

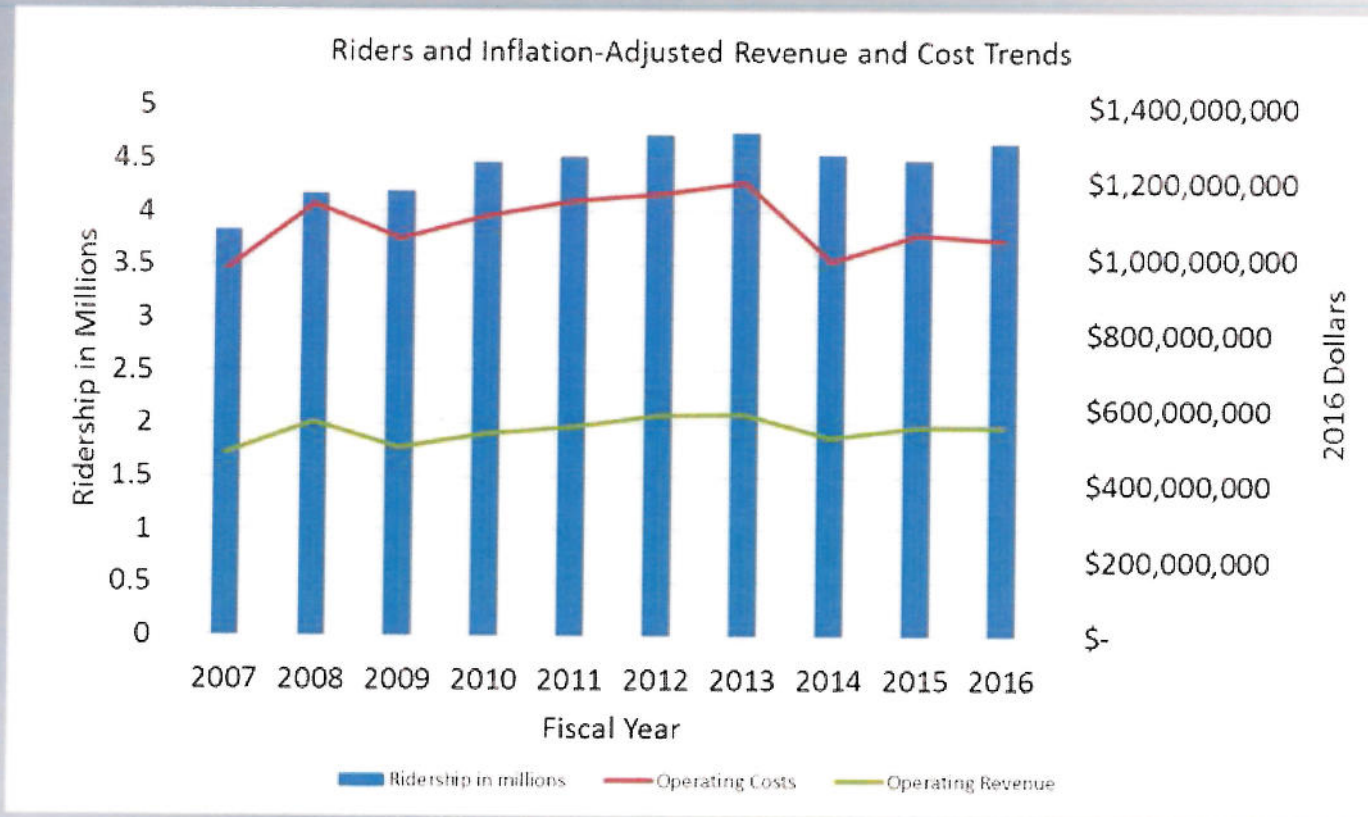


The Southwest Chief

Richard Anderson
President & Chief Executive Officer

KS/NM/CO Delegation
19 June 2018

Southwest Chief: Long Distance Ridership & Financial Performance Trends



Southwest Chief: Average Trip Length – Amtrak, Systemwide

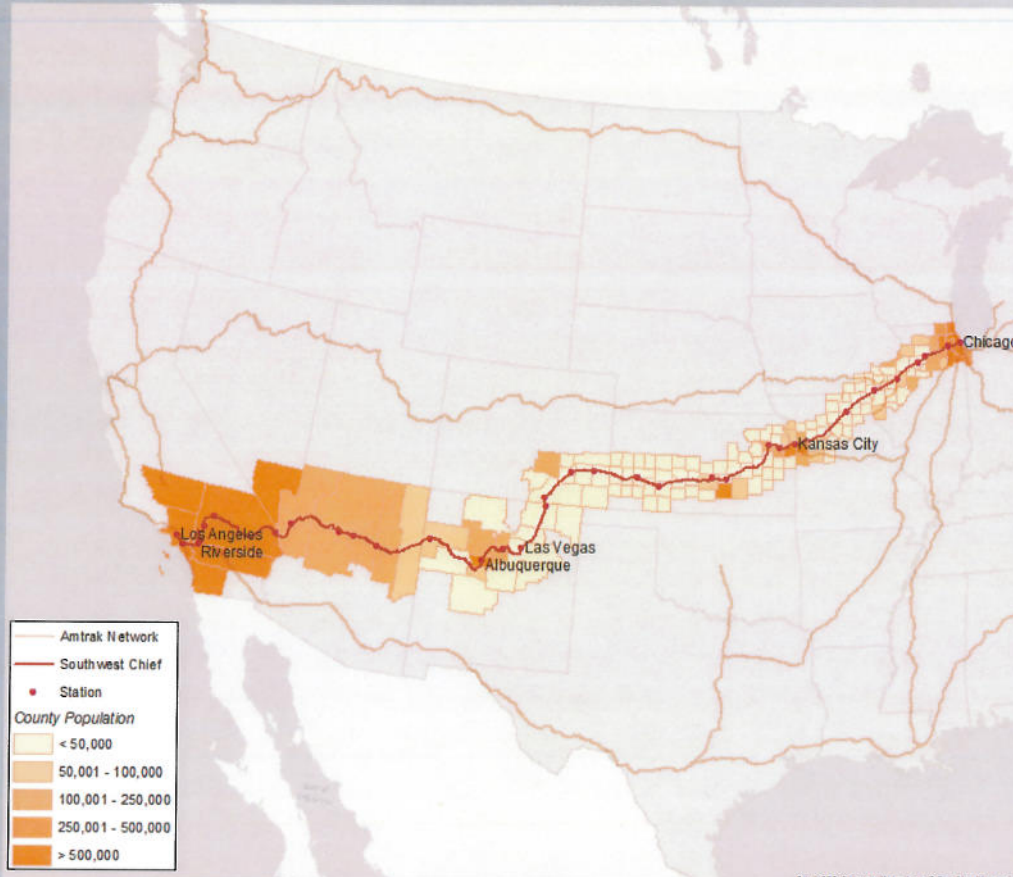
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Trip Length	FY 2017		
	Ridership (millions)	Share	Cumulative Share
Under 250 miles	26.45	83.3%	83.3%
250 - 399 miles	2.49	7.8%	91.2%
400 - 549 miles	0.97	3.0%	94.2%
550 - 750 miles	0.53	1.7%	95.9%
Over 750 miles	1.31	4.1%	100.0%
TOTAL	31.74	100.0%	

~96% of Amtrak Trips are <750 Miles

Southwest Chief: Route Profile & Schedule

- Service began pre-Amtrak and re-named twice in 1974 and 1984
- Daily service, 43 hours end-to-end, 2 nights, sleeper & coach service
- 2,265 miles, 33 stations, 8 states
- MSAs-served include Chicago, Kansas City, Topeka, Albuquerque, Flagstaff, Los Angeles
- Full meal service in dining car; Sightseer Lounge provides casual seating & menu w/panoramic windows
- 2 primary 'host' railroads
 - BNSF Railway
 - NM Rail Runner
- ~15 Amtrak Thruway (bus) connections at points across route



SOUTHWEST CHIEF®

serving **CHICAGO - KANSAS CITY - TOPEKA - ALBUQUERQUE - FLAGSTAFF - LOS ANGELES** and intermediate stations

