

First Conference on Rail Industry Structure, Competition and Investment

New Rail Passenger Structures in the U.S.

Louis S. Thompson

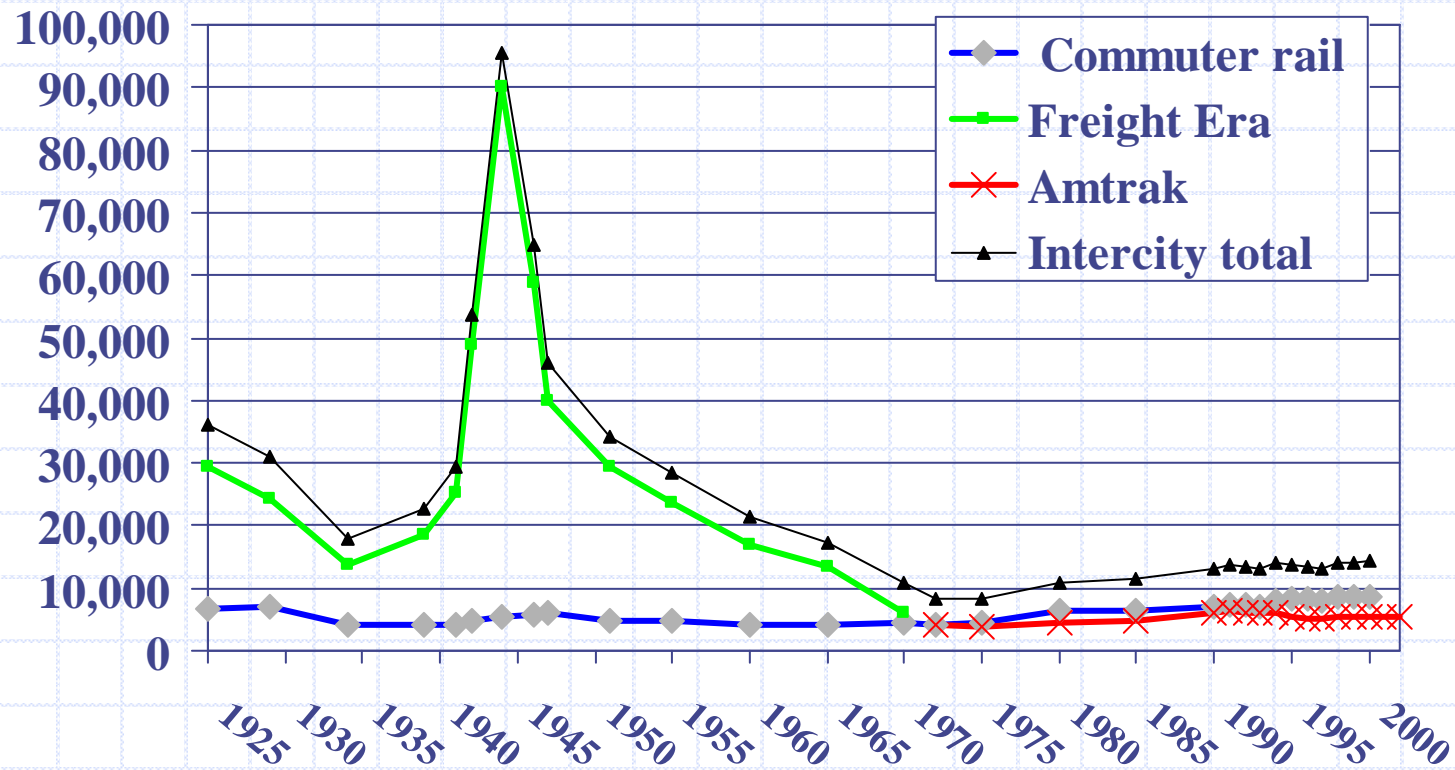
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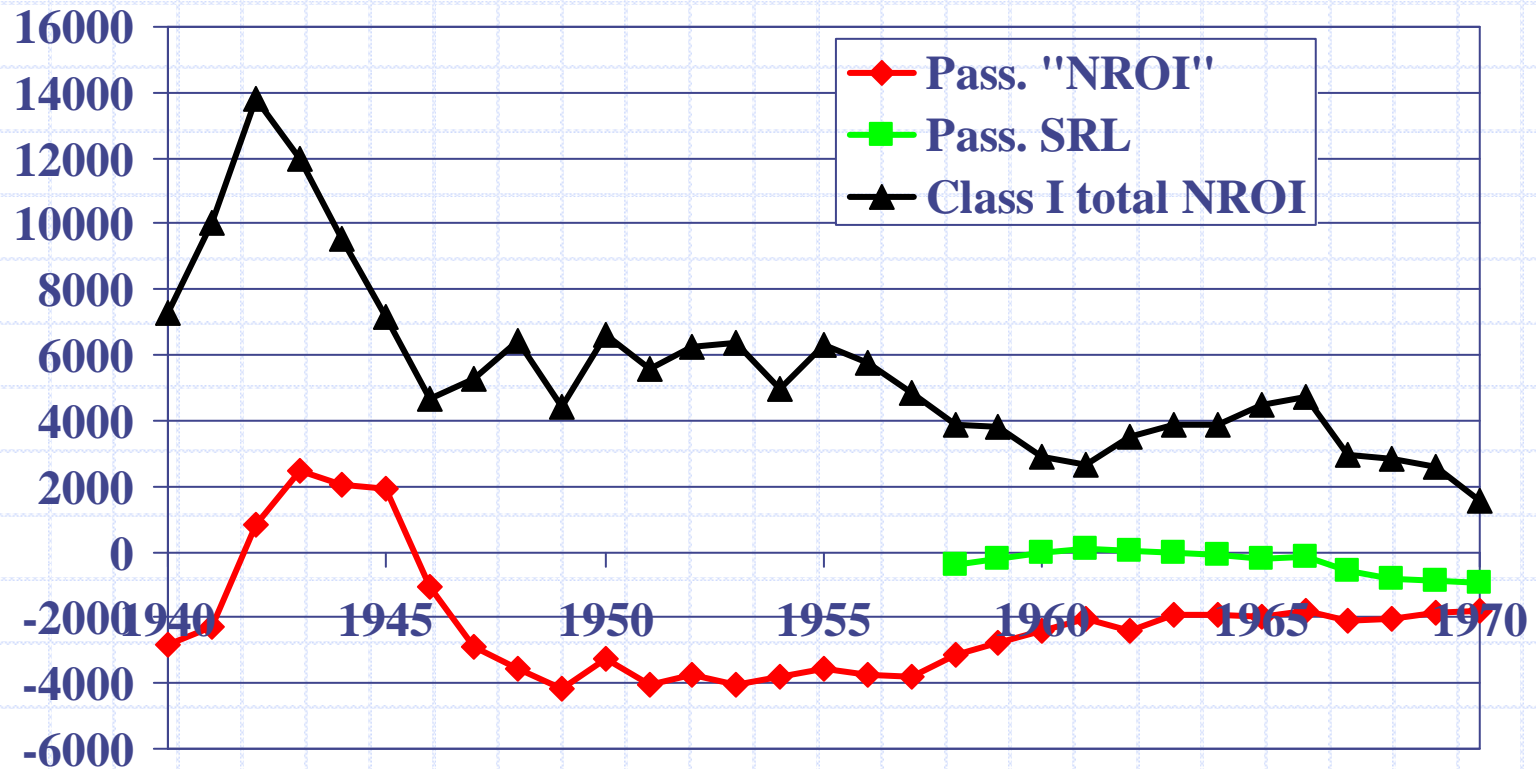
Rail Passenger History in the U.S.

