



U.S. Department  
of Transportation

**Federal Railroad  
Administration**

## **Amtrak Account Structure Overview: Methodology and Definitions**

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Federal Railroad Administration

U.S. Department of Transportation

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## 1 INTRODUCTION

Section 11201 of the Fixing America’s Surface Transportation (FAST) Act (P.L. 114-94, enacted December 4, 2015) directs the Secretary of Transportation (Secretary), in consultation with Amtrak, to “define an account structure and improvements to accounting methodologies, as necessary, to support, at a minimum, the Northeast Corridor and the National Network.” Section 11201 directs Amtrak to implement the Account Structure and report monthly financial information under the Account Structure. The provisions of Section 11201 are codified at 49 U.S.C. § 24317.

The Federal Railroad Administration (FRA), on behalf of the Secretary, and in collaboration with Amtrak, established an account and reporting structure (Account Structure) in May 2016.<sup>1</sup> FRA and Amtrak started with common goals, principles, and definitions to establish a common foundation.

The creation of the Account Structure is one of many steps to meet FAST Act requirements associated with Amtrak and cooperatively organize how Amtrak reports its financial activities. The new Amtrak Account Structure is an important step toward more effective management of costs and revenues and increased accounting transparency for all of Amtrak’s stakeholders. The Account Structure is intended to provide a comprehensive view of Amtrak’s financial information to better inform Amtrak’s decision-making process and more clearly communicate to Congress, States, train travelers and partners on Amtrak’s business priorities and financial performance.

This document summarizes (and in some cases, updates) the definitions and accounting methodology previously transmitted to Congress in May 2016. In June 2018, FRA and Amtrak assessed the Account Structure and provided recommendations for further improvement.<sup>2</sup> As Amtrak continues to improve its reporting process around the new structure, there will be more issues to resolve. FRA and Amtrak will continue to communicate changes to Congress and other stakeholders as the implementation process progresses.

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<sup>1</sup> See *Account Structure Definition and Accounting Methodology Improvements to Address Section 11201 of the FAST Act of 2015*, May 3, 2016. Available online at: <https://www.fra.dot.gov/eLib/Details/L19707>.

<sup>2</sup> See *Account Structure Assessment and Recommendations in Accordance with Section 11201 of the FAST Act of 2015*, June 25, 2018. Available online at: <https://www.fra.dot.gov/eLib/Details/L19708>.

## 2 AMTRAK ACCOUNT STRUCTURE

### 2.1 Goals and Principles

Section 11201 establishes separate accounts for the Northeast Corridor (NEC) and the National Network (NN) and directs the Secretary, in consultation with Amtrak, to develop an Account Structure to support this framework. Per Section 11201, the purpose of the Account Structure is to “promote the effective use and stewardship by Amtrak of Amtrak revenues, Federal, State, and third party investments, appropriations, grants and other forms of financial assistance, and other sources of funds; and...enhance the transparency of the assignment of revenues and costs among Amtrak’s business lines while ensuring the health of the Northeast Corridor and National Network.” During the initial stages of defining the Account Structure, FRA and Amtrak jointly agreed on goals for the Account Structure and defined

#### Goals

- *Promote the effective use and stewardship by Amtrak of Amtrak revenues, Federal, State, and third party investments, appropriations, grants and other forms of financial assistance, and other sources of funds*
- *Enhance the transparency of the assignment of revenues and costs among Amtrak business lines while ensuring the health of the Northeast Corridor and National Network*

#### Principles

- *Provide understandable information to investors, customers and Amtrak to make fully informed business decisions*
- *Account for all of Amtrak’s activities and assets with clarity and consistency*
- *Fully integrate the objectives of Title XI of the FAST Act and support the planning and internal control requirements for Sections 11201, 11202 and 11203 of the FAST Act*
- *Request the right amount of information, but no more*
- *Maximize efficiency of implementation by leveraging existing resources*

principles to be followed in pursuit of these goals.

### 2.2 Account Structure Hierarchy

#### 2.2.1 Service Lines and Asset Lines

Amtrak performs a range of business activities for its customers in different capacities. Amtrak’s customers include intercity rail passengers and public and private sector entities that contract for, partner with, or invest in Amtrak’s business activities. To address the needs of Amtrak’s customers and meet the FAST Act requirements, FRA and Amtrak grouped Amtrak’s business activities into Service Lines.<sup>3</sup> Service Lines share a common mission and core customers.

<sup>3</sup> Section 11203 identifies four *Business Lines* (Northeast Corridor train services; State Supported routes operated by Amtrak; Long-distance routes operated by Amtrak and Ancillary services operated by Amtrak) and four *Asset Categories* (Infrastructure, Passenger Rail Equipment, Stations, National Assets) that are also cross-referenced in Section 11201(e). FRA and Amtrak determined that the term Service Lines better reflects the purpose and activities performed by the components of the corporation that Congress identified as *Business Lines*. Similarly, Amtrak determined that the term Asset Lines is a better representation of what Congress identified as *Asset Categories*. FRA and Amtrak use the term Business Lines more broadly to include both Amtrak’s Service and Asset Lines. FRA uses the terms Service Lines and Asset Lines in place of statutory language throughout this document.

While Section 11203 called for four *Business Lines* (referred to as Service Lines by FRA and Amtrak), FRA and Amtrak determined that to fully reflect the whole of Amtrak’s business, an additional Service Line should be added – Infrastructure Access. Infrastructure Access has a specific mission and serves different customers than those served by other Service Lines. For these reasons, FRA and Amtrak agreed to establish Infrastructure Access as a new Service Line.

The mission and primary customers for each of the Service Lines are shown in Figure 1.

