining the Vision: The Executive Committee defined the ideal future state of Amtrak and formulated a vision statement to clearly articulate where the company should be 10 years in the future and beyond.

3. Goal Setting: The vision statement was broken down into five key elements. A five-year goal was developed for each element, and corresponding performance metrics and targets were set with input from subject matter experts across the company.

4. Research: Amtrak conducted a thorough research and information gathering program. A series of six strategy workshops was conducted, which involved more than 150 employees and union leaders. Various primary and secondary resources were also used to gather data required for the plan, including company-wide employee surveys.

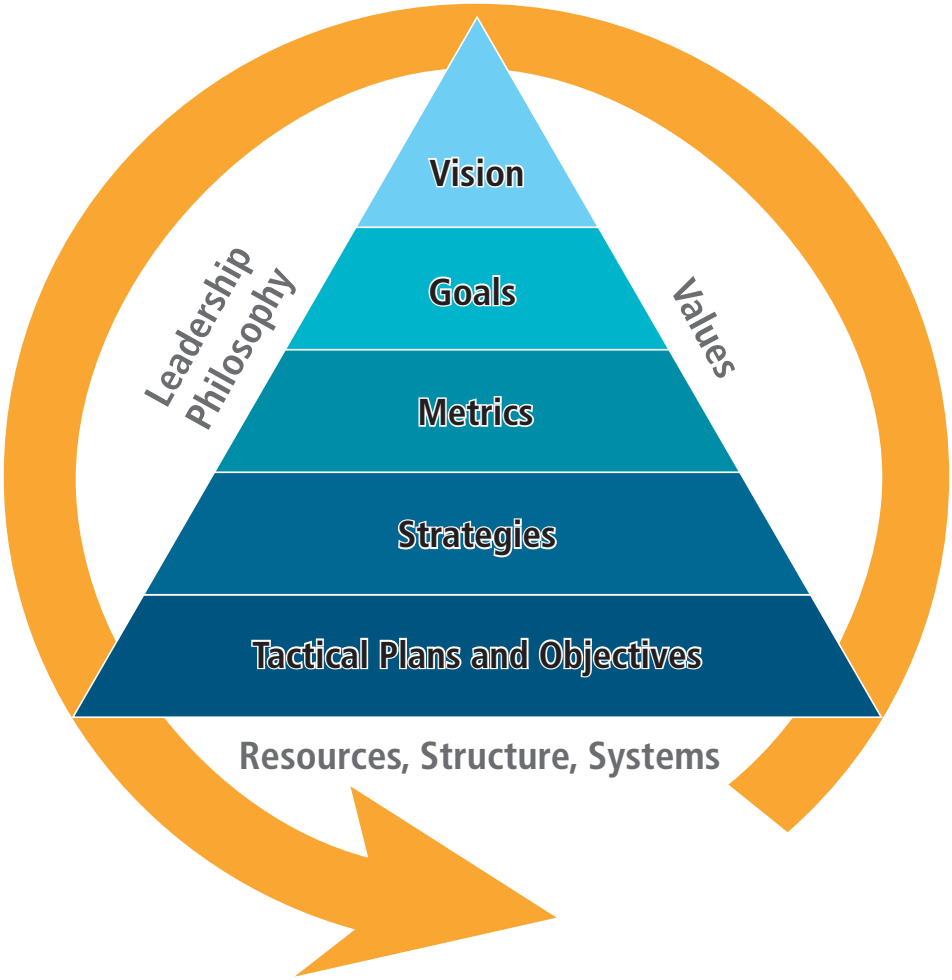
5. Defining Leadership Philosophy and Values: A set of beliefs and behaviors was developed that will guide decisions related to human capital as well as determining and strengthening internal systems and processes.

6. Strategy Development: Teams of senior managers were tasked with developing strategies to achieve Amtrak's goals.

7. Evaluation and Approvals: The strategic plan was reviewed and approved by the Executive Committee, the President and CEO and the Board of Directors.

8. Implementation: Execution of the strategies will be accomplished through ongoing tactical planning within each department, which will be presented in the annual Budget and Business plan and the Five Year Financial Plan.

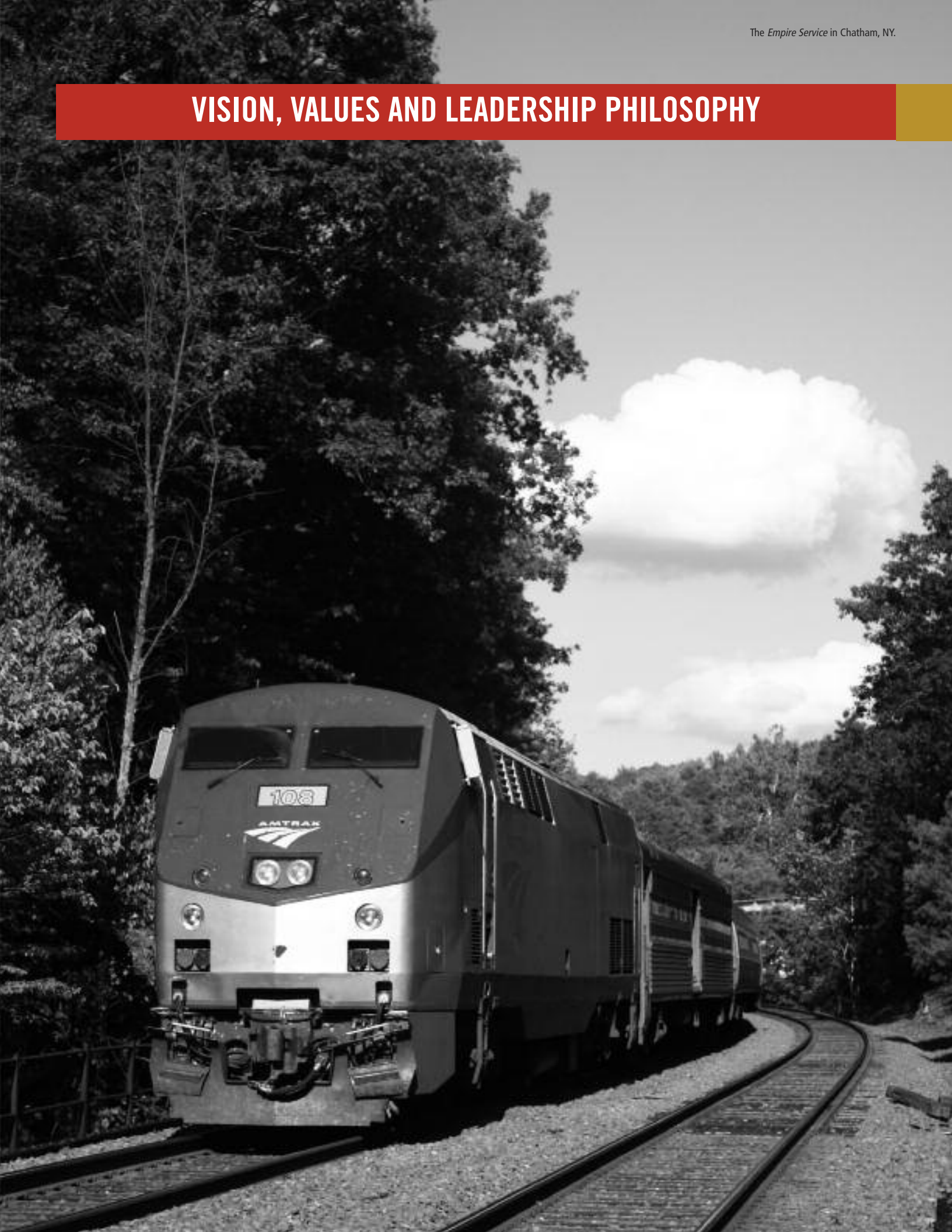
[2] The Executive Committee is defined by the President and CEO. Membership of the committee may change depending on business needs of the company.



Vision: Articulation of the desired future state of the company and its contribution to national and social needs.	10+ Years
Goals and Metrics: A set of defined outcomes to move toward the vision that is specific and measurable.	3 - 5 Years
Strategies: Decisions about what businesses we should be in and how we should position the company to compete in those markets.	1 - 3 Years
Tactical Plans and Objectives: The prescribed set of specific actions that must be performed to carry out a strategy.	0 - 12 Months

The *Empire Service* in Chatham, NY.

VISION, VALUES AND LEADERSHIP PHILOSOPHY



The Amtrak Vision: *Amtrak is America's first intercity travel choice for connections to and between the nation's key metropolitan areas, providing customer-driven, safe, environmentally-sustainable, energy-efficient and inter-modally linked service to passengers, communities and partners. Through recognized organizational excellence, Amtrak's diverse and talented team will lead the development and growth of the high-speed and intercity passenger rail system in North America.*

Within this vision statement are five elements that serve as core strategic themes for the company:

1. **Safety and Security**
2. **Customer Focus**
3. **Mobility and Connectivity**
4. **Environment and Energy**
5. **Financial and Organizational Excellence**

Amtrak has multiple opportunities and responsibilities as America's Railroad. The company is in a unique position to provide an important service to intercity travelers in the U.S. by offering an option that contributes to a national, integrated transportation system. Doing so also brings about the opportunity to reduce the nation's energy consumption, spark economic growth, reduce environmental impact from transportation and provide employees with rewarding employment and the means to provide for their families. Amtrak recognizes that its service to the nation's traveling public must be balanced by financial performance and that it must continually improve its bottom line.

Just as important as the Vision we are pursuing is the way in which we pursue it. This set of beliefs guides the decisions we make every day on our trains, in our offices, in our mechanical shops and at our construction sites. Amtrak's values and leadership philosophy encompass three key areas:

1. The Team We Build

Amtrak is committed to seeking out, hiring and promoting those people who embody the characteristics we deem necessary for high performance. Individual behaviors that Amtrak values in its employees include:

Commitment to Safety - The understanding that the health and personal well-being of co-workers and customers come before all else.

Integrity - The resolve to do the right thing for Amtrak, for one's colleagues and for one's customers even when no one is looking.