- ◆ Downhill slide after WWII
- ◆ Freight railways were heavily burdened
- ◆ Options in 1969:
 - Do nothing
 - Pay the freights
 - Create separate company
- ◆ Federally owned, “as if for profit” company (Amtrak)
- ◆ Has not succeeded, but hard to change

Rail Passenger-Miles in the U.S.



Financial Performance of U.S. Railroads: Net Railway Operating Income (NROI) and Solely Related Passenger Losses (SRL) (constant 2002 \$ millions)

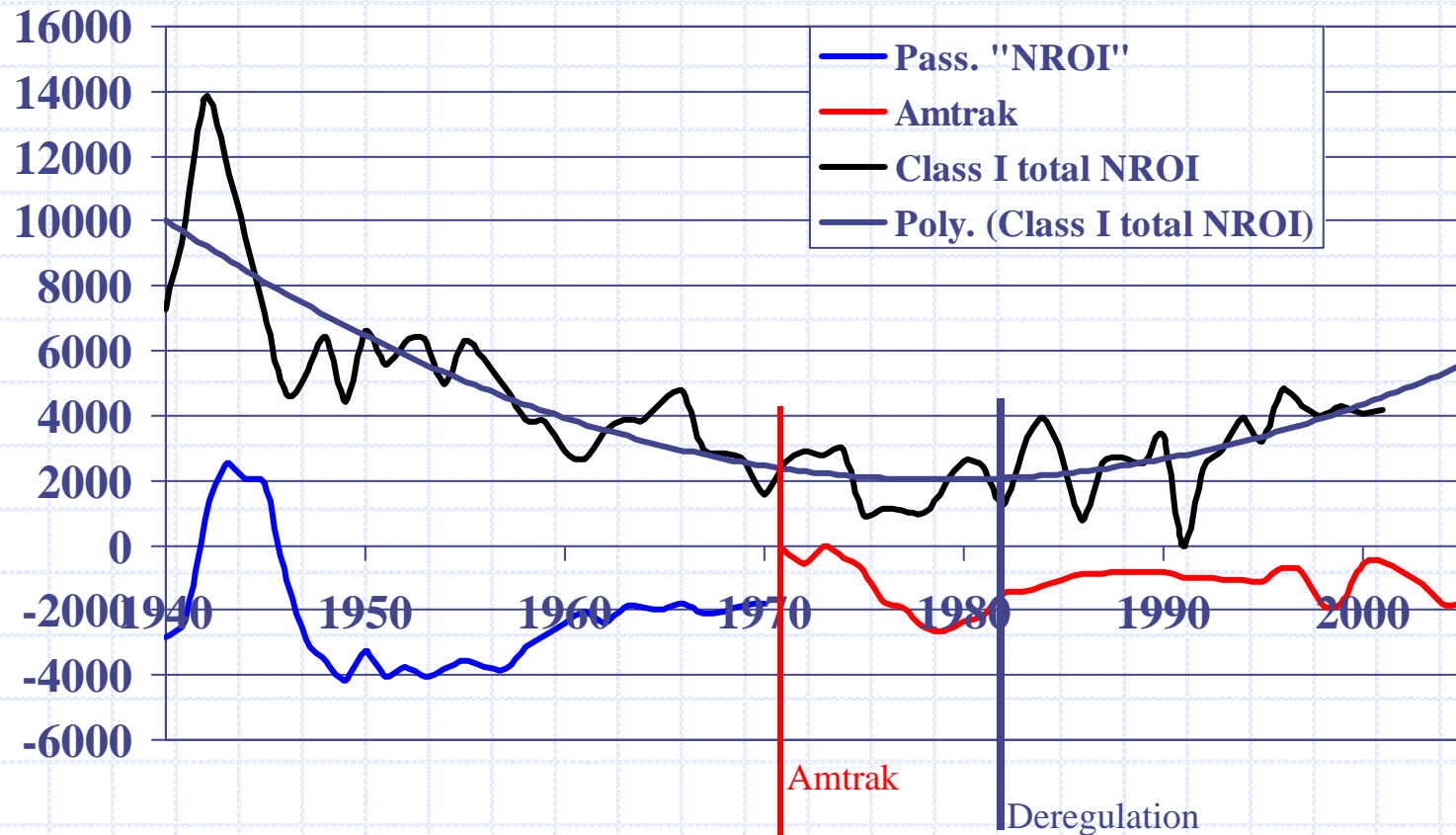


Financial Performance of U.S. Railroads:

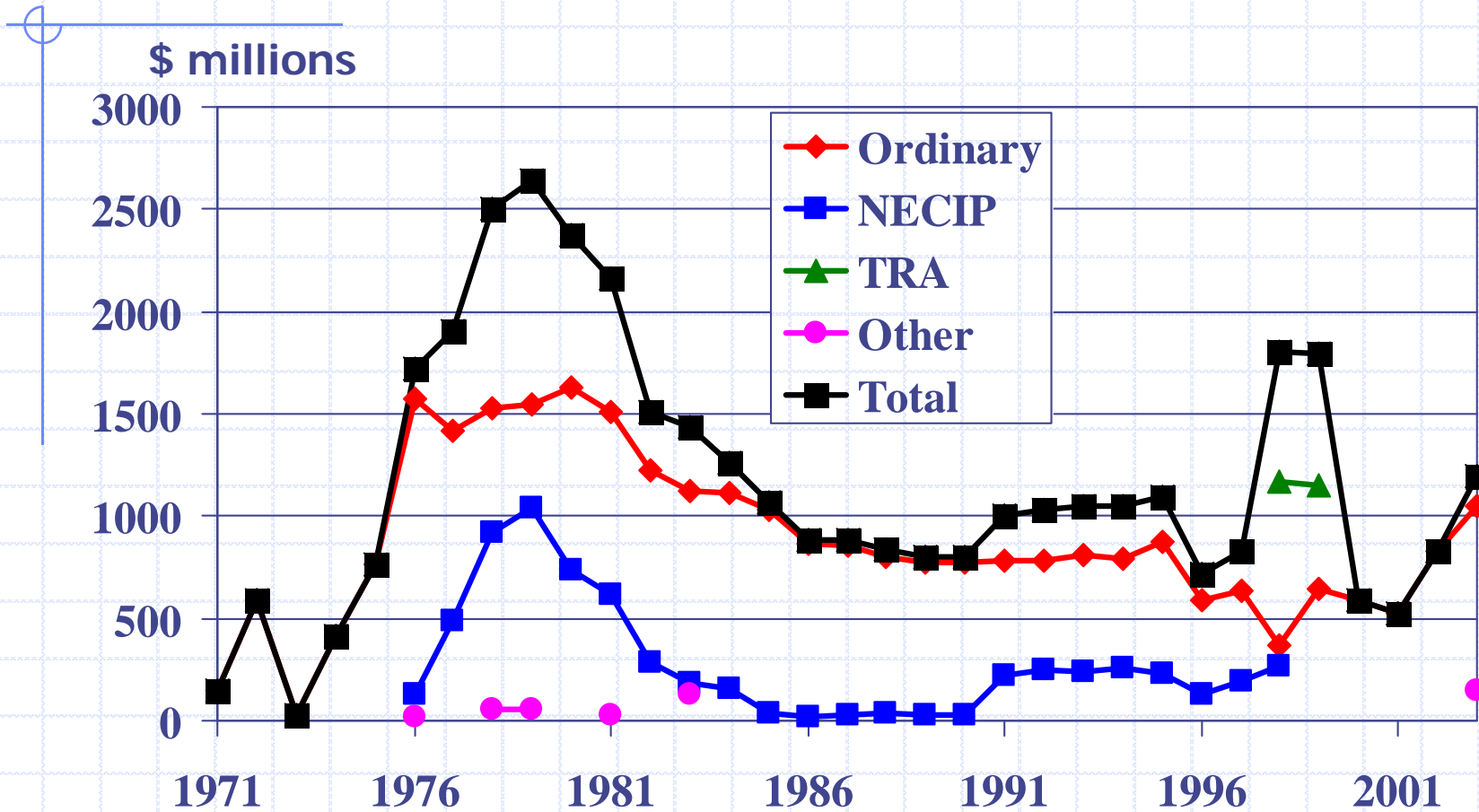
Figure 3

Net Railway Operating Income and Solely Related Passenger Losses

(constant 2002 \$ millions)



