Amtrak

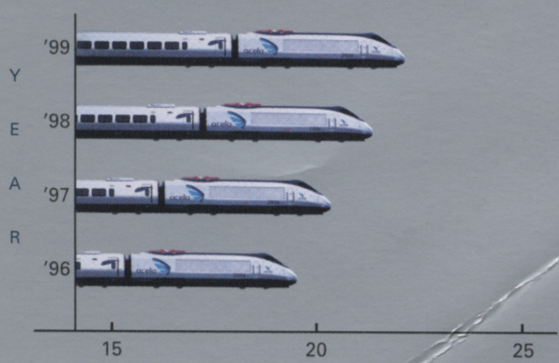
EXPECT SUCCESS

Amtrak

NATIONAL RAILROAD
PASSENGER CORPORATION
60 Massachusetts Avenue, NE
Washington, DC 20002
www.amtrak.com

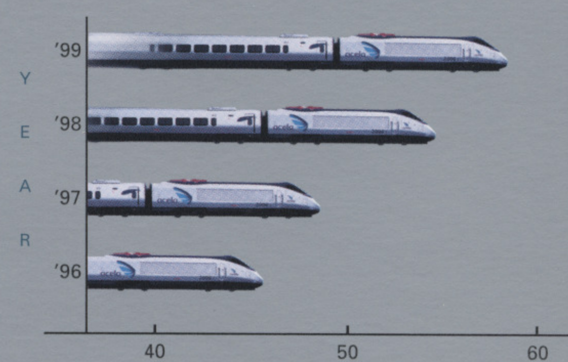
RIDERSHIP

FISCAL YEARS 1996–1999 (In Millions)



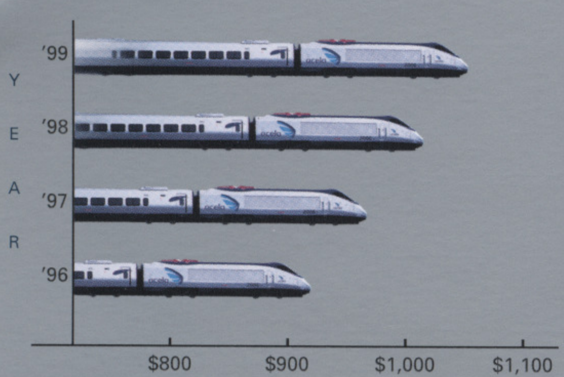
CONTRACT COMMUTER PASSENGER TRIPS

FISCAL YEARS 1996–1999 (In Millions)



PASSENGER-RELATED REVENUES

FISCAL YEAR 1996–1999 (In Millions)



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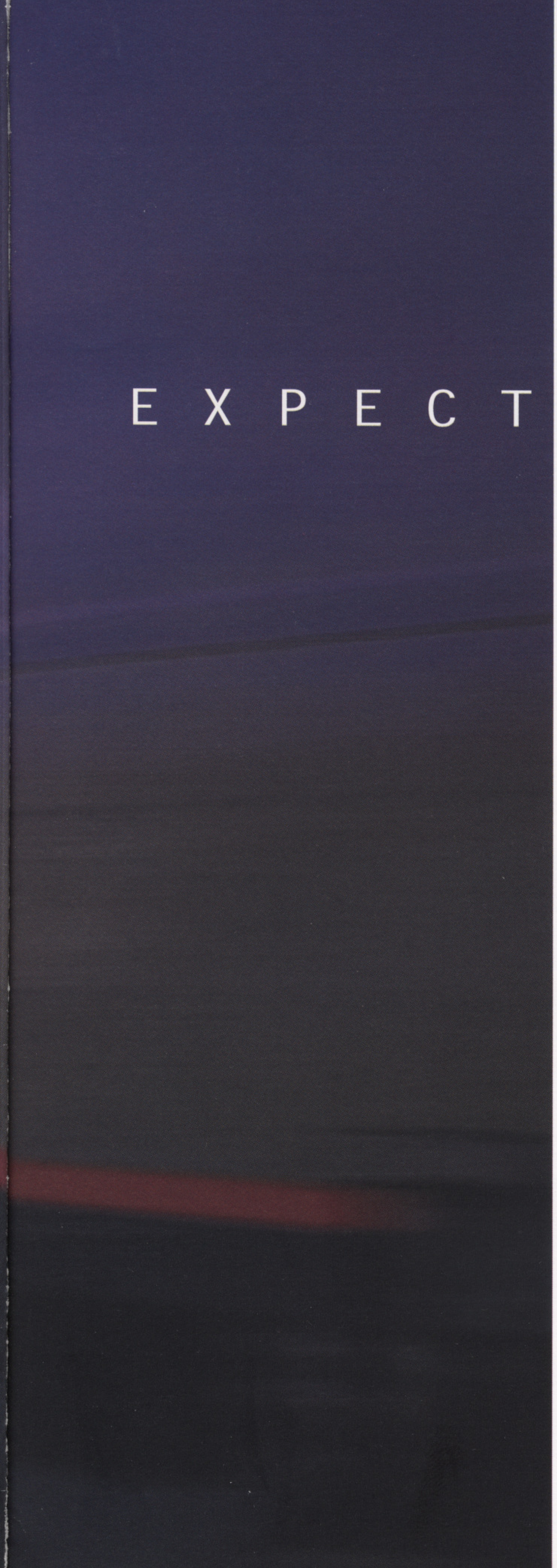


E X P E C T

IT'S A POWERFUL WORD. And it's only fitting for this year's annual report. After all, you have a reason to expect more from America's passenger rail service. We're a new Amtrak now: a team with a solid plan to become operationally self-sufficient, and a track record of steady results.

THE ACHIEVEMENTS IN 1999 WERE ALL ACROSS THE BOARD AND ALL ACROSS THE COUNTRY.

Up six percent from last year, passenger-related revenue for FY1999 was the highest in the corporation's 28-year history. For the first time ever, our ridership has increased for three consecutive years. We added service on the thriving Cascades line in the Pacific Northwest. Launched the Oklahoma City-Fort Worth line. Accelerated preparations for the high speed Acela℠ service in the Northeast. We formed important partnerships to maximize profit in every part of our operations. And, along the way, we retrained 16,500 employees in better customer service.

1999 was a breakthrough year here at Amtrak. In the pages that follow, you'll see the proof of the work we've done. Expect to see success. Expect results. And expect even more from Amtrak in the years ahead.

The new Amtrak is built on the commitment to making a difference – through excellence in customer service, aggressive new business ventures, development of new rail services and America's first high speed rail system, as well as a whole new commercial mindset.

But the new Amtrak didn't just arrive overnight. It's taken lots of people working many long hours to initiate this remarkable turnaround.

On behalf of the Amtrak Board of Directors, we would like to express our appreciation to the friends of Amtrak who have truly made the successes of 1999 possible.

We thank our state and local partners, who are increasingly turning to passenger rail to better serve the traveling public. Their confidence in us is evident from their growing investment in joint rail projects with Amtrak: over $500 million in the last three years; $300 million in 1999 alone.

We thank our private business partners – each of them leaders in their industries – whose knowledge and expertise are contributing so much to Amtrak's revival.

We thank our freight railroad partners, who are working with us to strengthen the nation's railroad infrastructure and expand business in mutually beneficial ways.

We thank our friends in Congress and the Administration, whose ongoing support has been, and remains, absolutely crucial to our success.

Above all, we thank the 25,000 Amtrak employees and union representatives, without whose enthusiasm and dedication Amtrak would not be enjoying its current renaissance. They are the real heroes behind Amtrak's year of achievement.

As you review our results for 1999, expect to see a difference. And know that, with continued capital investment, Amtrak will continue to make a difference in communities all across the country.

Sincerely,

Governor Tommy G. Thompson
CHAIRMAN

George D. Warrington
PRESIDENT & CEO

AMTRAK BOARD OF DIRECTORS

First row:

Governor Tommy G. Thompson *[Chairman]*

Governor Michael S. Dukakis *[Vice Chairman]*

Sylvia de Leon

FRA Administrator Jolene Molitoris

Second Row:

Mayor John Robert Smith

Amy Rosen

Governor Linwood Holton

Third Row:

DOT Deputy Secretary Mortimer L. Downey *[For Secretary Rodney Slater]*

George D. Warrington *President & CEO*

KEY STRATEGY 1

IMPROVING CU

QUALITY

OMER SERVICE

EXPEC

Employees like Bill Askew demonstrate Amtrak's focus on customer service – now better than

FOR THE 28 YEARS WE'VE SERVED MILLIONS OF AMERICAN TRAVELERS, CUSTOMER SERVICE HAS ALWAYS BEEN A PRIORITY AT AMTRAK. But, as a growth-oriented business, we resolved to put ourselves under the microscope and find ways to improve. The objective was consistency across the board: to sustain every part of our operations with the highest level of customer service.

We conducted a quick, but thorough, study of top-performing firms. We learned that excellent customer service is the determining factor for success – and that employees need the tools and support to achieve this. Immediately, through the dedication of our work force and in partnership with our unions, we took the steps to better – and in some cases completely revamp – the way we operate. From the measures taken behind the scenes to our improvements seen by the public eye, 1999 was a year of fast response and important changes.

1999 ACHIEVEMENTS IN CUSTOMER SERVICE

Employees

■ Retrained 7,000 front-line employees and all 2,500 managers in successful customer service techniques within just four months. As of year's end, 16,500 employees were retrained, with the entire work force to be completed by early 2000. ■ Implemented incentives to reward perfect attendance and quality service. ■ Prepared improved companywide communications to foster consistent dialogue – via revamped newsletter and voice mail, as well as soon-to-arrive intranet and computer kiosks in every crew base.

■ Revamped performance evaluation system for managers to better gauge leadership abilities/business results and to boost accountability ■ Established management incentives and bonuses to reward extraordinary business results. ■ Introduced mandatory training for all managers to enhance leadership skills.

Customers

■ Developed first-ever service guarantee in the American travel industry for implementation in 2000. ■ Standardized new quality guidelines (Right and Ready program) for all train services and amenities. ■ Enhanced customer convenience and grew online ticket sales by 158% with the relaunch of Amtrak's web site.

QUALITY

EXPECT

PICTURED ABOVE:
Companywide customer service training was supported by powerful reminder messages, CD-ROM refresher sessions, and handy pocket guides.

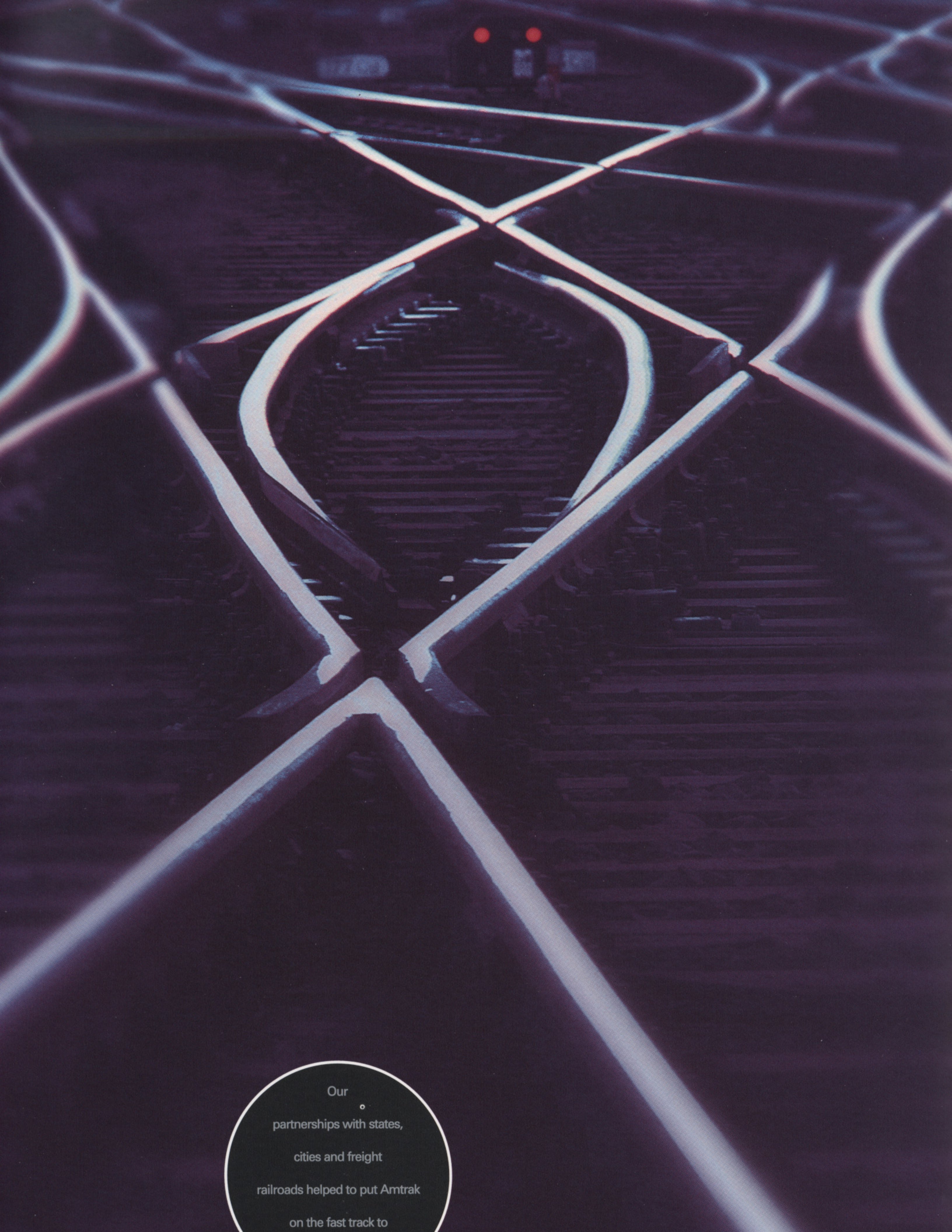
KEY STRATEGY 2

EXPANDING

AIL SERVICES

EXPEC

GROWTH



Our partnerships with states, cities and freight railroads helped to put Amtrak on the fast track to

THROUGHOUT THE YEAR, WE DEDICATED OURSELVES TO MEETING THE OVERWHELMING DEMAND FOR MORE RAIL SERVICE. The challenge was to fulfill that demand in ways that were financially viable. Careful Amtrak business planning, along with the participation of many states, cities and freight railroads, played a key role in our '99 successes. From added routes to faster trains, exciting new things happened all across the country, boosting Amtrak ridership and revenue.