Spirit of Service - The best way to lead is to serve. Amtrak seeks out and rewards employees who demonstrate an understanding of our collective responsibility to serve customers, partners, co-workers and other stakeholders.

Desire to Improve - We expect our employees to constantly seek ways to improve as professionals and as leaders, and by doing so, improve Amtrak's ability to achieve its goals.

Respect - The ability and self-control to recognize the value of *every* individual and treat him or her with dignity.

Entrepreneurial Spirit - A passion for seeking constant improvement and to capitalize on opportunities that help Amtrak achieve its vision and goals.

Accountability - The courage to take ownership of problems, mistakes, successes and failures is of great importance. The identification of problems is important at Amtrak — but the delivery of solutions is vital to our success.

Humility - Amtrak serves a national need and our employees must have the humility to understand their role in a mission that is greater than any individual. No one person is more important than another, and no one person can do his or her job without the support of a team.

Forgiveness - We believe that good team members must have the ability to forgive each other. Mistakes will happen and unpopular decisions will be made, and we have to have the ability to move forward quickly and collegially.

Amtrak aims to provide every passenger with a positive guest experience.

2. The Culture We Maintain

Just as important as the individual behaviors we seek in each other are the culture and environment in which we operate every day. We understand that our culture will either serve as a foundation for high performance or it will impede our ability to serve. This includes not only the way we interact with each other and our stakeholders, but also the structure, systems and policies we employ.

To cultivate an environment that allows us to perform at a high level, we are committed to the following principles:

- **Our Business is About People** - We don't move trains, we transport people while providing a positive guest experience. Customer safety and satisfaction are our highest priorities.
- **Teamwork and Collaboration** - We believe that inclusion and collegiality are fundamental principles for high performance. Each individual must be empowered to influence change, and we are most effective when working together. Knowledge and information must be shared and leaders must make decisions in consultation with others.
- **Stewardship** - Amtrak understands the responsibility that comes with being entrusted with public resources, and we never discount the importance of being good stewards of those resources.
- **Collective Success, Failure and Ownership** - All functions within the company are interdependent. It is impossible for any one person, group or department to succeed or fail on its own.
- **Improvement is Never Risk-Free** - Amtrak values prudent business risk-taking in the name of higher performance. When risks are taken with the proper motives, mistakes are used as learning tools, not as a point for discredit or punishment. We encourage each other to try new things and challenge the status quo because that is the only way we can be better than we are today.

3. The Philosophy Behind Our Business

Amtrak seeks to provide safe, reliable, customer-focused and sustainable transportation options. We know that doing so requires a high-performing organization that is financially sound, innovative and offers employees satisfying work. We constantly seek new ways to improve our performance by aligning our systems, processes, policies and technology around the following set of beliefs:

- **The Nature of People** - We believe that our employees want to do a good job. If their purpose and functions are clearly defined, if they are empowered, and they are given the proper tools and knowledge, they will do excellent work without excessive supervision and external control. Motivation to perform at a high level comes from within and is cultivated by recognition, opportunities to grow and increasing challenges.
- **The Way We Work** - Amtrak believes that the best work is done and goals are reached when individuals operate within the corporate hierarchy in consultative, cross-functional teams. The job of managers is to promote collaboration inside and outside their teams and provide the right strategies, structures and systems to make these teams as efficient and effective as possible.
- **The Way We Lead** - The job of managers and supervisors at Amtrak is to make it easier for their employees to serve customers — both internal and external. Leading other people at Amtrak is not a right, it is a privilege that must be continuously earned by serving and mentoring others to help them grow, sharing information, providing respectful feedback and being accountable. While technical skills are important, they are only part of what makes a good Amtrak manager.
- **The Way We Manage Business Processes** - To achieve our goals, Amtrak must have sound and repeatable business processes that account for internal and external risks. Amtrak leaders and managers must monitor business processes and be proactive in identifying and managing any associated enterprise risks.

CORPORATE GOALS AND PERFORMANCE METRICS

Acela Express traveling through BWI Thurgood Marshall Station near Baltimore, MD.

In today's fast-moving and technologically-driven world, seamless coordination between departments is critical, regardless of function or geographic dispersion.

Amtrak has set five corporate goals to drive performance across the company. By striving for common goals, the priorities of each functional department will be better aligned and cooperation between groups will increase. Each goal aligns with one of the vision elements.

A series of metrics and five-year performance targets for each goal has been established to measure progress against a clear timeline. Performance plans for employees at all levels of the company will be tied to these metrics — beginning with the Executive Committee and cascading throughout the organization as appropriate. This process helps ensure that all employees are contributing not only to their group or department, but also to the corporate goals.

Note: *Metrics and performance targets may be adjusted or changed over time in response to changing external factors and internal business needs. Amtrak has elected to use metrics defined by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) where applicable. However, these may be changed or removed in response to business needs.*

Additionally, Amtrak is considering other metrics for future use once improvements have been made to IT and data reporting systems. These improvements will allow the company to more accurately capture key information and drill down to business line and route levels.

See Appendix for definitions of metrics.

Amtrak's Safe-2-Safer initiative is creating a culture of collaboration where employees work together to minimize safety risks.

Goal 1 – Safety and Security: Become North America's safest, most secure railroad by creating a collaborative, team-oriented workplace culture that minimizes risks and maximizes passenger and employee safety.

Measures	FY10 Baseline	Annual Change	FY15 Goal
Organizational Cultural Diagnostic Instrument (OCDI) Score	3.43/5.0	+1.5%	3.7/5.0
Train Accidents per Million Train Miles	1.92	–2%	1.74
Passenger Injuries per Million Riders	70.72	–2%	63.92
Passenger Railroad Employee Safety Performance Ranking	6th of 9	+1	1st
Total Larcenies per Million Riders	14.8	–2%	13.4
Total Vandalisms per 10 Million Train Miles	0.0137	–2%	0.0124

Goal 2 – Customer Focus: Advance customer service quality by responding to the wants, needs and expectations of our customers in order to improve their experience and maximize passenger and partner satisfaction.

Measures	FY10 Baseline	Annual Change	FY15 Goal
Customer Satisfaction Index	82%	+1.6 points	90%
Partner Satisfaction Index	40%	+10 points	90%

Accessibility for all passengers is a priority for Amtrak.

Goal 3 – Mobility and Connectivity: Improve national mobility and connectivity by growing Amtrak's business through new partnerships, routes and frequencies to increase ridership system wide.

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak Ridership (millions)	28.72	+2.55%	32.56
Amtrak Thruway Service Ridership (millions)	1.35	+2.3%	1.51
Commuter Ridership[3] (millions)	240.5	+0.4%	248.7
Total Intermodal Ticketing Partnerships	43	+2	53
Change in Effective Speed (mph)	0.0	+0.5	+2.5
Endpoint On-Time Performance[4]	79.7%	+5.3 pts (Yr. 1) +0.5 pts (Yrs. 2-5)	87%
All Stations On-Time Performance	78.5%	+1.5 pts	86%
Delay Minutes per 10,000 Train Miles (Amtrak Responsible)	279	–5%	216
Delay Minutes per 10,000 Train Miles (Host Railroad Responsible)[5]	975	–8% (Yr. 1) –5% (Yr. 2-5)	731

Amtrak Thruway Service connects with the rail system in Sacramento, CA.

[3]Future commuter ridership will be impacted by the termination of Amtrak's agreements with Caltrain and Virginia Railway Express, and the addition of an agreement with Metrolink. FY15 targets have been adjusted accordingly.
[4]Year 1 change is required to meet PRIIA standards.
[5]Year 1 change is required to meet PRIIA standards.

Goal 4 – Environment and Energy: Contribute to the nation's environmental health by attracting automobile and air travelers to trains, while improving Amtrak's efficiency and reducing transportation-related carbon emissions and fossil fuel consumption.

Measures	FY10 Baseline	Annual Change	FY15 Goal
Total Seat Miles per Gallon of Diesel Fuel	137.1	+1%	144.1
Total Seat Miles per kWh of Electric Traction Power	6.69	+0.25%	6.77
Total Facilities and Stations Electricity Consumption (millions of kWh)	315.1	–1%	299.7
Average Environmental Audit Compliance Score	76	+1.5	83.5

Goal 5 – Financial and Organizational Excellence: Attain a standard of organizational excellence by aligning our products, services, processes and culture with stakeholder expectations to improve financial performance and overall business results.

Measures	FY10 Baseline	Annual Change	FY15 Goal
Northeast Corridor Operating Ratio	88%	–0.25%	87%
Off Northeast Corridor Operating Ratio	167%	0.0%	167%
Net Asset Return Ratio	27.2%	+0.5 pts	29.7%
Passenger Miles per Train Mile	169	+1%	178

FACTORS THAT COULD AFFECT GOAL ACHIEVEMENT

The *Coast Starlight* along the Pacific Coast in Santa Barbara, CA.

Amtrak has set future performance targets that are realistic, timely and achievable. However, there are many external factors outside of Amtrak's control that may have a negative impact on future performance and prevent the company from reaching its goals.

Capital Investment

Amtrak — and its ability to carry out this strategic plan — depends upon continuing support from the public sector at the federal, state and local levels, along with significant investments from the private sector in the form of potential loans and strategic partnership. While Amtrak has reduced its debt burden by over 50 percent in the past five years, and has received two credit rating upgrades for improved financial and management controls, the company's credit rating could be reduced as a result of the financial conditions and actions of its government supporters.

Amtrak will continue to depend upon adequate annual levels of capital investment to maintain its infrastructure, systems, rolling stock and stations in a "state of good repair" for both safety and operational efficiency. Adequate investments are also necessary to support improvement of Amtrak's operating ratio. Significant cuts and fluctuations in investments will impede Amtrak's ability to reach its performance targets. Additionally, the timing of federal capital support remains a challenge to Amtrak's ability to execute planned improvements. Amtrak's ability to plan is also impacted by the lack of a dedicated, multi-year source of federal funding. Instead, Amtrak must rely on an annual Congressional appropriations process that is often significantly delayed.