Amtrak funding by year in constant 2002 dollars



Total through FY2003: \$38,273 million

Note: in addition, Amtrak's debt increased by over \$3 billion between FY96 and FY2002.

Amtrak's Role

- ◆ Long haul trains not major carrier
- ◆ Short haul trains have some share of the market
- ◆ NEC is significant (I/S and Operator)
- ◆ Relatively small by international stds
- ◆ Interesting interaction with State rail passenger operators (FTAA/FRA)

Amtrak System Map



LEGEND

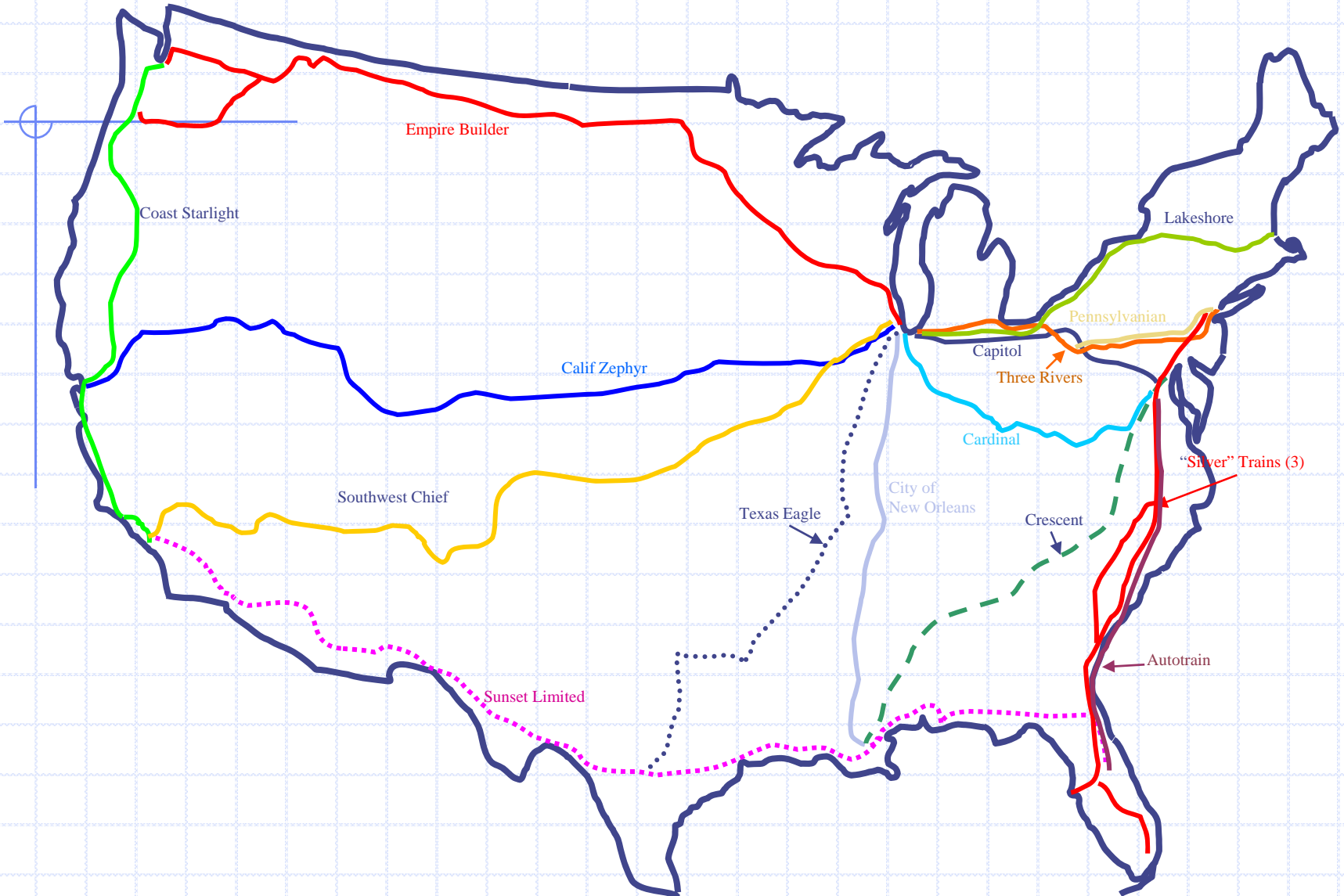
- Amtrak® Train Routes
- VIA Rail Canada Train Routes
- Thruway Connecting Services*
- Other Connecting Services*
- Other Rail Services*
- ★ Amtrak® Vacations Destinations

For Information & Reservations, Call
1-800-USA-RAIL
Due to space limitations, not all stops are shown.