3		◀ Train Number ▶		4	
Daily		◀ Normal Days of Operation ▶		Daily	
[Icons]		◀ On Board Service ▶		[Icons]	
Read Down	Mile		Symbol		Read Up
03 00P	0	Dp Chicago, IL—Union Station (CT)	☉☉☉	Ar	03 15P
R3 35P	28	☉☉☉ Madison—see page 2			02 42P
4 24P	83	☉☉☉ Mendota, IL			1 19P
4 46P	104	☉☉☉ Princeton, IL			12 58P
05 38P	162	☉☉☉ Galesburg, IL—S. Seminary St. (M)			012 08P
06 42P	220	☉☉☉ Fort Madison, IA (Keokuk)			011 09A
7 51P	298	☉☉☉ La Plata, MO (Kirksville)			9 55A
010 11P	437	Ar Kansas City, MO	☉☉☉	Dp	07 43A
010 48P		☉☉☉ St. Louis—see page 2		Ar	07 24A
11 52P	477	☉☉☉ Lawrence, KS			5 47A
012 29A	503	☉☉☉ Topeka, KS			06 18A
02 45A	638	☉☉☉ Newton, KS			02 59A
		☉☉☉ Wichita, Oklahoma City—see page 2			
3 20A	671	☉☉☉ Hutchinson, KS			2 19A
5 25A	791	☉☉☉ Dodge City, KS			12 27A
6 21A	841	☉☉☉ Garden City, KS (CT)			11 17P
6 59A	941	☉☉☉ Lamar, CO (MT)			8 40P
08 15A	993	Ar La Junta, CO	☉☉☉	Dp	07 41P
08 30A		Dp		Ar	07 31P
9 50A	1074	☉☉☉ Trinidad, CO			5 49P
10 56A	1098	☉☉☉ Raton, NM			4 50P
		☉☉☉ Denver—see page 2			
12 38P	1209	☉☉☉ Las Vegas, NM			3 03P
02 24P	1274	☉☉☉ Lamy, NM			01 17P
		☉☉☉ Los Alamos, Santa Fe—see page 2			
03 55P	1341	Ar Albuquerque, NM	☉☉☉	Dp	012 10P
04 45P		☉☉☉ El Paso, Las Cruces—see pg. 2		Ar	011 42A
7 08P	1514	☉☉☉ Gallup, NM (MT)			8 21A
7 50P	1641	☉☉☉ Winslow, AZ (MST)			05 35A
08 51P	1699	Ar Flagstaff, AZ	☉☉☉	Dp	04 37A
08 57P		☉☉☉ Grand Canyon, Phoenix—see page 2		Ar	04 31A
11 46P	1873	☉☉☉ Kingman, AZ			
		☉☉☉ Laughlin, Las Vegas—see page 2			
12 49A	1940	☉☉☉ Needles, CA (PT)			12 18A
3 44A	2109	☉☉☉ Barstow, CA			9 51P
4 23A	2146	☉☉☉ Victorville, CA			9 05P
5 42A	2193	☉☉☉ San Bernardino, CA			7 54P
6 03A	2203	☉☉☉ Riverside, CA			7 28P
06 44A	2239	☉☉☉ Fullerton, CA			06 45P
06 15A	2265	Ar Los Angeles, CA	☉☉☉	Dp	06 10P
		☉☉☉ Las Vegas—see page 2			

SCHEDULES EFFECTIVE 3/11/18

NOTE: All data in this deck FY17 annual, unless specified



Southwest Chief: Ridership Trends

Southwest Chief FY Ridership			
Fiscal Year	Coach	Sleeper	Total Riders
2013	294,733	61,082	355,815
2014	290,803	61,358	352,161
2015	303,451	63,815	367,266
2016	301,767	62,979	364,746
2017	300,714	62,555	363,269

Southwest Chief Year Over Year Ridership Change			
Fiscal Year	Coach	Sleeper	Total Riders
2014	-1.33%	0.45%	-1.03%
2015	4.35%	4.00%	4.29%
2016	-0.55%	-1.31%	-0.69%
2017	-0.35%	-0.67%	-0.40%

Southwest Chief Ridership Across Route Portions*		
Travel within Western Portion (Los Angeles-Albuquerque)	Travel within Central Portion (Albuquerque-Hutchinson)	Travel within Eastern Portion (Hutchinson-Chicago)
103,979 (29.2%)	7,041 (2.0%)	105,699 (29.6%)
Travel between Western and Central Portions (LAX-HUT)		Travel between Central and Eastern Portions (ABQ-CHI)
17,375 (4.9%)		49,266 (13.8%)
Travel from Western, through Central, to Eastern, and vice versa (LAX-CHI)		
73,331 (20.6%)		