Appropriate investments are also necessary to improve the Northeast Corridor operating ratio and generate additional net revenues needed to pay for future long-distance and corridor rolling stock. Significant cuts and fluctuations in investments will impede Amtrak's ability to reach its performance targets.

Operating Assistance

It has been the policy of the United States to have a coast-to-coast intercity, interconnected passenger rail system. The safe and reliable operation of a national network that provides basic surface mobility to citizens is completely dependent upon adequate annual federal appropriations over the long-term. Failure by Congress to support the operation of this system with the needed level of appropriations will lead to services being eliminated.

Economic Conditions

Recent economic conditions have significantly constrained the budgets of many states as well as individual consumers. As a result, Amtrak's ability to grow its business with state partners has been constrained. A continued decline in state resources represents limitations for Amtrak's business.

Additionally, the majority of Amtrak revenues come from ticket sales. Train ridership and consumers' willingness-to-pay for travel correlates with the overall health of the U.S. economy. Business travel is a significant source of ticket revenue and any decline in the economy that reduces business travel will have a negative impact on Amtrak. Similarly, economic factors that depress consumer spending in the U.S. also hurt ridership.

Statutory Requirements

The implementation of statutory and legal mandates such as those in the Passenger Rail Investment and Improvement Act requires money, time and attention from management. New and existing statutory requirements imposed on the company by Congress or the Executive Branch without the required resources will impact Amtrak's ability to progress the strategic endeavors outlined in this plan.

Natural and Human-Caused Disasters

Amtrak's performance can be seriously disrupted by natural and human-caused disasters. Hurricanes, earthquakes, tornados, wildfires, floods, mudslides and acts of terrorism all have the potential to damage the infrastructure needed to operate trains. Future disasters may negatively impact performance.

Energy Costs

Large portions of the company's operating costs are driven by prices for diesel fuel and electricity. Spikes in energy costs can greatly affect Amtrak's ability to fund other programs and projects that are necessary to achieve its goals.

Internal Factors

Amtrak must assess several key internal factors to ensure it is capable of reaching its performance targets. These factors include risk assessment, organizational structure, business processes, human capital management and information technology. The company must ensure these factors align with its strategic needs and long-term vision.

Employees maintain Amtrak-owned infrastructure along the Northeast Corridor.

The *Pacific Surfliner* in San Diego, CA.

CORPORATE STRATEGIES

Corporate Strategy 1: Continue the behavior-based Safe-2-Safer program and expand its scope to improve areas critical to organizational excellence, including employee engagement, management quality, customer service and organizational development.

Aligns With: Goal 1 – Safety and Security
Goal 2 – Customer Focus
Goal 5 – Financial and Organizational Excellence

Amtrak began an enterprise-wide safety and culture improvement effort in 2009 called Safe-2-Safer. This program is designed to transform Amtrak into a behavior-based organization that systematically reduces risks at all work locations. Doing so requires creating a more collaborative culture in which employees and managers work together to ensure each other's safety and security.

Safe-2-Safer has resulted in improvements in key cultural diagnostic areas. Due to the success of the initiative, Amtrak will develop and execute a plan to expand Safe-2-Safer in order to leverage the program's existing infrastructure and systems to drive similar behavior changes that improve customer service and business performance. Safety will remain the top priority of Amtrak and no focus will be taken away from safety improvement efforts. However, other areas will also be addressed, including educating all managers on the business models of Amtrak's various product and service offerings.

Corporate Strategy 2: Integrate operational functions (Transportation, Mechanical, Engineering) within divisions to maximize collaboration, efficiency and improve service delivery.

Aligns With: Goal 1 – Safety and Security
Goal 2 – Customer Focus
Goal 5 – Financial and Organizational Excellence

Amtrak field operations are currently segmented into seven geographic divisions. Within each division, there is a senior manager responsible for the function of each major operating department — Transportation, Mechanical and Engineering. Amtrak will integrate these Operating functions and establish manager and employee accountability. Doing so will improve communication and problem-solving in the field, thereby improving on-time performance and customer satisfaction.

Strategies 1 and 2 are linked by using the expanded Safe-2-Safer program to deliver the training and education needed to support the integration of field operations.

Corporate Strategy 3: Implement best practices related to human capital management in order to institutionalize Amtrak's values and leadership philosophy and create a workforce that is equipped to achieve the company's goals.

Aligns With: Goal 1 – Safety and Security
Goal 2 – Customer Focus
Goal 3 – Mobility and Connectivity
Goal 4 – Environment and Energy
Goal 5 – Financial and Organizational Excellence

As the company begins moving in a new strategic direction, its ability to reach the goals in this strategic plan requires an evolution in the knowledge and skills of employees. The company will make a priority of improving the external view of the Amtrak brand so it is seen as an employer of choice for individuals seeking to develop professionally, grow a career, contribute to a green America and serve a national need.

Internally, the Human Resources department will lead the change to institutionalize Amtrak's values and leadership philosophy through its recruitment, retention and promotion efforts. A culture of accountability, diversity and performance will be established.

Best practices such as "Voice of the Customer" protocols will be implemented. Human Resources will also eliminate waste and continuously improve the human capital management function by embracing Lean Six Sigma methodologies. Further, Amtrak must ensure its existing employee performance management system is linked to rewards and career development opportunities, aligning the individual goals of employees and groups around the corporate goals. Doing so will help ensure that the daily efforts of employees across the company are augmenting each other and improve the likelihood of successfully meeting performance targets.

Corporate Strategy 4: Expand use of risk management principles to implement a multi-layered security program that prevents and deters acts of terrorism and criminal behavior.

Aligns With: Goal 1 – Safety and Security
Goal 2 – Customer Focus
Goal 3 – Mobility and Connectivity
Goal 5 – Financial and Organizational Excellence

Over the past decade, Amtrak has made significant strides in security. The Amtrak Police Department has been transformed from a traditional police force into a diversified law enforcement agency that is aligned with national homeland security strategies and standards.

Amtrak will expand its use of risk management principles to assess the company's vulnerability to all hazards and minimize risks. Amtrak will continue to build its business continuity and counter-terrorism partnerships to cast a wider security net.

Grant money from the Department of Homeland Security will also be used to expand Amtrak's nationally-recognized K-9 Explosive Detection Program, harden the company's infrastructure and assets, increase random passenger screening and conduct patrol surges.

Additionally, Amtrak will work to increase the vigilance of travelers and employees to detect suspicious activity and criminal behavior. The combination of these efforts will increase safety and security for passengers, employees and the company.

Corporate Strategy 5: Expedite ongoing programs designed to make Amtrak service accessible for all individuals.

Aligns With: Goal 1 – Safety and Security
Goal 2 – Customer Focus
Goal 3 – Mobility and Connectivity

Accessibility for passengers with disabilities has historically been a competitive advantage for Amtrak over other travel modes. To protect that advantage and increase accessibility to its system, the company has made notable progress over the last two years – aboard trains, at stations and in parking areas. These improvements have been made thanks to a robust program supported by collaborative teams throughout the company.

Amtrak will increase these efforts in a publicly visible way over the next four years at the stations we serve. Doing so is complex because of the various external stakeholders who own all of the component parts (e.g., station facility, platforms, and parking). To continue this progress, additional resources and management focus must be dedicated to accessibility improvements.

Additionally, Amtrak will look at other opportunities to improve service for passengers with disabilities, including ongoing training programs for employees, focused management of construction and technology projects, and better stakeholder relations.

Corporate Strategy 6: Identify and invest in systems and technologies that will simultaneously reduce energy usage and operating expenses.

Aligns With: Goal 4 – Environment and Energy
Goal 5 – Financial and Organizational Excellence

Over the past decade, Amtrak has reduced its overall diesel fuel consumption and CO_2 emissions by nearly 10 percent, even though ridership has increased by roughly 30 percent over that same period. Continuing this improvement is a critical strategic need for the company, as it directly supports Amtrak's vision to provide "environmentally-sustainable, energy-efficient" service, while also creating opportunities to drastically reduce fuel and electricity costs.

Such improvements will be made in the execution of Amtrak's plan to replace its existing fleet of rolling stock, by exploring opportunities to electrify rail corridors that currently require diesel locomotives and by utilizing new technologies to control energy used at facilities and offices, as well as many other tactics.

These types of projects will be analyzed using a ranking system that takes into account both the strategic and financial benefits, and investments will be made accordingly. Additionally, Amtrak will seek support from the Federal Railroad Administration, Northeast Corridor Infrastructure and Operations Advisory Commission and other federal entities for regional and national evaluations of major alternative energy project options.

Corporate Strategy 7: Establish a business line focus within the company to better respond to the wants, needs and expectations of customer segments and improve financial performance.

Aligns With: Goal 2 – Customer Focus
Goal 3 – Mobility and Connectivity
Goal 5 – Financial and Organizational Excellence

Amtrak serves a variety of customers in both the business-to-business and business-to-consumer markets. The company believes that much value can be generated by focusing business functions around customer groups. Such a focus will improve customer service and financial performance.

An important part of this process will be to establish profit and loss (P&L) accountability for each business line. Currently, P&L is managed in its totality for all of Amtrak's various businesses. Breaking the company down into smaller pieces and assigning P&L accountability for each piece will provide much higher transparency and allow for much more efficient decision making. Carrying out this strategy requires creating the functional capacity to manage P&L performance. The added transparency will also allow Amtrak to make better decisions about where to deploy resources, invest in growth and cut costs.

The following six business lines have been defined as part of this strategy. To provide guidance in the management of business line performance, Amtrak has developed a strategic plan for each business line that will support the achievement of the company's corporate goals (see special section on business line plans):

1. Northeast Corridor Infrastructure and Investment Development
The host railroad operation, design, construction and maintenance of Amtrak-owned infrastructure, in order to support the operation of Amtrak trains and other rail service providers. This includes Northeast Corridor "state of good repair," high-speed rail investment and planning.

2. Northeast Corridor Operations
The delivery of integrated high-speed rail services in the Northeast Corridor, including Acela Express, Northeast Regional and Keystone Service trains and the proposed high-speed "Acela II" rail system improvements.