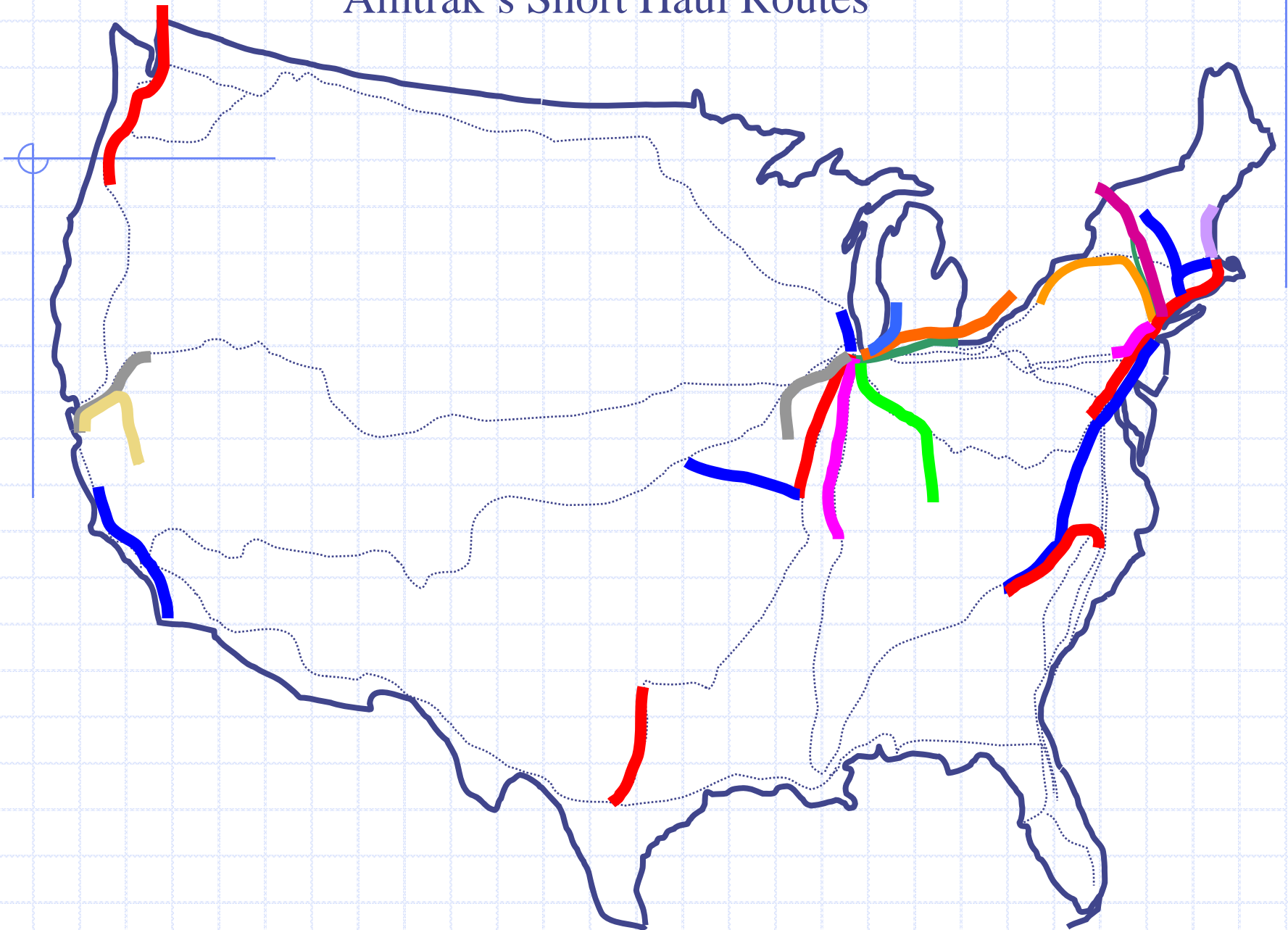
* Depending on route, connecting services may be provided by train, motorcoach, van, taxi or ferry. Separate fares and reservations may be required on other carriers.

Amtrak System Map Effective May 1999

Amtrak's Long Haul Network



Amtrak's Short Haul Routes



Proposals on the Table

- ◆ Amtrak Reform Council (ARC)
- ◆ The Administration Bill
- ◆ CBO study
- ◆ American Rail Equity Act (AREA)
- ◆ American Railroad Revitalization, Investment and Enhancement Act (ARRIVE)