1999 ACHIEVEMENTS IN RAIL SERVICES

New Service and Ridership Growth

▪ Oklahoma City to Fort Worth: Reintroduced this line for the first time in 20 years. ▪ Pacific Northwest: Debuted the Cascades service with new train equipment. Also added frequencies, resulting in a 12 percent ridership boost. ▪ California: Increased the number of roundtrips on the San Joaquins and Capitols corridors. The result was the highest ridership ever for the Capitols – up 18 percent, at 540,000. ▪ Texas: Developed local marketing initiatives and mail/express business on the Texas Eagle. This led to a ridership growth of over 9 percent.
▪ Northeast Corridor: Set third consecutive ridership record for Metroliners, with over 2.2 million passengers.
▪ Pennsylvania: Attained the greatest ridership increase ever on the Keystone Corridor – 18 percent – for a total of nearly one million customers. ▪ Maine: Began preparations for the fall 2000 launch of Boston-Portland service. ▪ Los Angeles to Las Vegas: Secured funding commitments from public and private sectors to initiate rail service by fall 2000 in this busy travel market. ▪ Cities: Formed rail-development partnerships with cities through the formation of the Amtrak Mayors' Advisory Council.

New High Speed Corridors

▪ High Speed Rail Development Department: Created specialized department to lead development efforts in the states. ▪ Midwest Regional Rail Initiative: Committed $25 million in capital to support planning and specific equipment and infrastructure improvements. ▪ California: Committed $25 million to support high speed rail development. Also undertook first statewide rail plan to develop 20-year vision for service in seven rail corridors. ▪ New York: Agreed to $185 million in joint funding for upgrades between New York and Buffalo. Also moved forward with work on equipment and station improvements.
▪ Pennsylvania: Formed $140 million capital-funding partnership with the Commonwealth to upgrade Keystone line equipment and infrastructure. ▪ North Carolina and Virginia: Finalized major high speed rail planning for equipment acquisition and infrastructure improvements.
▪ Southeast, Gulf Coast and Florida: Continued joint efforts to develop high speed rail corridors in these regions.

E X P E C T

G R O W T H

PICTURED ABOVE:
Oklahoma City, a-okay. This train line is humming, all the way to Fort Worth – due to new partnerships and careful planning.

KEY STRATEGY 3

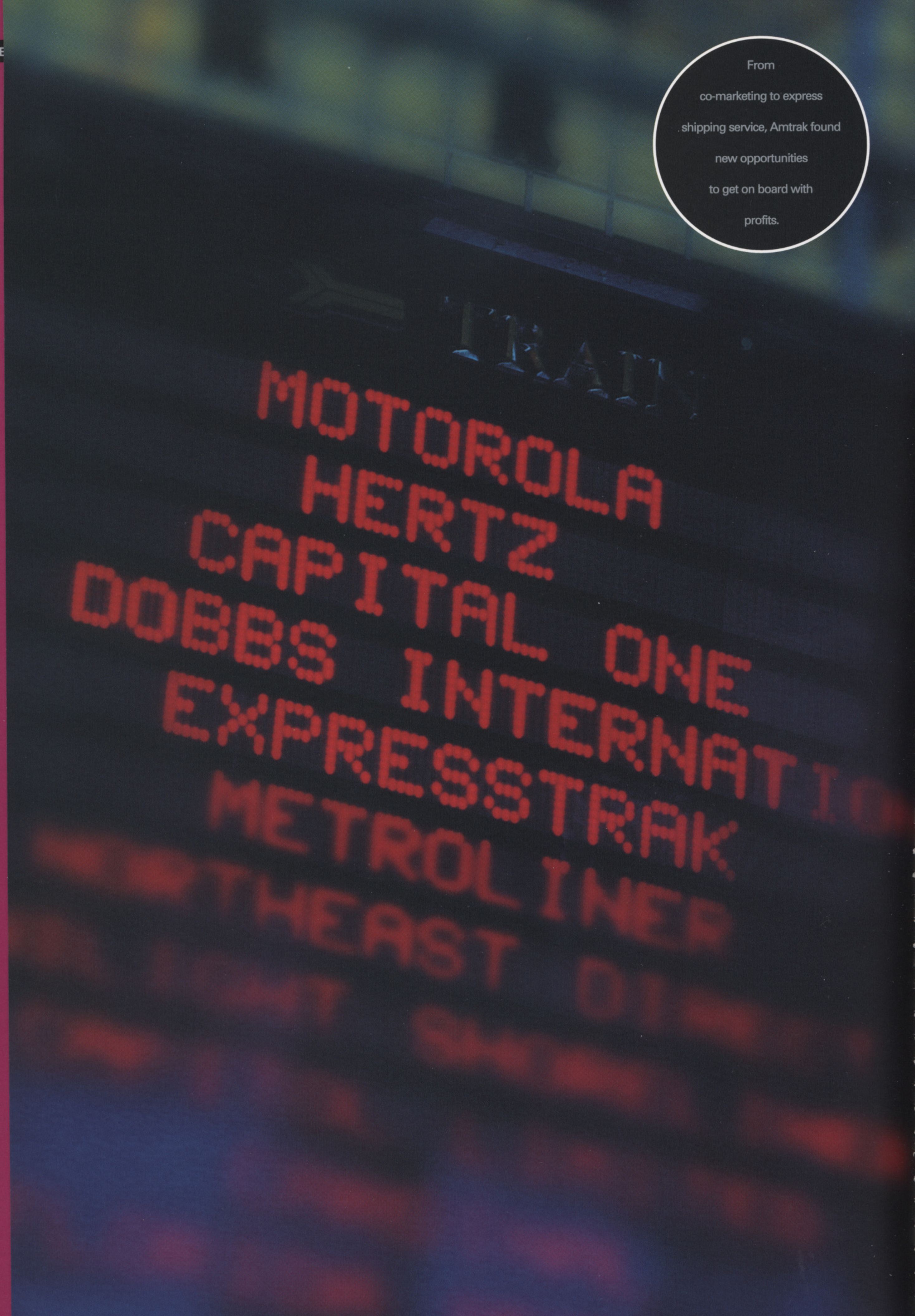
BUILDING A COMMERC

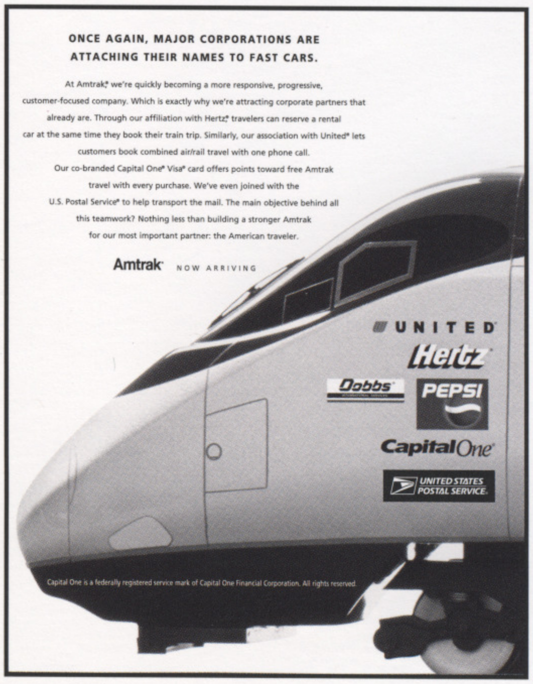
IAL ENTERPRISE

EXPEC

PROFITABILITY

From co-marketing to express shipping service, Amtrak found new opportunities to get on board with profits.





THE PATH TO OPERATIONAL SELF-SUFFICIENCY CAN ONLY BE REACHED BY MAXIMIZING EVERY ASSET, EVERY POSSIBLE WAY. We've taken this to heart. And, in 1999, we worked to find all potential business opportunities and generate profits in alternative lines of business. As a result, we forged powerful alliances – with private business as well as the public sector. These synergies will allow us to generate additional revenue and long-term cost savings.

PROFITABILITY

1999 ACHIEVEMENTS IN COMMERCIAL ENTERPRISE

Consumer

■ Dobbs International Services: By awarding a new contract, Amtrak was able to improve efficiency and quality of onboard food service. ■ Motorola: State-of-the-art fare collection system will allow Amtrak to simplify onboard transactions and revenue collection. ■ Capital One Bank: Amtrak Visa® Card with "Smartrak Rewards™" promoted Amtrak travel. ■ Hertz: Offered customers added value and convenience with option of car rental service at 18 rail stations ■ Major League Baseball: Creative marketing initiative and fare promotion supported Amtrak's Spring Getaway Fares and the baseball season.

Other Business Lines

■ Norfolk Southern: Agreement enabled Amtrak to tap the booming demand for mail and express shipping service in the Northeast. The agreement also allowed NS subsidiary Triple Crown Services to ship a portion of its Roadrailers on Amtrak. ■ Burlington Northern Santa Fe Railroad: Partnership made it possible to expand the burgeoning express shipment business of both companies, including handling of new BNSF refrigerated Roadrailers on Amtrak trains.

■ United States Postal Service: Amtrak expanded its service to include additional mail transport from Springfield, MA, and northern NJ to San Francisco, CA, Denver, CO and Seattle, WA. ■ Intermodal Shipping: Amtrak expanded partnership with intermodal marketing companies including Rail Van, Alliance Shippers and Hub Group. ■ Dynamex: New package express venture generated revenue for shipments between New York and Washington. ■ ExpressTrak Inc.: Amtrak entered the refrigerated carload business for the first time. ■ ALSTOM: A $34.7 million contract enabled Amtrak to overhaul 73 passenger rail cars for commuter service in California.

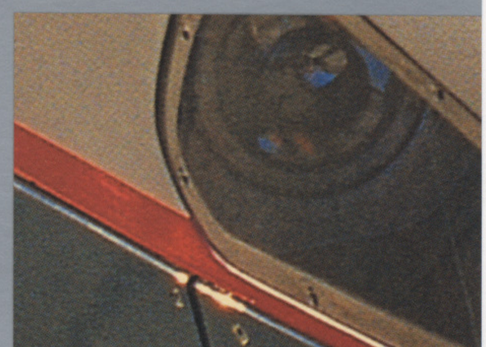
EXPECT

PICTURED ABOVE:
New partnerships formed throughout this year are key to helping us maximize our assets.