3. State Supported Services
Rail transportation and related services provided in partnership with state governments, including conventional passenger train operations, development of new high-speed rail services, equipment maintenance, service planning, marketing and reservation systems.

4. Commuter Services
Rail transportation and related services provided as a contractor to local or regional commuter authorities, including passenger train operations, equipment maintenance and maintenance-of-way, as well as contract management services for access and other cost-sharing agreements that allow commuter agencies to utilize Amtrak property or services.

5. Long-Distance Services
The operation of Amtrak's national network of 15 interstate routes of 750 miles or more that connect communities with the nation's major regions.

6. Corporate Asset Development
The development and commercialization of latent Amtrak assets, such as real estate, mechanical services, technical expertise, intellectual property and other resources.

The *Northeast Regional* in Bowie, MD.

CORPORATE IMPLEMENTATION

A comprehensive implementation plan will be carried out to ensure that the company's internal systems and processes make strategy execution possible (see process map on opposite page).

A major theme throughout this plan is creating accountability for performance across the company, at all levels. It is critical that the goals and strategies are supported by all groups within the company. Amtrak has identified the following key tactics and processes at the corporate level to ensure the strategic plan cascades through every department and group in order to provide the best chance for success. This list is not comprehensive, but highlights the key areas that Amtrak plans to address:

Communication

It is important that employees understand the strategic plan. When employees understand the strategic plan, their role in executing it and what is expected of them, they will be able to make better day-to-day decisions that align with corporate goals. Amtrak will use several methods of communicating the plan to employees throughout the organization to ensure effective integration across all departments.

Balanced Scorecard and Performance Management

One critical piece of this strategy is implementing a Balanced Scorecard system. This strategic planning tool has become popular in private industry and government agencies over the last decade, and it is widely recognized as a best practice in performance management. This plan details corporate goals and performance targets that cut across departments. It is critical that the company has a way to successfully measure and manage its progress in achieving those goals. Such a system will turn Amtrak's strategic plan into action plans for departments and individual employees. Employee performance reviews and long-term financial plans will be driven by the strategic plan.

Financial Planning

Financial planning and project funding processes will be aligned to support the goals and strategies outlined in this plan. The Annual Budget and Business Plan, along with the Five-Year Financial Plan, will include descriptions of the tactical aspects of achieving these strategies in the planned timeframes. Amtrak will ensure that all project funding decisions maximize progress towards achieving performance targets. Consideration of the financial returns of proposed projects will be given higher priority to maximize the return on all investment dollars.

Systems, Technology and Business Processes

Amtrak has made great strides in recent years to update and modernize many of its key systems and technologies. From budgeting and resource management to reservations and operations, the company has many of the latest tools and technologies in place to manage its businesses and overall performance. Amtrak will assess the capabilities and functionality of its internal systems and technological tools to ensure they support the new corporate goals.

Station Planning

Stations are one of Amtrak's largest and most important assets, serving as Amtrak's "front door" to the traveling public. In addition to improvements to stations to meet ADA compliance by 2015, Amtrak will create greater accountability and focus on station operations and development. Station performance and physical conditions will be advanced to support this strategic plan and the related business line strategies. Through engagement with state and local partners and the private sector, opportunities for improved customer service, intermodal connectivity, passenger growth, economic development, and increased revenues at stations will be pursued within the constraints of available resources.

Fleet Planning

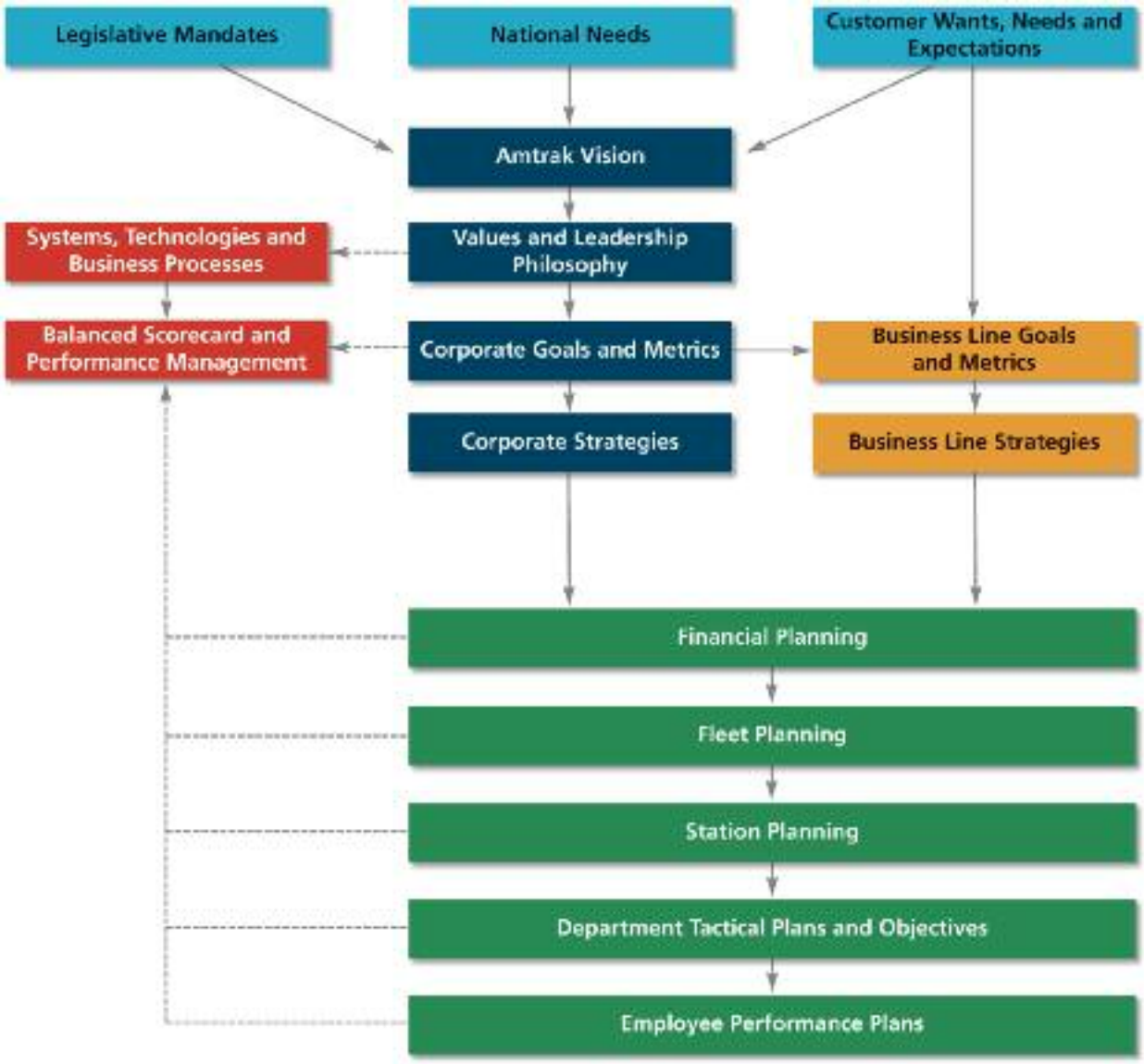
In 2009, a comprehensive plan was unveiled to replace Amtrak's entire equipment fleet by 2040. The most recent update to the Fleet Strategy Plan was published in February 2011.

A new fleet of locomotives and cars obviously has the potential to greatly affect Amtrak's ability to meet all five corporate goals listed above. This strategic plan will be used as the compass for future revisions of the fleet plan to ensure that all rolling stock decisions give the company the best opportunity to achieve its goals.

Enterprise Risk

Several challenges to Amtrak's success have been identified in this strategic plan. These enterprise risks require management attention, planning and remediation as set forth in this plan and elsewhere. To do so, Amtrak will establish an enterprise risk management framework that is based on industry best practices. This framework will be used to routinely assess the corporation and all business lines while developing a system of control.

Strategy Management and Implementation Process



The *Northeast Regional* in Richmond, VA.

BUSINESS LINE STRATEGIC PLANS

NORTHEAST CORRIDOR INFRASTRUCTURE AND INVESTMENT DEVELOPMENT

Business Line Mission Statement:

Amtrak's Northeast Corridor Infrastructure and Investment Development Business Line manages and develops Amtrak-owned railroad infrastructure to meet the growing high-speed rail needs of the 21st century. This includes managing station assets, infrastructure design, maintenance and construction services, asset capacity and utilization planning, and dispatching services in support of all railroad operations on the Northeast Corridor.

The business line will maximize financial performance by providing safe, reliable and technologically-advanced service; efficient investments in high-speed rail infrastructure improvement; the effective management of current capacity and the creation of new capacity for existing and new services; and attractive and well-maintained stations that enhance intermodal connectivity.

Led by dynamic, diverse, innovative teams, we provide a reliable, safe, environmentally friendly and superior service to our customers and partners.

Business Line Goal 1 – Safety: Improve safety and security in all areas of the business line by building a culture that minimizes risks for all passengers and employees.

Aligns With Corporate Goal(s): 1 – Safety and Security

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak currently measures safety performance at the corporate and departmental levels. As Amtrak implements its strategy to manage the company by six discrete business lines, IT and other reporting systems are being coordinated to allow for accurate safety reporting by each business line. Safety metrics to be used include Train Accidents per Million Train Miles, Passenger Injuries per Million Riders and Operating Rules Violations Ratio.			

Business Line Goal 2 – Superior Service: Provide superior service to other Amtrak business lines and external partners by continually seeking ways to improve customer satisfaction.

Aligns With Corporate Goal(s): 2 – Customer Focus

Measures	FY10 Baseline	Annual Change	FY15 Goal
Partner Satisfaction Index	40%	+10 pts	90%
Infrastructure Delay Minutes per 10,000 Train Miles	376	–5%	291

Business Line Goal 3 – Financial Performance: Improve financial performance of the Northeast Corridor and other assets by maximizing efficiency and utilization.

