

FY17 Grant & Legislative Request

AMTRAK FY 2017 FEDERAL FUNDING REQUEST

- Federal Operating Request: \$649.9
- Federal Capital Request: \$920.4
- Federal Discretionary Grants Program Funding: \$263.7
- Total Amtrak Grant Request: \$1,834.0

Summary:

- **Key Question:** Will Congress provide Amtrak with the funding needed to execute the increasingly essential, vital and challenging missions that Congress has assigned it? Amtrak needs a dedicated and predictable funding source for the equipment and capital needs of the national intercity passenger rail system.
- Amtrak's Business accomplishments rest on an overburdened base of infrastructure and rolling stock, and that essential investments in Amtrak will have to start soon.
- Amtrak's capital needs are pressing: outdated and inadequate infrastructure and equipment must be replaced to sustain and grow both the Amtrak system and the economy it supports.
- Amtrak is a much different company than it was just a few years ago, focused on the execution of a strategic plan managed with a "balanced scorecard" that allows executives to track, assess and refine corporate performance on the corporate objectives: safety and security, customer focus and financial performance.
- To meet demand, Amtrak is moving through the procurement process for Next Generation High-Speed Trainsets, and expects to issue a "notice to proceed" to the selected builder in the first half of 2016.
- Critical investments are needed, with significant advancements made this past year: final adoption of the NEC Infrastructure and Operations Advisory Commission's "Commuter and Intercity Rail Cost Allocation Policy;" formation of a new partnership to advance the Gateway Development Corporation and new source of funds through the Federal-State Partnership for State of Good Repair grant program created by the FAST Act. The recent FAST Act is an important step forward, bringing Amtrak's Congressional authorization into the Federal surface transportation program.
- This year's grant request details some of the changes Amtrak will have to make to the way we manage and report our finances to comply with the FAST Act. This transition will require time, and an updated report will be provided later in the year. In the meantime, a preliminary "supplementary estimate" is included which places Amtrak's FY17 financial need in terms of NEC and NN accounts (within which funding can be used for both operational and capital purposes).

FY 2017 SUPPLEMENTARY ESTIMATE

- Total National Network: \$1,205.0**
- Total Northeast Corridor: \$612.9**

*The National Network and Northeast Corridor will replace the traditional Capital and Operating accounts.

**These numbers are based on an early, preliminary estimate of total cost and revenue distribution. Amtrak expects to have final numbers later this year. These numbers do not include NEC Commission, State Supported Commission or FRA Management holdback

AMTRAK FY 2015 PERFORMANCE SUMMARY

- Total revenues of \$3.2 billion, ridership over 30 million for the fifth consecutive year
- Long term debt a third less than the 2002 level (\$3.9B to \$1.3B)
- Company recovered 91% of operating costs
- Pending “notice to proceed” for Next Generation High Speed equipment will play an important role in achieving higher levels of competitiveness, improving financial position
- Drop in gas prices has led to some softening of demand
- Amtrak is aggressively pursuing opportunities in the coming year for both cost savings and revenue generation
 - Extension of existing PTC installations
 - Broadband testing
 - Next Generation HSR procurement
 - Advancing the Gateway Program

NEAR TERM FAST ACT CHANGES TO AMTRAK BUDGET REQUEST

- Creates new accounting structure, which builds on existing systems (APT)
- In the future, money will be appropriated for two accounts:
 - Northeast Corridor (NEC)
 - National Network (NN)
- Abolishes distinctions between “operating” and “capital” grants
- Amtrak will play a major part in this shift, but the process of creating definitions is the responsibility of the FRA
- FY 17 Grant Request is a hybrid:
 - Basic financial request stated in capital and operating terms
 - “Supplementary Estimate” provides a preliminary restatement in terms of NEC, NN

Updated: 2/16/16