Figure 1. Amtrak Service Lines

Service Lines	NEC	State Supported	Long Distance	Infrastructure Access	Ancillary Services
<b>Mission</b>	Provide NEC premium and regional rail services and generate surplus operating revenue	Deliver intercity passenger rail service efficiently and effectively in collaboration with all stakeholders	Connect travelers and their destinations across the national network efficiently	Efficiently plan, develop, provide, and manage fixed assets	Leverage capabilities and resources to provide services that generate surplus revenue
<b>Primary Customers</b>	NEC Travelers	States, State Supported Route Travelers	Travelers served by Long Distance trains, Federal Government	Commuter Railroads, Freight Railroads, Federal Government	Commuter Railroads, Freight Railroads, Public and Private Sectors

Service Lines are responsible for meeting the needs of the respective customers to fulfill their mission.

- NEC: Provides premium and regular intercity rail passenger service along the NEC while seeking to maximize operating surplus. Its primary customers are intercity train travelers on the NEC.
- State Supported: Provides intercity rail passenger service and supporting services under contract to States on corridor routes of not more than 750 miles. Its primary customers are State departments of transportation and authorities, and intercity travelers on State Supported Routes.
- Long Distance: Provides intercity rail passenger service on routes of more than 750 miles. Its primary customers are travelers and communities across the National Network and the Federal government.
- Infrastructure Access: Plans, develops, manages, and provides access to users of Amtrak-owned or Amtrak-controlled infrastructure. Its primary customers are commuter and freight railroads, the Federal government, and third-parties such as States and localities, utilities, and others that seek to make use of Amtrak’s infrastructure and fixed assets.
- Ancillary Services: Competes to operate commuter rail services, performs reimbursable work for States and railroads, and leverages Amtrak owned real-estate and commercial assets. Its primary customers are commuter and freight railroads, and various entities in the public and private sectors.

For more information about Service Line definitions, see Appendix A, “Service Lines.”

Service Lines are supported by five Asset Lines: Transportation, Passenger Rail Equipment (Equipment),<sup>4</sup> Infrastructure, Stations, and National Assets and Corporate Services. Asset Lines provide resources and deliver transportation and related services to the Service Lines. The FAST Act established four *Asset Categories* (referred to as Asset Lines by FRA and Amtrak). As with Service Lines, FRA and Amtrak believed it was necessary to establish a fifth Asset Line – Transportation.<sup>5</sup> This important function was not reflected in the statutorily-defined four Asset Categories.

- Transportation: Assets related to the operation and movement of the trains, on-board services and amenities.
- Equipment: Amtrak-controlled rolling stock, locomotives, and mechanical shop facilities that are used to maintain and overhaul equipment.
- Infrastructure: All Amtrak-controlled Northeast Corridor infrastructure assets and other Amtrak-controlled infrastructure, along with the associated facilities that support the operation, maintenance and improvement of those assets.
- Stations: All passenger rail stations served by Amtrak trains, with a focus on Amtrak-controlled stations and elements of other stations for which Amtrak has legal responsibility or where it intends to make capital investments.
- National Assets and Corporate Services: Cross-cutting assets such as systems for reservations, security, training, training centers, and others associated with Amtrak’s national rail passenger transportation system. Corporate Services include company-wide functions such as legal, finance, government affairs, human resources, and information technology. It should be noted that Section 11203 also requires the Secretary to conduct a review of Amtrak’s National Asset Costs.

For more information about Asset Line definitions, see Appendix A, “Asset Lines.”

In addition to its core functions, each Service Line and Asset Line requires strategic and operational leadership, management, and administrative support to carry out their functions. For Service Lines, these expenses are defined as Service Line Management and may include planning, administration, business development, contract management, and support functions specific to the Service Line’s mission.

## 2.2.2 Mapping Service Lines to Account Structure

Section 11201 requires that the financial information regarding these Service Lines be split into two accounts: the Northeast Corridor Account (NEC Account) and National Network Account (NN Account). The NEC Service Line maps to the NEC Account; the State Supported and the Long Distance Service Lines map to the NN Account.

Two of the five Service Lines – Infrastructure Access and Ancillary Services – are split between the NEC and NN Accounts as shown in Figure 2. The mapping of Amtrak Service Lines to the NEC and NN Accounts yields a conceptual design for the Account Structure as shown in Figure 3. The purpose of the

<sup>4</sup> Section 11203(c)(1) identifies *Asset Categories* (referred to by FRA and Amtrak as Asset Lines). The Asset Line *Passenger Rail Equipment* is also referred to throughout this document as Equipment. FRA and Amtrak understand that these terms have the same meaning.

<sup>5</sup> The Transportation Asset Line was originally defined as the Train Operations Asset Line in May 2016. At Amtrak’s request, it was subsequently changed to Transportation Asset Line in March 2018 to be consistent with the differing roles of Amtrak’s Operations and Commercial groups.

Account Structure is to provide a comprehensive and complete view of all Amtrak’s business activities across both Service Lines and Asset Lines.