KEY STRATEGY 4

BRINGING HIGH SPEED

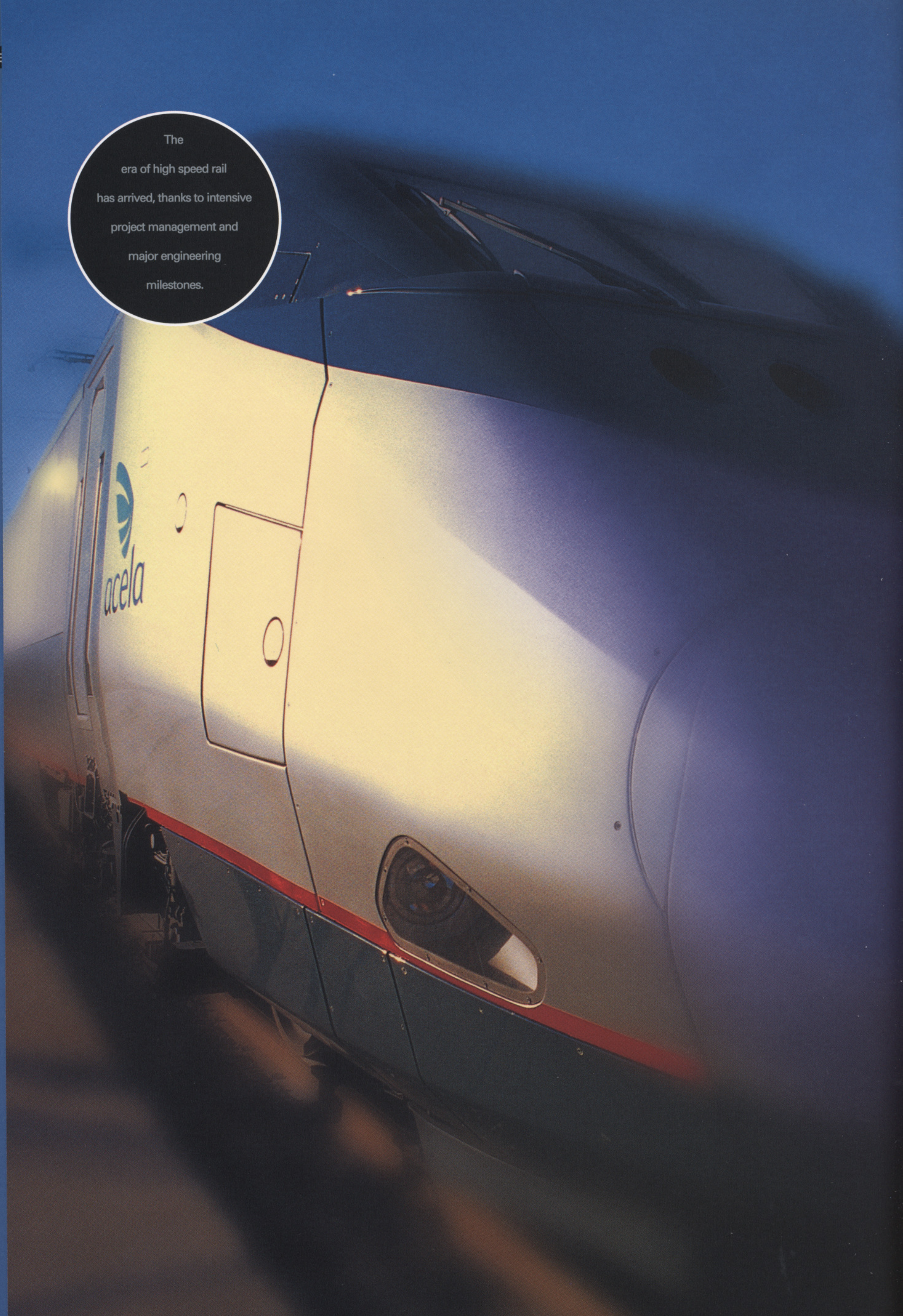
RAIL TO AMERICA



EXPEC

INNOVATION

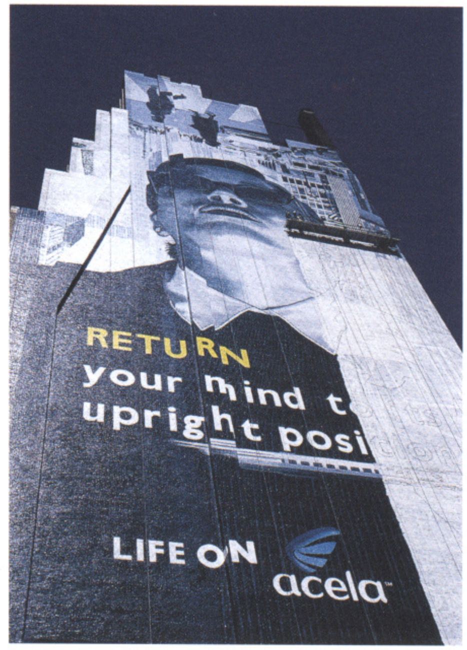
The era of high speed rail has arrived, thanks to intensive project management and major engineering milestones.



TOGETHER WITH OUR YEAR-LONG FOCUS ON SERVICE, GROWTH AND PROFITS, WE ARE MAKING HIGH SPEED RAIL A REALITY IN AMERICA. Through steady planning, preparation and aggressive project management, the stage is now set for the launch of the history-making Acela service in the Northeast. The expertise of Amtrak's Acela team throughout the year built the foundation to ensure the spring 2000 launch. The passing months revealed massive infrastructure, complex electrification, and major station upgrade work.

1999 ACHIEVEMENTS IN HIGH SPEED RAIL

▪ Electrification: Reached total of nearly 15,000 catenary poles and foundations and over 7 million feet of wire installed; began powering the new electrification system in August with 50 percent of the system powered by year-end. ▪ Infrastructure Improvements: Completed work on 160 curve modifications and 48 bridge conversions, removed or raised 22 overhead bridges, and laid nearly one-half million concrete ties. ▪ High Speed Tests: Broke U.S. speed records during successful testing in Rhode Island and New Jersey. Acela clocked in at 168 miles per hour, faster than any train has ever operated in the Northeast Corridor. ▪ Facilities: Constructed state-of-the-art facilities to support high speed rail, including high speed trainset maintenance facilities in Boston, New York, and Washington, DC, and a high speed training facility in Wilmington, DE. ▪ Equipment Upgrades: Refurbished 32 Amfleet coach and 8 Business Class cars for use in the Acela Regional Service.



ACELA: A NEW BRAND SIGNALS THE TRANSPORTATION OF THE NEW MILLENNIUM

Beginning in September, travelers throughout the Northeast were met everywhere with the Acela name. As the major ad campaign traveled from transit to outdoor to movie theaters, the word about Acela – and the buzz – picked up speed.

The progression from mysterious, dreamlike images to ads that featured more train-related visuals allowed Amtrak to intrigue consumers and establish the building of the unique Acela high speed train brand.

E X P E C T

I N N O V A T I O N

PICTURED ABOVE:
Visibility for Amtrak hit new heights this year. From buildings to newspapers, the Acela advertising and public relations campaign set the momentum for excitement.

FRONT ROW (LEFT TO RIGHT):

Stewart Simonson	Corporate Secretary
Anne W. Hoey	Vice President – Service Operations
Barbara J. Richardson	Executive Vice President
George D. Warrington	President and Chief Executive Officer
Lorraine A. Green	Vice President – Human Resources
Michael J. Rienzi	Vice President – Procurement
Lee W. Bullock	Vice President – Freight Railroad Affairs

BACK ROW

Edward V. Walker	President – Amtrak Intercity
Wanda Morris Hightower	Vice President & Counsel – Business Diversity & Strategic Initiatives
James T. Lloyd	Senior Vice President & General Counsel
Sandy Brown	Vice President – Government Affairs
E.S. Bagley, Jr.	President – Northeast Corridor
Joseph M. Bress	Vice President – Labor Relations

NOT PICTURED:

Arlene Friner	Chief Financial Officer
David J. Carol	Vice President – High Speed Rail Development
Gilbert O. Mallery	President – Amtrak West

OTHER OFFICERS:

Stephanie D. Audette	Controller
Carol J. Dillon	Treasurer
John M. Carten	Assistant Corporate Secretary

THE GOAL: OPERATIONAL SELF-SUFFICIENCY BY 2003.

The vision: a profitable, world-class railroad system. The business plan is sound; the results are many. But to sustain the progress we've already made and to realize the vision, capital investment in the system must remain.

High speed rail in the Northeast demonstrates Amtrak's progress. Yes, it requires significant capital. But it's also the means to generate revenues, reduce overall operating deficits, stimulate local economic development, minimize traffic congestion, and reap vital benefits for the environment.

GROWTH. INNOVATION. PROFITABILITY. SUCCESS.

With steady support for rail, the positive changes will stay in motion. And travelers will get the national rail service they expect.

As we travel into the new millennium, we're committed to making Amtrak the preferred travel experience – and to making you proud of your investment in a better quality of life for America.

RESULTS OF OPERATIONS

Amtrak's budget result of positive $8.0 million was ahead of plan. Budget result includes federal payments which support operations and excludes significant charges which do not require funding in the current year, principally depreciation.

Amtrak reported a 1999 net loss of $916.6 million compared with a 1998 net loss of $929.4 million, excluding federal operating payments, and Taxpayer Relief Act payments and related interest income received. The Taxpayer Relief Act of 1997 (TRA) provided Amtrak with $2.2 billion in funds to be used for qualified expenditures. TRA payments received and used for qualified expenditures other than depreciable assets are recorded as revenue. In 1999, no federal operating payments were received, and TRA payments of $191.3 million and related interest of $23.1 million were recorded to revenue – a total of $214.4 million. In 1998, federal operating payments received after December 2, 1997, of $172.0 million, and TRA payments of $370.1 million and related interest of $34.6 million were recorded to revenue – a total of $576.7 million. When these payments and related interest are included in revenues, the 1999 net loss was $702.2 million compared to $352.7 million in 1998.

Revenues grew 7.0% from $1,708.5 million in 1998 to $1,827.9 million in 1999, excluding federal operating payments, and TRA payments and related interest income received. Passenger related and other revenue, and reimbursable revenue improved in 1999 over 1998 levels. Including the federal payments and related interest, total revenues were $2,042.3 million in 1999 compared to $2,285.2 million in 1998. Total expenses increased to $2,744.5 million compared to $2,637.9 in 1998.

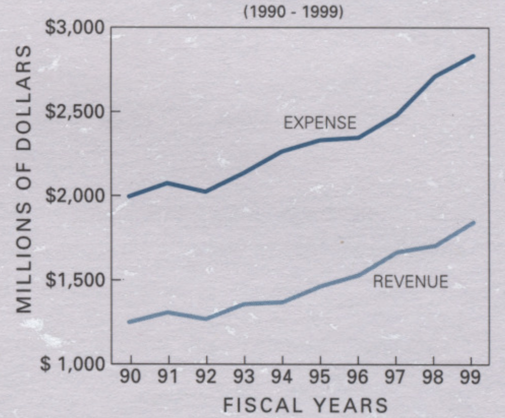
Chart A displays Amtrak's financial performance from 1990 to 1999.

Passenger related and other revenues increased 7.5% to $1,496.1 million in 1999 from $1,392.0 million in 1998. Passenger related revenues increased as a result of both a 5.9% ticket yield increase and a 2.0% ridership increase. Ridership increased to 21.5 million compared to 21.1 million in the prior year. Other revenues were higher overall, due to increases in state contributions, real estate sales, and mail and express services.

Total expenses increased 4.0% to $2,744.5 million in 1999 versus $2,637.9 million in 1998. This primarily reflected higher depreciation and train operations expenses, and increased facility and office expenses. More detail is provided for revenues and expenses later in the discussion.

CHART A

FINANCIAL PERFORMANCE
(1990 - 1999)



Note 1: FY94 expenses exclude $243.8 million in one-time charges. FY98-99 revenues exclude federal payments and interest earned on TRA funds, totaling $576.7 million and $214.4 million in each year, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Amtrak ended 1999 with $50.0 million of short-term borrowings under its lines of credit. This was $50.0 million better than the business plan had provided.

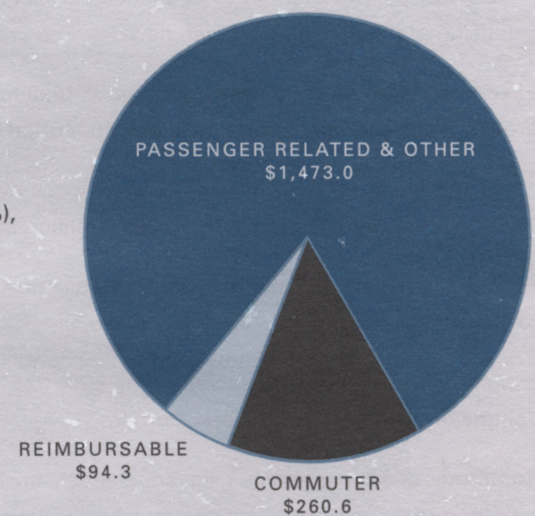
REVENUES

Chart B displays the sources of Amtrak revenue in 1999.

Passenger related and other revenue increased by 7.5% to $1,496.1 million in 1999 from $1,392.0 million in 1998. In 1999, **passenger related revenue** (from transportation, food, and beverage revenue) alone increased by 5.8% to $1,058.2 million in 1999 compared to $1,000.2 million in 1998. This marks the second year in a row that Amtrak's passenger related revenues for the year exceeded the $1 billion level. On a dollar and percentage basis, the greatest growth in 1999 occurred in the Northeast Corridor (8.0%) and Amtrak West (11.3%), followed by Amtrak Intercity (1.8%). The Northeast Corridor's and Amtrak Intercity's improvements were achieved despite September 1999 service disruptions caused by Hurricane Floyd. The product lines with the most significant ticket revenue growth were Amtrak Intercity's Western product line (8.3%); Northeast Corridor's *Metroliner* (9.6%) and *NortheastDirect* (5.4%) product lines; and Amtrak West's *Cascades* (31.0%) product line. The revenue improvement reflected increases in ridership (2.0%), passenger miles (0.5%), seat miles (5.7%), and ticket yield (5.9%).

CHART B

SOURCES OF REVENUE
(1999)
TOTAL $1,827.9 MILLION



Note 1: FY99 revenues exclude federal payments and interest earned on TRA funds, totaling $214.4 million.