Aligns With Corporate Goal(s): 5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
User Fee Revenues ($ millions)	133.4	+3%	154.7
Total Train Slots	5,212	+2	5,221

Business Line Goal 4 – Station and Connectivity Improvement: Make travel easier and more attractive for train passengers by improving the appearance and operation of Amtrak-owned stations and increasing opportunities to connect with other travel modes in key markets.

Aligns With Corporate Goal(s): 3 – Mobility & Connectivity

Measures	FY10 Baseline	Annual Change	FY15 Goal
Change in Effective Speed (mph)	0.0	+0.5	+2.5
Airport Connections	2	NA	5

Business Line Goal 5 – Environmental Improvement: Reduce the impact of Amtrak operations on the environment by reducing energy consumption and improving EPA compliance scores.

Aligns With Corporate Goal(s): 4 – Environment and Energy

Measures	FY10 Baseline	Annual Change	FY15 Goal
NEC Facilities and Stations Electricity Consumption (millions of kWh)[6]	129.7	–1%	123.3

[6] NEC facilities that make up the 2010 baseline usage are: Southampton Yard, 30th Street, Washington Coach Yard, Rensselaer Mechanical Facility, Bear Car Shops, Wilmington Back Shops, New York Penn Station, and Sunnyside Yard.

Business Line Strategy 1: Actively pursue opportunities to grow capacity in the near-term through the use of new technologies and refined operating plans.

Aligns With Business Line Goal(s): 2 – Superior Service
3 – Financial Performance

Much of Amtrak's existing infrastructure is significantly constrained. In order to meet future demand for additional Amtrak, freight and commuter services that use infrastructure assets, Amtrak will aggressively pursue both short and long-term opportunities to increase capacity. One short-term area of focus will include the acquisition and implementation of new technologies. Such tools will allow more efficient use of existing capacity by optimizing dispatching and scheduling.

The other focus area will be operating plans and practices along the Northeast Corridor. PRIIA Section 212 created the Northeast Corridor Infrastructure and Operations Advisory Commission, made up of representatives from the Federal Railroad Administration, Amtrak, the District of Columbia and nine states that are served by the Northeast Corridor. This Commission has a number of assignments, including the development of a revised cost-sharing protocol for users of the Northeast Corridor and of recommendations for coordinating, improving and expanding Northeast Corridor operations.

In conjunction with the Commission, Amtrak will refine operating and capacity plans for the Northeast Corridor, including reexamination of the allocation of train slots, dispatching priorities and capital investments to ensure that they are aligned with the goals and objectives set forth in this strategic plan and recommendations of the Commission.

These efforts will allow Amtrak to better accommodate demand for service increases and allow for improved trip times and greater on-time performance and reliability.

Business Line Strategy 2: Build new partnerships with stakeholders, including federal, state and local governments, global rail industry organizations and the private sector, to secure long-term investments for a world-class high-speed rail corridor.

Aligns With Business Line Goal(s): 1 – Safety
2 – Superior Service
3 – Financial Performance
4 – Station and Connectivity Improvement
5 – Environmental Improvement

The development of a world-class high-speed rail system along the Northeast Corridor can only be accomplished through effective public-private partnerships. The increases in speed, connectivity and capacity will benefit Amtrak as well as commuter and freight rail operators using the Northeast Corridor. Amtrak will seek new partnerships with stakeholders to achieve such improvements and expansions in mutually-beneficial ways.

Northeast Corridor stakeholders include governments at the federal, state and local levels; the Northeast Corridor Infrastructure and Operations Advisory Commission; commuter authorities; global high-speed rail organizations; private investors; and freight railroads.

Partnerships with these organizations will be aimed at educating decision makers to build support for the program and to generate funding necessary for capital improvements. These partnerships may include formal joint-ventures and/or informal agreements.

Business Line Strategy 3: Develop financial and business plans for the long-term development and expansion of high-speed rail services in accordance with Amtrak's vision for the Northeast Corridor.

Aligns With Business Line Goal(s): 3 – Financial Performance
4 – Station and Connectivity Improvement

Amtrak has outlined its vision for Next Generation (220 mph) high-speed rail service in the Northeast Corridor.[7] Achieving that vision requires significant funding and long-term development partnerships. The company will create a financial/business plan for development and implementation of Next Generation high-speed rail in the Northeast Corridor that analyzes public-private partnerships to identify opportunities and magnitude of private capital investment; identifies ancillary revenue sources to expand financing; and considers all potential sources for public funding.

Business Line Strategy 4: Proactively communicate Amtrak's vision for high-speed rail in the Northeast Corridor to stakeholders and the public.

Aligns With Business Line Goal(s): 2 – Superior Service

Amtrak must adeptly communicate the benefits of improved high-speed rail service in the Northeast Corridor while aligning the expectations of stakeholders. By proactively educating stakeholders on the opportunities and challenges related to Amtrak's vision for high-speed rail in the Northeast Corridor, progress can be made faster and more efficiently.

Amtrak will seek to engender support from the Northeast Corridor Infrastructure and Operations Advisory Commission and increase the involvement of local agencies, governments and the private sector. The company will also increase its efforts to elevate public awareness of the need for improved intercity rail in the region.

Business Line Strategy 5: Improve relationship with, and financial reimbursement from, commuter agencies that operate service on Amtrak-owned or controlled trackage.

Aligns With Business Line Goal(s): 2 – Superior Service
3 – Financial Performance

As owner and operator of much of the Washington-to-Boston Northeast Corridor, Amtrak serves as the steward of this national asset, providing access to nine commuter agencies that operate local service in part or in whole on Amtrak owned or controlled property. Amtrak has a relationship with a 10th commuter agency (Metro-North Railroad), which owns and/or operates a portion of the NEC main line track on which Amtrak operates intercity passenger rail service.

In conjunction with the work of the Northeast Corridor Infrastructure and Operations Advisory Commission, and the ongoing Commercial Partner Satisfaction Program, these agencies have identified a number of areas where they believe that Amtrak can provide for improved service and relationships.

[7]See Amtrak's "A Vision for High-Speed Rail in the Northeast Corridor" report issued Sept. 2010.

NORTHEAST CORRIDOR OPERATIONS

Business Line Mission Statement:

It is the mission of the Northeast Corridor Operations Business Line to provide high-speed intercity travel as America's leader in the further development of world-class high-speed rail service that reflects our commitment to safe, reliable and environmentally sustainable operations.

Business Line Goal 1 – Safety: Advance world-class safety and reliability for Amtrak Northeast Corridor operations.

Aligns With Corporate Goal: 1 – Safety and Security

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak currently measures safety performance at the corporate and departmental levels. As Amtrak implements its strategy to manage the company by six discrete business lines, IT and other reporting systems are being coordinated to allow for accurate safety reporting by each business line. Safety metrics to be used include Train Accidents per Million Train Miles, Passenger Injuries per Million Riders and Operating Rules Violations Ratio.			

Business Line Goal 2 – Customer Service: Provide efficient, customer-oriented, technologically-advanced solutions for Northeast Corridor operations that meet passenger needs and expectations.

Aligns With Corporate Goal: 2 – Customer Focus

Measures	FY10 Baseline	Annual Change	FY15 Goal
Customer Satisfaction Index	79%	+2.2 pts	90%
Endpoint On-Time Performance	79.3%	+2.2 pts	90%
All Stations On-Time Performance	83.2%	+1.4 pts	90%
Minutes of Delay per 10,000 Train Miles (Amtrak Responsible)	201	–5%	156
Customer Complaints per 1,000 Riders	3.33	–2%	3.01

Business Line Goal 3 – Financial Performance: Operate in the most efficient and financially sound manner possible by being innovative, highly-skilled and responsive to opportunities.

Aligns With Corporate Goal: 5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Northeast Corridor Operating Ratio	88%	–0.25%	87%
Passenger Miles per Train Mile	185	+1%	194

Business Line Goal 4 – First Travel Choice: Become the preferred intercity travel provider along the Northeast Corridor.

Aligns With Corporate Goal: 3 – Mobility and Connectivity

Measures	FY10 Baseline	Annual Change	FY15 Goal
Market Share	6.0%	+0.4 pts	8.0%
Ridership (millions)	11.67	+5.8%	15.5

Business Line Goal 5 – Sustainable Operations: Advance environmentally sustainable operations through the use of efficient, technologically-advanced solutions.

Aligns With Corporate Goal: 4 – Environment and Energy

Measures	FY10 Baseline	Annual Change	FY15 Goal
Electric Traction Consumption per Seat Mile (kWh)	50.6	–1%	48.1

Concept for future high-speed rail on the Northeast Corridor.

Business Line Strategy 1: Amtrak will enhance customer satisfaction by focusing on differentiating the passenger experience on Acela Express, Northeast Regional and Keystone Service from competing modes of transportation to maximize value and demand for service.

Aligns With Business Line Goal(s): 2 – Customer Service
5 – Sustainable Operations

In the Northeast Corridor, Amtrak enjoys several competitive advantages over other travel modes. The company will continue to further differentiate its rail services by improving the travel experience for passengers, thereby maximizing demand.

Ease-of-use will be the strategic priority. This includes making all aspects of the booking, boarding, riding and disembarking process as efficient and easy for passengers as possible. Target improvement areas may include ride quality, on-time performance, station and on-board amenities and technological improvements.

Business Line Strategy 2: Increase net revenues by making service enhancements that improve Acela Express' position as a premium service.

Aligns With Business Line Goal(s): 4 – First Travel Choice
5 – Sustainable Operations

Amtrak has successfully positioned Acela Express as a premium travel option between Washington, New York and Boston. As a result, it has become the company's best performing service in terms of financial return. However, Amtrak believes there is untapped potential for Acela Express and that by elevating its position as a premium travel option, customers' willingness-to-pay will rise and allow the company to generate higher net revenues.

To execute this strategy, Amtrak will focus on service quality and reliability while continuing its effort to acquire a new Acela Express train fleet. In the short-term, Amtrak will acquire additional cars for its existing Acela Express trains to increase capacity, capitalize on current demand and increase market share.

