Presentation Outline

- Role and Significance of Long Distance (LD) Trains
- Profile of Recent Progress in LD Service
- Passenger Rail Investment and Improvement Act (PRIIA) Mandate for LD Performance Improvement Plans (PIP)
- PRIIA Metrics and Standards for Tracking Progress
- Routes Targeted in FY10, FY11, and FY12
- Update on Current Activities
Long Distance Trains are Fundamental to Amtrak’s Mission and Future

LD Routes *Have Preserved*
- Our National Network
- Passenger Rail Support
- Presence In 46 States
- Stations & Crew Bases
- Facilities & Infrastructure
- Host RR Relationships
- Stakeholder Engagement
- Full Service Capabilities
- Passenger Rail Heritage
LD Routes Provide a Critical Foundation for Corridor Development
LD Service has shown Steady Improvement with Management Focus

**Long Distance Ridership**
- FY06: 3.50
- FY07: 3.75
- FY08: 4.00
- FY09: 4.25
- FY10: Budget

**Long Distance Ticket Revenue**
- FY06: $300
- FY07: $325
- FY08: $350
- FY09: $375
- FY10: Budget

**Long Distance End Point OTP**
- FY06: 0%
- FY07: 10%
- FY08: 20%
- FY09: 30%
- FY10: 40%

**Long Distance Overall CSI**
- FY06: 50%
- FY07: 55%
- FY08: 60%
- FY09: 65%
- FY10: Budget
Route Performance Improvement (RPI) efforts began in 2008

- RPI efforts predate PRIIA; initially an internally generated effort to control costs and improve service; focus has an expanded scope and is folded into PRIIA

- Current effort focuses on opportunities to improve cost recovery, customer experience
  - Cross-functional teams meet to brainstorm on service improvements
  - Many route-level service enhancements have already occurred on RPI routes
    - Restoring Heritage Dining Cars to Lake Shore Limited
    - Refurbishing Pacific Parlour Cars on the Coast Starlight
    - Route-by-route implementation of dining upgrades where feasible (china, linens)

- PRIIA Section 210 directs Amtrak to implement a Performance Improvement Plan (PIP) for each Long Distance train
  - PRIIA will give us an opportunity to review services for larger improvements – including route, scheduling, and/or frequency improvements
  - Overarching goals include customer service, revenue, and cost recovery improvements
Amtrak’s RPI Program focused on customer service quality on 6 trains in FY08-FY09.
FY09 RPI: Lake Shore Limited

- Introduced through Sleeper Service to Boston, providing a new Sleeper segment from Albany to Boston, with a specially designed food service for these passengers
- Changed schedule to depart Chicago one hour earlier (adding $700K in revenue) and allowing passengers to enjoy evening in NYC
- Improved, regionalized menu introduced with higher quality items in conjunction with deployment of overhauled Heritage Dining Cars, receiving positive feedback from both customers & employees
- New Schwab artwork recently completed to reflect historical characteristics and flavor of route to support 2010 campaign with restoration of full Dining Car
- Customer Satisfaction: CSI of 83% YTD +7 points vs. FY09 and +4 points vs. Goal
FY08 RPI: Coast Starlight

- Pacific Parlour Cars restored at Beech Grove, with new HVAC, movie theatre, specialty coffee machine
- Parlour car attendant re-instated along with alternative meal service and other services generating over $1.5m in yearly revenue
- Developed arcade car for use by coach customers
- Developed a comprehensive amenities package for sleeping car customers, including a welcome on-board reception, amenities kit, and personalized service
- New Schwab artwork created in conjunction with field advertising and marketing
- In February 2009, completed re-launch by restoring china & linens to the Coast Starlight dining car
- Customer Satisfaction: CSI of 83% YTD +2 points vs. FY09 and near goal
Each RPI Initiative included an in-depth Route Marketing Program …
... as well as comprehensive Dining Car Menu Enhancements

Coastal Crab Cakes with Remoulade Sauce  
City of New Orleans

Char Sui Duck Breast with Sherry-Soy Glaze  
Coast Starlight

Asian Beef Short Rib  
Auto Train

Oven Fried Chicken  
Crescent

Hot Pastrami Sandwich  
Lakeshore Limited

Seared Pacific Salmon Fillet  
Empire Builder
Dining Car & Service Level Updates

- Four Superliner Diners being repaired as part of stimulus; cars scheduled to return to Capitol Limited in late 2010
- Heritage Diners overhauled; service reinstated on Lake Shore Limited in 12/09
- Upgraded dining/china service returned to Coast Starlight in 2/09; upgraded dining service and amenities package may return on other “premium” trains, such as California Zephyr
- Cross Country Café will receive minor modifications to seating and operate in future Amtrak services (possibility of a “Parlour” type car on Empire Builder, mid-distance LD routes, etc.)
PRIIA Now Mandates and Expands the Scope of LD Service Improvements