Other revenue (from state contributions, commuter fees, freight railroad access fees, real estate operations and development, mail, baggage, express services, interest, and other) increased 11.8% to $437.9 million in 1999 from $391.8 million in 1998. Those categories contributing the most to this increase were state contributions, real estate and development, and mail and express services.

State contributions increased by 20.9% to $99.9 million in 1999 from $82.6 million in 1998. The favorable variance between 1999 and 1998 resulted mostly from service expansions in the states of California and Washington, as well as the reintroduction of service to Oklahoma after a 20-year absence.

Real estate and development revenues increased by 47.7% to $52.0 million in 1999 from $35.2 million in 1998, due to higher real estate sales in the Northeast Corridor.

Mail revenue increased 8.9%, to $80.6 million in 1999 from $74.0 million in 1998, as a result of additional mail volume generated from postal facilities in Minneapolis, MN and Philadelphia, PA. Also contributing to this increase was the extension of the mail network and new services provided by Amtrak's new hub in Louisville, KY.

Express services revenue nearly doubled in 1999 to $17.2 million as compared to $8.9 million in 1998, as a result of the growth in the carload express business, supported by increased capacity created by the receipt of new and modified express equipment.

Other income decreased by 2.7% to $95.6 million in 1999 from $98.3 million in 1998.

Fees paid by commuter rail companies for use of Amtrak's right-of-way decreased by 1.0% to $73.4 million in 1999 compared to $74.1 million in 1998.

Freight railroad access fees increased by 2.7% to $18.7 million in 1999 from $18.2 million in 1998, reflecting an increased volume of traffic in the Northeast Corridor.

Commuter operating revenue stayed relatively unchanged increasing to $260.6 million in 1999 from $259.9 million in 1998, reflecting revenue from seven commuter operating contracts under which Amtrak provides a variety of services including operations management, engineering, dispatching, signaling, and mechanical services.

Reimbursable revenues increased by 3.3% to $94.3 million in 1999 from $91.2 million in 1998, due to increased equipment leasing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

EXPENSES

Chart C displays the categories of expense for Amtrak in 1999.

Salaries, wages, and benefits increased 1.0% to $1,456.8 million in 1999 from $1,448.3 million in 1998. Employee benefits expenses increased 1.9%, primarily reflecting higher Railroad Retirement taxes and increased union health and welfare benefit costs.

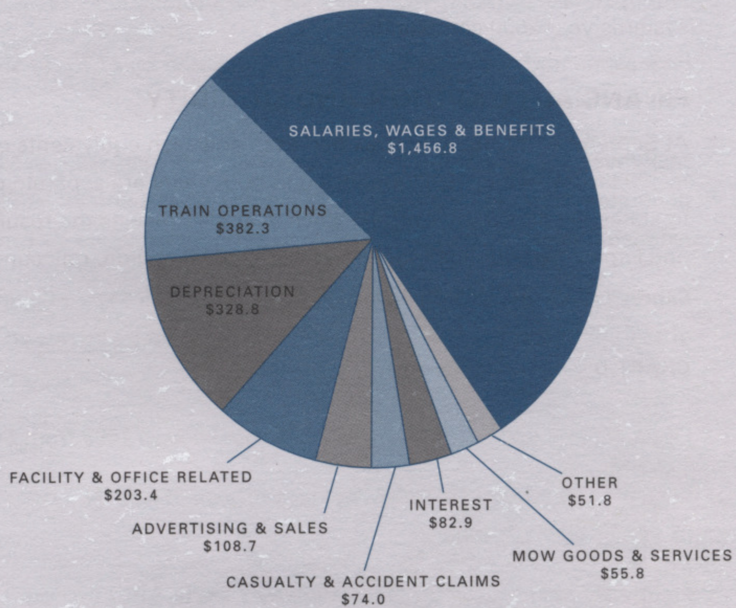
Approximately 90% of Amtrak's railroad employees are represented by labor unions under collective bargaining agreements with 13 different labor unions and two councils made up of some of those unions. The agreements currently in force will remain in effect through December 31, 1999, and thereafter until new agreements are reached or the Railway Labor Act's procedures are exhausted.

Non-labor train operations expenses increased 7.4% to $382.3 million in 1999 from $356.0 million in 1998. Costs related to schedule adherence and connection services, as well as to food and beverage supplies to support on-board services were higher. Decreases in fuel and electric power costs partially offset these increases.

Facility and office costs increased 6.9% to $203.4 million in 1999 from $190.3 million in 1998 as a result of higher staffing, distribution, and maintenance costs.

CHART C

EXPENSE CATEGORIES
(1999)
TOTAL $2,744.5 MILLION



Maintenance-of-way goods and services expense increased 6.9% to $55.8 million in 1999 from $52.2 million in 1998. The increase is associated with material, road maintenance, and rental costs incurred on scheduled right-of-way projects in the Northeast Corridor.

Advertising and sales costs increased 6.8% to $108.7 million in 1999 from $101.8 million in 1998, primarily reflecting higher advertising expenses.

Casualty and accident claims expense increased 5.9% to $74.0 million in 1999 from $69.9 million in 1998.

Interest expense decreased 5.4% to $82.9 million in 1999 from $87.6 million in 1998, primarily as a result of reduced interest costs associated with short-term borrowings.

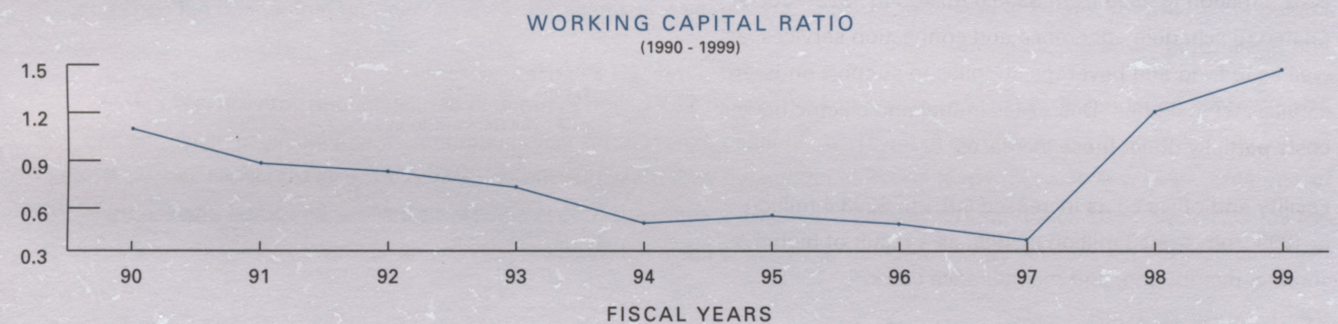
Depreciation and amortization expense increased 11.9% to $328.8 million in 1999 from $293.8 million in 1998, resulting from new equipment acquisitions.

Other expenses increased 36.3% to $51.8 million in 1999 from $38.0 million in 1998. This increase reflects lower capital project activity and the reduced transfers of costs to capital, as well as increased costs associated with making operating systems year 2000 compliant.

FINANCIAL CONDITION AND LIQUIDITY

At September 30, 1999, Amtrak had cash and cash equivalents of $143.5 million. The working capital ratio increased to 1.49 in 1999 from 1.40 in 1998. Reflected in both years are separate draws of $1.2 billion of TRA funds less $69.7 million paid to states not served by Amtrak. Each year also reflects the resulting interest income earned on those funds. Current debt and capital lease obligations decreased by $7.2 million, reflecting current debt paydowns. Chart D displays Amtrak's working capital ratio from 1990 to 1999.

CHART D

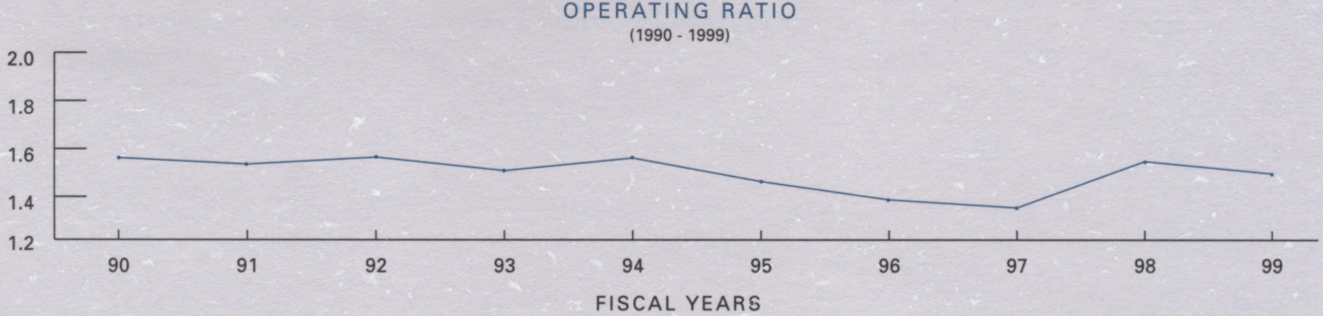


Long-term debt and capital lease obligations increased $256.6 million related to equipment purchases and investments in high-speed trainsets and maintenance facilities currently under construction. When complete, Amtrak estimates that this investment will result in additional borrowings totaling in excess of $800 million by the end of fiscal year 2000.

Amtrak had a $121.0 million unsecured bank credit facility which was scheduled to expire in December 1999. Borrowings under this agreement bore interest based on the London Interbank Offered Rate, certificate of deposit rates, or prime rate, and were subject to certain conditions. Amtrak pays various fees on its credit lines. In November 1999, Amtrak replaced the $121.0 million credit facility with a new $120.0 million credit facility under substantially the same terms, expiring in November 2000.

As shown in Chart E, Amtrak has improved its operating ratio (the ratio of total expense to total revenue) from 1.54 in 1990 to 1.50 in 1999. The 1998 and 1999 operating ratios exclude revenues associated with federal operating payments and TRA payments, along with interest income earned on TRA funds.

CHART E



Note 1: FY94 expenses exclude $243.8 million in one-time charges. FY98-99 revenues exclude federal payments and interest earned on TRA funds, totaling $576.7 million and $214.4 million in each year, respectively.

OUTLOOK

Subsequent to 1997 year end, federal legislation was passed which had a significant positive impact on Amtrak's financial condition. Following is a discussion of this legislation.

As enacted, the Amtrak Reform and Accountability Act of 1997 (the Act) (i) provided Amtrak access to $2.2 billion to fund capital and other qualified expenditures under the Taxpayer Relief Act of 1997, (ii) authorized reforms to Amtrak operations, (iii) specified a goal of operating self-sufficiency at the end of five years, and (iv) established new and additional oversight processes. The Act also established that no additional preferred stock would be issued by Amtrak in exchange for federal grants received on or after December 2, 1997, and authorized operating and capital grants for 1998 through 2002. Significant components of the Act also included the repeal of the requirement for Amtrak to operate a federally-mandated basic route system for passenger service, the elimination of the statutory prohibition on contracting work out, and the appointment of a new Board of Directors. In addition, the Act provided for the establishment of a Reform Council, responsible to Congress, to review, evaluate, and recommend changes to improve Amtrak's financial performance. The Council is required to provide reports to Congress. If at any time after October 2000 the Council finds that Amtrak will not meet the goal of operating self-sufficiency by fiscal year 2003, plans for Amtrak's restructuring or liquidation must be prepared. Although Amtrak faces challenges in meeting its goals, it has a business plan in place to support its efforts to reach operating self-sufficiency and has achieved positive results to date. Specifically, Amtrak has expanded its services and increased ridership while also implementing improvements in customer service, pursuing new business ventures, developing high-speed rail corridors, and maximizing commercial opportunities.

The Taxpayer Relief Act of 1997 (TRA) provided Amtrak with $2.2 billion in funds to be used, along with interest earned, for qualified expenditures as defined in the TRA. Qualified expenditures include equipment and facility acquisitions and improvements, as well as any interest and debt associated with these purchases. Amtrak expects that it will always require federal capital support. Although this funding significantly improved Amtrak's ability to achieve its capital goals in the nearer term, it did not address Amtrak's longer-term needs for a dedicated capital funding source.

YEAR 2000 ISSUE

Since October 1996 Amtrak has been working toward making its operating systems year 2000 compliant through the use of dedicated staff and outside programming resources. Systems and equipment with date-sensitive components have been inventoried, tested, and upgraded where necessary. Critical systems and equipment are year 2000 ready, and contingency plans are in place to quickly address any unanticipated problems that may affect Amtrak's operations and systems during the year 2000 calendar change.

RESULTS OF MAJOR BUSINESS UNITS

Table 1 shows the 1999 and 1998 operating results for Amtrak's three strategic business units – Amtrak Intercity, Northeast Corridor, and Amtrak West – and for the corporate service centers and offices (Corporate) which collectively serve all three units. This data is supplemental, unaudited information. Certain reclassifications have been made to the prior year's amounts to conform with the 1999 presentation. Revenues for 1999 and 1998 include federal payments consisting of federal operating payments and TRA payments (including the related interest income). These amounts are excluded for purposes of computing each unit's and Amtrak's restated operating loss and budget result, under "Exclude Federal Payments". These amounts are also excluded for purposes of discussing revenues. Beginning in 1999, expenses incurred by Corporate on behalf of the units are allocated across units, and shown as "Corporate Allocation". Accordingly, 1998 results are restated for comparative purposes.