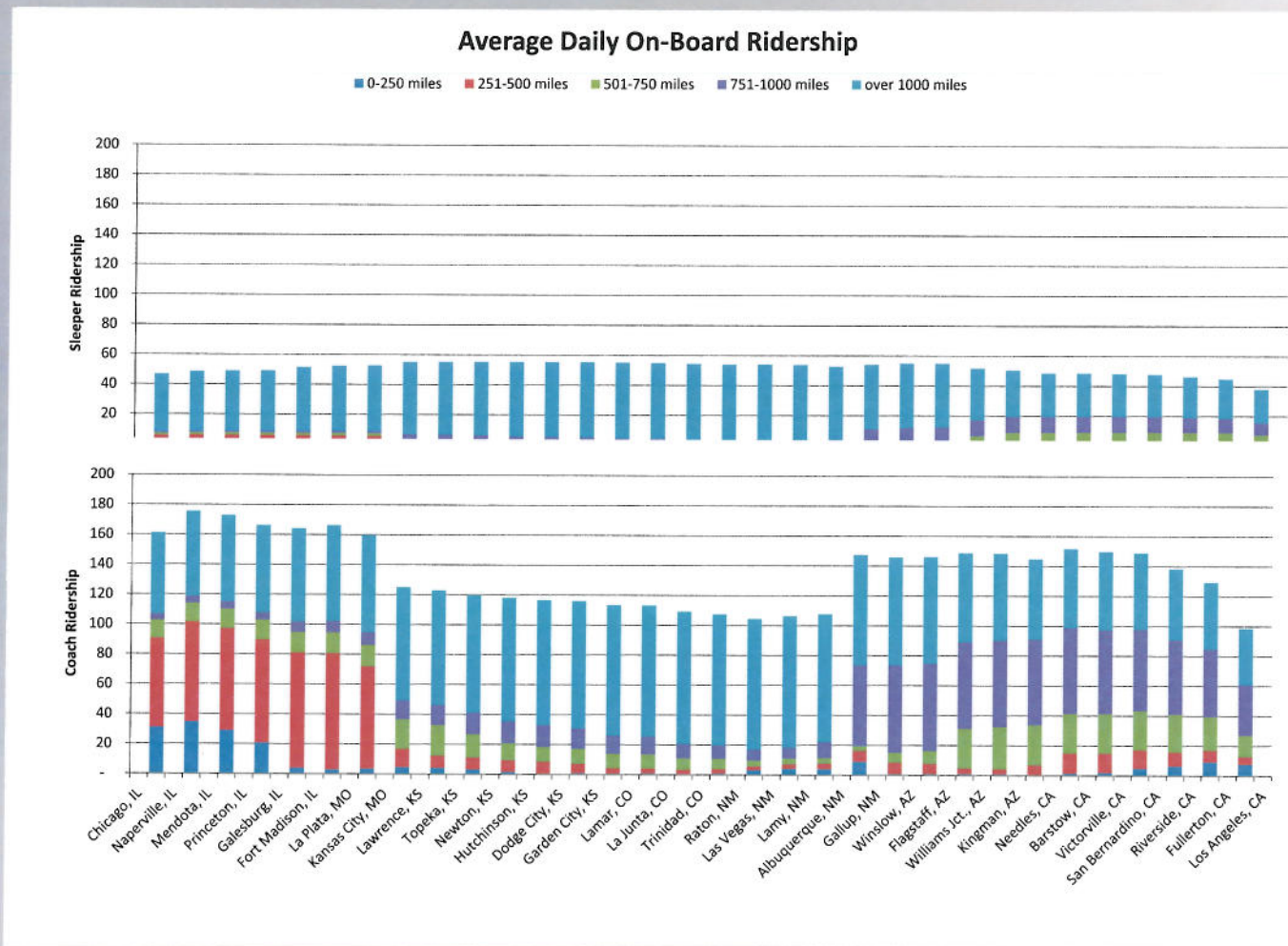
LAX= Los Angeles, ABQ= Albuquerque, HUT= Hutchinson, KS, CHI= Chicago