Figure 2. Alignment of Amtrak Service Lines to Accounts

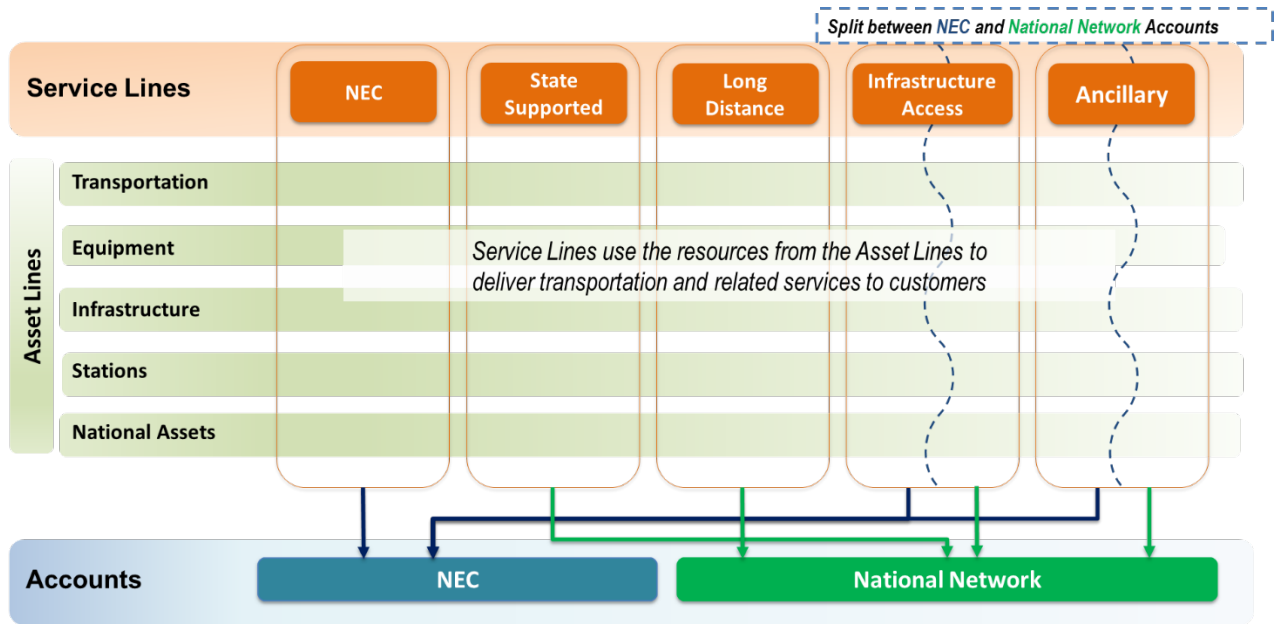
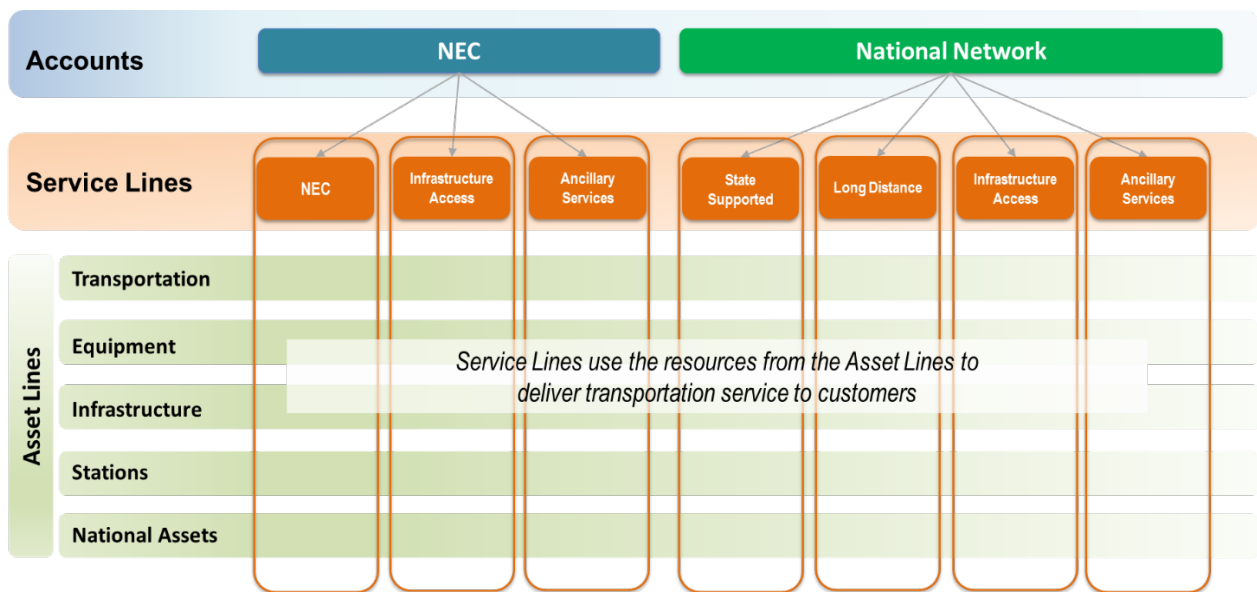


Figure 3. Amtrak Conceptual Account Structure



Utilizing this conceptual Account Structure hierarchy, the following section explains the Account Structure in detail.

## 2.3 Account Structure Reporting

The purpose of the Account Structure is to show the comprehensive and complete view of Amtrak’s revenues and funding (sources) and expenditures (uses) in a manner that focuses on the services that Amtrak customers buy or fund. Amtrak customers should be able to see both comprehensive data about Amtrak’s financial sources and uses, as well as specific data that correspond to the particular service(s) they support.

To support transparency and mutual understanding, FRA and Amtrak have agreed on high level definitions for each of the key components in the Account Structure. The chart of definitions can be found in Appendix A. FRA and Amtrak have developed a series of reporting tables that display the Account Structure financial information in varying levels of detail. The tables are linked: Information entered in the most detailed format into Table 3 populates the summarized information in Tables 1 and 2. Further explanation of each table is provided in the sections that follow.

### 2.3.1 Account Structure Summary

The Account Structure Summary is an executive level summary of the information presented in the Account Structure. The Summary (Table 1) shows Amtrak’s total revenues (Financial Sources) and expenditures (Financial Uses), subdivided into the NEC and NN Accounts.