TABLE 1.

$ Millions	Intercity		NEC		West		Corporate		Total	
	FY 99	FY 98	FY 99	FY 98	FY 99	FY 98	FY 99	FY 98	FY 99	FY 98
Revenues	$ 578.4	$ 689.9	$ 984.3	$1,066.7	$240.3	$269.9	$ 239.3	$ 258.7	$2,042.3	$2,285.2
Expenses	812.6	792.8	1,131.9	1,085.6	323.7	309.4	476.3	450.1	2,744.5	2,637.9
Operating Loss	(234.2)	(102.9)	(147.6)	(18.9)	(83.4)	(39.5)	(237.0)	(191.4)	(702.2)	(352.7)
Exclude Federal Payments	-	(148.7)	-	(136.5)	-	(47.2)	(214.4)	(244.3)	(214.4)	(576.7)
Operating Loss Restated	(234.2)	(251.6)	(147.6)	(155.4)	(83.4)	(86.7)	(451.4)	(435.7)	(916.6)	(929.4)
Federal Support	218.3	92.7	273.2	94.5	84.2	17.4	11.6	220.9	587.3	425.5
Net Operating Income (Loss)	(15.9)	(158.9)	125.6	(60.9)	0.8	(69.3)	(439.8)	(214.8)	(329.3)	(503.9)
Noncash	110.4	139.3	187.3	222.5	22.3	29.7	17.3	13.4	337.3	404.9
Net Intercompany Results	(121.6)	(108.2)	28.7	28.5	16.2	18.5	76.7	61.2	-	-
Corporate Allocation	(173.1)	(70.9)	(138.3)	(55.7)	(34.4)	(13.6)	345.8	140.2	-	-
Budget Result	$(200.2)	$(198.7)	$ 203.3	$ 134.4	$ 4.9	$ (34.7)	$ -	$ -	$ 8.0	$ (99.0)

In the above table, Amtrak Intercity's operating loss excluding federal payments was favorable in 1999 as compared to 1998. These results primarily reflect increased revenues associated with increased mail volume and expanded express service. Higher expenses were mainly associated with expanded express service.

The Northeast Corridor's 1999 operating loss excluding federal payments was favorable compared to 1998, reflecting increases in passenger revenues and real estate sales. Higher expenses were primarily related to advertising and depreciation expense.

Amtrak West's operating loss excluding federal payments was lower than 1998. This favorable variance was due to higher passenger and state support revenues in 1999. Expenses were higher in 1999, primarily related to train operations and depreciation expenses.

Compared to 1998, Corporate expenses in 1999 reflect higher salaries and wages, as well as higher costs associated with making operating systems year 2000 compliant. Revenues excluding federal payments and interest earned on TRA funds were higher than 1998, reflecting increased equipment leasing activities and higher interest income earned on non-TRA funds.

THE BOARD OF DIRECTORS
NATIONAL RAILROAD PASSENGER CORPORATION:

We have audited the accompanying consolidated balance sheet of National Railroad Passenger Corporation (Amtrak) as of September 30, 1999, and the related statements of operations and comprehensive loss, cash flows, and changes in capitalization for the year then ended. These financial statements are the responsibility of Amtrak's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The accompanying consolidated financial statements of Amtrak as of September 30, 1998, were audited by other auditors whose report thereon dated December 14, 1998, expressed an unqualified opinion on those statements, with an explanatory paragraph relating to the requirement for Amtrak to achieve operational self-sufficiency; as defined in the Amtrak Reform and Accountability Act of 1997.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1999 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Amtrak and subsidiaries as of September 30, 1999, and the results of their operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in note 4 to the consolidated financial statements, the Amtrak Reform and Accountability Act of 1997 (the Act) reinforced the requirement for Amtrak to achieve operating self-sufficiency (as defined in the Act) by fiscal year 2003 and provided for the establishment of a Reform Council. If the Reform Council, at any time after October 2000, finds that Amtrak will not meet its goal of operating self-sufficiency by fiscal year 2003, plans for Amtrak's restructuring or liquidation must be prepared.

KPMG LLP

December 6, 1999
Washington, DC

CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 1999	September 30, 1998
	(Thousands of dollars)	
Current Assets:		
Cash and cash equivalents	$ 143,450	$ 274,665
Temporary cash investments	593,694	409,737
Accounts receivable, net of allowance for doubtful accounts of $3,687 and $915 in 1999 and 1998, respectively	84,528	88,708
Materials and supplies	103,102	91,624
Other current assets	11,874	3,381
Total current assets	936,648	868,115
Property and Equipment:		
Property and equipment	10,492,063	9,456,439
Less—Accumulated depreciation and amortization	(3,431,383)	(3,106,929)
	7,060,680	6,349,510
Other Assets and Deferred Charges	97,643	87,646
Total assets	$ 8,094,971	$ 7,305,271

The accompanying notes are an integral part of these consolidated balance sheets.

LIABILITIES AND CAPITALIZATION

	September 30, 1999	September 30, 1998
	(Thousands of dollars)	
Current Liabilities:		
Accounts payable	**$ 282,495**	$ 270,784
Accrued expenses and other current liabilities	**179,005**	186,702
Deferred ticket revenue	**70,999**	61,367
Current maturities of long-term debt and capital lease obligations	**94,972**	102,212
Total current liabilities	**627,471**	621,065
Long-Term Debt and Capital Lease Obligations:		
Capital lease obligations	**1,220,999**	1,213,100
Equipment and other debt	**571,226**	322,545
	1,792,225	1,535,645
Other Liabilities and Deferred Credits:		
Deferred federal payments	**755,373**	457,045
Casualty reserves	**119,402**	136,177
Postretirement employee benefits obligation	**122,381**	118,358
Environmental reserve	**36,028**	35,394
Advances from railroads and commuter agencies	**29,233**	20,558
Other	**5,159**	1,545
	1,067,576	769,077
Total liabilities	**3,487,272**	2,925,787
Commitments and Contingencies		
Capitalization (see Consolidated Statements of Changes in Capitalization)	**4,607,699**	4,379,484
Total liabilities and capitalization	**$8,094,971**	$7,305,271

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE YEAR ENDED	September 30, 1999	September 30, 1998
	(Thousands of dollars)	
Revenues:		
Passenger related and other	**$1,496,130**	$1,391,970
Commuter	**260,643**	259,931
Reimbursable	**94,295**	91,184
Federal payments	**191,261**	542,128
Total revenues	**2,042,329**	2,285,213
Expenses:		
Salaries, wages, and benefits	**1,456,804**	1,448,285
Train operations	**382,312**	355,972
Facility and office related	**203,374**	190,300
Maintenance of way goods and services	**55,806**	52,247
Advertising and sales	**108,754**	101,773
Casualty and accident claims	**73,972**	69,946
Interest	**82,890**	87,597
Depreciation and amortization	**328,816**	293,776
Other	**51,819**	37,999
Total expenses	**2,744,547**	2,637,895
Net loss	**702,218**	352,682
Other comprehensive loss:		
Unrealized loss on temporary cash investments	**5,108**	–
Comprehensive loss	**$ 707,326**	$ 352,682

The accompanying notes are an integral part of these consolidated financial statements.

FOR THE YEAR ENDED	September 30, 1999	September 30, 1998
	(Thousands of dollars)	
Cash Flows From Operating Activities:		
Net loss	$ (702,218)	$ (352,682)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	328,816	293,776
Other	11,297	(1,267)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	4,180	(7,061)
Increase in materials and supplies	(11,478)	(423)
(Increase) decrease in other current assets	(8,493)	8,629
Increase in other assets and deferred charges	(11,234)	(7,064)
Increase in accounts payable, deferred ticket revenue, and accrued expenses and other current liabilities	13,646	117,915
Increase in deferred federal payments	298,328	457,045
Increase (decrease) in other liabilities and deferred credits	171	(8,066)
Net cash (used in) provided by operating activities	(76,985)	500,802
Cash Flows From Investing Activities:		
Purchases and refurbishments of property and equipment	(819,222)	(833,764)
Proceeds from disposals of property and equipment	2,172	414
Purchase of temporary cash investments	(1,670,815)	(1,229,739)
Proceeds from dispositions of temporary cash investments	1,470,453	821,269
Net cash used in investing activities	(1,017,412)	(1,241,820)
Cash Flows From Financing Activities:		
Proceeds from issuance of preferred stock	-	306,252
Proceeds from federal paid-in capital	879,311	713,247
Proceeds from federal and state payments	56,230	32,822
Proceeds from borrowings	177,497	238,423
Repayments of debt and capital lease obligations	(149,856)	(311,437)
Net cash provided by financing activities	963,182	979,307
Net (decrease) increase in cash and cash equivalents	(131,215)	238,289
Cash and cash equivalents—beginning of year	274,665	36,376
Cash and cash equivalents—end of year	$ 143,450	$ 274,665

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITALIZATION

	Preferred stock	Common stock	Other paid-in capital	Accumulated deficit & comprehensive loss	Totals
			(Thousands of dollars)		
Balance at September 30, 1997	$10,633,447	$93,857	$5,725,210	$(12,772,669)	$ 3,679,845
Issuance of preferred stock:					
Operating grant	30,000	–	–	–	30,000
Capital grant	134,252	–	–	–	134,252
Mandatory passenger rail service payments	142,000	–	–	–	142,000
Federal paid-in capital	–	–	713,247	–	713,247
Federal and state capital payments	–	–	32,822	–	32,822
Net loss	–	–	–	(352,682)	(352,682)
Balance at September 30, 1998	10,939,699	93,857	6,471,279	(13,125,351)	4,379,484
Federal paid-in capital	–	–	879,311	–	879,311
Federal and state capital payments	–	–	56,230	–	56,230
Net loss	–	–	–	(702,218)	(702,218)
Unrealized loss on temporary cash investments	–	–	–	(5,108)	(5,108)
Balance at September 30, 1999	**$10,939,699**	**$93,857**	**$7,406,820**	**$(13,832,677)**	**$ 4,607,699**

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: NATURE OF OPERATIONS

The National Railroad Passenger Corporation (Amtrak) is an operating railroad, whose stock is primarily owned by the United States government through the United States Department of Transportation. Its principal business is to provide national rail passenger transportation service in the major intercity travel markets of the United States to the general public. The corporation is grouped into three strategic business units organized along geographic and market segment lines. The Northeast Corridor primarily serves the region stretching from Virginia to Maine. The West serves the California-to-Washington State region. The Intercity serves regions between the two. Based on total revenues, the Northeast Corridor is the largest of the three, followed by the Intercity, then the West.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements reflect the consolidated operations of Amtrak, its wholly-owned subsidiaries Chicago Union Station Company (CUS), Washington Terminal Company, and Passenger Railroad Insurance, Limited (PRIL); and its 99% interest in 30th Street Limited, L.P. (TSL). All significant intercompany transactions have been eliminated.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements and footnotes to conform with the 1999 presentation.

Income Taxes

Amtrak has accumulated a net operating loss (NOL) carryforward balance of $8.4 billion as of December 31, 1998, that is available to offset future taxable income. Amtrak has not recognized a deferred tax asset, as the tax benefit of the NOL carryforward is unlikely to be realized in future years. For each of the fiscal years 1998 and 1999, Amtrak's NOL balance was reduced by $3.3 billion for funding received under the Taxpayer Relief Act of 1997 (see Note 4).

Ticket Revenue

Ticket sales are recognized as operating revenues when the related transportation services are furnished. Tickets which have been sold but not used are presented as "Deferred ticket revenue" in the Consolidated Balance Sheets.

Contracted Services

The Consolidated Statements of Operations and Comprehensive Loss include the gross revenues earned and expenses incurred under contractual arrangements to operate various commuter rail services, to provide access to the Northeast Corridor and other Amtrak-owned facilities, and to perform reimbursable services for freight railroads and others.

Cash Equivalents

Amtrak considers all financial instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

Temporary Cash Investments

Amtrak holds short-term debt securities with original maturities ranging from 3 months to almost 6 years. These instruments are being accounted for as available-for-sale securities. The investments are carried at fair value with the unrealized gains and losses reported as a separate component of equity. The chart below summarizes these instruments by security type (in thousands):

	Market Value		Unrealized Gains (Losses)	
	1999	1998	1999	1998
U.S. Treasury debt securities	$268,892	$139,678	$(1,116)	$ –
Corporate debt securities	126,719	174,889	(2,751)	–
Mortgage backed debt securities	79,009	95,170	101	–
Asset backed debt securities	119,074	–	(1,342)	–
	$593,694	$409,737	$(5,108)	$ –

The net unrealized loss of $5,108,000 (gross unrealized losses of $5,394,000 and gross unrealized gains of $286,000) is included in accumulated comprehensive loss at September 30, 1999. The market value of investments approximated cost at September 30, 1998. Gross realized gains and losses on sales totaled $3,071,000 and $7,925,000 during 1999, respectively. Gross realized gains and losses on sales totaled $1,865,000 and $351,000 during 1998, respectively. The cost of securities sold is determined on a specific identification basis. During 1999 and 1998, proceeds from the sales of investments totaled $1,470,453,000 and $821,269,000, respectively.