- PRIIA Section 210 directs Amtrak to implement a Performance Improvement Plan (PIP) for each Long Distance train, focusing on 1/3 of routes per year:
  - Worst performing third of LD routes in FY10
  - Second best performing third of LD routes in FY11
  - Best performing third of LD routes in FY12

- PRIIA broadens the focus on customer service and includes cost recovery, schedule, frequency, routing, equipment, OTP, and public benefits

<table>
<thead>
<tr>
<th>Section 210 Defines 9 Areas for LD Improvement Plans to Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. On-time performance</td>
</tr>
<tr>
<td>2. Scheduling, frequency, routes and stops</td>
</tr>
<tr>
<td>3. Restructuring service into connected corridor services</td>
</tr>
<tr>
<td>4. Performance-related equipment changes and capital improvements</td>
</tr>
<tr>
<td>5. On-board amenities and service, including food, first class and sleeping car services</td>
</tr>
<tr>
<td>6. State or other non-Federal financial contributions</td>
</tr>
<tr>
<td>7. Financial performance</td>
</tr>
<tr>
<td>8. Anticipated Federal funding of operating and capital costs</td>
</tr>
<tr>
<td>9. Other areas affecting financial, competitive, and functional route performance</td>
</tr>
</tbody>
</table>
PRIIA Section 207 sets very high standards for performance

Section 207 Metrics and Standards

- **Financial/Operating**
  - *Avoidable Cost Recovery measures, rather than Operating Loss*
  - *Passenger mile-based metrics – favor actions that increase service impact*

- **OTP and Train Delays**
  - *Endpoint OTP – tolerance of 30 min., target of 80%*
  - *Station OTP – effective in 2013, tolerance of 15 min.*
  - *Effective Speed – places focus on reducing trip time*
  - *Train Delay minutes – focuses on Host RR performance*

- **Customer Satisfaction**
  - *CSI Scores – Overall Customer Satisfaction target of 90%*
  - *CSI service categories – also targeted for 90% Customer Satisfaction*
  - *Customer comments (complaints and praise – standard/metrics TBD)*

- **Public Benefits**
  - *Connectivity*
  - *Service to Underserved Communities*
  - *Greener travel mode benefits*
Ranking of Long Distance Routes – *Three Year Program Outline*

- Based on FY08 Performance: Avg. of OTP, Overall CSI, and Cost Recovery

<table>
<thead>
<tr>
<th>Route</th>
<th>CSI</th>
<th>OTP</th>
<th>CR</th>
<th>Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top Third – FY12 Performance Improvement Plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Train*</td>
<td>84%</td>
<td>82%</td>
<td>88%</td>
<td>84%</td>
</tr>
<tr>
<td>Empire Builder*</td>
<td>82%</td>
<td>69%</td>
<td>66%</td>
<td>72%</td>
</tr>
<tr>
<td>Southwest Chief</td>
<td>79%</td>
<td>65%</td>
<td>53%</td>
<td>66%</td>
</tr>
<tr>
<td>City of New Orleans*</td>
<td>78%</td>
<td>62%</td>
<td>53%</td>
<td>64%</td>
</tr>
<tr>
<td>Coast Starlight*</td>
<td>79%</td>
<td>61%</td>
<td>49%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Middle Third – FY11 Performance Improvement Plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silver Meteor</td>
<td>74%</td>
<td>66%</td>
<td>49%</td>
<td>63%</td>
</tr>
<tr>
<td>Crescent*</td>
<td>76%</td>
<td>67%</td>
<td>46%</td>
<td>63%</td>
</tr>
<tr>
<td>Palmetto</td>
<td>72%</td>
<td>52%</td>
<td>61%</td>
<td>62%</td>
</tr>
<tr>
<td>Lake Shore Ltd.*</td>
<td>70%</td>
<td>58%</td>
<td>44%</td>
<td>57%</td>
</tr>
<tr>
<td>Silver Star</td>
<td>75%</td>
<td>45%</td>
<td>43%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Bottom Third – FY10 Performance Improvement Plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitol Ltd.</td>
<td>77%</td>
<td>33%</td>
<td>48%</td>
<td>53%</td>
</tr>
<tr>
<td>California Zephyr</td>
<td>77%</td>
<td>30%</td>
<td>45%</td>
<td>51%</td>
</tr>
<tr>
<td>Texas Eagle</td>
<td>70%</td>
<td>18%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Cardinal</td>
<td>66%</td>
<td>31%</td>
<td>35%</td>
<td>44%</td>
</tr>
<tr>
<td>Sunset Ltd.*</td>
<td>75%</td>
<td>27%</td>
<td>24%</td>
<td>42%</td>
</tr>
</tbody>
</table>