*Table 1. Account Structure Summary*

	<b><u>Northeast Corridor Account</u></b>	<b><u>National Network Account</u></b>	<b><u>Total</u></b>
<b>Financial Sources</b>			
Operating Sources			
Capital Sources			
Federal Grants to Amtrak			
<b>Total Operating and Capital Sources</b>			
<b>Financial Uses (Operating):</b>			
Operating Uses			
<b>Operating Surplus/Deficit</b> <i>(Operating Sources - Operating Uses)</i>			
<b>Financial Uses (Debt Service Payments):</b>			
Debt Service Payments			
<b>Available for Capital Uses</b> <i>(Operating Surplus/Deficit - Debt Service Payments + Capital Sources + Federal Grants to Amtrak)</i>			
<b>Financial Uses (Capital):</b>			
Capital Expenditures			
Legacy Debt Repayments			
<b>Remaining Carryover Balance</b> <i>(Available for Capital Uses - Capital Expenditures - Legacy Debt Repayments)</i>			
<b>Transfers</b>			



The Summary shows the total financial operating, capital and Federal grants sources. Consistent with the Account Structure, these sources represent Amtrak's total financial resources from all sources. The Operating Uses are reported, followed by the calculation of the Operating Surplus/Deficit. The Debt Service Payments, which represent the repayment of Railroad Rehabilitation and Improvement Financing (RRIF)<sup>6</sup> loans as well as any other new debt that Amtrak incurs, are shown here to demonstrate that any new debt is paid from the Operating Surplus generated from Amtrak's business activities, not Federal funding sources, as a condition of Amtrak's 2016 RRIF loan agreement.

Any remaining Operating Surplus after the Debt Service Payments, plus the Capital Sources and the Federal grants to Amtrak represents the amount Amtrak has available for capital uses. The Capital Uses are reported, followed by the calculation of any Remaining Carryover Balance and Transfers.

### *2.3.2 Account Structure Report*

The Account Structure Report (Table 2) is a comprehensive and complete view of Amtrak's financial sources and uses. This table provides a more detailed view than the Account Structure Summary and lists financial information by Service Lines and Asset Lines. The Account Structure Report focuses on services that Amtrak customers buy or fund.

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<sup>6</sup> In 2016, Amtrak received a \$2.45 billion loan from U.S. Department of Transportation's RRIF program for the purchase of new high-speed trainsets and associated infrastructure, facility, and station investments.



**A – Accounts and Service Lines:** Service Lines mapped to the NEC and/or NN Accounts.

**B – Financial Sources:** Sources of revenue for Amtrak, separated into operating and capital categories, and the Federal grants to Amtrak mapped to the NEC and/or NN Accounts.

Operating sources include:

- *Passenger Related Revenues* – ticket revenue, revenue from operation of charter and special trains, and revenues from sale of food and beverage on the train.
- *Contractual Contributions* – payments from various contractual arrangements between Amtrak and its customers, including but not limited to States, freight operators, and commuter agencies. This includes payments to Amtrak from States and commuter authorities to carry out Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Section 209 and Section 212 cost-sharing obligations, as well as any contracts Amtrak has with commuter rail agencies, other reimbursable contracts, and revenues from freight operators and commuter rail agencies for access.
- *Commercial Revenue* – revenues generated from owned assets, including real estate holdings, air rights, commercial pipe and wire, and parking.
- *All Other Revenue* – other sources of revenue such as insurance payouts, commissions from co-branded credit cards, sales of Amtrak branded merchandise, loyalty marketing, and package express.

Capital sources include:

- *Contractual Contributions* – capital payments from States and commuter agencies for PRIIA Section 209 and Section 212 cost-sharing obligations, payments from State and commuter agencies for contracted, sole-benefit projects on Amtrak-owned territory, and other contracts negotiated between Amtrak and State or commuter partners for shared benefit capital projects.
- *Financing Proceeds Applied* – drawdown from loans and other financing arrangements between Amtrak and its lenders.
- *Other Capital and Special Grants* – other grants that may come from States or local sources.

Federal grants to Amtrak include:

- *Prior Year Available Capital Funds* – available funds from previous grants Amtrak received from the Federal government.
- *Current Year FAST Section 11101 Grants* – represents the operating and capital appropriations amount requested or received under the annual Amtrak NEC and National Network grants provided by Congress for the current fiscal year.
- *Other Federal Grants* – grants provided by the Federal government to Amtrak, outside of the NEC and National Network grants.

**C – Financial Uses:** All expenditures made by Amtrak mapped to the NEC and/or NN Accounts. Like Financial Sources, this section is sub-divided into both operating and capital uses, but also includes an additional sub-section for debt service.

- *Operating Uses* – organized and presented as Amtrak’s five Asset Lines – Transportation, Equipment, Infrastructure, Stations, and National Assets and Corporate Services. Service Line Management, which includes administration and management expenses specific to Service Lines, is also reported separately as an operating use.

- *Debt Service Payments* – the principal and interest repayment on Railroad Rehabilitation and Improvement Financing (RRIF) loans and future Amtrak debt or financing arrangements. These debt service payments are repaid from Amtrak’s operating surplus – shown in the Operating Surplus/Deficit row.
- *Capital Uses* – organized and presented as Amtrak’s five Asset Lines and any direct expenses of Service Line Management staff associated with the administration and management of capital projects.
- *Legacy Debt Repayments* – repayment of any long-term debt and capital lease that originated before the passage of PRIIA or other debt originated for the purpose of restructuring these debt and lease payments. Much of this debt was incurred during years of reduced Federal funding for the explicit purpose of covering operating deficits or to free up other funds for operating or capital purposes. These repayments have previously been funded by the Federal government and will continue to be under the FAST Act’s annual Amtrak NEC and National Network grants appropriated by Congress.