Materials and Supplies

Materials and supplies, which are stated at lower of weighted average cost or market, consist primarily of items for maintenance and improvement of property and equipment. An allowance for obsolescence is provided for materials and supplies.

Property and Depreciation

Property and equipment are stated at cost, and are depreciated over their estimated useful lives using the straight-line composite group method. Under this method, ordinary gains and losses on dispositions are recorded to accumulated depreciation. Property acquired through capital lease agreements is recorded as an asset and is amortized over the shorter of its estimated useful life or the lease term. Expenditures that significantly increase asset values or extend useful lives are capitalized. Repair and maintenance expenditures are charged to operating expense when the work is performed. The cost of internally developed software is capitalized and amortized over a five-year period.

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets, and include cash funding received from federal grants. Where impairment is indicated, the assets are evaluated for sale or other disposition, and their carrying amount is reduced to fair value based on discounted net cash flows, or other estimates of fair value.

Casualty Losses

Provision is made for Amtrak's portion of the estimated liability for unsettled casualty and accident claims. The current portion of this liability is included in the Consolidated Balance Sheets under "Accrued expenses and other current liabilities". The non-current portion is classified as "Casualty reserves". As of September 30, 1999 and 1998, the current claims liability included in accrued expenses and other current liabilities was $79,800,000 and $70,000,000, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Changes

other changes to net assets from nonowner sources) and its components in the financial statements. Amtrak presents comprehensive income (loss) in its Consolidated Statements of Operations and Comprehensive Loss. Adoption of SFAS 130 had no impact on total capitalization or net loss, or on prior year consolidated statements.

Amtrak adopted Statement of Financial Accounting Standards No. 132 (SFAS 132), "Employers' Disclosures about Pension and Other Postretirement Benefits", effective October 1, 1998. SFAS 132 revises disclosures about pension and other postretirement benefit plans, but does not change the measurement or recognition of liabilities associated with such plans (see Note 11).

NOTE 3: ACCOUNTING AND REPORTING FOR GOVERNMENT PAYMENTS

Prior to fiscal year 1999, funds were provided to Amtrak through federal and state payments for operations and for capital acquisitions and improvements. For funds received from the federal government prior to December 2, 1997, the Rail Passenger Service Act (49 U.S.C. 24304) required Amtrak to issue to the United States Secretary of Transportation preferred stock equal in par value to all federal operating payments and most federal capital payments received subsequent to October 1, 1981, as well as capital and certain operating payments received prior to that date. The 1997 Amtrak Reform and Accountability Act (see Note 4) established that no additional preferred stock be issued by Amtrak in exchange for federal grants received on or after December 2, 1997. Also, the Taxpayer Relief Act of 1997 (TRA) provided Amtrak with $2.2 billion in funds to be used for qualified expenditures as defined in the TRA (see Note 4). Accordingly, Amtrak revised its method of recording and presenting federal payments received on or after December 2, 1997.

Federal operating payments received on or after December 2, 1997, which totaled $172,000,000 were recorded as revenue under "Federal payments" in the 1998 Consolidated Statement of Operations and Comprehensive Loss. Beginning in fiscal year 1999, Amtrak began receiving federal capital payments alone to be used for qualified capital expenditures. In fiscal year 1999, Amtrak received no federal operating payments. These federal capital payments are recorded to federal paid-in capital when received, and totaled $242,692,000 in 1999.

TRA payments received that are used to acquire depreciable assets, are recorded as federal paid-in capital. Such acquisitions totaled $602,221,000 and $264,637,000 in 1999 and 1998, respectively. Payments used for other qualified expenditures are recorded as revenue, with $191,260,000 and $370,128,000 recognized in 1999 and 1998, respectively, as "Federal payments" in the Consolidated Statements of Operations and Comprehensive Loss. Unexpended TRA payments are included in the Consolidated Balance Sheets as "Deferred federal payments".

NOTE 4: BUSINESS CONDITION AND CASH FLOW

Under the Rail Passenger Service Act of 1970, Amtrak was created in 1971 and authorized to operate a nationwide system of passenger rail transportation. To operate the national passenger rail system and maintain the underlying infrastructure of that system, Amtrak relies on grants provided by the federal and state governments to supplement passenger and other revenues generated from operations.

In August and December 1997, federal legislation was passed that (i) provided Amtrak access to $2.2 billion to fund capital and other qualified expenditure needs, (ii) authorized significant reforms to Amtrak operations, (iii) specified a goal of operating self-sufficiency in the next five years, and (iv) established new and additional oversight processes.

Amtrak Reform and Accountability Act of 1997

The Amtrak Reform and Accountability Act of 1997 (the Act) (Public Law 105-134) provided Amtrak access to $2.2 billion that was included in the Taxpayer Relief Act of 1997, and authorized operating and capital grants for 1998 through 2002. Significant components of the Act also included the repeal of the requirement for Amtrak to operate a federally-mandated basic route system for passenger service, the elimination of the statutory prohibition on contracting work out, and the appointment of a new Board of Directors. In addition, the Act provided for the establishment of a Reform Council, responsible to Congress, to review, evaluate, and recommend changes to improve Amtrak's financial performance. The Council is required to provide reports to Congress. If at any time after October 2000 the Council finds that Amtrak will not meet the goal of operating self-sufficiency by fiscal year 2003, plans for Amtrak's restructuring or liquidation must be prepared. Therefore, it is critical for Amtrak to continue its efforts to improve operations, further reduce costs, and increase revenues.

Taxpayer Relief Act of 1997

The Taxpayer Relief Act of 1997 (TRA) (Public Law 105-34) provided Amtrak with $2.2 billion in funds to be used, along with interest earned, for qualified expenditures as defined in the TRA. Qualified expenditures include equipment and facility acquisitions and improvements, as well as any interest and debt associated with these purchases. Qualified expenditures also include those related to maintenance of equipment. Amtrak expects that it will always require federal capital support. Although this funding significantly improved Amtrak's ability to achieve its capital goals in the nearer term, it did not address Amtrak's longer-term needs for a dedicated capital funding source.

For each of the fiscal years 1998 and 1999, Amtrak received $1.2 billion of TRA funds, of which $69,690,000 was paid to states not served by Amtrak. At September 30, 1999 and 1998, "Cash and cash equivalents" and "Temporary cash investments" in the Consolidated Balance Sheets include $704,751,000 and $646,915,000 of unspent TRA funds, respectively, including accrued interest. Interest revenue earned on TRA funds during 1999 and 1998 amounted to $23,111,000 and $34,626,000, respectively, and is included in "Passenger related and other" in the Consolidated Statements of Operations and Comprehensive Loss.

NOTE 5: FEDERAL AND STATE FUNDING

Prior to fiscal year 1999, funds were provided to Amtrak through federal and state payments for operations and for capital acquisitions and improvements. Beginning in fiscal year 1999, funds are provided to Amtrak through federal payments for qualified capital expenditures, which include capital improvements and maintenance of equipment. Public Law 106-69 approved on October 9, 1999, provides $571,000,000 in federal funds to Amtrak for fiscal year 2000, for qualified capital expenditures.

Federal paid-in capital, included in the Consolidated Statements of Changes in Capitalization, includes certain funding received from the federal government to finance acquisition of and improvements to property and equipment. In exchange for past and prospective funding, Amtrak issued two promissory notes to the United States. The first note with a balance of $1.1 billion matures on November 1, 2082, with successive 99-year renewal terms, and is secured by certain Amtrak rolling stock. The second note with a balance of $4.0 billion matures on December 31, 2975, and is secured by Amtrak's real property. Neither of the notes bears interest, unless prepaid (which Amtrak does not intend to do). The federal government's security interest in Amtrak's real property and certain rolling stock entitles it to repayment plus interest in the event Amtrak ceases operations, is acquired by another entity, or seeks relief under bankruptcy or insolvency laws.

NOTE 6: PREFERRED AND COMMON STOCK

For funds received from the federal government prior to December 2, 1997, the Rail Passenger Service Act (49 U.S.C. 24304) required Amtrak to issue to the United States Secretary of Transportation preferred stock equal in par value to all federal operating payments and most federal capital payments received subsequent to October 1, 1981, as well as capital and certain operating payments received prior to that date. At September 30, 1999 and 1998, 109,396,994 shares of $100 par value preferred stock were authorized, all of which were issued and outstanding. All issued and outstanding preferred shares are held by the Secretary of Transportation for the benefit of the federal government. The Amtrak Reform and Accountability Act (the Act) (see Note 3) resulted in significant modifications to Amtrak's capital structure. The Act abolished the voting rights and the liquidation preference of the preferred stockholder, and continued accrual of the 6% annual cumulative preferred stock dividend; and established that no additional preferred stock be issued by Amtrak in exchange for federal grants received.

At September 30, 1999 and 1998, 10,000,000 shares of $10 par value common stock were authorized, of which 9,385,694 shares were issued and outstanding. The common stockholders have voting rights for amendments to Amtrak's articles of incorporation proposed by the Board of Directors. The Act also requires Amtrak to redeem at fair market value the shares of common stock outstanding as of December 2, 1997, by the end of fiscal year 2002.

NOTE 7: PROPERTY AND EQUIPMENT

Total property and equipment presented in the Consolidated Balance Sheets consisted of the following at September 30, 1999 and 1998 (in thousands):

	1999	1998
Locomotives	$ 1,094,405	$ 1,037,997
Passenger cars	2,232,622	2,149,514
Other rolling stock	255,191	213,245
Right-of-way properties	5,132,626	4,397,416
Other properties	1,558,327	1,439,236
Leasehold improvements	218,892	219,031
	10,492,063	9,456,439
Less—Accumulated depreciation and amortization	(3,431,383)	(3,106,929)
Net property and equipment	$ 7,060,680	$ 6,349,510

NOTE 8: DEBT

Total debt presented in the Consolidated Balance Sheets consisted of the following at September 30, 1999 and 1998 (in thousands):

	1999		1998	
	Current	Long-term	Current	Long-term
Equipment obligations	$ 7	$509,259	$ –	$258,939
Credit agreements	50,000	–	50,000	–
Notes payable	1,504	20,000	10,560	21,510
Bonds	–	30,000	–	30,000
Construction loan	–	–	2,823	–
UDAG loan	130	11,967	130	12,096
	$51,641	$571,226	$63,513	$322,545

Under separate financing arrangements, Amtrak may borrow up to $870 million toward the construction of high-speed rail locomotives and trainsets, and related maintenance facilities. As of September 30, 1999, outstanding advances made on Amtrak's behalf totaled $487,694,000. Interest charged on outstanding advances is based on the London Interbank Offered Rate (LIBOR) and is being capitalized during the construction phase. During 1999 and 1998, $8,827,000 and $1,120,000 of interest was capitalized, respectively. Final delivery of all locomotives and trainsets is expected by November 2000, and the maintenance facilities are nearly complete. Semi-annual principal plus interest payments on these borrowings will commence 12 months after final delivery of the equipment/completion of the facilities, and continue over 20-year terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

Amtrak has entered into a loan agreement to fund the overhaul and refurbishment of certain locomotives. Amounts borrowed incur interest based on the LIBOR, payable semi-annually. The $10,703,000 outstanding balance at September 30, 1999, is due in full in September 2001.

Amtrak has entered into a loan agreement to fund certain facility construction activities. Amounts borrowed incur interest based on the LIBOR, payable semi-annually. The $10,854,000 outstanding balance at September 30, 1999, will be repayable in 30 consecutive semi-annual installments commencing no later than February 2003.

Amtrak has a $121,000,000 revolving credit facility with a consortium of banks which was scheduled to expire in December 1999. Borrowings under this agreement bear interest based on the LIBOR, certificate of deposit rates, prime rate, or federal funds rate. Amtrak pays various fees on these credit lines. As of September 30, 1999, Amtrak had drawn $50,000,000, which was repaid in October 1999. In November 1999, Amtrak replaced the $121,000,000 credit facility with a new $120,000,000 credit facility with a consortium of banks under substantially the same terms, expiring in November 2000.

Amtrak acquired a parking facility located in Chicago in exchange for a $20,000,000 promissory note bearing a fixed rate of interest and due in full in December 2003. The seller has secured a mortgage on the facility as well as an irrevocable unconditional $4,000,000 letter of credit as collateral.

At September 30, 1999, CUS was obligated to repay $1,504,000 under a noninterest bearing note payable. This remaining balance was repaid in November 1999.