* reflects city pair ridership data

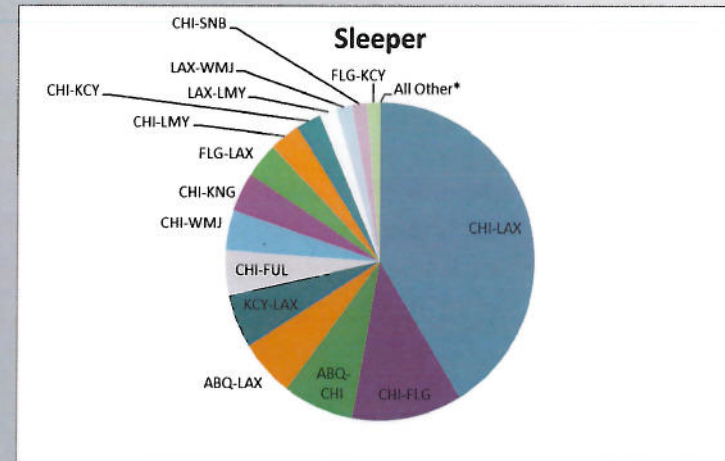
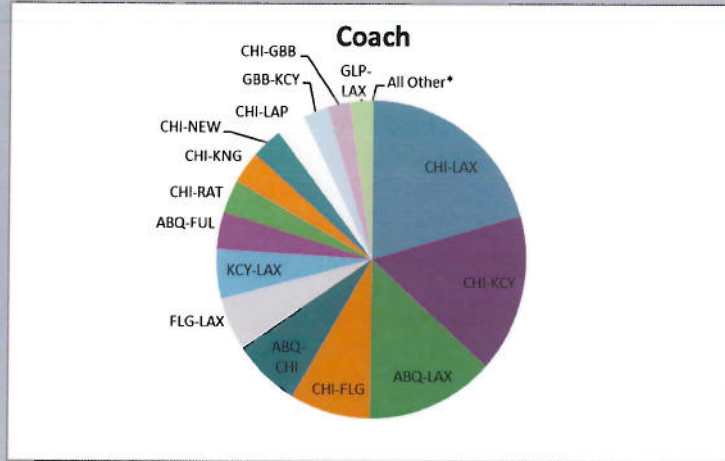
FY17 - OVERALL TRAVEL PURPOSE	LONG DIST. OVERALL	SOUTHWEST CHIEF
Business travel or daily commute	7.7%	6.9%
Leisure or vacation	32.6%	31.3%
Visit family/friends or personal/family business	52.2%	55.0%
Travel to or from school	1.2%	1.2%
Other	6.3%	5.6%



Southwest Chief: Distribution of Ridership by Leg



Southwest Chief: Top Markets

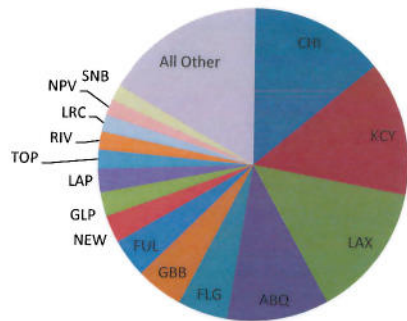


Top 10 Markets					Top 10 Markets				
Coach					Sleeper				
Rank	Market	Ridership	Miles	Time	Rank	Market	Ridership	Miles	Time
1	CHI-KCY	28,400	437	7:20	1	CHI-LAX	12,700	2,265	43:10
2	ABQ-LAX	21,000	924	16:30	2	ABQ-LAX	4,300	924	16:30
3	CHI-LAX	15,200	2,265	43:10	3	CHI-FLG	4,300	1,699	32:15
4	CHI-GBB	10,000	162	2:55	4	ABQ-CHI	3,400	1,341	26:00
5	FLG-LAX	8,700	566	10:50	5	FLG-LAX	3,200	566	10:50
6	ABQ-FUL	6,400	898	15:20	6	CHI-KCY	2,600	437	7:20
7	ABQ-CHI	6,300	1,341	26:00	7	KCY-LAX	1,800	1,828	35:20
8	CHI-FLG	6,300	1,699	32:15	8	LAX-WMJ	1,500	535	10:10
9	ABQ-GLP	5,800	173	2:50	9	CHI-FUL	1,400	2,239	42:00
10	CHI-LAP	5,500	298	5:05	10	CHI-LMY	1,400	1,274	24:40
	Remaining*	20,400				Remaining*	5,400		

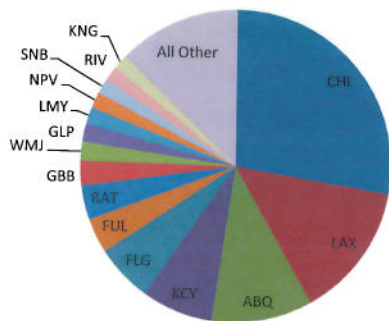
*Remaining and Other do not include deferred and unknowns