**D – Remaining Carryover Balance:** After accounting for all financial sources and uses, the resulting Surplus/Deficit row represents the total surplus or deficit of Amtrak during the accounting period.

**E – Table Values:** The values in this section represent each revenue or expense line item from the period of accounting, as assigned directly or allocated appropriately across the various Service Lines and mapped to the NEC and/or NN Accounts.

For more detailed definitions of financial sources and uses, see Appendix A.

### 2.3.3 *Consolidated Sources and Uses Statement*

The Consolidated Sources and Uses Statement fulfills Amtrak’s requirement in Section 11201(e) to produce updated profit and loss statements for each of the Service Lines and Asset Lines.<sup>7</sup> The format for Amtrak’s Consolidated Sources and Uses Statement is shown in Table 3, and includes additional detail for financial sources and uses than what is presented in Table 2.

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<sup>7</sup> The FAST Act requires Amtrak, in consultation with the Secretary, to produce profit and loss statements for each of the *Business Lines* (Service Lines) and as appropriate, each of the *Asset Categories* (Asset Lines). Because the FAST Act directs Amtrak to include appropriations in the profit and loss statements and this does not align with what is commonly included in a profit and loss statement, Amtrak recommended renaming these statements *Sources and Uses Statements*. FRA adopted this recommendation.

Table 3 . Consolidated Sources and Uses Statement

	Train Services			Ancillary Services				Infrastructure Access		Total Amtrak
	NEC	State Supported	Long Distance	Amtrak Services		Reimbursable Services		Real Estate & Commercial Services		
	NEC	NN	NN	NEC	NN	NEC	NN	NEC	NN	
<i>(\$s in Thousands)</i>										
<b>Financial Sources:</b>										
<b>Operating Sources</b>										
Passenger Revenue										
Ticket Revenue (Adjusted)										
Charters/Special Trains										
Food & Beverage										
Total Passenger Revenue										
Contractual Contribution										
PRIIA 209 Operating Payments										
PRIIA 212 Operating Payments										
Commuter Operations										
Reimbursable Contracts										
Access Revenue										
Total Contractual Contribution										
Commercial Revenue										
Other Revenue										
<b>Total Operating Sources</b>										
<b>Capital Sources</b>										
State/Local Contractual Contribution										
PRIIA 209 Equipment Capital										
PRIIA 212 (BCC)										
Sole Benefit - Partners										
Other State/Local Mutual Benefit										
Total State/Local Contractual Contribution										
Proceeds from Loan Withdrawals										
<b>Total Capital Sources</b>										
<b>Federal Grants to Amtrak</b>										
Prior Year Available Capital Funds										
Current Year FAST Sec 11101 Grants										
Operating										
Capital										
Total Current Year FAST Sec 11101 Grants										
Other Federal Grants										
<b>Total Federal Grants to Amtrak</b>										
<b>Total Financial Sources</b>										
<b>Financial Uses:</b>										
<b>Operating Uses</b>										
Service Line Management										
Management Support										
Total Service Line Management										
Transportation										
Train and Engine Crew Labor										
On Board Service Labor										
T&E Overhead and Operations Management										
Commissary Provisions and Operations										
Connecting Motor Coach										
Host RR, MOW and Performance Incentives										
Dispatching - CETC, Block & Tower										
Dispatching - CNOC										
Fuel and Power										
Commissions										
Passenger Inconvenience and Claims										
Total Transportation										
Equipment										
Terminal Yard Operations										
Car & Locomotive Maintenance and Turnaround										
On Board Passenger Technology										
MOE Supervision Training and Overhead (Less Backshops)										
Yard Operations - Mechanical Support										
Mechanical and Fleet Support										
Total Equipment										
Infrastructure										
Maintenance of Way										
Engineering Management Support										
Total Infrastructure										
Stations										
Station Staffing										
Station Facility Operations										
Station Technology										
Total Stations										
National Assets										
Regional/Local Police										
National Police and Safety										
Non-Passenger Claims										
Information Technology (IT)										
Training and Training Centers										
Insurance										
Environmental										
Real Estate & Lease Costs										
Reservations & Call Centers										
Total National Assets										
Marketing and Direct Advertising										
Corporate Operations										
Total Corporate Services										
<b>Total Operating Uses</b>										
<b>Operating Surplus/Deficit (Operating Sources - Operating Uses)</b>										
<b>Debt Service:</b>										
RRIF										
<b>Total New Debt</b>										
<b>Capital Uses:</b>										
Service Line Management										
IID										
Management Support Technology & Systems										
Total Service Line Management										
Transportation										
Technology & Systems										
Facilities										
Host Railroad Capital										
Operations Equipment										
Total Transportation										
Equipment										
Overhauls										
New/Replacement Equipment										
Facilities										
LCPM										
Other Train Capital										
Program Management										
Total Equipment										
Infrastructure										
Normalized Replacement										
Safety & Mandates										
Major Backlog										
Improvements										
Environmental Remediation										
Program Management										
Total Infrastructure										
Stations										
Normalized Replacement										
Safety & Mandates										
Major Backlog										
Improvements										
Environmental Remediation										
Parking										
Program Management										
Total Stations										
National Assets										
Information Technology (IT)										
RAILSAFE										
Infrastructure and Station Protection										
Total National Assets										
On board customer experience										
Reservations & Ticketing										
OnBoard Technology										
Corporate Operations										
Total Corporate Services										
<b>Capital</b>										
<b>Legacy Debt</b>										
<b>Total Capital Uses</b>										
<b>Remaining Carryover Balance</b>										

## APPENDIX A – DEFINITIONS

### FAST Act Section 11201 Amtrak Account Structure

#### Definition of Terms

#### Accounts

For the purposes of implementing FAST Act Section 11201, the term “Account” means a collection of detailed financial information related to specific portions of Amtrak’s business activities. Two accounts – a Northeast Corridor Account and a National Network Account – are identified in Section 11201 and further defined herein.