Included in TSL's long-term debt at September 30, 1999, are $30,000,000 of Philadelphia Authority for Industrial Development tax-exempt private-activity bonds (Bonds) issued for the benefit of TSL's rehabilitation of 30th Street Station (Station) in the city of Philadelphia, Pennsylvania (City). The Bonds were issued on December 30, 1987, mature on January 1, 2011, and bear interest at a fixed or variable rate as stipulated in the bond indenture. Interest is payable until maturity at intervals determined under provisions in the bond indenture. No amortization of bond principal prior to maturity is required. Amtrak is required to make annual deposits into a sinking fund to be used to pay off the bonds when they mature. As of September 30, 1999, Amtrak's aggregate deposits into the fund were $4,374,000. Since the Bonds are subject to optional tender by the bondholders, TSL has executed a Liquidity Facility which provides funds to purchase the Bonds surrendered under the optional tender provisions.

TSL has an obligation of $12,097,000 to the City under an Urban Development Action Grant (UDAG) loan agreement as of September 30, 1999. Principal is being repaid in $130,000 annual installments each November through 2011 with the balance due in November 2012. The City's rights under the UDAG loan agreement are secured by a leasehold mortgage. The UDAG loan bears no interest.

The weighted average interest rate on all interest-bearing borrowings was 6.2% and 6.4% per annum at September 30, 1999 and 1998, respectively.

At September 30, 1999, scheduled maturities of debt over the next five years are as follows:

Year Ending September 30	Amounts (In Thousands)
2000	$ 51,641
2001	15,899
2002	24,517
2003	45,241
2004	25,241
Thereafter	460,328
	$622,867

NOTE 9: LEASING ARRANGEMENTS

Capital Leases

Amtrak leases items of equipment, primarily passenger cars and locomotives, under capital leasing arrangements. At September 30, 1999 and 1998, the gross amount of assets recorded under capital leases was $1,327,851,000 (46% for locomotives, 49% for passenger cars, and 5% for other assets), and $1,284,078,000 (44% for locomotives, 51% for passenger cars, and 5% for other assets), respectively, with accumulated amortization of $284,154,000 and $225,416,000, respectively. At September 30, 1999, future minimum lease payments under capital leases were as follows:

Year Ending September 30	Amounts (In Thousands)
2000	$ 122,297
2001	129,884
2002	126,561
2003	127,759
2004	127,018
Thereafter	1,392,750
	2,026,269
Less amount representing interest	761,939
Present value of minimum lease payments at September 30, 1999	$1,264,330

Operating Leases

At September 30, 1999, Amtrak was obligated for the following minimum rental payments, principally for station and office space, under operating leases that have initial or remaining noncancelable lease terms in excess of one year:

Year Ending September 30	Amounts (In Thousands)
2000	$ 14,772
2001	15,031
2002	14,620
2003	14,567
2004	14,638
Thereafter	106,451
	$180,079

Rent expense for the years ended September 30, 1999 and 1998 was $40,114,000 and $34,559,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

NOTE 10: CONTINGENCIES

Amtrak is involved in various litigation and arbitration proceedings in the normal course of business. While the outcome of these matters cannot be predicted with certainty, it is the opinion of management and counsel that the disposition of these matters will not materially affect Amtrak's consolidated financial statements.

Amtrak has self-insured certain risks with respect to losses for employer's liability, third-party liability, and property damage. Insurance coverage for liability losses from $2,000,000 to $498,000,000 has been procured from commercial insurance companies, either directly or as reinsurance through PRIL. The Amtrak Reform and Accountability Act of 1997 limits the amount railroad passengers may recover from a single accident to an aggregate of $200,000,000. Since non-passenger liability is not so limited, Amtrak purchases excess liability insurance limits beyond this statutory cap.

NOTE 11: RETIREMENT BENEFITS

Pension Plan

Amtrak has a qualified noncontributory defined benefit retirement plan held in trust covering nonunion employees and certain union employees. Amtrak provides medical benefits to its retirees and life insurance to some retirees in limited circumstances under its postretirement benefits. Railroad agreement employees' life insurance benefits are covered by a separate policy purchased by Amtrak. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending September 30, 1999, and a statement of the funded status as of September 30, 1999 and 1998 (amounts in thousands):

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Reconciliation of benefit obligation:				
Obligation at October 1	$122,563	$107,698	$110,370	$112,623
Service cost	5,211	4,385	4,404	3,875
Interest cost	8,908	8,009	8,242	7,490
Actuarial (gain) loss	2,711	7,189	8,115	(7,969)
Benefit payments	(4,461)	(4,718)	(4,437)	(5,649)
Obligation at September 30	$134,932	$122,563	$126,694	$110,370

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Reconciliation of fair value of plan assets:				
Fair value of plan assets at October 1	$165,968	$142,156	$ –	$ –
Actual return on plan assets	23,612	28,298	–	–
Employer contributions	78	232	4,437	5,649
Benefit payments	(4,461)	(4,718)	(4,437)	(5,649)
Fair value of plan assets at September 30	$185,197	$165,968	$ –	$ –

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Funded status:				
Funded status at September 30	$ 50,265	$ 43,405	$(126,694)	$(110,370)
Unrecognized prior service cost	2,670	3,457	21,881	23,084
Unrecognized gain	(54,415)	(52,430)	(20,573)	(29,683)
Other	(15)	(20)	–	–
Net amount recognized	$ (1,495)	$ (5,588)	$(125,386)	$(116,969)

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Weighted average assumptions as of September 30:				
Discount rate	7.25%	7.25%	7.25%	7.25%
Expected return on plan assets	10.00%	8.00%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	N/A	N/A

The pension plan's assets consist primarily of fixed income investments and listed stocks. The postretirement benefits program has no plan assets. Amtrak funds this program on a pay-as-you-go basis.

For measurement purposes, a 6.0% and 6.5% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 1999 and 1998, respectively. The rate was assumed to gradually decrease to 4.5% by 2002, and remain at that level thereafter.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 1999 AND 1998

The following table provides the components of net periodic benefit (credit) cost for the plans for fiscal years 1999 and 1998 (amounts in thousands):

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Service cost	$ 5,211	$ 4,385	$ 4,404	$ 3,875
Interest cost	8,908	8,009	8,242	7,490
Expected return on plan assets	(16,361)	(11,177)	–	–
Amortization of transition asset	–	(690)	–	–
Amortization of prior service cost	787	787	1,203	1,203
Amortization of net gain	(2,556)	(2,204)	(995)	(1,907)
Other	(5)	(205)	–	–
Net periodic benefit (credit) cost	$ (4,016)	$ (1,095)	$12,854	$10,661

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants for both plans. Gains and losses in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

Under Amtrak's postretirement benefits program, substantially all salaried employees may become eligible for medical benefits if they meet the service requirement and reach the normal retirement age while still working for Amtrak. Company-provided medical benefits are reduced when covered individuals become eligible for Medicare benefits or reach age 65, whichever comes first. Medical benefits are subject to copayment provisions and other limitations.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects (amounts in thousands):

	1% Increase	1% Decrease
Effect on total of service and interest cost component	$ 2,288	$ (1,851)
Effect on postretirement benefit obligation	$20,242	$(16,601)

Amtrak provides a 401(k) savings plan for employees. Under the plan, Amtrak matches a portion of employee contributions, subject to applicable limitations. Amtrak's expenses under this plan were $6,801,000 and $6,179,000 for the years ended September 30, 1999 and 1998, respectively.

NOTE 12: ENVIRONMENTAL MATTERS

Some of Amtrak's past and present operations involve activities which are subject to extensive and changing federal and state environmental regulations which can give rise to environmental issues. As a result of its operations and acquired properties, Amtrak is from time to time involved in administrative and judicial proceedings and administrative inquiries related to environmental matters.

In 1976, Amtrak acquired its Northeast Corridor properties. These properties had been occupied and used for many years by a railroad which had declared bankruptcy during the early 1970's. It is Amtrak's policy to capitalize recoverable remediation costs for properties acquired with existing environmental conditions, and to expense remediation costs incurred on properties for environmental clean-up matters occurring after acquisition. This reserve is periodically adjusted based on Amtrak's present estimate of the costs it will incur related to these sites and/or actual expenditures made. At September 30, 1999 and 1998, the reserve was $36,028,000 and $35,394,000, respectively. Of these amounts $35,478,000 and $34,829,000 relate to estimated capitalizable costs to be incurred as of September 30, 1999 and 1998, respectively. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. At September 30, 1999 and 1998, a deferred charge for each amount is included in the Consolidated Balance Sheets under "Other assets and deferred charges". Amtrak has not recorded any receivables for recoveries from other parties or from insurance because such recoveries are not sufficiently certain.

NOTE 13: FAIR VALUE OF FINANCIAL INSTRUMENTS

For cash and cash equivalents, and accounts receivable, the carrying amounts approximate fair value because of the short maturities of these instruments. The carrying amounts of the credit agreements, bonds, and portions of notes payable and equipment obligations approximate fair value. All charge interest at rates that are periodically adjusted to market.

The estimated fair values of remaining equipment obligations and notes payable were based upon discounted cash flow analyses using interest rates available to Amtrak and CUS at September 30, 1999 and 1998 for debt with the same remaining maturities. Although by nature interest free, the UDAG loan was also valued based upon a discounted cash flow analysis using September 30, 1999 and 1998 market interest rates. The estimated fair values of these financial instruments are as follows (amounts in thousands):

	1999		1998	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes payable	$ 21,504	$ 16,578	$ 32,070	$ 25,815
Equipment obligations	$509,250	$509,250	$258,939	$258,939
Bonds	$ 30,000	$ 30,000	$ 30,000	$ 30,000
UDAG loan	$ 12,097	$ 5,466	$ 12,227	$ 4,793

NOTE 14: SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended September 30, 1999 and 1998, Amtrak engaged in the following investing and financing activities that affected recognized assets and liabilities, but did not result in a change in cash and cash equivalents (amounts in thousands):

	1999	1998
Net increase in obligation due to third-party lenders in connection with the construction of facilities and equipment	$169,778	$257,778
Capital lease obligations incurred in connection with the leasing of equipment	$ 51,921	$116,668

Cash interest (net of amounts capitalized) of $84,848,000 and $84,972,000 was paid during the years ended September 30, 1999 and 1998, respectively.

MANAGEMENT REPORT

Management is responsible for the preparation and integrity of the consolidated financial statements presented in this Annual Report. These statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and necessarily include some amounts that are based on management's best estimates and judgment. Management considers that the financial statements present fairly Amtrak's financial position, results of operations, and cash flows.

To meet its responsibility, management maintains a comprehensive system of internal controls, policies, and procedures to assure the proper authorization of transactions, the safeguarding of assets, and reliability of financial information. The system provides reasonable assurance, not absolute, that the related records fairly reflect all transactions in accordance with management's authorization, and are properly recorded so that reliable financial records are maintained and reports can be prepared. The concept of reasonable assurance is based on the recognition that the cost of a system of internal controls must be related to the benefits derived.

An important part of the internal controls system is Amtrak's intent to maintain a high standard of ethical conduct in all business activities. Internal accounting controls, operating controls, as well as a corporate rules of conduct and a business ethics policy, are documented and communicated to all levels of management.

The Board of Directors reviews the system of internal controls and financial reporting. The Board meets and consults regularly with management, the internal auditors, and the independent accountants to review the scope and results of their work. The accounting firm of KPMG LLP has performed an independent examination of the financial statements and has full and free access to meet with the Board, without management representatives present, to discuss the results of the audit.