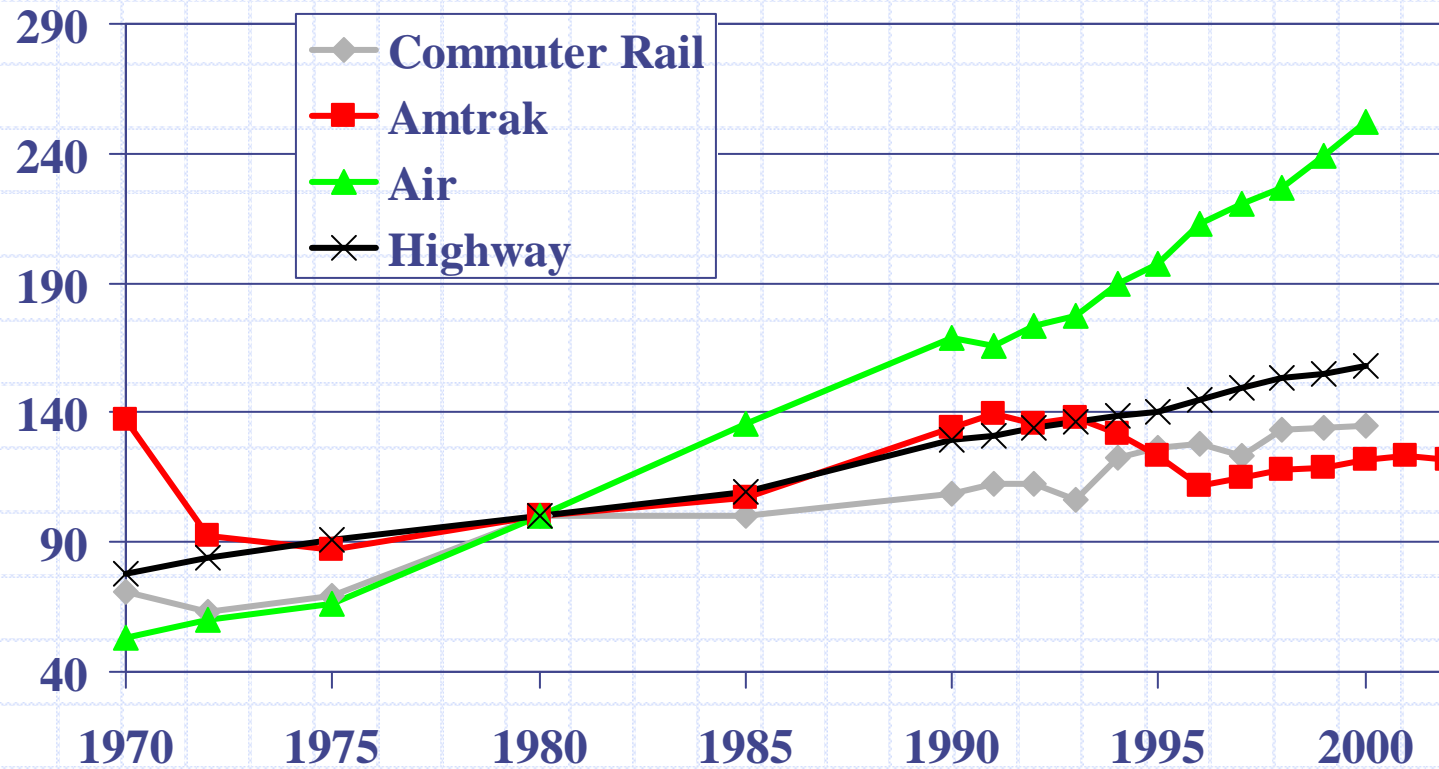
Change Issues

- ◆ Better interface: Congress/DOT/Amtrak
- ◆ Stable funding
- ◆ Transition short haul to State/Local
- ◆ Amtrak/DOT grant agreement
- ◆ Amtrak as contract commuter operator
- ◆ Better public information
- ◆ Change in private role
- ◆ Impact on labor
- ◆ Sins of the past