The FRA defines “Account Structure” and accounting methodologies as reporting tables to ensure Amtrak assigns its financial sources and uses to the appropriate account in a consistent, transparent, and repeatable basis.

<b>Northeast Corridor Account</b>	<p>The Northeast Corridor Account (NEC Account) provides information to investors, customers, and Amtrak on financial sources and uses associated with the business activities on the Northeast Corridor main line (NEC) between Boston, Massachusetts, and the District of Columbia, and the proportional share of facilities and services used to operate and maintain that line.</p> <p>The NEC Account details operating and capital sources and uses for the NEC Intercity Operations Service Line and the NEC-related portion of the Infrastructure Access and Ancillary Services Service Lines, defined in Section B.</p>
<b>National Network Account</b>	<p>The National Network Account (NN Account) provides information to investors, customers, and Amtrak on all financial sources and uses associated with the business activities on the national rail passenger transportation system, and the proportional share of facilities and services used to operate and maintain that system, exclusive of the NEC.</p> <p>The National Network Account details both operating and capital sources and uses related to the national rail passenger transportation system. It is comprised of the entirety of the State Supported and Long Distance Service Lines, as well as the National Network-related portion of the Infrastructure Access and Ancillary Services Service Lines, which are further defined below.</p>

## Service Lines

A Service Line represents a set of Amtrak business activities that typically share a common mission, core customers, and/or management structure. Originally referred to as *Business Lines* in Section 11203, FRA and Amtrak leadership agreed that using the term Service Lines better reflects the mission to provide high-quality service to internal and external customers.<sup>8</sup>

<p><b>NEC</b></p>	<p>The NEC Service Line provides premium and regular intercity rail passenger transportation along the NEC main line between Boston, Massachusetts and the District of Columbia. Its primary customers are the intercity train travelers.</p> <p>Its financial sources and uses are reported as part of the NEC Account.</p>
<p><b>State Supported</b></p>	<p>The State Supported Service Line provides intercity rail passenger transportation and supporting services along short-distance corridor routes of not more than 750 miles between endpoints, as defined at 49 USC §24102(7)(D). Its primary customers are the intercity train travelers along these routes and State departments of transportation or other entities subject to PRIIA Section 209 (or successor legislation) that have responsibility for providing intercity rail passenger transportation.</p> <p>Its financial sources and uses are reported as part of the National Network Account.</p>
<p><b>Long Distance</b></p>	<p>The Long Distance Service Line provides intercity rail passenger transportation along long-distance routes of more than 750 miles between endpoints, as defined at 49 USC §24102(7)(C). Its primary customers are travelers and communities across the National Network and the Federal government.</p> <p>Its financial sources and uses are reported as part of the National Network Account.</p>
<p><b>Infrastructure Access</b></p>	<p>The Infrastructure Access Service Line seeks to safely and efficiently plan, develop, manage, and provide access to Amtrak-owned or Amtrak-controlled infrastructure and facilities, consistent with Amtrak’s statutory obligations. Its primary customers include commuter and freight railroads, the Federal government, and third-parties such as States and localities, utilities, and others that seek to make use of Amtrak’s infrastructure and fixed assets.</p>

<sup>8</sup> Note: For the purposes of the Account Structure, *customer* is broadly defined to include Amtrak’s internal departments, intercity rail passengers, and public and private sector entities that contract for, partner with, or invest in, Amtrak’s service lines.

	<p>Amtrak owns assets in the NEC and across the U.S.; therefore, the financial sources and uses of the Infrastructure Access Service Line are allocated appropriately between the NEC Account and the National Network Account.</p> <p>Its financial sources and uses include operating and capital cost sharing payments that Amtrak receives from or pays to other NEC owners and operators in accordance with the terms of the Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy, which implements the requirements of 49 USC §24905(c).<sup>9</sup></p>
<p><b>Ancillary Services</b></p>	<p>This service line is composed of three functions: Amtrak Services, Reimbursable Services, and Real Estate/Commercial Services.</p> <ul style="list-style-type: none"> <li>- <i>Amtrak Services</i> provides commuter rail passenger transportation services, maintenance, or related services for a cost-based fee to commuter rail agencies;</li> <li>- <i>Reimbursable Services</i> provides maintenance, engineering and capital improvement activities for freight and commuter operators, and other outside enterprises on a reimbursable cost basis;</li> <li>- <i>Real Estate/Commercial Services</i> engages in real estate activities and/or commercial arrangements with public and private sector entities to leverage Amtrak-owned fixed assets.</li> </ul> <p>Each ancillary function is identified in the Account Structure. Additionally, Amtrak’s Ancillary Service Line engages in activities both on the NEC and across the U.S. Thus, the financial sources and uses of this Service Line are allocated appropriately between the NEC Account and the National Network Account.</p>

<sup>9</sup> 49 USC §24905(c) requires a standardized policy for determining and allocating costs for NEC commuter rail passenger transportation, as defined in 49 USC § 24102, on the NEC main line between Boston, Massachusetts and Washington, District of Columbia, and for the branch lines connecting to Harrisburg, Pennsylvania, Springfield, Massachusetts, and Spuyten Duyvil, New York. For the purposes of the accounts defined here, amounts related to the NEC main line will be reported in the NEC Account, and amounts related to the branch lines will be reported in the National Network Account.