Acela Express on the Pelham Bay Bridge in New York. Photo: Gary Pancavage

STATE SUPPORTED SERVICES

Business Line Mission Statement:

By capitalizing on partnership opportunities, Amtrak's State Supported Services Business Line will position Amtrak as the provider of choice for short- and medium-distance intercity rail transportation, including new high-speed rail service. The State Supported Services business line is committed to offering safe, convenient and reliable intercity passenger rail and related services that exceed customer expectations and contribute to the economic, environmental and social well-being of the communities we serve.

Business Line Goal 1 – Safety: Offer state partners, passengers and employees safe and secure service where risks are minimized on every train and at every station, every day.

Aligns With Corporate Goal: 1 – Safety and Security

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak currently measures safety performance at the corporate and departmental levels. As Amtrak implements its strategy to manage the company by six discrete business lines, IT and other reporting systems are being coordinated to allow for accurate safety reporting by each business line. Safety metrics to be used include Train Accidents per Million Train Miles, Passenger Injuries per Million Riders and Operating Rules Violations Ratio.			

Business Line Goal 2 – Customer Satisfaction: Improve the satisfaction of state partners and individual customers by maximizing service reliability.

Aligns With Corporate Goal(s): 2 – Customer Focus

Measures	FY10 Baseline	Annual Change	FY15 Goal
Endpoint On-Time Performance	81%	+1.8 pts	90%
All Stations On-Time Performance	83.4%	+1.3 pts	90%
Customer Satisfaction Index	85%	+1 pts	90%
Partner Satisfaction Index	50%	+8 pts	90%
Delay Minutes per 10,000 Train Miles (Amtrak Responsible)	254	–5%	197
Delay Minutes per 10,000 Train Miles[8] (Host Responsible)	997	–10% (Yr. 1) –5% (Yrs. 2 – 5)	731
Change in Effective Speed (mph)	0.0	+0.5	+2.5
Customer Complaints per 1,000 Riders	3.13	–3%	2.69

[8]Year 1 change required to meet PRIIA standards.

Business Line Goal 3 – Financial Performance: Improve financial performance of existing services by improving train performance and increasing cost recovery.

Aligns With Corporate Goal(s): 3 – Mobility and Connectivity
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Ridership (millions)	13.86	+5%	17.70
State Supported Services Operating Ratio	130%	–0.3%	128%
Passenger Miles per Train Mile	130	+1%	137

Business Line Goal 4 – PRIIA Implementation: Implement PRIIA Section 209 to convert system corridor trains to state-supported routes and reduce Amtrak subsidy for non-NEC corridor operations.

Aligns With Corporate Goal(s): 5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Successful Implementation of PRIIA Section 209 Within Specified Timeframe	$191M State Payments	N/A	$267M State Payments

Business Line Strategy 1: Improve organizational relationships and systems to make Amtrak flexible and able to respond quickly to partners' needs and new opportunities.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction
3 – Financial Performance
4 – PRIIA Implementation

Partner feedback indicates that improvement in response and flexibility is essential. State partners have also indicated a desire for a single point of contact to address service, planning or contract issues. The proposed strategy will address these concerns by designating an "Account Manager" for each state supported service, streamlining processes, creating State Supported Business Line guidelines and policies to guide corporate decisions and creating awareness of SSBL services and the important role of state partners.

To capitalize on market opportunities and improve partner satisfaction, new planning and communication tools are also needed. The proposed strategy will empower state partners by providing essential service planning knowledge and real time performance data specific to their service.

A cross-functional committee will also be established and consist of members from service delivery and support functions from throughout the organization. The committee will serve to establish subject matter experts to assist with business line issues and/or implementation of new initiatives.

Business Line Strategy 2: Implement on-going quality assurance program for SSBL.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction
3 – Financial Performance

Consistent service delivery is essential to Amtrak's ability to ensure partner satisfaction and capitalize on market opportunities. Implementation of the SSBL Quality Assurance program will improve train performance and service delivery through additional measurement of key quality indicators and development of corrective actions specifically tailored to SSBL services.

Business Line Strategy 3: Pursue train and/or bus service development opportunities for select corridors that are currently underserved and represent high strategic and financial value for Amtrak.

Aligns With Business Line Goal(s): 3 – Financial Performance

Amtrak believes there are numerous opportunities to begin new service between markets that would benefit greatly from rail and/or Thruway bus service connections. However, the company recognizes the need to be judicious in the deployment of resources needed to pursue these opportunities. Therefore, a thorough internal analysis of potential markets will be conducted to identify and prioritize new service opportunities.

Specific characteristics that will be considered include:

- Distance between markets
- Population growth
- Existing transportation options
- Competitive advantages
- Connection opportunities to existing Amtrak system
- Estimated bottom line contribution (to be confirmed through Service Development Plan process)

Amtrak will then seek funding from applicable state(s) and/or the Federal Railroad Administration to complete Service Development Plans.

Business Line Strategy 4: Increase focus on performance at the route level by creating business plans with profit and loss accountability for each state-supported route.

Aligns With Business Line Goal(s): 3 – Financial Performance

Route-specific business plans will focus on financial performance and efficient allocation of Amtrak-owned resources and create an opportunity for greater Amtrak-State collaboration. This effort will result in identification of efficiency improvements, new market opportunities and potential cost savings. Improvements will be made to adequately identify/address route level issues and/or set common profit goals and objectives with state partner input.

COMMUTER SERVICES

Business Line Mission Statement:

Amtrak Commuter Services will provide safe, reliable, customer-focused service to meet the needs of the nation's commuter agencies, their passengers and their communities.

Amtrak Commuter Services Business Line will bring value to Amtrak's core business by contributing financially via operating profits and contribution to NEC operating and capital costs, increasing connectivity and national mobility, enhancing Amtrak's position as a major player in key transportation markets and elevating Amtrak's overall performance by meeting the demands of the competitive marketplace.

We will continuously strive to provide excellent service, as defined and measured by our customers, and will work to insure that we operate in a safe, cost-effective, efficient and environmentally-friendly manner that reflects an innovative, disciplined and consistent execution of our customers' stated objectives.

We will build and maintain the best selection of passenger rail professionals wholly dedicated to delivering safe, on-time, energy-efficient and fiscally sound rail transportation solutions.

Business Line Goal 1 – Safety: Offer commuter partners, passengers and employees safe and secure service where risks are minimized on every train and at every station, every day.

Aligns With Corporate Goal: 1 – Safety and Security

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak currently measures safety performance at the corporate and departmental levels. As Amtrak implements its strategy to manage the company by six discrete business lines, IT and other reporting systems are being coordinated to allow for accurate safety reporting by each business line. Safety metrics to be used include Train Accidents per Million Train Miles, Passenger Injuries per Million Riders and Operating Rules Violations Ratio.			

Business Line Goal 2 – Customer Satisfaction (Operating Customers): Improve the satisfaction of commuter partners and individual riders by maximizing the reliability of Amtrak-operated commuter services.

Aligns With Corporate Goal(s): 2 – Customer Focus

Measures	FY10 Baseline	Annual Change	FY15 Goal
Ridership[9] (Millions)	27.2	+2.75%	31.2
Commercial Partner Satisfaction Index	40%	+10 pts	90%
Endpoint On-Time Performance	90.7%	+0.85 pts	95.0%

[9]Future commuter ridership will be significantly impacted by the termination of Amtrak's agreements with Caltrain and Virginia Railway Express, and the addition of an agreement with Metrolink. Annual ridership from existing contracts will drop to 24.7M in FY13. FY15 targets have been adjusted accordingly and growth will be dependent upon being awarded new commuter operating contracts.

Business Line Goal 3 – Customer Satisfaction (Access Customers): Improve the satisfaction of commuter partners and individual riders by maximizing the service reliability of commuter agencies with access to Amtrak infrastructure.

Aligns With Corporate Goal(s): 2 – Customer Focus

Measures	FY10 Baseline	Annual Change	FY15 Goal
Endpoint On-Time Performance	94.8%	+0.2 pts	95.8%
Commercial Partner Satisfaction Index	40%	+10 pts	90%

Business Line Goal 4 – Financial Performance (Operating Services): Improve the financial performance of Amtrak's commuter operating services.

Aligns With Corporate Goal(s): 3 – Mobility and Connectivity
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Total Revenue ($ millions)[10]	152.4	–1.2%	143.4

Business Line Goal 5 – Financial Performance (Access Agreements): Improve the financial performance of Amtrak's commuter access agreements.

Aligns With Corporate Goal(s): 3 – Mobility and Connectivity
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Total Revenue for Commuter Access (NEC and Off-NEC) ($ millions)	200.0	+4.8%	253.0
Northeast Corridor Operating Costs Recovered from Commuter Operators	27.9%	+3.3%	32.9%
Northeast Corridor Capital Costs Recovered from Commuter Operators [11]	20.4%	+9.8%	32.5%

[10]Future revenue from operating commuter partnerships will be impacted by the termination of Amtrak's agreements with Caltrain and Virginia Railway Express, and the addition of an agreement with Metrolink. Revenue from existing contracts will drop to approximately $96M in FY13. FY15 targets have been adjusted accordingly and growth will be dependent upon being awarded new commuter operating contracts.
[11]Does not include capital expenditures funded through the American Recovery and Reinvestment Act of 2008.

Business Line Strategy 1: Pursue business development opportunities by competing for commuter operating contracts that represent significant strategic and financial value for Amtrak.

Aligns With Business Line Goal(s): 4 – Financial Performance (Operating Services)

The U.S. market for contract commuter operating services is an $830 million per year industry, with 18 services currently in operation and five new services expected to start operation in the next five years. Amtrak currently provides some level of operating services to nine agencies, representing a 20 percent market share. While Amtrak's experience and expertise create the opportunity for market growth, limited resources are available to pursue, implement and successfully operate such services, making it necessary to carefully assess such opportunities and only pursue those with the greatest value.

Such an assessment will consider the following characteristics:

- Strategic importance to Amtrak's core mission
- Ability of Amtrak to successfully compete for the opportunity
- Ability of Amtrak to successfully implement and operate the service if Amtrak is awarded a contract
- Financial return to Amtrak
- Risk associated with the service and opportunity

In order to compete for such services, Amtrak needs to implement processes to identify and respond to Requests for Proposals, including involvement of business development and subject matter experts from various operating and corporate departments, as well as collaboration with labor unions to drive both service delivery and cost-competitive proposals.