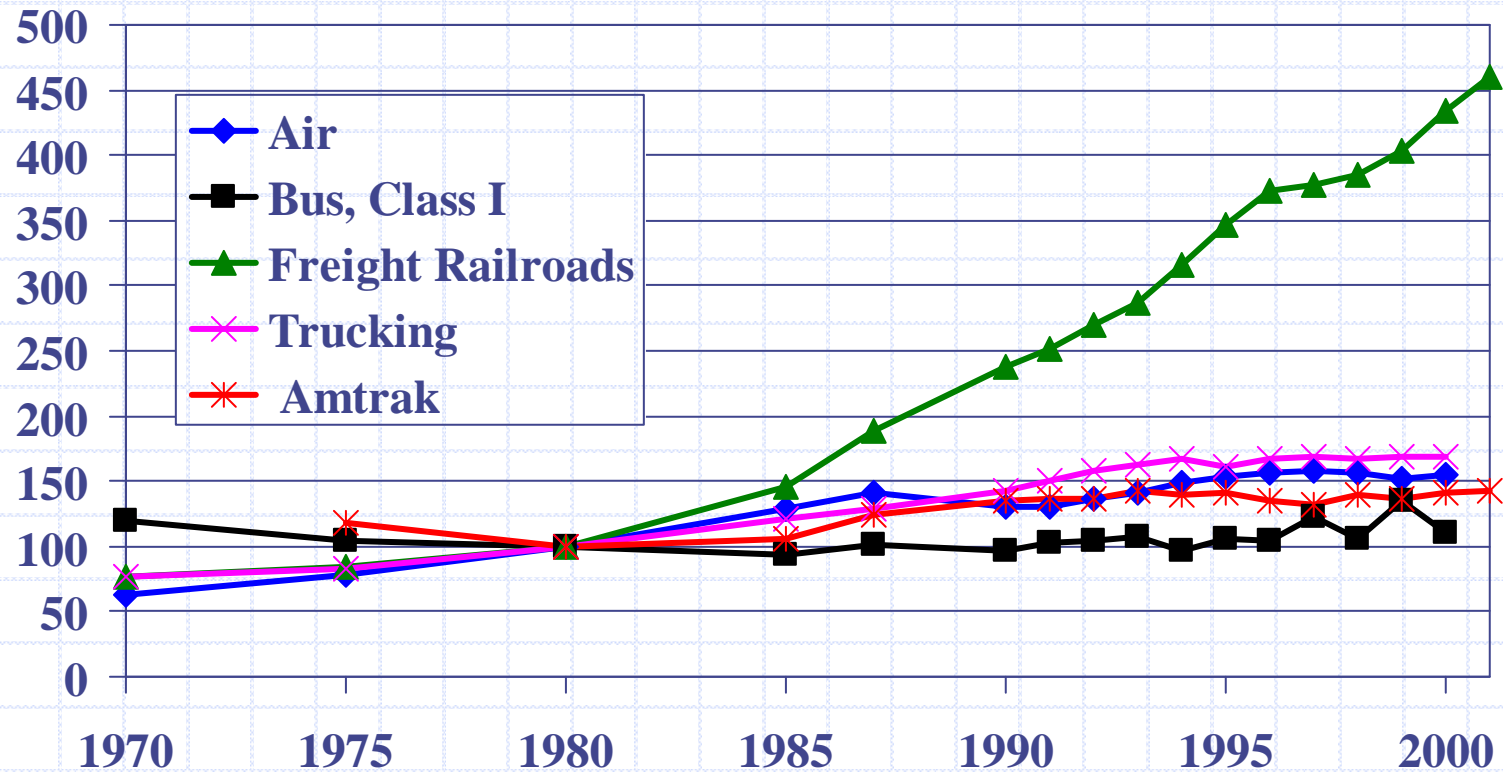
Figure 9

Passenger-Km Trends

1980=100

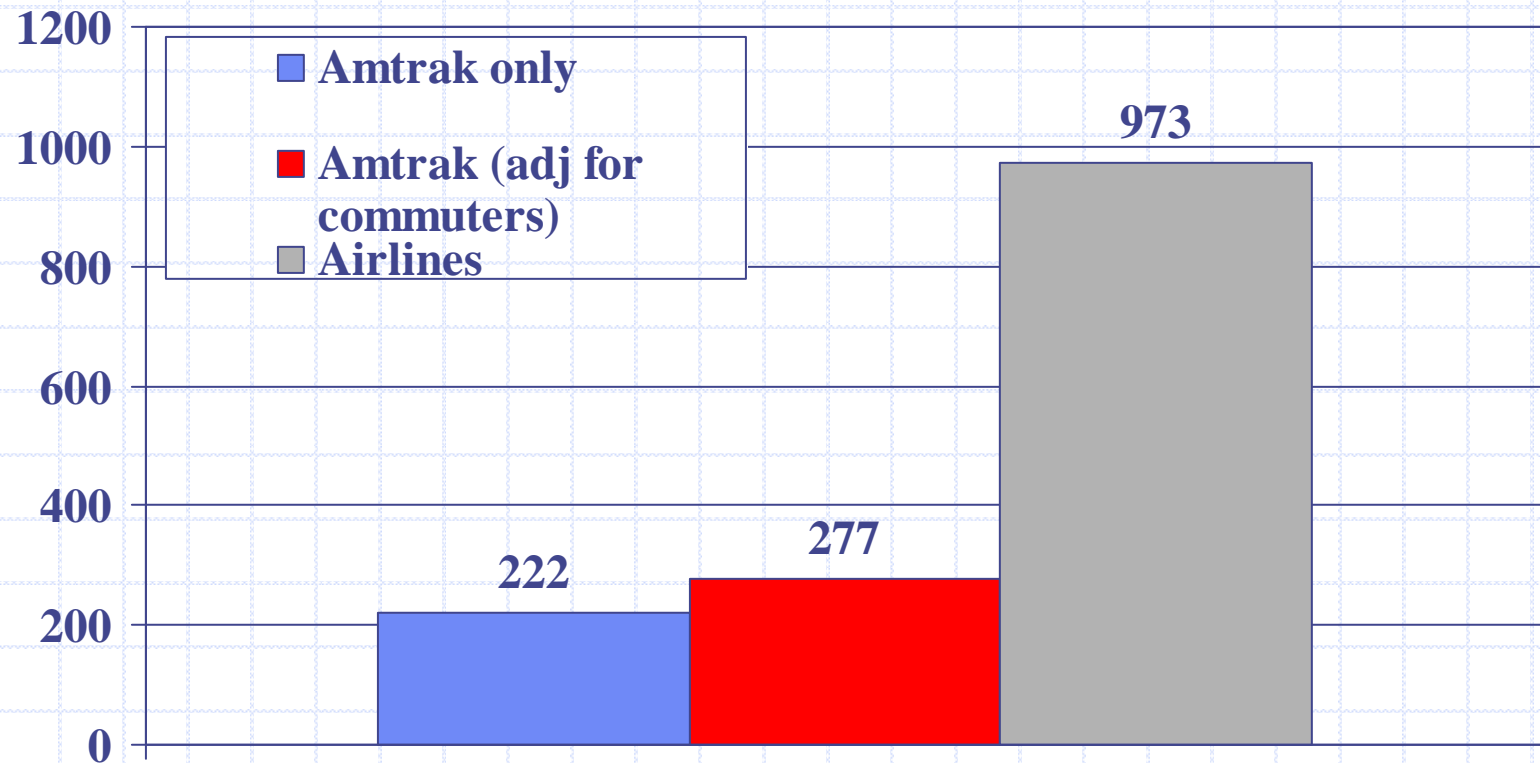


Labor Productivity Trends (pm/employee or ton-mile/employee) 1980=100



Source: National Transportation Statistics 2002, Table 3-24 and AAR, Statistics of Class I railroads

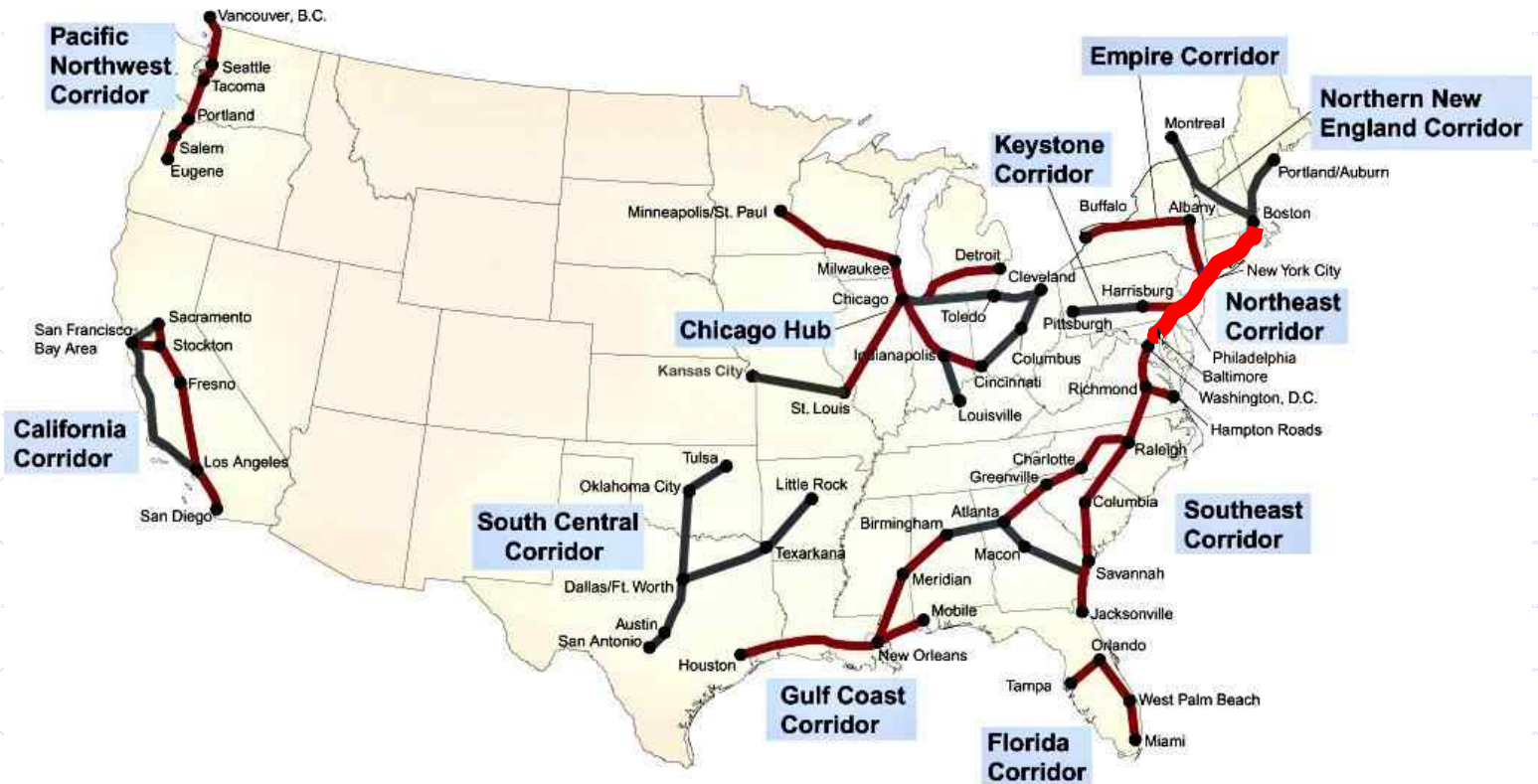
Passenger-Miles/Employee (000) (2000)






Amtrak adjustment for commuters uses average 22 mi/commuter trip.
Probably overstates productivity slightly.

The “Emerging Corridors”

Designated High Speed Rail Corridors As Of 1/19/01



-  Northeast Corridor
-  Designated Corridors Prior to 10/11/2000
-  New Designations, Extensions, California Clarification Through 1/19/01