## Asset Lines

Asset Lines represent the business activities and resources required to manage Amtrak’s assets and deliver the needs of the Service Lines.

<p><b>Transportation</b></p>	<p>Transportation means the train crew operating trains on the road, crew providing on-board services on the trains (for example, service attendants, café attendants), on-board food and beverage supplies, commissary contract operations and management, diesel fuel and electric propulsion costs, host railroad maintenance of way and performance incentive payments, dispatching, passenger inconvenience payments, commissions, passenger claims, connecting bus service, and the management, supervision, and support required to perform activities listed here.</p>
<p><b>Equipment</b></p>	<p>Equipment means the management and maintenance of Amtrak-controlled locomotives, cars, and trainsets, train servicing, crew moving equipment in terminal yards, maintenance of facilities where equipment is maintained, and the management, supervision and support required to perform activities listed here. This service line also includes any preventive maintenance and minor repair performed by external vendors or contractors to maintain the locomotives, cars, trainsets, and non-revenue equipment. Work related to Amtrak’s fleet strategy is also included in this Asset Line.</p>
<p><b>Infrastructure</b></p>	<p>Infrastructure means management and safe maintenance of Amtrak-controlled fixed assets, and the management, supervision and support required to provide a safe and reliable railroad. Fixed assets include but are not limited to track and associated materials, communication and signal, electric traction propulsion generation and transmission, tunnels, bridges, culverts, rights-of-way, signs, real property and associated air rights buildings. It excludes stations and facilities where equipment is maintained.</p>
<p><b>Stations</b></p>	<p>Stations means all passenger rail stations served by Amtrak trains, with a focus on Amtrak-controlled stations and elements of other stations for which Amtrak has legal responsibility or where it intends to make capital investments. This includes the maintenance and operation of such facilities that serve one or multiple routes, and their related management, supervision and support.</p>
<p><b>National Assets and Corporate Services</b></p>	<p>National Assets are defined as Nation’s core rail assets shared among Amtrak services, including: systems for reservations, security, training and training centers, and other assets associated with Amtrak’s national rail passenger transportation system.</p> <p>Corporate services are defined to include company-wide functions, such as, legal, finance, government affairs, human resources, information technology, etc.</p>

## Financial Sources:

Financial Sources are defined as all revenues, appropriations, grants, and other forms of financial assistance, compensation, and other sources of funds.

1. <b>Passenger Related Revenue</b>	Revenue from passenger train operations.
2. <b>Ticket Revenue (Adjusted)</b>	Revenue from the sale and use of tickets to passengers, including but not limited to subtracting a portion of ticket sales transferred to Food and Beverage, and other small transfers.
3. <b>Charter/Special Trains</b>	The contracting of Amtrak's equipment crews for private excursion. The terms charter trains and special trains are used interchangeably.
4. <b>Food and Beverage</b>	Revenue from the sale of food, beverages, and goods on-board the trains plus the ticket revenue transfer associated with food and beverage.
5. <b>Contractual Contribution (Operating)</b>	Operating revenue from contractual arrangements between Amtrak and its customers, including but not limited to, States, freight operators and commuter agencies.
6. <b>PRIIA 209 Operating Payments</b>	Net operating payments collected from States or entities subject to PRIIA 209, or any successor legislation, for the operation of State Supported routes as determined by the PRIIA Section 209 Cost Methodology Policy, and any subsequent amendments to that policy.
7. <b>PRIIA 212 Operating Payments</b>	Net operating payments received pursuant to agreements made to implement the requirements of the Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy (PRIIA 212).
8. <b>Commuter Operations</b>	Revenues from contractual arrangements to operate commuter rail services, including providing train crews, mechanical services, or dispatching
9. <b>Reimbursable Contracts</b>	Revenue from reimbursable contracts between Amtrak and commuter or freight railroads.
10. <b>Access Revenue</b>	Revenue from the use of Amtrak owned and/or controlled tracks, infrastructure, and facilities.

11. <b>Commercial Revenue (incl. Pipe/Wire, Real Estate, Parking)</b>	Commercial development revenue from retail, parking, advertising, air rights, pipe and wire, real property leases/easements/sales, and other commercial activities.
12. <b>All Other Revenue (incl. Insurance Revenue, Cobranded Commissions, etc.)</b>	Miscellaneous revenue not included elsewhere, such as ticket by mail fees, loyalty marketing revenue, commissions from sales of third-party services during the reservations process (call/Internet “tipping”), package express where applicable, allowances for bad debt, credit card commissions.
13. <b>Operating Sources Subtotal</b>	Sum of revenues from operating sources. This is computed as the total of line items 1 to 12.
14. <b>Contractual Contribution (Capital)</b>	Capital revenue from contractual arrangements between Amtrak and its customers, including but not limited to States, freight operators and commuter agencies.
15. <b>PRIIA 209 Capital Payments</b>	Capital payments collected from the States or intercity passenger rail agencies for the overhaul of Amtrak owned passenger service equipment used in State Supported routes, other mechanical expense related to equipment, or other Amtrak Fixed Assets, and non-Amtrak Fixed Assets, as defined in the PRIIA Section 209 Cost Methodology Policy and any subsequent amendments to that policy.
16. <b>PRIIA 212 Capital Payments</b>	Capital payments received pursuant to agreements made to implement the requirements of the Northeast Corridor Commuter and Intercity Rail Cost Allocation Policy (PRIIA 212). These capital payments include baseline capital charges and other capital payments.
17. <b>Sole Benefit - Partners</b>	Revenue from sole benefit reimbursable maintenance, engineering, and capital improvement activities for freight railroads and other outside enterprises on a reimbursable cost basis.
18. <b>Other State/Local Mutual Benefit</b>	Revenue from other contracts negotiated between Amtrak and State, commuter or freight partners for shared benefit capital projects.
19. <b>Financing Proceeds Applied</b>	Amounts advanced to Amtrak from loans and other financing agreements.
20. <b>Other Capital and Special Grants</b>	Capital grants from non-Federal sources (incl. State/local sources).