*Part of previous RPI program*
FY10 Example: **Sunset Limited & Texas Eagle**

The Sunset Limited / Texas Eagle team produced a comprehensive plan that dramatically improves performance

1. Changes Sunset Ltd. route (LA-San Antonio-New Orleans) from tri-weekly to daily service
2. Merges Sunset Ltd. route with Texas Eagle (LA-San Antonio-Chicago)
3. Cuts schedule by ~7 hours end-to-end, eliminates excessive dwell in San Antonio
4. Provides reliable daily “corridor” connecting service San Antonio–New Orleans
5. Provides new schedule with increased daylight service to major markets
6. Restores connection with Coast Starlight in Los Angeles
Projected Benefits of Sunset Limited / Texas Eagle Combination

✓ Ridership Increases by 103,100 (+30%)
✓ Avoidable Loss/Pas. Mile Improves by 19%
✓ Avoidable Cost Recovery Improves by 2 pts.

Sunset/Eagle Program Benefits

• Frees equipment for higher value routes
  • 5 sleepers, 4 diners, & 1 lounge released to Capitol Limited
  • 1 locomotive

• Needed equipment is readily available
  • 5 diner lounges, 1 coach, & 1 coach baggage

• Better schedule for key markets
  • Maricopa (Phoenix), Tucson, San Antonio, Houston
  • Improves San Antonio service

• Related route ridership increases
  • Adds 15,100 riders to Coast Starlight as a result of restoring connection
  • Adds 6,400 riders to Capitol Limited on transferred sleepers

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Current</th>
<th>Proposed</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotives</td>
<td>12</td>
<td>11</td>
<td>-1</td>
</tr>
<tr>
<td>Baggage</td>
<td>4</td>
<td>0</td>
<td>-4</td>
</tr>
<tr>
<td>Transdorm</td>
<td>8</td>
<td>7</td>
<td>-1</td>
</tr>
<tr>
<td>Sleeper</td>
<td>11</td>
<td>7</td>
<td>-4</td>
</tr>
<tr>
<td>Diner Lounge</td>
<td>4</td>
<td>9</td>
<td>+5</td>
</tr>
<tr>
<td>Diner</td>
<td>4</td>
<td>0</td>
<td>-4</td>
</tr>
<tr>
<td>Lounge</td>
<td>8</td>
<td>7</td>
<td>-1</td>
</tr>
<tr>
<td>Coach</td>
<td>15</td>
<td>16</td>
<td>+1</td>
</tr>
<tr>
<td>Coach Baggage</td>
<td>8</td>
<td>9</td>
<td>+1</td>
</tr>
</tbody>
</table>

Ridership Increases by 103,100 (+30%)
Avoidable Loss/Pas. Mile Improves by 19%
Avoidable Cost Recovery Improves by 2 pts.

<table>
<thead>
<tr>
<th>SCHEDULE CHANGES - SNAPSHOT</th>
<th>Eastbound</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maricopa/Phoenix</td>
<td>11:17 PM</td>
<td>8:14 AM</td>
<td></td>
</tr>
<tr>
<td>Tucson</td>
<td>1:55 AM</td>
<td>10:22 AM</td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>5:10 AM</td>
<td>12:10 PM</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Westbound</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maricopa/Phoenix</td>
<td>12:57 AM</td>
<td>8:13 PM</td>
</tr>
<tr>
<td>Tucson</td>
<td>11:30 PM</td>
<td>6:46 PM</td>
</tr>
<tr>
<td>Houston</td>
<td>9:50 PM</td>
<td>6:35 PM</td>
</tr>
</tbody>
</table>
3 Additional FY10 Long Distance PIP Teams are Underway

• **Cardinal:**
  • This tri-weekly service (New York-Washington-Chicago), with its inherent inefficiencies in operating expense and market impact, may offer opportunities for daily service and/or corridor applications as with the Sunset Ltd.

• **Capitol Limited:**
  • Potential for increased revenue from Sleeper service, currently limited by Diner/Lounges in the consist, which could be exchanged with Diners from the Sunset/Eagle to support added Sleepers freed up from Sunset.

• **California Zephyr:**
  • High potential route with major markets (Chicago-Denver-Oakland) and unsurpassed scenery through Rocky Mountains. Opportunity for premium service development, coupled with improved OTP on Host RR, to enhance financials.
Next Steps in Long Distance Service Improvement Planning

• Meeting with Host Railroads to Seek Cooperation and Support

• Seeking Input from Stakeholders and Communities

• Utilizing ARRA Capital Program Funds to Return LD Cars to Service

• Completing FY10 PIPs for Publication and Startup by 9/30/10

• Focusing Senior Management and Field Teams on Customer Service Improvements – e.g., Restroom Cleanliness Initiative