Business Line Strategy 2: Implement nationwide quality assurance program to ensure consistent delivery of high quality commuter operating and access services.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction (Operating Customers)
3 – Customer Satisfaction (Access Customers)

In order to ensure that Amtrak's service delivery for commuter operating service contracts and commuter access agreements is of consistently high quality as defined by our customers, Amtrak should establish a quality control/quality assurance program to monitor service performance, and to identify and implement service improvement. This program should be developed in coordination with existing customers, and should also benchmark Amtrak service against industry leaders.

Currently each Amtrak commuter property engages in its own quality control, which can be based on the unique standards in each commuter agreement, or based on the management style of the Amtrak operating or commercial lead. By assessing processes enacted by Amtrak and others and implementing a consistent national program based upon these best practices, Amtrak can ensure an improved and consistent level of service.

This program will recognize each commuter agency's individual vision for customer service and performance, and ensure the development and delivery of improvements to Amtrak's service offerings to meet unique customer needs, while also ensuring constant performance throughout Amtrak's national network of commuter operating agreements.

Metrolink commuter train departing Los Angeles Union Station. Photo: Phil Goseney

LONG-DISTANCE SERVICES

Business Line Mission Statement:

The Long-Distance Services Business Line connects the nation's major regions through Amtrak's network of 15 long-distance trains, providing a foundation of intercity passenger rail service throughout the United States and preserving intercity mobility for underserved communities or populations, large and small. Our mission is to preserve and improve this network in a manner that demonstrates the highest value for taxpayer investment. We will accomplish this mission by achieving excellence in safety, customer service and experience, host railroad partner relationships and cost and revenue management.

Business Line Goal 1 – Safety: Position corporate programs and available assets to promote team-building and a safety culture among long-distance operating employees to minimize risks, be vigilant for security threats and maximize safety for both employees and passengers on every train, every day.

Aligns With Corporate Goal: 1 – Safety and Security

Measures	FY10 Baseline	Annual Change	FY15 Goal
Amtrak currently measures safety performance at the corporate and departmental levels. As Amtrak implements its strategy to manage the company by six discrete business lines, IT and other reporting systems are being coordinated to allow for accurate safety reporting by each business line. Safety metrics to be used include Train Accidents per Million Train Miles, Passenger Injuries per Million Riders and Operating Rules Violations Ratio.			

Business Line Goal 2 – Customer Satisfaction: Promote operating excellence and support ridership growth by tracking long-distance performance and implementing selected improvements.

Aligns With Corporate Goal(s):
2 – Customer Focus
3 – Mobility and Connectivity
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Customer Satisfaction Index	81%	+1.8 pts	90%
Endpoint On-Time Performance[12]	74.6%	+5.4 pts (Yr. 1) +2.5 pts (Yrs. 2 – 5)	90%
All Stations On-Time Performance[13]	62.4%	+17.6 pts (Yr. 1) +2.5 pts (Yrs. 2 – 5)	90%
Customer Complaints per 1,000 Riders	25.21	–3%	21.65
Delay Minutes per 10,000 Train Miles (Amtrak Responsible)	329	–5%	255

[12 and 13] Year 1 change required to meet PRIIA standards.

Business Line Goal 3 – Financial Performance: Increase cost-effectiveness of the long-distance service by driving cost efficiencies without degrading passenger experience and associated revenues.

Aligns With Corporate Goal(s):
2 – Customer Focus
3 – Mobility and Connectivity
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Long-Distance Operating Ratio	209%	0.0%	209%
Passenger Miles per Train Mile	194	+1%	203

Business Line Goal 4 – Host Railroad Partnerships: Strengthen Amtrak's collaborative relationships with host railroads at all levels by establishing common goals and priorities in order to deliver reliable service and respond to operational emergencies.

Aligns With Corporate Goal(s):
2 – Customer Focus
3 – Mobility and Connectivity
4 – Environment and Energy
5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal
Change in Effective Speed (mph)	0.0	+0.5	+2.5
Delay Minutes per 10,000 Train Miles (Host Railroad Responsible)	894	–5%	692

The *California Zephyr* rolls through Utah.

Business Line Strategy 1: Implement a formal process to identify and implement service changes that will reduce operating losses and provide the highest return on investment.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction
3 – Financial Performance

Through PRIIA Section 210 Performance Improvement Plans and other provisions, Amtrak is required to analyze numerous aspects of its long-distance services. These analyses are providing insights and ideas on how service and cost-efficiency can be improved. Amtrak will develop systems, protocols, responsibilities and resources to analyze and coordinate such improvement efforts in order to determine practicality, sequencing, financial impact and implementation. All ROI analyses will take into consideration both the short- and long-term impacts on financial performance.

Business Line Strategy 2: Establish accountability for performance at the route level.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction
3 – Financial Performance
4 – Host Railroad Partnerships

Amtrak will establish accountability within the Transportation department for the financial and on-time performance of long-distance routes. By creating accountability for the management of long-distance trains, Amtrak will be able to improve consistency of customer experience and cost recovery within each route.

Business Line Strategy 3: Improve partnerships with host railroads to increase financial performance through improved operating efficiency, schedule optimization and on-time performance.

Aligns With Business Line Goal(s): 2 – Customer Satisfaction
3 – Financial Performance
4 – Host Railroad Partnerships

Long-distance service performance is greatly impacted by the host railroads over which Amtrak trains travel. The company must foster collaboration between host and Amtrak managers at various levels in multiple departments. Using the successful Chicago-St. Louis Operating Performance Improvement Program as a model, Amtrak will look to establish new cooperative processes and protocols with its host partners to increase problem solving and reveal opportunities to improve on-time performance, services delivery and cost recovery. These improvements are also likely to impact performance in other business lines that operate short-distance and corridor services.

Specifically, Amtrak will work with host railroad partners to identify the top barriers to needed improvements and begin initiating cross-departmental efforts to mitigate these constraints.

CORPORATE ASSET DEVELOPMENT

Business Line Mission Statement:

The Corporate Asset Development Business Line will generate incremental financial value by identifying, developing and exploiting opportunities to leverage Amtrak's assets and expertise. The business line will be recognized both within Amtrak and throughout the external marketplace as a leader in driving continual innovation and excellence.

Business Line Goal 1 – Increase Financial Contribution: Generate incremental financial value for Amtrak to support the company's core businesses and reduce its need for external funding.

Aligns With Corporate Goal(s): 5 – Financial and Organizational Excellence

Measures	FY10 Baseline	Annual Change	FY15 Goal[15]
Gross Revenue ($ millions)	85.1	+10.5%	140.1
Net Income ($ millions)	71.6	+7.4%	102.3

Corporate Asset Development comprises two fundamentally different types of business opportunities:

TYPE I Business Opportunities: Low risk, not labor intensive and ancillary to Amtrak's core business. TYPE I business opportunities should:

- Require minimal time, effort, energy or attention of core Amtrak management and, in some cases, be largely undertaken by working with or through external experts
- Incur risk limited to the difference, if any, between the net value Amtrak realizes and the best possible net value it could have realized
- Recognize the potential impact (both positive and negative) on Amtrak's core business
- Aim for measured and judicious growth

TYPE II Business Opportunities: Labor intensive, high risk and integral to Amtrak's core business. Before pursuing TYPE II opportunities, Amtrak must be convinced that it can do so profitably while sustaining and enhancing its core business.

[14] Targets are speculative and preliminary due to entrepreneurial and unproven nature of new business opportunities. The business line aims to generate a return on investments of at least 14%.

Business Line Strategy 1: Define and internally analyze Real Estate investment and development alternatives and opportunities to manage and develop Amtrak's entire real estate asset portfolio or portions thereof.

Aligns With Business Line Goal(s): 1 – Increase Financial Contribution

This is an important early action to ensure that Amtrak realizes the full potential of its most valuable collateral assets. One option to be explored is entering a master agreement(s) with external partners.

Business opportunities may include:

- Real Estate Development
- Real Estate Sales, Leases, Licenses
- In-Station Retail (restaurants, shops, etc.)
- Third-Party Advertising (outdoor, station, train, and media)
- Parking
- Telecommunications (fiber optic and cell tower occupancies)
- Power Transmission and other Pipe and Wire Occupancies

Business Line Strategy 2: Develop a detailed implementation plan to significantly increase third-party marketing and distribution revenues.

Aligns With Business Line Goal(s): 1 – Increase Financial Contribution

Amtrak already generates these kinds of third-party revenues. Moreover, work that is currently underway in the areas of e-Commerce, Amtrak Guest Rewards, and its Next Generation Reservation System initiative among others, could greatly enhance Amtrak's ability to generate significantly more of these high margin revenues and bring its experience more in line with travel industry standards.

Business Line Strategy 3: On an annual basis, identify and internally investigate other potential business opportunities so that Amtrak can generate maximum return with minimum investment, risk and resources.

Aligns With Business Line Goal(s): 1 – Increase Financial Contribution

Potential business opportunities (in addition to those cited in Strategies 1 and 2 above) may include among others:

- Technology (consultation, integration, installation, operation, maintenance, upgrades, licensing and training)
- Baggage and Express
- Excess Seat Mile Sales (to and through third parties)
- Call Center Booking Fees
- Co-Branded Credit Card Fees and Loyalty Points Exchanges

Amtrak will continue to internally assess the business opportunities believed to offer the greatest short-term returns — fees related to call center bookings, co-branded credit cards and loyalty points exchanges.

Business Line Strategy 4: Improve Amtrak's mechanical backshop operations through implementation of Lean Six Sigma practices in order to position Amtrak to be more competitive within the mechanical services market.

Aligns With Business Line Goal(s): 1 – Increase Financial Contribution

Amtrak has already begun implementing Lean Six Sigma practices at its backshop in Beech Grove, Ind. Completing this effort is critical for efficiently meeting the company's own needs, but is also vital to becoming competitive within the mechanical services market.