<b>21. Capital Sources Subtotal</b>	Sum of revenues from capital sources. This is computed as the total of line items 14 to 20.
<b>22. Federal Grants to Amtrak</b>	Federal grants provided to Amtrak.
<b>23. Prior Year Available Capital Funds</b>	Available funds from previous grants Amtrak received from the Federal government.
<b>24. Current Year FAST Sec. 11101 Grants</b>	The Operating and Capital portions of grants authorized to Amtrak pursuant to FAST Act Section 11101 for the current fiscal year.
<b>25. Other Federal Grants</b>	Capital grants provided by Federal sources that are different from those authorized by FAST Act Section 11101 (including grants from FRA, Office of the Secretary of Transportation [OST], Federal Transit Administration [FTA], Department of Homeland Security [DHS]).
<b>26. Federal Grants to Amtrak Subtotal</b>	Sum of grants from Federal sources. This is computed as the total of line items 22 to 25.
<b>27. Total Financial Sources</b>	Sum of revenues from operating and capital sources, and Federal grants. This is computed as the total of line items 13, 21, and 26.

### **Financial Uses (Operating):**

Expenses associated with the operation of passenger rail service, and the goods and services consumed to fulfill the related activities and functions.

<b>28. Service Line Management</b>	Expenses associated with the administration and management of Amtrak's Service Lines. Expenses include but are not limited to planning, administration, business development, contract management, and support.
<b>29. Transportation</b>	Operating expenses associated with assets related to the operation and movement of the trains, on-board services and amenities.

<b>30. Equipment</b>	Operating expenses associated with Amtrak-controlled rolling stock, locomotives, and mechanical shop facilities that are used to maintain and overhaul equipment.
<b>31. Infrastructure</b>	Operating expenses associated with all Amtrak-controlled Northeast Corridor infrastructure assets and other Amtrak-controlled infrastructure, along with the associated facilities that support the operation, maintenance and improvement of those assets.
<b>32. Stations</b>	Operating expenses associated with all passenger rail stations served by Amtrak trains, with a focus on Amtrak-controlled stations and elements of other stations for which Amtrak has legal responsibility or where it intends to make capital investments.
<b>33. National Assets and Corporate Services</b>	Operating expenses associated with cross-cutting assets such as systems for reservations, security, training, training centers, and others associated with Amtrak's national rail passenger transportation system; also includes operating expenses associated with company-wide functions such as legal, finance, government affairs, human resources, and information technology.
<b>34. Total Operating Uses</b>	Sum of all expenses associated with operations of passenger rail service. This is computed as the total of line items 28 to 33.

### Operating Surplus/Deficit Calculation

<b>35. Operating Surplus/Deficit</b>	Difference between Operating Sources Subtotal (13) and Total Operating Uses (34).
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### Financial Uses (Debt Service Payments):

<b>36. RRIF debt repayments</b>	Principal and interest payments to FRA for Railroad Rehabilitation and Improvement Financing (RRIF) loans.
<b>37. Other/New financing repayments</b>	Principal and interest payments for financial agreements other than RRIF.

<b>38. Total Debt Service Payments</b>	Principal and interest payment for RRIF and other financial agreements. This is computed as the total of 36 and 37.
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### Funds Available for Capital Uses Calculation

<b>39. Available for Capital Uses</b>	Funds that are available for capital uses. Sum of Capital Sources Subtotal (21), Federal Grants to Amtrak Subtotal (26) and Operating Surplus/Deficit (35), minus Total Debt Service Payments (38).
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### Financial Uses (Capital):

Investments in capital assets that are required to achieve and maintain a state of good repair. Capital projects or programs primarily associated with rehabilitation, replacement, renewals, improvements, acquisitions, or safety, mandatory, or legal mandates, and other strategic initiatives.

<b>40. Service Line Management</b>	Capital improvements related to management and administration of Service Lines.
<b>41. Transportation</b>	Investments in capital projects and programs related to Transportation as defined in line item 29.
<b>42. Equipment</b>	Capital investments associated with Equipment. This may include but is not limited to the acquisition, rehabilitation, manufacture, overhaul, or improvement of equipment as defined in line item 30.
<b>43. Infrastructure</b>	Capital investments in projects and programs related to Infrastructure assets as defined in line item 31.
<b>44. Stations</b>	Capital investments in capital projects and programs related to Stations and related facilities as defined in line item 32.
<b>45. National Assets and Corporate Services</b>	Capital investments in the National Assets and Corporate Services as defined in line item 33.

<b>46. Capital Expenditures</b>	Sum of capital expenses computed as the total of line items 40 to 45.
<b>47. Legacy Debt Repayments</b>	Any long-term debt and capital lease originated before the passage of PRIIA or other debt originated for the purpose of restructuring such long-term debt and capital lease.
<b>48. Total Capital Uses</b>	Sum of capital expenses and legacy debt repayments computed as the total of line items 46 and 47.

### **Final Summary Calculation**

<b>49. Remaining Carryover Balance</b>	Represents the total surplus or deficit of Amtrak during the accounting period. Difference between Available for Capital Uses (39) and Capital Expenditures (46), minus Legacy Debt Repayments (47).
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