Southwest Chief: Station Ridership Data

Origin



Destination



Station Information for FY17

Code	Station Name	Ridership	Rank	Ticket Revenues	Rank
CHI	Chicago, IL	155,061	1	\$22,893,194	1
LAX	Los Angeles, CA	101,784	2	\$16,433,307	2
ABQ	Albuquerque, NM	77,209	3	\$7,580,074	3
KCY	Kansas City, MO	76,709	4	\$7,257,678	4
FLG	Flagstaff, AZ	41,053	5	\$5,574,460	5
FUL	Fullerton, CA	27,764	6	\$3,417,993	6
GBB	Galesburg, IL	26,884	7	\$1,999,241	7
RAT	Raton, NM	16,502	8	\$1,827,379	8
GLP	Gallup, NM	15,795	9	\$1,004,576	16
NEW	Newton, KS	13,741	10	\$1,456,661	11
RIV	Riverside, CA	12,287	11	\$1,114,144	15
LAP	La Plata, MO	11,877	12	\$871,211	18
NPV	Naperville, IL	11,847	13	\$1,153,188	14
SNB	San Bernardino, CA	11,579	14	\$1,217,879	13
LMY	Lamy, NM	11,373	15	\$1,541,335	9
TOP	Topeka, KS	10,214	16	\$917,120	17
KNG	Kingman, AZ	9,904	17	\$1,414,522	12
LRC	Lawrence, KS	8,465	18	\$684,293	20
PCT	Princeton, IL	8,137	19	\$302,874	31
WMJ	Williams Jct., AZ	8,051	20	\$1,492,026	10
NDL	Needles, CA	8,017	21	\$492,354	25
MDT	Mendota, IL	7,813	22	\$398,384	30
GCK	Garden City, KS	7,378	23	\$731,487	19
LAJ	La Junta, CO	7,080	24	\$634,324	22
VRV	Victorville, CA	6,664	25	\$473,728	26
FMD	Fort Madison, IA	6,611	26	\$664,643	21
TRI	Trinidad, CO	5,747	27	\$533,238	24
DDG	Dodge City, KS	4,895	28	\$549,578	23
LSV	Las Vegas, NM	4,851	29	\$423,862	29
HUT	Hutchinson, KS	4,691	30	\$428,217	28
WLO	Winslow, AZ	4,481	31	\$455,290	27
BAR	Barstow, CA	3,153	32	\$256,774	32
LMR	Lamar, CO	1,879	33	\$173,319	33

Southwest Chief: Compared to Other Long-Distance Routes

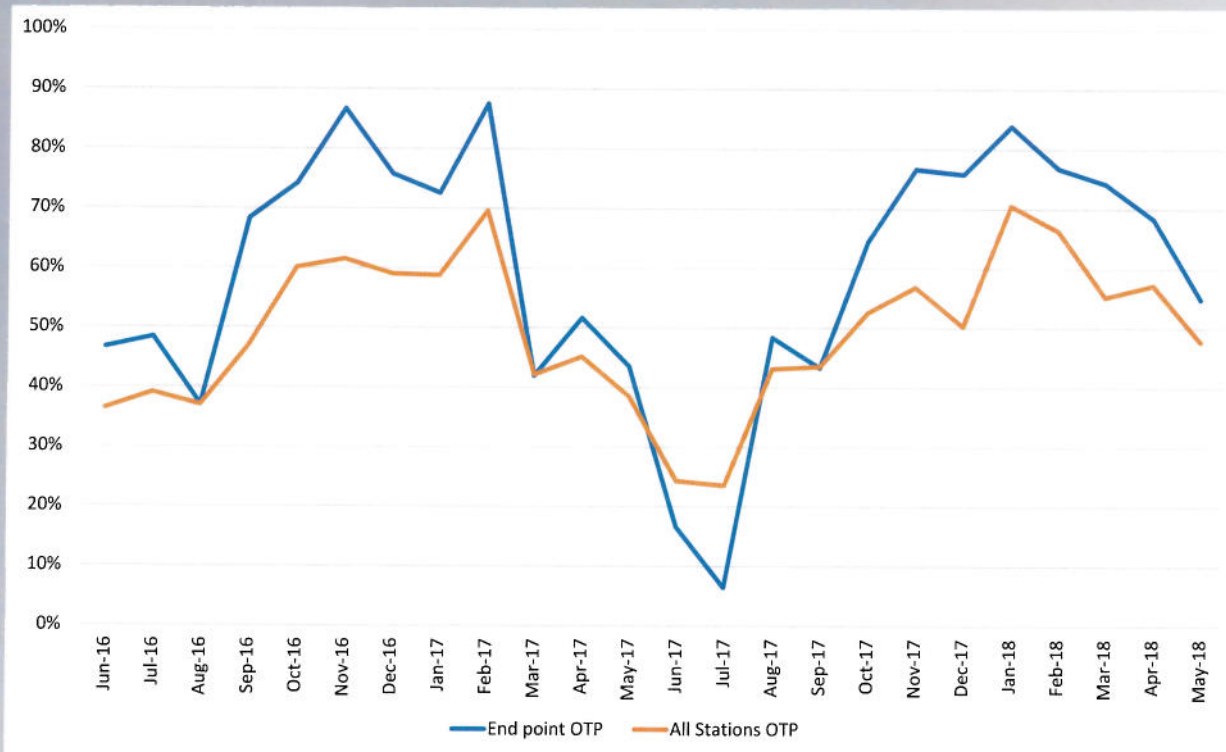
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Rank	Route	FY17 Ridership
1	<i>Empire Builder</i>	454,465
2	<i>Coast Starlight</i>	438,781
3	<i>California Zephyr</i>	415,348
4	<i>Palmetto</i>	391,848
5	<i>Lake Shore Limited</i>	388,722
6	<i>Silver Star</i>	373,372
7	<i>Southwest Chief</i>	363,272
8	<i>Texas Eagle</i>	345,679
9	<i>Silver Meteor</i>	341,405
10	<i>Crescent</i>	258,880
11	<i>City of New Orleans</i>	255,435
12	<i>Capitol Limited</i>	231,214
13	<i>Auto Train</i>	228,943
14	<i>Cardinal</i>	112,439
15	<i>Sunset Limited</i>	98,649