Once Lean Six Sigma is fully integrated into Amtrak's mechanical operations, the company will assess its ability to price its services competitively while generating a profit. From there, Amtrak will determine how to proceed in developing this business. In the meantime, Amtrak will assess unsolicited contract opportunities on a case-by-case basis.

Philadelphia 30th Street Station.

The Amtrak *Cascades* glides through the Pacific Northwest.

APPENDIX

All Stations On-Time Performance: A metric and standard required under Section 207 of the Passenger Rail Investment and Improvement Act of 2008. Defined as the percentage of train departure times from origin station and arrival times at all other stations that take place within 15 minutes (10 minutes for Acela Express) of the time listed in the public schedule.

Amtrak Train Ridership: The total number of passengers who travel aboard an intercity Amtrak-operated train during a specific time period. Ridership numbers include state supported and Amtrak-funded trains.

Amtrak Thruway Service Ridership: The total number of passengers who travel aboard Amtrak-offered intercity connecting transportation service during a specific time period. Thruway ridership numbers include interline services, Amtrak-funded services and state partner-funded service.

Average Environmental Audit Compliance Score: The average score out of 93 possible points for Amtrak sites that are audited by the Amtrak Environmental Health and Safety Department. Thirty large and medium size facilities are audited bi-annually for compliance with Environmental Protection Agency standards and best practices.

Change in Effective Speed: A metric and standard required under Section 207 of the Passenger Rail Investment and Improvement Act of 2008. Reported as the change in miles-per-hour and defined as train mileage divided by the sum of (a) the scheduled end-to-end running time plus (b) the average endpoint terminal lateness. PRIIA requires flat or improved effective speed, but sets no specific targets.

Commuter Ridership: The total number of passengers who travel aboard any commuter train that relies on Amtrak for some portion of its operation. This includes trains that are operated, maintained and/or dispatched by Amtrak on behalf of a local or regional transit authority in addition to commuter trains that use Amtrak-owned infrastructure such as tracks, terminals and/or rail yards.

Customer Complaints per 1,000 Riders: The total number of formal customer complaints submitted to Amtrak divided by thousands of riders.

Customer Satisfaction Index: The percentage of randomly-selected Amtrak riders who indicate they are "very satisfied" with their most recent Amtrak trip. Surveys ask riders to rate various aspects of their Amtrak experience (such as cleanliness, personnel, food, comfort and reliability) on a 0-100 scale, with 100 being the best possible score. Passengers who rate their overall experience an 80 or higher are considered "very satisfied."

Delay Minutes per 10,000 Train Miles (Amtrak Responsible): The number of Amtrak-responsible delay minutes divided by tens of thousands of train miles. Amtrak-responsible delay minutes are those reported as passenger-related, car failure, cab car failure, connections, engine failure, injuries, late inbound train, service, system or other Amtrak-responsible delay. Amtrak responsible minutes include those coded as "Host Responsible" (defined below) where Amtrak is serving as the host railroad.

Delay Minutes per 10,000 Train Miles (Host Responsible): The number of host railroad-responsible delay minutes divided by tens of thousands of train miles. Host-responsible delay minutes are those coded on Amtrak Conductor Delay Reports as freight train interference, slow orders, signals, routing, maintenance of way, commuter train interference, passenger train interference, debris strikes, catenary or wayside power system failure, or detours.

Electric Traction Consumption per Seat Mile: The measure, in kilowatt hours, of the average amount of electricity used to move one seat on a revenue service train one mile.

Endpoint On-Time Performance: The percentage of trains that arrive at their endpoint terminal more than 10 minutes after the scheduled arrival time for trips up to 250 miles and for all Acela Express trains regardless of trip length; 15 minutes for trips 251-350 miles; 20 minutes for trips 351-450 miles; 25 minutes for trips 451-550 miles; and 30 minutes for trips of 551 or more miles.

Infrastructure Delay Minutes per 10,000 Train Miles: A measure of the reliability of Amtrak-owned Northeast Corridor infrastructure. Defined as the total number of minutes of delay for Northeast Corridor trains (Acela Express, Northeast Regional and Keystone Service) caused by unplanned infrastructure repairs divided by 10,000 train miles.

Long-Distance Service Operating Ratio: A measure of financial performance in company operations. Equal to total operating expenses divided by revenue generated from operations for Amtrak's 15 long-distance routes. Operating expenses used in calculating this ratio do not include ancillary business expenses, Amtrak capital costs or depreciation, non-cash other post-employee benefits and expenses that are funded by capital grants.

Market Share: Amtrak's share of combined ridership among airlines, trains, buses and automobiles along the Northeast Corridor. This is currently the only region where reliable intermodal market share data is available.

Net Asset Return Ratio: The Net Asset Return Ratio is calculated by dividing total operating revenue by the net book value of Plant, Property and Equipment. This measure is intended to show how efficiently assets are being used to generate earnings. Total operating revenue is defined as total revenue less state capital amortization revenue.

Northeast Corridor Operating Ratio: A measure of financial performance in company operations. Equal to total operating expenses divided by revenue generated from operations for Acela Express, Northeast Regional and Keystone services that operate in the Northeast Corridor. Operating expenses used in calculating NEC Operating Ratio do not include ancillary business expenses, Amtrak capital costs or depreciation, non-cash other post-employee benefits and expenses that are funded by capital grants.

Off Northeast Corridor Operating Ratio: A measure of financial performance in company operations. Equal to total operating expenses divided by revenue generated from operations for services that are not included in Northeast Corridor Operating Ratio. Operating expenses used in calculating Off NEC Operating Ratio do not include ancillary business expenses, Amtrak capital costs or depreciation, other non-cash post-employee benefits and expenses that are funded by capital grants.

Organizational Cultural Diagnostic Instrument (OCDI) Score: The OCDI is a research tool used to quantify corporate culture in nine major facets that are shown to impact performance and safety. These facets include trust and teamwork among employees, management commitment, safety, internal systems and others. Scores are derived from comprehensive surveys administered to every Amtrak employee asking them to rate numerous cultural aspects on a five-point scale.

Partner Satisfaction Index: The percentage of Amtrak's commercial partners (officials at state departments of transportation, transit authorities, etc.) who indicate they are "very satisfied" with the service Amtrak provides. Anonymous surveys ask partners to rate various aspects of Amtrak service (such as responsiveness, effectiveness, quality, etc.) on a 0-100 scale, with 100 being the best possible score. Partners who rate their overall service an 80 or higher are considered "very satisfied."

Passenger Injuries per Million Riders: A ratio used to measure the frequency of passenger injuries. Calculated as the total number of reportable passenger injuries as defined by the Federal Railroad Administration divided by the total millions of riders.

Passenger Mile: A unit of measure equal to one passenger traveling one mile aboard a train. Passenger miles are used to determine the total distance traveled by passengers aboard a train. One passenger traveling 100 miles would be recorded as 100 passenger miles. Alternatively, 10 passengers each traveling 10 miles would also equal 100 passenger miles.

Passenger Miles per Train Mile: A measure useful in evaluating the average load factor of trains. Computed by dividing total passenger miles by total train miles.

Passenger Railroad Employee Safety Performance Ranking: The annual ranking of passenger railroads with one million or more annual workforce man-hours according to employee injury data reported to the Federal Railroad Administration.

Seat Mile: A unit of measure equal to one seat on a revenue service train traveling one mile —regardless of whether or not a passenger occupies the seat. A train with 100 seats that operates over a route of 500 miles would be recorded as 50,000 seat miles.

State Supported Services Operating Ratio: A measure of financial performance in company operations. Equal to total operating expenses divided by revenue generated from operations for state-supported services. Operating expenses used in calculating this ratio do not include ancillary business expenses, Amtrak capital costs or depreciation, non-cash other post-employee benefits and expenses that are funded by capital grants.

Train Accidents per Million Train Miles: An industry ratio used to measure the frequency of train accidents as defined by the Federal Railroad Administration. Computed by dividing total FRA-reportable train accidents by total millions of train miles.

Train Mile: A unit of measure equal to one train — regardless of size or number of passengers on-board — traveling one mile.

Total Facilities and Stations Electricity Consumption: The total electricity expressed in kilowatt hours used by Amtrak to power its offices, mechanical facilities and stations. Does not include electricity used for motive power on electrified train corridors.

Total Intermodal Ticketing Partnerships: The total number of direct partnerships with other passenger carriers of any mode that make it easier for travelers to connect to or from the Amtrak system. Includes partnerships where Amtrak has ticket sales, cross-honoring and other formal ticketing, marketing and sales agreements.

Total Larcenies per Million Riders: A measure of passenger security and Amtrak Police effectiveness. The total number of thefts reported to Amtrak Police that occur aboard trains, from baggage checks or other Amtrak property, divided by millions of riders.

Total Seat Miles per Gallon of Diesel Fuel: A measure of fuel efficiency in train operations. Equal to the total seat miles generated from revenue trains using diesel locomotives divided by the total gallons of diesel fuel used to operate those trains.

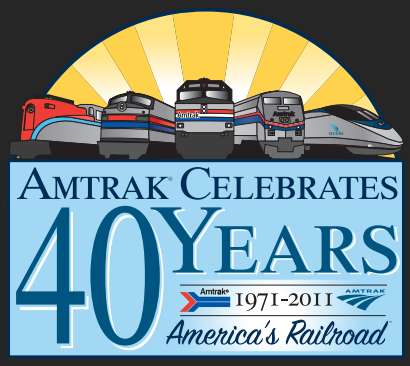
Total Seat Miles per kWh of Electric Traction Power: A measure of energy efficiency in train operations. Equal to the total seat miles generated from revenue service trains using electric locomotives divided by the total kilowatt hours of electricity used to operate those trains.

Total Vandalisms per 10 Million Train Miles: A measure of security of Amtrak property and infrastructure. The total recorded incidents of vandalism to Amtrak property divided by tens of millions of total train miles.

NOTES

NOTES

NOTES



AMTRAK®

Amtrak is a registered service mark of the National Railroad Passenger Corporation.