

NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

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Chief Executive Officer—Northeast Corridor
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[For the National Railroad Passenger Corporation statement of organization, see the *Code of Federal Regulations*, Title 49, Part 700]

The National Railroad Passenger Corporation was established to develop the potential of modern rail service in meeting the Nation's intercity passenger transportation needs.

The National Railroad Passenger Corporation (Amtrak) was created by the Rail Passenger Service Act of 1970, as amended (45 U.S.C. 541), and was incorporated under the laws of the District of Columbia to provide a balanced national transportation system by developing, operating, and improving U.S. intercity rail passenger service.

Amtrak is governed by a nine-member board of directors: The Secretary of

Transportation serves as an *ex officio* member and Amtrak's president serves as Chairman; three members (representing labor, State Governors, and the business community) are appointed by the President with the advice and consent of the Senate; two members represent commuter authorities; and two members are selected by the preferred stockholder. The Corporation is managed by its president along with the executive

vice president, chief financial officer, six vice presidents, and three chief executive officers of the strategic business units (SBU's).

The three SBU's, the Northeast Corridor, the Intercity, and the West, were created during Amtrak's restructuring in the fall of 1994 in order to increase profitability. Each SBU has a chief executive officer who has control over business decisions in his area. The SBU's have been successful in the Northeast Corridor, which has expanded operations south—through Richmond to Newport News.

Amtrak operates an average of 212 trains per day, serving over 540 station locations, over a system of approximately 24,500 route miles. Of this route system, Amtrak now owns a right-of-way of 2,611 track miles in the Northeast Corridor (Washington-New York-Boston; New Haven-Springfield; Philadelphia-Harrisburg), and several small track segments in the East, purchased pursuant to the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 *et seq.*) and the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 801 *et seq.*).

Amtrak owns or leases its stations and owns its own repair and maintenance facilities. The Corporation employs a total work force of approximately 25,000 and provides all reservation, station, and on-board service staffs, as well as train and engine operating crews. Outside the Northeast Corridor, Amtrak has historically contracted with 21 privately owned railroads for the right to operate over their track and has compensated each railroad for its total package of services. Under contract, these railroads are responsible for the condition of the roadbed and for coordinating the flow of traffic.

In fiscal year 1994, Amtrak transported over 22 million people approximately 6 billion passenger miles. In addition,

under contracts with several transit agencies, Amtrak carried over 33 million commuters.

Although Amtrak's basic route system was originally designated by the Secretary of Transportation in 1971, modifications have been made to the Amtrak system and to individual routes that have resulted in more efficient and cost-effective operations. Currently, in the face of ongoing budget constraints, new service will only be added if a State agrees to share any losses associated with the new service or if the new service does not substantially add to Amtrak's need for Federal assistance.

Amtrak began operation in 1971 with an antiquated fleet of equipment inherited from private railroads; some cars were nearly 30 years old. Since then, the fleet has been modernized and new state-of-the-art single- and bi-level passenger cars and locomotives have been added.

Systemwide ridership is steadily rising, and Amtrak is finding it increasingly difficult to meet the demands of increased travel patterns with its limited passenger fleet. To ease these equipment constraints, the Corporation is working to identify innovative funding sources in order to acquire additional passenger cars and locomotives.

There is no rail passenger system in the world that makes a profit; Amtrak is no exception. However, Amtrak has made significant progress in reducing its dependence on Federal support, while at the same time improving the quality of service. Every year Amtrak moves further toward increasing the ratio of its earned revenue to total costs. As a result, Amtrak's appropriation for the current fiscal year is 45 percent below that for fiscal year 1978 (in constant dollars). One of Amtrak's highest priorities is to make the Corporation even more self-sufficient in the future.