Rank	Route	FY17 Ops Loss
1	<i>Palmetto</i>	(\$2,804,206)
2	<i>Auto Train</i>	(\$6,312,546)
3	<i>Cardinal</i>	(\$17,813,975)
4	<i>City of New Orleans</i>	(\$19,609,862)
5	<i>Capitol Limited</i>	(\$27,255,628)
6	<i>Texas Eagle</i>	(\$31,977,774)
7	<i>Silver Star</i>	(\$33,590,804)
8	<i>Silver Meteor</i>	(\$34,193,334)
9	<i>Lake Shore Limited</i>	(\$34,260,202)
10	<i>Sunset Limited</i>	(\$35,815,608)
11	<i>Crescent</i>	(\$39,314,036)
12	<i>Coast Starlight</i>	(\$48,938,644)
13	<i>Empire Builder</i>	(\$52,470,758)
14	<i>Southwest Chief</i>	(\$55,969,969)
15	<i>California Zephyr</i>	(\$57,205,308)

Rank	Route	FY17 Ops Loss per Rider
1	<i>Palmetto</i>	(\$7.16)
2	<i>Auto Train</i>	(\$27.57)
3	<i>City of New Orleans</i>	(\$76.77)
4	<i>Lake Shore Limited</i>	(\$88.14)
5	<i>Silver Star</i>	(\$89.97)
6	<i>Texas Eagle</i>	(\$92.51)
7	<i>Silver Meteor</i>	(\$100.15)
8	<i>Coast Starlight</i>	(\$111.53)
9	<i>Empire Builder</i>	(\$115.46)
10	<i>Capitol Limited</i>	(\$117.88)
11	<i>California Zephyr</i>	(\$137.73)
12	<i>Crescent</i>	(\$151.86)
13	<i>Southwest Chief</i>	(\$154.07)
14	<i>Cardinal</i>	(\$158.43)
15	<i>Sunset Limited</i>	(\$363.06)

Southwest Chief: End Point OTP and All Stations OTP June 2016 through May 2018



From FY13 to FY17, End-point OTP has declined from 85.1% to 53.8%

Southwest Chief: Capital Allocation

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Train 3/4 Estimate Capital Costs over 5 Years

Unit Type	Qty	Investment Estimated
P42	2	\$ 1,499,110
Baggage Car	1	\$ 644,896
Transdorm	1	\$ 660,075
Sleeper	2	\$ 1,496,805
Diner	1	\$ 819,411
Lounge	1	\$ 857,314
Coaches	3.25	\$ 2,176,247
Total Per Set		\$ 8,153,857
Sets	5	\$ 40,769,285.49
Protect	5%	\$ 2,038,464.27
Total 5 Year Est'd Capital Cost		42,807,750

Notes: Avg. Capital Plan Cost per Equipment Type and number of Train Sets Modeled - Protect covers multiple LD routes. Costs are based on FY18 and adjusted for prior periods.