Arlene Friner

George D. Warrington
President and Chief Executive Officer

Arlene Friner
Chief Financial Officer

PERFORMANCE INDICATOR	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Revenues: *(in millions of dollars)*										
Transportation	855	887	856	870	809	808	838	895	928	983
Food & Beverage	75	78	74	73	71	66	63	69	73	75
Passenger Related	930	965	930	943	880	874	901	964	1,001	1,058
403B Services	13	16	21	26	33	36	64	70	83	100
Commuter Fees	76	80	81	84	83	92	84	72	74	73
Freight	18	15	16	16	17	19	18	16	18	19
Real Estate	39	40	34	42	38	31	38	55	35	52
Mail Baggage & Express	38	47	48	53	59	61	67	70	83	98
Other	46	32	16	22	42	64	41	94	98	96
Other	230	230	216	243	272	303	312	377	391	438
Commuter Operating	90	99	116	162	184	213	234	242	260	261
Reimbursable	58	65	63	55	77	107	108	91	91	94
Federal payments[1]	-	-	-	-	-	-	-	-	542	191
Total Revenue	**1,308**	**1,359**	**1,325**	**1,403**	**1,413**	**1,497**	**1,555**	**1,674**	**2,285**	**2,042**
Expenses by Major Accounts: *(in millions of dollars)*										
Salaries, Wages, and Overtime	738	733	746	811	856	865	857	893	1,011	1,005
Employee Benefits	338	342	330	343	349	355	354	377	407	415
Postretirement Benefits	-	-	-	-	101	-	-	-	-	-
Employee Related	21	20	20	24	24	21	25	29	30	36
Facility and Office Related	144	140	148	149	153	172	181	187	190	203
Train Operations	381	408	382	359	358	321	321	365	356	382
Maintenance of Way Goods and Services	40	40	42	43	45	73	59	46	52	56
Advertising and Sales	93	96	92	90	91	90	109	98	102	109
Financial	72	79	81	102	185	144	149	160	181	187
Depreciation	182	203	206	206	245	230	238	242	294	329
Restructuring Charges	-	-	-	-	71	15	-	-	-	-
Other Expenses	3	20	(10)	7	12	19	25	39	15	22
Total Expenses	**2,012**	**2,081**	**2,037**	**2,134**	**2,490**	**2,305**	**2,318**	**2,436**	**2,638**	**2,744**
One-time Charges	-	-	-	-	244	-	-	-	-	-
Total Expenses Excluding One-Time Charges[2]	**2,012**	**2,081**	**2,037**	**2,134**	**2,246**	**2,305**	**2,318**	**2,436**	**2,638**	**2,744**
Operating Loss	**(704)**	**(722)**	**(712)**	**(731)**	**(833)**	**(808)**	**(763)**	**(762)**	**(353)**	**(702)**
Exclude Federal Payments and Related Interest	-	-	-	-	-	-	-	-	(577)	(214)
Operating Loss Restated[3]	**(704)**	**(722)**	**(712)**	**(731)**	**(833)**	**(808)**	**(763)**	**(762)**	**(930)**	**(916)**
Federal Grants: *(in millions of dollars)*										
Federal Operating Grant	520	343	331	351	352	392	285	223	202	-
Excess Railroad Retirement Taxes	-	145	150	147	150	150	120	142	142	-
Federal Capital - Interest	-	-	-	-	-	-	-	42	-	-
Federal Capital - Progressive Overhaul & Other	-	-	-	-	-	-	36	37	82	587
Total Federal Grants	**520**	**488**	**481**	**498**	**502**	**542**	**441**	**444**	**426**	**587**
Net Loss	**(184)**	**(234)**	**(231)**	**(233)**	**(331)**	**(266)**	**(322)**	**(318)**	**(504)**	**(329)**
Noncash	182	203	206	206	255	254	240	248	405	337
Budget Result	**(2)**	**(31)**	**(25)**	**(27)**	**(76)**	**(12)**	**(82)**	**(70)**	**(99)**	**8**

PERFORMANCE INDICATOR	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	
Federal Grants Appropriated: *(in millions of dollars)*											
Federal Operating Grant	520	343	331	351	352	392	285	223	202	-	
General Capital Funding	84	132	175	190	195	230	230	223	-	609	
NECIP / NHRIP Funding	24	179	205	204	225	200	115	175	250	-	
High-Speed Rail	-	-	-	-	-	-	-	80	-	-	
Taxpayer Relief Act	-	-	-	-	-	-	-	-	2,184	-	
Federal Grants Drawn: *(in millions of dollars)*											
Federal Operating Grant	520	343	331	351	351	392	286	223	202	-	
General Capital Funding	39	186	173	114	140	264	213	238	134	243	
NECIP / NHRIP Funding	20	37	180	117	110	125	264	339	417	25	
High-Speed Rail	-	-	-	-	-	-	-	50	30	-	
Taxpayer Relief Act	-	-	-	-	-	-	-	-	1,092	1,092	
Financial Ratios:											
Operating Ratio *(Total Expenses[2]/Revenue[3])*	**1.54**	**1.53**	**1.54**	**1.52**	**1.59**	**1.54**	**1.49**	**1.46**	**1.54**	**1.50**	
Current Assets *(in millions of dollars)*	341	270	246	234	199	223	212	221	868	937	
Current Liabilities *(in millions of dollars)*	314	306	313	334	426	372	408	521	621	627	
Working Capital Ratio	**1.08**	**0.88**	**0.79**	**0.70**	**0.47**	**0.60**	**0.52**	**0.42**	**1.40**	**1.49**	
Cash: *(in millions of dollars)*											
Year-End Cash and Cash Equivalents	77	31	36	25	24	30	21	36	275	143	
Customer Satisfaction Index:[4]											
Amtrak Systemwide	n/a	n/a	n/a	n/a	n/a	81	82	84	85	83	
Northeast Corridor	n/a	n/a	n/a	n/a	n/a	79	81	83	86	85	
Amtrak Intercity	n/a	n/a	n/a	n/a	n/a	81	83	83	81	78	
Amtrak West	n/a	n/a	n/a	n/a	n/a	87	87	87	85	86	
On-Time Performance:											
Total System	76%	77%	77%	72%	72%	76%	71%	74%	79%	79%	
Short Distance (under 400 miles)	82%	82%	82%	79%	78%	81%	76%	79%	81%	80%	
Long Distance (400 miles or more)	53%	59%	61%	47%	49%	57%	49%	53%	59%	61%	
Hours of Delay:											
Equipment Malfunctions	1,855	3,007	3,256	3,809	3,422	1,576	1,353	1,737	1,686	1,911	
Train Servicing in Stations	673	988	1,041	1,701	2,015	1,421	1,259	982	933	936	
Passenger Related Delays	1,037	1,920	2,137	2,979	3,101	2,530	2,581	2,591	2,177	2,044	
Delay Due to Amtrak	3,565	5,915	6,433	8,488	8,538	5,527	5,193	5,310	4,796	4,891	17%
Maintenance of Way/Slow Orders	1,261	3,010	2,636	4,721	4,934	4,165	4,417	4,843	5,524	5,226	
Freight Train Interference	1,252	1,479	2,033	3,923	4,699	3,360	3,459	3,749	4,169	5,807	
Signal Delays	1,732	3,254	3,560	4,183	4,686	3,699	3,562	4,312	4,509	5,125	
Delay Due to Freight Railroads	4,244	7,743	8,229	12,827	14,319	11,224	11,438	12,904	14,202	16,158	55%
Passenger Train Interference	1,056	2,631	2,971	3,803	4,175	3,551	3,105	3,434	3,799	4,083	
Waiting for Connections	1,019	1,180	1,049	1,647	1,652	446	865	483	266	51	
Miscellaneous	1,478	2,246	2,903	4,346	4,245	3,231	2,949	2,962	3,451	3,435	
Running Time	414	1,051	1,046	1,183	1,127	1,091	972	237	202	261	
Weather Related Delays	350	318	216	696	672	177	534	495	573	373	
Delay Due to Other Factors	4,316	7,426	8,185	11,675	11,871	8,497	8,425	7,611	8,291	8,203	28%
Total Hours of Delay	**12,126**	**21,084**	**22,847**	**32,991**	**34,729**	**25,248**	**25,056**	**25,825**	**27,289**	**29,252**	100%

PERFORMANCE INDICATOR	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Operating Statistics:										
Passenger Miles[5] *(in millions)*	6,057	6,273	6,091	6,199	5,921	5,545	5,050	5,166	5,304	5,330
Northeast Corridor	n/a	n/a	n/a	n/a	1,730	1,730	1,618	1,612	1,692	1,742
Amtrak Intercity	n/a	n/a	n/a	n/a	3,658	3,298	2,893	2,959	3,009	2,961
Amtrak West	n/a	n/a	n/a	n/a	533	517	539	595	603	627
Seat Miles *(in millions)*	12,052	12,251	11,955	11,914	11,972	11,939	10,902	11,094	11,426	12,064
Northeast Corridor	n/a	n/a	n/a	n/a	4,085	4,327	4,004	3,956	4,127	4,382
Amtrak Intercity	n/a	n/a	n/a	n/a	6,646	6,288	5,528	5,728	5,851	6,101
Amtrak West	n/a	n/a	n/a	n/a	1,241	1,324	1,370	1,410	1,448	1,581
Load Factor *(Passenger Miles/Seat Miles)*	50%	51%	51%	52%	49%	46%	46%	47%	46%	44%
Northeast Corridor	n/a	n/a	n/a	n/a	42%	40%	40%	41%	41%	40%
Amtrak Intercity	n/a	n/a	n/a	n/a	55%	52%	52%	52%	51%	49%
Amtrak West	n/a	n/a	n/a	n/a	43%	39%	39%	42%	42%	40%
Amtrak Systemwide Route Miles *(in thousands)*	24	25	25	25	25	24	25	25	22	23
Northeast Corridor	n/a	n/a	n/a	n/a	2	2	2	2	2	2
Amtrak Intercity	n/a	n/a	n/a	n/a	21	20	21	21	18	19
Amtrak West	n/a	n/a	n/a	n/a	2	2	2	2	2	2
Train Miles *(in millions)*	33	34	34	35	34	32	30	32	33	34
Passenger Miles Per Train Mile (PM/TM)[5]	183.3	184.5	176.8	177.6	172.6	171.7	168.3	161.4	160.7	156.8
Ticket Yield (Ticket Revenue per Pax Mile)[5] *(cents)*	14.5	14.5	14.3	14.3	14.0	14.9	16.9	17.7	17.8	18.9
Yield (Pax Related Revenue per Pax Mile)[5] *(cents)*	15.4	15.4	15.3	15.2	14.9	15.8	17.8	18.7	18.9	19.8
Average Trip Length of Passengers *(miles)*	273.0	284.1	285.2	280.9	271.1	267.6	256.9	255.8	251.5	247.8
Total Revenue per Seat Mile[3] *(cents)*	10.9	11.1	11.1	11.8	11.8	12.5	14.3	15.1	14.9	15.2
Total Expense per Seat Mile[2] *(cents)*	16.7	17.0	17.0	17.9	18.8	19.3	21.3	22.0	23.1	22.7
Core Revenue per Seat Mile[6] *(cents)*	n/a	n/a	n/a	n/a	9.4	9.5	10.9	11.1	11.3	11.6
Core Expense per Seat Mile[2] *(cents)*	n/a	n/a	n/a	n/a	16.8	16.7	18.0	18.9	18.9	19.3
Ridership (Passenger Trips): *(in millions)*										
Northeast Corridor	11.2	10.9	10.1	10.3	11.7	11.6	11.0	11.1	11.9	12.3
Amtrak Intercity	11.0	11.1	11.2	11.8	6.3	6.1	5.4	5.4	5.6	5.5
Amtrak West	*Intercity & West ridership are combined in the above number*				3.1	3.0	3.3	3.7	3.6	3.7
Amtrak System	**22.2**	**22.0**	**21.3**	**22.1**	**21.2**	**20.7**	**19.7**	**20.2**	**21.1**	**21.5**
Contract Commuter Passenger Trips[7] *(in millions)*	18.0	18.1	20.3	32.9	39.5	42.2	45.9	48.5	54.0	58.3
Total Ridership (Amtrak & Commuter) *(in millions)*	40.2	40.1	41.6	55.0	60.7	62.9	65.6	68.7	75.1	79.8
Stations Served by Amtrak	516	523	524	535	540	530	542	516	508	510

PERFORMANCE INDICATOR	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Locomotive Units:										
Operating Fleet[8]	318	316	336	360	338	313	299	332	345	329
Available for Service (Year-End Daily Average)[9]	84%	86%	83%	84%	85%	88%	88%	88%	88%	90%
Diesel Units (New Deliveries)	-	-	20	26	18	10	-	111	35	-
Electric Units (New Deliveries)	-	-	-	-	-	-	-	-	-	-
Year-End Average Age of Locomotives (Years)	12.0	13.0	13.0	13.2	13.4	13.9	14.4	12.0	12.6	12.8
Passenger/Other Train Cars:										
Operating Fleet[8]	1,863	1,786	1,796	1,853	1,852	1,722	1,730	1,728	1,962	1,992
Available for Service (Year-End Daily Average)[9]	90%	92%	90%	89%	88%	90%	90%	91%	93%	91%
Cars (New Deliveries)	58	-	-	-	64	76	105	104	434	180
Superliner	58	-	-	-	64	72	56	-	-	-
Viewliner	-	-	-	-	-	4	36	10	-	-
Non-Passenger Roadrailer Vans	-	-	-	-	-	-	13	44	234	180
Non-Passenger Express Cars	-	-	-	-	-	-	-	50	200	-
Year-End Average Age of Cars (Years)										
Passenger Cars	20.0	21.0	21.5	22.6	22.4	21.8	20.7	19.8	21.1	22.2
Non-Passenger Cars	-	-	-	-	-	-	-	20.5	13.4	12.1

NOTES:

1 Includes federal payments received related to grants and Taxpayer Relief Act funds.

2 FY94 expenses exclude one-time charges of $243.8 Million consisting of restructuring cost ($71.5M), prior year postretirement benefits ($90.6M), and casualty and accident liability ($81.6M).

3 Federal payments received related to grants and Taxpayer Relief Act funds, plus interest earned ($34.6M and $23.1M in FY98-99, respectively) on Taxpayer Relief Act funds drawn are included in revenues, but excluded from the budget result as well as the applicable revenue-based operating statistics.

4 The overall Customer Satisfaction Index (CSI) is a calculated number based on a 100-point scale. The CSI indicates the level of customer satisfaction with overall service delivery. FY95 numbers are based on an average of May-September 1995.

5 Passenger Miles do not include contract commuter passengers.

6 FY98-99 core revenues exclude interest income earned on Taxpayer Relief Act funds drawn.

7 FY93-96 amounts have been restated to conform with subsequent years' amounts.

8 Includes active units only.

9 Available for Service Units are Active Units less Backshop Units undergoing heavy maintenance and Bad Ordered Units undergoing progressive maintenance and running repairs.