ISSUE: Changing freight traffic patterns caused track downgrades on 670-mile segment of Chief route

- 30% of 2,265 mile-route
- Continues to threaten viability of entire route
- BNSF/Amtrak/states/communities formed unofficial 'PPP' to apply for federal TIGER infrastructure grants
 - Segmented improvements have occurred but much work remains

RESULT: Amtrak is sole user of 219-mile segment in CO & NM

- No other trains operate from Jansen, CO (2 miles W. of Trinidad) to 'Madrid' (junction with Rail Runner, 23 mi. W. of Lamy, NM)
- As only user, Amtrak is responsible for all capital and maintenance costs

RESULT: Positive train control (PTC) installation is segmented and incomplete

- PTC installed as far west as Dodge City and from Las Animas Jct., CO, west, to just short of La Junta
- No PTC from Dodge City-Las Animas Jct. or La Junta-Lamy-Albuquerque (348 miles)

MATCH \$ PARTIES	TIGER VI (\$)	TIGER VII (\$)	TIGER IX (\$)
Kansas DOT	\$3,000,000	\$1,000,000	\$1,000,000
Colorado DOT	N/A	\$1,000,000	\$1,000,000
New Mexico DOT	N/A	\$1,000,000	\$1,000,000
BNSF Railway	\$2,000,000	\$2,000,000	\$3,000,000
Amtrak	\$4,000,000	\$4,000,000	\$3,000,000*
Others	\$300,000	\$233,000	\$189,000
APPLICANT	City of Garden City, KS	City of La Junta, CO	Colfax County, NM
SUCCESSFUL APP	Yes	Yes	Yes
TOTAL \$ MATCH	\$9,300,000	\$9,233,000	\$9,189,000
GRANT \$ AWARDED	\$12,469,963	\$15,210,143	\$16,000,000
TOTAL \$	\$21,769,963	\$24,443,143	\$25,189,000

*Amtrak match contingent upon non-Amtrak maintenance plan for Jansen-'Madrid'

TIGER VI (2014) & VII (2015)

- TIGER VI featured projects in KS
- TIGER VII had projects in all 3 states
 - All 3 State DOTs provided matching \$
- Amtrak & BNSF provided match both rounds
- TIGER VIII (2016) application submitted but not successful

TIGER IX (2017)

- Amtrak qualified 2017 TIGER match in 10/13/17 letter to applicant agency, Colfax County, NM
 - **QUALIFIER:** comprehensive plan needed for maintenance and capital \$ of Jansen, CO-Lamy, NM (Amtrak sole-use) section
 - Amtrak will help Colfax County, et al, compose plan if requested
 - As of today's date, we have not seen a plan

"Ballpark" Cap-ex & Op-ex for BNSF-Owned Amtrak Sole-Use Segment in CO & NM

5-Year Capital Plan – Estimated at \$30M-\$50M		Annual Maintenance – Estimated at \$3M	
Rail	8%	Signal Maintenance	41%
Ties	81%	Track & Structures (Inspection & Maintenance)	43%
Surfacing	8%	Vegetation Control	9%
Structures	3%	Materials and Other	7%

Jansen, CO-Lamy, NM only significant segment of host-railroad-owned infrastructure where Amtrak is sole-operator

- Result to Amtrak is:
 - \$3M per year in operating costs
 - Estimated at \$30-50M (or more) in capital costs over next 5-years
- Issues ongoing, without permanent solution
- 'Piecemeal' strategy for preservation of the route has resulted in difficult safety choices
 - Postponing repairs until monies are available
 - Concerns about installation/implementation of PTC further cloud issue
 - Preliminary estimates indicate at least \$55M is required to install PTC on freight-owned segments
- The financial investment of the magnitude needed to retain this portion of the route is not prudent given the broader needs across the network

Amtrak is developing service modification scenarios that would suspend service on the sole-use segment.

Modified service likely includes:

1. Los Angeles-Albuquerque rail segment – daylight or overnight train
 2. Albuquerque – Dodge City or La Junta bus service
 3. Dodge City or La Junta – Chicago rail segment – daylight or overnight train
- All communities losing rail service will stay connected to the Amtrak network via dedicated, high-quality, Amtrak-chartered bus service.
 - Amtrak will share these alternatives and possible implementation schedules with Congress and other stakeholders this summer.

New Mexico, Colorado, Denver Expansion Opportunities

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Amtrak wants to partner with the states to expand corridor services to and from this corridor

- Los Angeles – Flagstaff/Grand Canyon – Albuquerque
- Pueblo – Denver – Cheyenne “Front Range” corridor service
- Extension of current *Heartland Flyer* service (map at right) from Oklahoma City north to Wichita and Newton, KS

